



UK Coalition for Cultural Diversity

**Submission to the
BBC Charter Review Green Paper Public Consultation
Department for Culture, Media and Sport**

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*For a BBC which safeguards our screens as a pluralist space for
intercultural dialogue, the unfettered imagination, and the public sphere*

Carole Tongue

Former MEP Spokesperson on public service broadcasting 1994-99
Chair, UK Coalition for Cultural Diversity of Expressions, UKCCD
Chair, European Coalitions for Cultural Diversity

Holly Aylett

Honorary Research Fellow, Birkbeck College, London
Director, UK Coalition for Cultural Diversity
Vice President, European Coalitions for Cultural Diversity

The UK Coalition for Cultural Diversity, UKCCD is the UK's leading civil society network supporting UNESCO's ground-breaking Convention on Diversity of Cultural Expressions, 2005.

UKCCD acts as a consultative partner to UNESCO-UK and the UK government on the implementation of the aims and obligations of the treaty, which became legal in this country in March 2008.

UKCCD is a founder member of the International Federation, IFCCD, which links over 600 creator and cultural organisation worldwide.

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1 Introduction

This response focuses on a number of issues that have been raised in the current public debate relating to the BBC's Royal Charter renewal in 2016, which is a welcome and timely review of one of the most important cultural institutions in the UK.

The UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, 2005 underpins nation states' rights to take measures aimed at enhancing the diversity of the media, including through public service broadcasting.

The UKCCD responds to this submission as the lead civil society organisation contributing to the implementation of the UNESCO Convention in the UK, and national representative for civil society interests at Intergovernmental Committee level at UNESCO.

The Convention is the only UNESCO instrument to focus on promoting contemporary art and cultural production and the international cooperation processes this entails. It is also the only normative instrument linking cultural policy measures with the promotion of domestic independent cultural industries and measures aimed at enhancing diversity of the media, *including through public service broadcasting*.

There is explicit mention of public service broadcasting in the Convention as a measure for enhancing diversity of media and as an enabler of promoting and protecting the diversity of cultural expression.

The oldest public service broadcasting organisation, the BBC, has taken initiatives to promote diversity in the corporation's employment, output, audiences, strategy and business planning, with the goal of "becoming a true reflection of the nations and regions it serves."

Over the past three decades there have been huge changes in the broadcasting sector with the growth in the number of channels available to the viewer and the development of new platforms for delivery. Despite these changes, public service broadcasting has remained a constant feature of the European broadcasting ecology despite forecasts

for its imminent demise. In the UK the BBC is strong, well funded and provides a range of services that are unmatched in terms of creativity, innovation and volume by any other broadcaster in the world. Overall, despite the growth of choice in channels the viewers and listeners remain loyal to the generalist channels that still retain significant audience share. These qualities also gain the BBC its reputation worldwide.

This submission responds to a number of questions raised in the Consultation document, with particular focus on structural and regulatory issues which affect the BBC's ability to deliver diversity of cultural expressions.

2 Executive Summary

1 The BBC is a unique public broadcaster, the most respected in the UK and across the world, paid for and owned by every citizen in the UK. It is therefore imperative that decisions on the licence fee, whether concerning its continuation or its amount, should be politically neutral and independent of the government of the day. An independent organisation should be set up responsible for the oversight of the BBC remit and the financial resources needed to deliver this. Its specific mission should not only set out the financial needs of the BBC, but also act and regulate, on an annual basis, to ensure that public money is being invested in the right areas. One model offered is the *Independent Commission for the Assessment of Financial Requirements of German Public Service Broadcasting*, KEF.

2 The BBC is a guarantor of diversity of cultural expression making programmes for all UK citizens from all the UK diverse communities. In this it fulfils the main tenets of the 2005 UNESCO Convention on Cultural Diversity of Expressions which the UK government has ratified. It also fulfils UK commitments under the EU Treaties of Amsterdam and Lisbon intended to safeguard pluralism and intercultural dialogue both within the European community and with its neighbours.

