

TUC RESPONSE TO OFCOM'S SECOND PUBLIC SERVICE BROADCASTING REVIEW

The TUC welcomes this opportunity to respond to Ofcom's second review of Public Service Broadcasting. We believe that public service broadcasting fulfils an important function in our national life and that it is essential that we retain a strong public service element within the broadcast sector in the face of challenges posed by changes in technology and society.

The TUC has a dual status in the discussions on the future of public service broadcasting as we represent both a substantial proportion of viewers and listeners and also many people who work in the broadcast sector.

Our affiliated unions with members in the broadcast sector, together with the Federation of Entertainment Unions, will be making their own responses to the consultation: this response is intended to reflect the views of the trade union movement as a whole, though we believe that our views complement those of our affiliates in the industry.

In terms of our overall membership, the TUC represents 6.4million workers in 59 unions. Our membership is as diverse as the population as a whole. We represent equal numbers of male and female workers. Members include both unskilled and professional workers; public sector employees and those who work in the private sector; part time workers and full-timers. With such numbers and such a range of members we believe that we are one of the few organisations that can speak on behalf of the full range of viewers and listeners.

Our unions tell us how much they value the public service tradition within British broadcasting and especially the leading role played by the BBC.

The TUC particularly values the public service element in news and current affairs, which places a strong emphasis on programmes that are informed, impartial and independent, in stark contrast to the printed media, which for all their diversity operate in a market with no such constraints only the pressure of the commercial imperative and the limited commitments imposed by the law and the industry's limited system of self restraint. We believe strongly that the existence of the public service ethos in the dominant parts of the broadcast sector is an essential component of democracy, which should not be put at risk.

We recognise too the value of all the components of public service broadcasting: informing our understanding of the world; stimulating knowledge and learning; reflecting UK cultural identity; and representing diversity and alternative viewpoints. We also value the distinctive characteristics: that such broadcasting should be high quality, original, innovative, challenging, engaging and widely available.

It is increasingly clear that programming with these values will not be produced as a result of market forces alone. This is confirmed by the lack of original high quality drama on the increasing number of channels that do not have a public service obligation; the decline in the production of high quality children's television outside the BBC; and the decline in regional news outside the BBC.

Overall, our view is that the objective of public policy in broadcasting in the digital age must be to ensure that we maintain and enhance the public service ethos and that we do not sacrifice quality for width.

The earlier Ofcom review concluded that a properly funded BBC should remain the cornerstone of the UK's public service system. That is a conclusion that we support and one which informs the rest of our submission. But whilst we would oppose any moves, such as top slicing, which weakened the BBC's finances and its independence from government, we do believe that the BBC is strengthened and public service broadcasting values enhanced by the presence of other strong and secure providers.

The Licence Fee

The licence fee funding regime is one of the great strengths of British broadcasting. It has helped to sustain the principles of public service broadcasting over generations. It is one of the few forms of public funding in which there is a clear link between what the public pays and what it can receive in benefits – a contrast with general taxation. There is a degree of independence from government and a simplicity in its construction.

These benefits outweigh the disadvantages – namely the licence fee's lack of relation to ability to pay and the lack of direct link between the amount paid and the use made of the services. The rich person pays the same as the poor; the person who watches few if any BBC programmes pays as much as the one who watches all day every day.

To use the licence fee for any other purpose than direct funding of the BBC would weaken the direct link, both in terms of the output and control over the spend, between the viewer and the viewed.

The TUC was disappointed that the Government provided a below inflation licence fee settlement, despite the clear evidence, supported by the current Ofcom research, that this is one area of public funding in which the public are prepared to pay more and regard the licence fee as good value for money.

The TUC does however accept that as the means by which BBC services can be accessed become more diverse, the link between a fee based on premises containing one or more television sets and BBC funding becomes more tenuous. We have not yet reached that time and might not do so for many years. However the possible demise of the traditional set in the corner of the living room does make the search for alternative sources of funding the BBC something that requires serious consideration.

That is one reason why the TUC believes that Ofcom should be encouraging further investigations into alternative forms of public funding. We would however also make clear that

we support the moves by the BBC to offer alternative means of accessing services, though mobile phones, ipods and the internet. Whilst the current evidence is that most people will continue to receive public service broadcasting through traditional means it is right that public service broadcasters look to keep pace with technological developments, just as they look to keep pace and reflect the changes taking place in society.

Current concerns

The TUC shares the widely held concerns about the current threat to public service broadcasting. We would categorise these as follows:

The decline of ITV and threat to its distinctive position in British broadcasting as a result of the growth of digital channels and forecast that PSB costs might exceed benefits for ITV plc by 2012, a particular factor in this is the decline in regional news services

- The forecast move of Channel Four into deficit.
- The growing dominance of large independent production companies as the main producers of public service content
- The absence of any competition to BBC in children's television
- The failure of the digital channels to produce any original high quality drama.
- The pressures on BBC finances from the below inflation licence fee settlement.
- The current digital divide between those with access to the 'new' channels and those who rely on the free to air channels.

Alternative funding models

We believe that now is the time for a serious consideration of alternative funding models in order to preserve and enhance the values of public service broadcasting.

We do not believe that direct taxation offers a viable model since the level of funding would inevitably be linked to overall economic policy and we would lose that distance between government and broadcasters that has, to date, been the great strength of the British public service broadcasting model.

There are alternatives that deserve careful consideration. Industry levies offer one possibility: clearly there would be resistance from the international corporations that dominate this field, but they have made considerable profits from the industry and it would not appear unreasonable to ask them to meet commitments to the public which are not been met by market forces.

Spectrum sales offer another possibility. Earlier sales generated a massive flow of taxation for the Treasury and we do not believe that it would be unreasonable for future sales to produce revenue that would fund broadcasting directly.

These and other alternative deserve consideration and exploration of initiatives taken in other countries such as France and Canada.

Conclusion

The TUC hopes that we have made clear our commitment to the ethos of public service broadcasting; our concerns about the current threats; and our willingness to consider other models of funding which would preserve and enhance public service broadcasting within the digital age.

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