



**Question**

**Question 1: Do you agree that a new regulatory framework for Public Service Media (PSM) delivery should support a more flexible 'service neutral' delivery approach that is more outcomes focused?**

**Your response**

MRC has long argued that applying public service obligations solely to broadcast is anachronistic, and that the framework needs to be rethought for the digital age. We support a new cross-platform regulatory framework that recognises changes in audience behaviour, the new opportunities for participation online, and the need to improve the quality and reliability of online news and current affairs. However, any new cross-platform framework must consider the following:

- A service neutral approach must recognise the digital divide, and how class and generational differences may be exacerbated if the variety and quality of TV and radio content are reduced as a result, since this is still where the majority of elderly and low income people access news and entertainment. If PSM are left to determine themselves which platform is best placed to carry which content, these decisions must be accompanied by rigorous, publicly available equalities impact assessments which are regularly reviewed by the regulator. There must also be public investment to ensure broadband is equally accessible to all.
- Determining whether obligations have been met across multiple platforms will inherently be more complicated than within broadcast alone. There must be public consultation not only on what these obligations should be, but also on how they will be measured and how this data will be made available to Ofcom, academic researchers and the public.
- A move towards measuring outcomes must be accompanied with a significant tightening of the framework in line with core public service principles, so it does not become an opportunity to water down these obligations.

Given the vast potential of digital technologies to impact upon the media ecology more generally –

	<p>in both positive and negative ways – ensuring that we have a digital public service media system that is available to and will address the interests of all audiences and can embed public service principles into its foundational premise is crucial to our public technological futures.</p>
<p><b>Question 2: Do you agree with our proposals for a clear accountability framework?</b></p>	<p>MRC believes that accountability lies at the core of the concept of public service media, and certainly support the principle of having a clear accountability framework. However, the framework offered in the accompanying guidance does not seem to offer this clarity, and does not mention key areas such as the assessment of the extent to which PSM are serving their audiences as citizens as well as consumers. We also have concerns that Ofcom itself lacks capacity to effectively enforce meaningful accountability of this kind.</p> <p>MRC has proposed a number of measures which would lead to far deeper public accountability among PSM, such as:</p> <ul style="list-style-type: none"> <li>- Governing bodies of all public media providers (i.e. both existing PSBs and any future public models) should be elected by citizens and should include staff representation.</li> <li>- An independent non-market regulator should oversee the constitution of the organisations involved, standards of democratic governance, journalism and programme making. It should also be responsible for overseeing the funding available to public media providers, acting solely in the public interest.</li> <li>- Programme making and editorial functions should be decentralised and devolved to the nations and the regions of the UK with a system of localised, democratic management. Regional boards should be elected by staff and citizens in the same manner as the national board and run democratically.</li> </ul>
<p><b>Question 3: What do you think should be included in the PSM ‘offer’?</b></p>	<p>We believe that the core offer of PSB as it stands, in terms of mix of programming, balance of news and entertainment etc., is generally robust and should form the basis of the PSM</p>

	<p>offer. The problem, in our view, lies not in the offer itself, but in the impact of funding cuts (e.g. reducing the ability of PSB to undertake investigative journalism), lack of diversity and representation within the workforce, and increasing commercial pressures that mean that PSB are willing to take fewer creative risks. A renewed PSM offer must affirm non-commercial principles, and the specific role that nonprofit-driven media can play in addressing social inequalities.</p> <p>In terms of how the PSM offer might be expanded in a digital context, there are many well developed proposals e.g. for non-commercial interlinking platforms and applications to be developed in the public interest, and for a public search engine to act as an alternative to Google. What is crucial here is that any expansion involves broad-based consultation as to how the concept of public service should translate into new areas, and centres the principle of maximising the public interest, rather than the concerns of commercial competitors about the possible market impact of PSM moving into new areas.</p>
<p><b>Question 4: What options do you think we should consider on the terms of PSM availability?</b></p>	<p>The guidance mentions commercial factors such as the possible negative impacts on commercial providers of new availability and prominence rules. We believe that centring commercial competitors in this way undermines what is truly valuable about PSM. The academic evidence is clear that, far from inhibiting commercial competitors, a well-funded PSM sector which is enabled to innovate has largely positive effects on the entire industry. Yet in the last 15 years, concerns about ‘market impact’ have shut down Project Kangaroo (which would have provided the joint PSB video on demand platform that the consultation guidance recognises as missing) as well as the BBC Jam education platform (which would have been invaluable in the context of the pandemic). Such short-sighted decisions to stymie innovation would likely not have been made had the guiding principle been maximising the public interest, rather than serving ‘the market’. Decisions about availability and prominence rules, therefore, must prioritise the needs of the public over those of commercial competitors in order to avoid similar mistakes.</p>