3 The BBC's investment in local, original content across a very diverse spectrum is a principle driver of the creative industries and the

employment which depends on them. Through its wide, decentralised programme base the BBC is ideally placed to address the different nations and communities of the UK and to build the culture, citizenship, and democratic values which market-led programming does not deliver.

4 At a time when the enormous fragmentation of media on the one hand, and the domination of online media by non-British players on the other, (in some cases 20 times the size of the BBC), the evidence of the BBC's continuing popularity (32% of all UK viewing: Ofcom 2014a:191) testifies to its ability to sustain a common conversation between the UK's diverse communities thus strengthening social cohesion and mutual understanding. Planned new bases in Cardiff and Belfast alongside the north of England bastion at Salford and Pacific Quay in Glasgow have decentralised programme production and facilitated greater regional representation.

5 Currently the BBC provides the widest spectrum of content at the best rate for audiences – 39p per day/£145 per year. There is no evidence that this combination of content spectrum and price efficiency, combining in-house and independent productions, broadcast free to air, can be delivered more efficiently another way.

6 Contrary to media speculation there is no widespread public cry for change. The BBC continues to register 89% satisfaction amongst viewers (BBC Trust Review 2014), and with 96% of the population using it for 39p per day, the evidence is that it is holding its own, even amongst younger audiences, in a thriving, multi-channel universe.

7 Contestable funding would not be in the interests of licence fee payers. It would gravely weaken the BBC's ability to invest long-term, without prioritising short-term commercial concerns, in high quality programming. It would undermine the principle of accountability for the expenditure of the licence fee. It would alienate lucrative IP revenues and further marginalise small SMEs (under 25million) which are vital to the diversity of BBC output and programming specific to local interests.

8 The Green Paper details the negative impact of the BBC on the commercial sector. It fails to put this in perspective. It should take account of the much larger negative impact which comes from non-British, global internet players whose business model depends on online

advertising which has drawn advertising away from the commercial print media. It also denies the evidence of convergence in the private sector and the impact that commissioning work from global commercial companies may be having on the BBC and its workforce – and therefore its audience.

9 Concerns voiced over the challenge of the BBC's news operation to local and regional news services do not accurately reflect the business models operating in the contemporary internet environment where large internet news aggregator services pose the greatest challenge to local and regional services by attracting the greatest share of online advertising revenues.

10 The BBC's investment in original programming is the bedrock of investment in the whole of our audiovisual industry. The BBC spends over £2 billion on original programming. This is more than the total investment in the European film industry.

11 The BBC's Window of Creative Competition (WOCC) demonstrates the inclusivity of the BBC's approach to outside providers. However, it should be reviewed both for its impact on local content and on IP return for the licence fee payer.

12 Children's TV is well served by the BBC and its programmes are the main guarantor that the UK's children have access to their own culture and creativity which is their right. However the BBC should invest much more in the co-production of children's film and drama to offer diversity of form and content alongside the mainly non-UK film offer which is not as locally resonant.

13 Feature film production should receive more BBC resources to bring it into line with other European broadcasters who are investing sometimes five times more than the BBC in domestic feature film. This would further nurture UK film talent, our creative industries, job creation and cultural diversity of expressions.

14 The BBC should offer iPlayer portability across borders. In addition, it is entirely appropriate that those accessing the BBC through the iPlayer should pay the licence fee thus contributing to the virtuous circle of BBC investment in high quality local programming for the whole of British

society.

15 The BBC should consider developing a Pan-European SVOD platform to carry BBC material and that of other channels and creators

16 The BBC should gather data on gender equality and diversity covering employment, its commissioning teams, in-house and independent programmes, in terms of employment both on-screen and off-screen. This should be monitored annually to inform best practice in policy on equality agendas.

