



Question	Your response
<p>Question 5: What are the options for future funding of PSM and are there lessons we can learn from other countries' approaches?</p>	<p>There are at least three sorts of pressures that make it difficult for commercial broadcasters to deliver public service content in the digital world: audience fragmentation; competition from new players; and declining advertising revenues. These pressures have only intensified as we have moved to the fully digital era, in which stream services offered by tech giants get audiences' attention. Ofcom's reports in the last decade or so demonstrate it will be hard for commercially funded broadcasters to sustain their public service obligations. This has initiated a debate on whether something should be done about it. This debate has gathered pace in the UK but little attention was paid to whether this situation was unique to the UK. One should look for a European perspective on the current UK debate about the prospects for a plurality of public service provision.</p> <p>The current licence fee arrangement tying funding for the BBC to reception equipment is clearly reaching the end of the road as technology diversifies pathways to access, delegitimises collection, wastes much-needed resources in enforcement, and damages the BBC's reputation. A household levy, similar to the one in operation in Germany, would provide funding stream stability and future-proof the BBC, enabling its political independence, longer term planning and creative risk taking – three essential features of the public service media provision. Collecting the household levy through the council tax would improve efficiency and stress the public service character of a universal BBC delivering on set public purposes. It would also disassociate in some people's minds funding the BBC from what they perceive as paying a compulsory subscription to a service they claim they do not use. A household levy adjusted regularly based on a formula would make the licence fee settlement less politically charged, safeguarding the political and market independence of the BBC, and reverse the BBC's</p>

wasteful constant campaigning for resources and legitimacy.

The German model is not without its weaknesses. Governments can still exert political pressure on the BBC by threatening to divert public service media funding to other entities. As the recent failure to reach an agreement across German state parliaments demonstrates, there is scope for friction as well. Conversely, this is evidence of transparency and accountability.

A subscription model for the BBC runs counter to fundamental public service principles, such as universality of provision, and would quickly undermine the scale of the organisation that secures its political independence, enables creative risk-taking, sustains innovation, and underpins the delivery of certain services that assume scale to materialise cost-effectively or at all.

As markets and players become increasingly global, national policies and regulation are not fit for purpose any more. Public intervention remains desirable, and if it is to be credible, efforts will have to be coordinated at the supranational level to present a united front to establish a level playing field in negotiations with disproportionately powerful global players.

Freedman, D., & Goblott, V. (Eds.). (2018). *A future for public service television*. Goldsmiths Press.

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Public Service Alliance (2021), Licence fee increase for German public broadcasters rejected, 8 January,
<https://www.publicmediaalliance.org/licence->

	fee-increase-for-german-public-broadcasters-rejected/
<p>Question 6: What do you think about the opportunities for collaboration we have referred to? Are there other opportunities or barriers we haven't identified?</p>	<p>In the face of global competition and challenges foregrounded by the COVID-19 pandemic, the role of public service media that meet pre-defined criteria and deliver on set public purposes is more important than ever culturally, politically, socially, and economically. Synergies between established public service media organisations and across the sector would be welcome and necessary creatively and financially, but that is not a substitute for secure public funding at levels that guarantee the scale and scope of the continued central role of established public service media.</p> <p>Overreliance on strategic partnerships may compromise the character of public service provision in favour of predominantly commercial considerations. While the business case for competitive PSM may be compelling, simply producing more of what is already abundantly available on global SVOD platforms generates less value than what PSM is intended to do.</p> <p>Yet, once again, the BBC should be enabled and encouraged to lead in strategic partnerships that focus on a reimagined role for public service media provision in the 21st century. Rather than reducing the BBC to market fixing, the BBC should actively pursue market shaping for social, cultural, and economic benefits. The BBC championing initiatives for a public service internet in the UK and through the European Commission's Next Generation Internet initiative is a case in point.</p> <p>Next Generation Internet (NGI) https://www.ngi.eu</p> <p>Barwise, P., & York, P. (2020). <i>The war against the BBC: How an unprecedented combination of hostile forces is destroying Britain's greatest cultural institution ... and why you should care</i>. Penguin Random House UK.</p> <p>Mazzucato, M., Conway, R., Mazzoli, E. M., Knoll, E., & Albala, S. (2020). <i>Creating and measuring dynamic public value at the BBC: A scoping report</i> (IIPP WP 2020-19). UCL Institute for Innovation and Public Purpose.</p>

Question 7: What are your views on the opportunities for new providers of PSM?

The transition of the traditional PSBs into PSM signals the widening of their remit to be available in more delivery platforms for producing and distributing public service content. Cross-platform strategies help PSM retain audience share, reach new audiences, and develop on-demand services, while enabling them to create a stronger partnership with civil society and serve an extended form of citizenship.

While broadcasting is not as useful a term as it used to be, 'public service media' is not properly defined. Vague references to public interest content and providers confuse matters further. A useful definition would have to include set public service objectives to be met by providers claiming the PSM status that would qualify them to public funding.

Contestable funding would reduce the capacity of the BBC to remain politically independent, to innovate and to take creative risks. Scale is important in achieving these, and diversifying the public service media provision would not possibly compensate for the loss of that scale if more players assume fragmentation of scarce resources. Securing more funding for alternative PSM without defunding the BBC would be welcome. A more open BBC that works closely with communities and constituencies would also extend its role as a public service media infrastructure for the UK.

Institutional competition for public service provision and top-slicing BBC's revenue to subsidise other broadcasters in the UK risks becoming unacceptable if this implies a weaker BBC, which commands worldwide respect and remains Britain's most powerful global brand. Politicians should start thinking seriously of other forms of funding such as industry levies, which may not appear politically popular but could help bridge the funding gap which PSBs will face in the digital era.

The vigorous UK debate on public service plurality of institutions and plurality of funding has not so far featured in many other European discussions. Plurality in European PSB systems other than the UK is seldom conceptualised in the same terms, for what prevails in Europe is plurality of content rather than plurality of

providers. Where PSB providers plurality is observable in the European countries beyond the UK (Germany), it is more likely to be a function of underlying political and constitutional structures rather than an actively-managed regulatory outcome. Generally, PSB ecologies in European countries are tending towards greater consolidation, rather than increased plurality of providers.

Iosifidis, Petros (2010) 'Pluralism and Funding of Public Service Broadcasting Across Europe' in Petros Iosifidis (ed.) *Reinventing Public Service Communication: European Broadcasters and Beyond*, London: Palgrave Macmillan, pp. 23-35.