



**GMTV RESPONSE – DCMS Consultation: Sustainable independent and impartial news;
in the Nations, locally and in the regions**

Submission deadline 22nd September 2009

GMTV Limited welcomes the opportunity to respond to this consultation. GMTV Limited is the national breakfast time licensee and broadcasts news and current affairs programming on weekday mornings which includes local news. Our responses to the questions posed in the consultation follow.

1. *Do you agree that securing plural sources of impartial news for the Nations, locally and in the regions should be a key priority?*

We believe that the plurality of impartial news in Nations regionally and locally is indeed a key priority and would specifically mention the following:

- 1.1 research commissioned by Ofcom shows that the public values the above-mentioned plurality;
- 1.2 there is an obvious danger to democracy if the only source of local, regional or national news is an organisation publicly funded and therefore not immune from having its funding (and thus the nature of news service it provides) affected by the political will of the Government of the day;
- 1.3 the above-mentioned plurality is in fact one of the reasons that the Channel 3 national breakfast licence came into existence and since becoming the national breakfast licensee we have provided a weekday alternative to the BBC delivering news for the nations, regions, and also nationally.

2. *Do you agree that sustainable, impartial news in the Nations, locally and in the regions is likely to require some top-up public funding?*

We believe that top-up funding is required to sustain the aforementioned impartial news services. We would note that there has been some consolidation of regional news services provided by Channel 3 licensees (including us as national breakfast licensee) and suggest that funding issues affecting news services on Channel 3 have led to them becoming less local. As a result of this, it may already be the case that in certain areas of the United Kingdom it is difficult to argue that Channel 3 facilitates real plurality, in that the BBC is offering a significantly more local news service.

3. *Do you agree that the Television Licence Fee should be used to support impartial news in the Nations, locally and in the regions in addition to BBC services?*

Our view, particularly in light of the funding issues at present being faced by Channel 3 licensees and the lack of any certainty of any recovery in the television advertising market, is that, if the plurality which it is almost universally agreed is desirable is to be achieved, the most appropriate source of these funds would appear to be the Television Licence Fee. We note that although historically the Television Licence Fee has been applied exclusively to support services

offered by the BBC there is no statutory or regulatory prohibition on it being applied to support other public news services. We note that the BBC now suggests that Licence Fee payers would prefer a reduction in the Licence Fee to the application of part of it to support non-BBC news services. Our submission is that the research commissioned by the BBC was conducted in such a manner so as to virtually guarantee an apparent preference for a reduction in the Licence Fee and so we find the BBC's promulgation of that element of that research somewhat disingenuous. The use of the Television Licence Fee for this purpose would avoid the difficulty of having to reallocate or re-purpose public funds. Further, such an approach would avoid the uncertainty of funding having to be raised by the expansion of commercial opportunities for PSB licensees, something which research indicates the public would be unlikely to favour.

4. ***Do you agree that any funding within a contained contestable element of the television Licence Fee not required for impartial news should potentially be available to fund other forms of essential public service content, or should such funding be limited to news?***

Our view is that given the aforementioned news services, having been identified as a priority by each of research, the industry regulator and PSB broadcasters themselves, any contestable element should be applied to news services as a priority. To the extent there is any surplus it appears to us that there should be no prohibition to the application of that surplus to other forms of essential public service content. An area which has already been identified as being potentially in need of additional funding is children's programming, particularly that which is produced in the UK. Our view is that as the market for children's programming continues to fragment there is a risk that what we would consider essential public service content may require a subsidy of sorts. It follows we would likely support any surplus containable contestable element being applied to areas such as UK produced children's programming.

5. ***Are there alternative funding mechanisms that you believe would deliver the above objectives more effectively?***

Our view is that in the short to medium term, the objectives referred to will only be achieved by means of top-up public funding, in our view best raised from the Television Licence Fee. That said, we would be reluctant to see any funding model which left news services entirely dependent on that public funding as it would introduce concerns as to funding being affected by the Government of the day and political will. It is in our view essential to ensure that the more substantial part of the funding for local news services can be generated commercially and that a model is developed which ensures that those who benefit from local news gathering and publishing services make an appropriate contribution from revenue raised from commercial opportunities.

6. ***Do you agree with the proposal to set a maximum percentage of Television Licence Fee revenue which could be set aside as a contained contestable element?***

There appears to us no particular logic in setting a maximum percentage. The priority must be to ensure that the level of funding available as a contained contestable element is agreed by those providing local, regional and national news as being sufficient to ensure the public receives the aforementioned news services in appropriate quantity and quality. If it is felt there is a need to ensure a degree of certainty by means of a ceiling, our view is that a ceiling set at approximately 5% of the Licence Fee would appear more appropriate but this will, of course, depend on the funding model or models adopted finally.

7. ***Do you agree that amending the BBC Agreement could provide the necessary protection to the BBC's future funding and independence?***

Our view is that the BBC Agreement could be so amended to provide such protection.

8. ***Do you agree that the use of any contained contestable element within the Television Licence Fee should be restricted to the public purposes set out in the BBC Charter?***

Given the link in the mind of the public between the Television Licence Fee and the BBC and the fact that it is raised in effect by taxation, we would agree with the proposition that the funds should be applied only for the public purposes set out in the BBC Charter.

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