3 What do you value most about the BBC?

Institutional role in building citizenship in a democratic society

The BBC is to be valued as an institution that philosophically embodies a set of ideas about the nature of British culture, democracy and citizenship. Television and radio are unique in their presence in the social and political life of the British public, and the influence of the BBC on television and radio has been a central force, also in shaping the content and activities of other television and radio broadcasters. allowing universal and affordable access,

The BBC is an institution which is central to the democratic values of the UK and its universal, affordable outreach is critical to its mission. It contributes to a range of goals that support the democratic process by communicating impartial and unbiased information to the whole population. It is part of the infrastructure of citizenship in that it provides a space and forum for exchange and debate that enables and enhances democratic participation without its agenda being limited to short term, commercial interest or political imperative. In this respect BBC drama, documentary, news and current affairs inform us about our society both today and for the future, and enable us as citizens to better hold our political and other elites to account.

These activities are made possible by the unique funding and Charter which are fundamental to the BBC's institutional ability to deliver. The funding from the public purse is crucial to ensure that the commitments

set out in its Charter are satisfactorily met. The BBC reaches every citizen. It belongs to the people of Britain and it represents a rare example of an institution that carries certain principles in its range of activities that no other organisation has had the opportunity to do. It has done this with success and given value for money, building up an experience over decades.

We now live in a society that is richly diverse and more and more tolerant of a wider range of beliefs and attitudes. Whilst it is essential to the maintenance of a diverse and plural television ecology that the BBC invests and reacts to these needs, it is also critical that it does so with a vision which safeguards national values for the future rather than the immediate and short-term which may serve government or financial interests.

A best practice model, trusted and acknowledged Internationally

The BBC has immeasurable value as acknowledged leader in the broadcast field and embodies cultural values in the originality, breadth and range of its original productions which many other countries would wish to emulate. As such not only in news, but also across its schedule, the BBC acts as an invaluable soft diplomacy tool. This has potential for expansion, rather than contraction not least in enabling other countries to emulate its diverse output and values by building their own services and media institutions.

4 Funding the BBC

There are three issues that we wish to focus upon in considering the funding of the BBC. The first issue is how we fund the BBC and which device is employed for collecting the revenues for the range of services that it provides under its remit; the second is the level of funding that the BBC is granted, and the third issue is how the BBC accounts for this revenue.

4.1 How should we pay for the BBC?

The main funding alternatives to the licence fee have been argued for some time and have been raised by the Peacock committee in July 1986;

the 1999 Davies report into the future funding of the BBC . Also of value in this respect is Andrew Graham's *Public Purposes in Broadcasting: Funding the BBC*, 1999

It is widely agreed that until better options are realistically available the licence fee should remain the main source of income for the BBC. Even at such a time, the value of the licence fee should not be underestimated, nor should the advantage of a system whereby every household in the UK that receives television services contributes to the funding of the BBC. It is in many respects the key to both the *range* of activities undertaken by the BBC, as well as *how* the BBC fulfils its obligations in this range of activities.

It should also be noted that there is little evidence that the audience is impatient with this model. Discontent is largely evidenced using polls instigated by media companies with a vested interest. Contrary to these views The BBC continues to register 89% satisfaction amongst viewers (BBC Trust Review 2014), and with 96% of the population using it for 39p per day, the evidence is that it is holding its own in a multi-channel universe even amongst younger audiences.

Previous work looking at other funding options has rejected other options for funding - i.e. mixed funding including licence and advertising revenues - as unsuitable both in terms of the impact on programming and the detrimental impact on the commercially funded broadcasters in the UK. Evidence from the experience in the European Union would support some of the conclusions made by these reports, especially in cases where advertising revenues have become a large proportion of revenues for public broadcasters. In these countries the public service broadcasters have become engaged in aggressive competition with the commercial sector to the detriment of themselves and the sector overall.

In this sense the only viable options to safeguard the role and remit of the BBC are to fund the BBC from the public purse or to introduce subscription.

