

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

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Comment (max. 4000 characters)

Local, regional and national news are key elements of a democratic society and a vital public service to allow citizens to be more engaged with their communities and to hold authority to account. Local and regional news can help to build and strengthen community cohesion. A greater plurality of sources helps to provide for a wider range of views - contributing to the democratic process - and to maintain quality.

**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?**

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Comment (max. 4000 characters)

We agree that the provision of sustainable, impartial news in the Nations, regions and locally will require some additional funding - although there are many possible sources for that funding and it does not follow it HAS to be public funding.

Commercial public service broadcasters face financial problems - Ofcom estimates we face a funding gap of between £145m and £235m a year, just to maintain the current levels of service on channels like ITV, Channel 4 and Five - as a result of both changing habits in viewing and advertising and, at the moment, the particular impact of the recession on advertising revenues. As a result of the fragmentation of audiences there is a decline in the advertising yield to commercial public service broadcasters. Making quality local, regional and national news is expensive - and current providers have made a case that they can no longer afford to sustain current levels beyond 2012.

We would be concerned to see public subsidy used by profitable companies to return money to shareholders so believe strict safeguards in respect of public subsidy need to be built in to ensure viewers and citizens benefit.

We believe the greatest benefit for the lowest cost could be achieved by any public subsidy going to existing providers, using the skills and experience of staff and the economies of scale of a single provider for the English Regions.

We believe that top-up funding can come from a number of sources without the need to top slice the licence fee.

**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?**

Yes	
No	<b>x</b>

Comment (max. 4000 characters)

The BBC should be in exclusive receipt of the licence fee. Proposals to top slice the licence fee would reduce the BBC's independence by making it easier for a future government to 'punish' the BBC by allocating part of its settlement to other more acceptable broadcasters; would break the direct link between the fee paid and the service provided; would lead to a reduction in the scope, range and quality of BBC programmes.

The experience of such top slicing in other countries is that whilst it has begun as a small percentage of the licence fee/funding it has rapidly grown, undermining the principle public service broadcaster. In this respect the proposals represent the thin end of the wedge.

**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?**

Yes	
No	<b>x</b>

Comment (max. 4000 characters)

We do not agree with the principle of top-slicing the licence fee. We also have concerns about the concept of a contained element - in no other countries has experience shown that it has been possible to contain the element of top-slicing once the principle has been established.

The very question already suggests that there would be numerous and growing calls for the top-sliced money and therefore the pressure would grow to increase the contained element.

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

Yes	<b>x</b>
No	

Comment (max. 4000 characters)

Industry levies provide a clear alternative to top-slicing the BBC. Such a levy would represent additional funding going in to public service broadcasting instead of spreading existing funding ever thinner.

Ofcom's own research showed that levies were a popular form - "the most acceptable form" - of possible funding.

As the digital revolution gathers pace, huge revenues are being made by pay-TV operators, internet service providers and consumer hardware manufacturers – all by consumers' desire to watch high quality programmes on new platforms.

Added to the advertising income made by non-public service commercial broadcasters, these revenues dwarf those of the public service operators who are responsible for 90% of the UK-originated content available on our screens. Despite making big money, the commercial rivals are investing very little in producing programmes.

Twenty percent of homes now have a digital TV recording device that allows them to record programmes and skip through ads. Demand for these devices is dependent on the availability of quality content. They also undermine the business case for ITV, Channel 4 and Channel 5 advertising.

Almost every other European country applies a levy to recording devices, but we are told that it is politically unthinkable to have one here. Industry estimates suggest this could raise £176m a year that could go into content creation.

Similarly, even in a pay-TV household, the average viewer spends 80% of their time watching the public service stations. Without BBC, ITV/STV/UTV, Channel 4 and Five on their platforms, the pay-TV providers would struggle to reach a fraction of the £4.3bn that they earned in 2007. We are almost the only country in Europe that doesn't insist pay-TV stations should pay public service broadcasters retransmission fees.

Applying a tiny 1% levy would raise more than £70m for content creation. A 1% levy on mobile phone operators would raise £208m for content creation.

The same is true with internet service providers. Again, public service broadcasters' content, such as that provided through the BBC iPlayer, has had a significant impact on the demand for faster home broadband. 14.2m UK households now have a fast connection and pay a hefty monthly fee for it. Adding one annual £5 levy per connection would raise £71m towards UK-originated public service broadcast content.

We are told these levies are politically impossible and would drive up the costs of services. Yet in countries where they are imposed, we find that the cost to the consumer is often lower. Only 5 of 27 European countries do not have a levy to fund public service broadcasting.

It is an indictment of our public policy processes that content-related industries are mushrooming in size while the revenues available to content creators is tumbling. It is a betrayal of our obligation to ensure that we have a pluralistic, diverse and independent news media.

Levies offer a means of plugging the funding gap that is emerging. The solution is there; what is needed is the political will to implement this type of policy.

We also believe greater consideration should be given to using the proceeds of a spectrum tax to fund public service broadcasting rather than the monies being returned to the treasury. This could provide a new source of arms-length funding that would not undermine the BBC.

**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?**

Yes	
No	

Comment (max. 4000 characters)

We do not agree with any proposal for a 'contained contestable element'.

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

Yes	
No	<b>x</b>

Comment (max. 4000 characters)

No - the proposed amendment could not adequately protect the BBC against future raids on its funding by future governments.

The appropriate time to discuss any amendments to the Charter would be at the point of Charter renewal.

**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?**

Yes	
No	

Comment (max. 4000 characters)

We do not agree with any proposal for a 'contained contestable element'.