	<p>The Media Reform Coalition has long argued that the application and adaptation of public service principles in the digital age necessarily means the provision of public platforms free from commercial influence and user surveillance, as well as the production of PSM content. As such, the central principle on the question of ‘availability’ is one of universal access to PSM platforms that deliver PSM. While arrangements under which PSB content is made available through commercial TV platforms could be maintained in the short term so as to ensure audience reach for PSM content, the longer term goal should be a move away from partnership with commercial outlets towards a public first approach that incentivises partnerships between public platforms and producers, and with other public and non-commercial bodies, and which prevents commercial interests exploiting PSM content or inhibiting innovation in the public interest. In short, the guiding principle should be maximising the public interest, rather than serving ‘the market’.</p>
<p><b>Question 5: What are the options for future funding of PSM and are there lessons we can learn from other countries’ approaches?</b></p>	<p>The Media Reform Coalition does not believe that the status quo in terms of the funding of the BBC is satisfactory. The license fee system has the advantage that all the BBC’s domestic audience is in economic terms equally important, in contrast to market-based funding systems. But we do not believe that it affords political independence. Governments have always set the rate of the license fee, which has meant that the BBC’s major source of funding has always been highly politicised.</p> <p>The television licence fee is, moreover, an outdated and regressive means of financing public media; it is regressive in that it is a flat ‘tax’ paid for by virtually all households irrespective of their economic status, and outdated because it remains a television licence fee at a time when audio visual content is increasingly delivered online. We would like to see a more progressive mechanism, meaning one that acknowledges socio-economic differentials (such as the public service broadcasting tax in Finland or the household levy in Germany), but also one that is relevant to a digital world. We need, at the very least, a digital</p>

	<p>licence fee, payable by all households that maintains the tradition of universal funding, but which recognises important differences in the ability to pay.</p> <p>A new digital licence fee would have to ensure equity and universal access. Such a system would also have to be underpinned by universal public digital infrastructure. With the shift towards digital delivery, it is vital in order to maintain universality in PSM, as well as to guarantee citizens' equal rights to access information, that high quality broadband is made universally available. A public guarantee of full-fibre broadband to all households should therefore underpin a new public digital media system.</p> <p>Digital giants should contribute financially to maintaining a public interest news ecology through hypothecated taxation. One way of doing this would be through a levy imposed on the country-specific revenues of companies with more than a 20% share of online search or social networking markets. The money could be redirected to an independent public funding body and targeted at those vehicles and forms of public interest journalism that have become increasingly squeezed in the digital news environment. To ensure that new money does not simply rescue failing legacy providers or reinforce concentration of ownership but rather extends plurality, this money would need to be directed towards new models of not-for-profit, public interest journalism.</p>
<p><b>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?</b></p>	<p>As discussed in the <a href="#">Puttnam report</a>, cultural institutions such as the National Theatre and the Tate are already producing their own media content, and there is great potential for collaborations between legacy PSBs and institutions of this kind. What is important, however, is that this does not become a way of subsidising commercial ventures. The BBC's Local News Partnerships have unfortunately often served to prop up failing newspapers which do not adequately serve their audiences, and also been associated with job losses as companies have found they can get the content they need at the public's expense. Collaborations should always be designed in such a way that they</p>

	<p>embed principles of public service into a broader range of media producers, rather than embedding commercial principles within PSM.</p>
<p><b>Question 7: What are your views on the opportunities for new providers of PSM?</b></p>	<p>We welcome the prospect of expanding the number of providers producing public service content, which we believe will be of benefit both the public and to the media industry as a whole. However, the expansion of providers must not become an opportunity to reduce accountability or watered-down standards. For example, the outsourcing of the production of content for the BBC and Channel 4 to independent production houses increasingly benefits a small number of super indies, often ultimately owned by US conglomerates. Independent producers of PSM content must themselves hold high standards, in terms of worker rights and equality and diversity, and positively contribute to economic development within the UK, e.g. through being taxed domiciled here, and situated within regions in need of investment.</p> <p>There is a clear need for new public media organisations to provide a public alternative to privately owned digital platforms. These should be democratically organised and run, generating pioneering digital content, developing innovative technological solutions to advance democracy and harnessing data for the public good. This would be the best way of safeguarding the future creative and informational needs of publics in the face of constant market encroachment into public services.</p> <p>Alternative models of media ownership – such as cooperatives and employee buyouts – that promote equality and financial security over shareholder returns should be encouraged. These ownership models are a response to the need to broaden the range of voices involved in decision-making, which in turn aims to ensure that our media meet a wider range of needs and serve a more diverse set of interests. This can only be realised through ownership models that embody genuine agency and collectivism. This could be achieved through improving access to finance, support for charitable status and measures like</p>

tax relief or direct subsidies (as above) that are designed to sustain a plurality of outlets without compromising independence.