The main alternative in terms of public funding to the licence fee is to raise funding for the BBC through taxation. Although this funding model would allow for more progressive mechanisms to be employed there are certain disadvantages of linking the funding of the BBC to general taxation policy. Firstly it raises issues of political independence, a core principle that underpins the activities of the BBC. Secondly, by bringing

the funding of the BBC more closely into government taxation policy it would be open to the vagaries of changing political policies on taxation and government spending. The Government now recognises that the public services in the UK have been fundamentally damaged in the past by cut backs and the lack of funding under previous governments for these organisations, and has undertaken a programme to inject adequate resources back into the public sector. We cannot afford a similar situation for the BBC and it must retain its independent funding in order for it to fulfil its public service obligations. We must draw on the lessons of other public services where short-term spending cuts have lead to a decline in services and morale.

Subscription has been recommended as a replacement for the licence fee in a report by the Broadcasting Policy Group in late February 2004. Although the innovative approach to subscription must be applauded and there may well be arguments to support a greater degree of consumer freedom in the choice of television services there are fundamental problems with this model.

Firstly, the value of the licence fee is that all households that have a television contribute. This means that the licence fee is set at a rate that the majority of households can afford. At £145 per year this amounts to £12 per month, an increase of only £1 per month since 2004. This represents incredible value for all citizens with services tailored specifically to their interests without the imperative of having to please advertisers.

The licence fee ensures a consistent level of funding necessary for the BBC to provide a wide diverse range of local programming and services inspired by and reflective of British culture and its varied communities and representing the central pillar of our creative industries.

In 2014 the total net revenues from the licence fee were £3,726 million (BBC Annual Report 2013/14). Together with its commercial revenues this makes the BBC the sixth largest media enterprise in Europe according to company turnover and the second largest public broadcaster after ARD in Germany.

With the introduction of a voluntary subscription fee a company of this size would not be sustainable in the short term as this would inevitably

lead to a loss of revenue in a transitional phase and even in the long term it would possibly fluctuate with overall market conditions. The licence fee enables a consistent, stable and high level of investment that voluntary subscription simply could not replace. It creates the conditions that provide the BBC adequate revenue to provide its core British services independently of commercial imperatives and it allows the BBC independence in programming and scheduling decisions that is crucial to the fulfilment of its Charter requirements.

However, technology enabling devices such as subscription should not be underplayed and if the system can be used to devise a method for compulsory subscription, that cuts down on administrative resources in collection and processing then this should be welcomed. But the key is that subscription should be compulsory to all television households.

The main criticism of the licence fee is that it is regressive and it is simply unfair to apply a flat fee on households that enjoy highly differentiated incomes throughout the UK and this is a legitimate complaint that must be taken seriously. In this respect the licence fee must be seen by the public to be able to account for households that may not be in a position to pay the annual fee and consideration should be given to making the licence fee less regressive.

A less regressive licence fee would benefit all of the community and provide for a more inclusive mechanism and part of the Charter review process should investigate making the licence fee more sensitive to different income levels whilst at the same time ensuring the levels of funding are proportionate to the costs that the BBC incurs in fulfilling its remit.

4.2 Setting the level of funding, competition

In regulating public broadcasting the British system should strive for achieving proportionality against a clearly defined remit that will clear up any criticism of the BBC in its output and spending. The BBC has already made great strides in accounting for its performance, but a clearly articulated remit setting down the aims and objectives of the Corporation will not only ensure that the BBC continues to fulfil its public service remit, but will also make the system transparent and open to public debate and scrutiny.

It is crucial that the licence fee is set at a level that is proportionate to the costs incurred by the BBC in fulfilling its remit as a public service broadcaster covering the whole range of interests in the UK. The licence fee determines what the BBC is able to do and in this sense it is important to underline the BBC's central role in our society's creative and cultural spheres.

Setting the licence fee is always a political question in the UK and it is quite right that the parliamentary process reviews the allocation of such a large sum of public money.

However, it is sometimes difficult, without stifling the creative aspects of the BBC to apply cost accounting to programming choices. Investment in quality programming can be stifled by an accounting system that does not take into consideration the experimental and longer term investment aspects that have made the BBC a world leader in innovative programming.

It is also true that the funding of the BBC has become a far more complex issue with the growth of competition in broadcasting. Any assessment of funding must take into account the needs of the BBC as well as value for money to ensure that public money is well spent.

However, all too often the arguments over the setting of the licence fee have been prone to political and fiscal pressures. In one sense the BBC has been extremely privileged that it has retained the licence fee, which has meant that it has not had to suffer the cuts in budget that were witnessed in other important British institutions under previous governments. As we have seen in the past it is very difficult to rebuild these organisations once governments have embarked on public service spending cuts and were the licence fee to be abolished and replaced with a system funded through taxation, this would seriously impact on the BBC's functionality in the same way.

The licence fee should be politically isolated from any decision on its existence and level from the government of the day. This can be done by transferring the oversight of the BBC remit, and the financial resources needed to deliver this, to an independent organisation established with a specific mission of both setting out the financial needs of the BBC, and acting to regulate, on an annual basis to ensure that public money is

being invested in the right areas.

A precedent for such a structure is the *Independent Commission for the Assessment of Financial Requirements of German Public Service Broadcasting*, KEF, in Germany, which was established in 1975 for the purposes of checking the financial requirements of the public broadcasters in Germany and delivers recommendations to the Heads of the Governments of the Länder.

The KEF provides the governments of the Länder with a report at least every two years. In this report the Commission presents the financial situation of the broadcasting corporations and comments, in particular, on whether, when and for what amount a change of the licence fee is necessary. Before KEF's final opinion, broadcasters have the opportunity to comment and debate. To that purpose, the KEF sends the draft report to the ARD, ZDF and DeutschlandRadio. The same applies to the Rundfunkkommission (Commission on Broadcasting) of the Länder. The broadcasters' comments on the draft are included in the final report.

The KEF recommendations are the basis for a decision by the Länder governments and parliaments with input from the Rundfunkkommission of the Länder and the broadcasters as well as KEF. The KEF consists of 16 independent experts who are appointed by the prime ministers (minister presidents) of the Länder (federal states) for a period of five years.

Each Land (federal state) nominates a member. The experts must be appointed from the following areas (Source KEF):

- Three experts from the accountancy/audit and management consultancy,
- Two experts from the business management; they must be specialists in terms of staff administration or investment and rationalization
- Two experts, who have specialised experience in broadcasting law and the qualifications to become a judge,
- Three experts from the area of media economics and communication science
- One expert from the broadcasting technology sphere
- Five experts from the courts of auditors of the Länder.

Another complaint about the BBC is that it distorts competition in the market and therefore stifles the development of the commercial television sector. This must be seen as an accepted consequence of having a public broadcaster serving the needs of the population a range of programme formats. The UK as a signatory to the 1997 EU Amsterdam Treaty recognises the need for public broadcasters in the democratic and cultural life of citizens and has supported a devolved approach to defining and funding public broadcasters recognising that there are necessary and acceptable distortions to the common market due to this importance. This is enshrined in the public service broadcasting protocol annexed to the Amsterdam Treaty. The system therefore both identifies the need to accept distortions to the television market based on the importance of public service broadcasting in society, whilst at the same time ensuring that the effects on the market and the behaviour and funding of public broadcasters does not adversely impact on the market.

This tension between the role of public service broadcasting and its impact on the market place needs to be clarified in the consultation process. The market failure argument in this respect is, to some extent misleading as it suggests that public broadcasters have been established to undertake functions that the commercial sector does not provide. The founding idea of public service broadcasting was built upon a positive understanding of public service in radio and later television and its position as a generalist service was, and is, one grounded in arguments about the positive role of broadcasting freedom and these cannot be calculated on a distinction between what the market does and does not provide.

4.3 The Governance of the BBC and Accountability

It is important that the governance of the BBC is both independent from the government and management. The self-regulatory culture of the Board of Governors has largely been successful throughout the history of the institution, but it is prone to be influenced by the management of the BBC and its composition is largely unreflective of the diversity of modern society.

Though we would endorse self-regulatory practices at the BBC, there is a

strong case for reform of the nature and constituency of the current BBC Trust. There is now a consensus that consideration should be given to replacing the the BBC Trust with an organisation that avoids the dual role of governance and regulation which is an anomaly in a system of public service and it is therefore crucial to modernise the present arrangements.

We would suggest that more suitable structures be considered in the Charter renewal review in order to ensure more independence for the regulation of the BBC. A solution may well be to 'regulate the regulators' and change the role the BBC Trust. In this sense the reform would be both internal and external. Internally a Board would ideally be composed of:

- Broadcasters, who should be elected by the staff at the BBC.
- A cross section of civil society, including unions, education institutions and other cultural institutions.
- A section of the general public that should be directly elected by the public, through periodical elections.

On top of this structure there could be a Council for Public Service Broadcasting that monitors and assesses the performance of all of the broadcasters in the UK that have public service obligations. This council could be composed of experts in the field who are qualified and have the resources to rigorously assess the performance of all of the public service broadcasters in the UK. This system has been established in Norway where although the Mass Media Authority is the authority that is charged with the legal responsibility to regulate the broadcasting sector overall, there is a specific council established to monitor and assess the performance of the broadcasters that have public service obligations. The *Allmennkringkastingsradet* (the Public Service Council) members are appointed by the Ministry of Culture and have the responsibility to review the performance of the broadcasters, which qualify under its remit, pursuant of the obligations detailed in the Broadcasting Act, NRK's statutes, and the commercial broadcaster's concession.

This structure could consist of a dual role in both assessing the performance and the funding needs of the BBC and therefore combining the functions of KEF in Germany with a public service council that undertakes an independent review of the public channels annually. With

a separate secretariat, legal standing and a separate facility for a council of this kind independence would be maintained from the government and at the same time a formal and systematic framework for an independent review of the performance

The advantages of this system are clear. An expert committee that acts as a buffer between the BBC and government has the potential to depoliticise the question of funding. Furthermore, the body of expertise represented on the committee enables a thorough review of the funding and needs of the public broadcasters and at the same time are accountable to parliament, who in the final process decide whether to accept the recommendations or not. Past reviews of funding have largely been dealt with by *ad hoc* committees and a permanent committee would be better placed to fully report on the needs and spending of the BBC and take into account market conditions.

We therefore would recommend a permanent body charged with setting the revenue fees, which it sees, appropriate to the needs of the BBC. The duties of this body could encompass the continual assessment of the performance and the future needs of the BBC that would be well suited for regulating a modern and increasingly complex public service broadcasting structure in the UK. This independent body in turn would be required to report annually to Parliament, we would also suggest that this body was independent of Ofcom and able to operate across sectors to best undertake its role as regulator.

It is also important that the government sets out the responsibilities of the BBC clearly and that performance can be measured against these objectives without stifling the institution. These should include both quantitative and qualitative mechanisms in order to assess the annual performance of the BBC in contributing to the following objectives:

- A democratic and/or pluralistic society;
- National culture and language;
- High quality programming;
- Meeting high journalistic standards;
- Providing a universal service;

(Betzel, M & Ward, D, 2004)

To these objectives we would add the need for gender equality for

general staff, on all commissioning boards and amongst creatives delivering programmes whether in-house or independently. Targets should be set for all departments, and data should be gathered annually to inform future policy measures to correct the current imbalance.

A similar strategy should exist to monitor other equality and diversity agendas.

The remit of the BBC should be drawn up with the above-mentioned obligations in mind but in more detail than at present and the oversight of the implementation of this remit should be carried out by an independent body as described above. We would also suggest that a more developed system for monitoring compliance is developed with minimum and in some case maximum thresholds employed on certain genres of programming. In the Netherlands they have employed this system with success and the public broadcasters have a ceiling placed on them for entertainment and at the same time minimum thresholds for important programme genres such as art and culture. This allows a balanced assessment of the output of NOS Netherlands. Secondly programme reach should be encouraged across programming and a system developed to ensure that parts of the population are being reached by the BBC, with minimum reach thresholds in areas such as news and documentary.

4.4 How do we ensure that the BBC is properly accountable to the public and Parliament?

The above model represents a separation between the powers of the current BBC Trust especially in their role as both 'guardians of the public interest' and, as 'strategic directors' for the Corporation. By separating these functions a greater degree of independence is achieved for the regulatory function of the Board. The Commission responsible for the assessment of the BBC would account to Parliament on an annual basis and give recommendations as to the funding and performance of the BBC. Where necessary the parts of the current review process that the BBC undergoes would remain to ensure a consultative and rigorous review process.

5 Additional Points

5.1 The BBC and Children's Television

The UN Declaration on the Rights of the Child states clearly that every child has the right of access to creation and cultural diversity. This has been ratified by 8 states.

Signatories to the Convention recognise the important function performed by the mass media. In particular the power of television to shape the minds and tastes of children is without doubt. TV schedules provide the second curriculum outside the classroom and TV plays a vital role in children's emotional and intellectual development. We, as adults, have a critical responsibility to meet and fulfill our children's right to receive TV programmes that are age appropriate; diverse in content (drawing from their immediate culture and others around the world, particularly Europe); programmes that are entertaining as well as educational, reflecting a broad range of artistic styles and forms .

BBC children's programmes have no rival. They are culturally relevant, original and innovative. Over 70% of BBC children's programming is original, indigenous programming made by British creators for British children. However elsewhere in Europe, BBC equivalent broadcasters like France Television invest 5 times more in feature film production and children's film. Therefore more BBC programmes and films should be produced and shown in collaboration with channels from overseas and particularly Europe to offer a wider range of programming for our children. This is particularly necessary to enable them to exploit their European citizenship which in part depends on a mutual knowledge and understanding of other EU cultures.

The aim should be

- To grow a production sector within the UK making films for children/families
 - To maximize children's access to the wealth of international film and drama, especially that made specifically for this audience, currently available, and through all delivery platforms
 - To liaise with European partners in developing initiatives to encourage the circulation and co-production of films for children.
- A fraction of the excellent films/programming available through

the Prix Jeunesse Festival, Europe's premier festival for children's films, reaches UK screens

- To include under 9s in the age-range able to appreciate subtitled films, as has been evidenced in BFI research
- To monitor with statistics production and audiences for children's output across the regions

4.2 The BBC and feature film production

The BBC film budget stands at £12 million (fixed for current licence fee settlement 2012/3, BBC Films Report 2010). Other BBC equivalents spend in the region of £75 million per annum on feature co-production. The BBC should invest a similar amount thereby contributing to a further strengthening of the UK's creative industries and cultural diversity of expression in the critically important area of feature film.

4.3 The BBC, Competition and independent programming:

At the level of independent programming, the BBC has demonstrated its flexibility in response to the expansion of independent programming and the growth of external companies. 78% of the BBC's Window of Creative Competition, WOCC, programming is now out of house and given the unregulated term "external producer" it can be argued that the BBC has even opened itself up to "non qualifying indies", i.e foreign companies whose productions are not targeted at a local audience (cf Statutory Instrument, 2014).

Recent research into the revenues for independents in the UK (including the BBC's WOCC-generated revenues), shows that well over half – or 62% - are now taken by the non-qualifying indies, up from a 15% share in 2011, of which 44% are American-owned, so it would appear that private operators are well able to compete in the current, mixed broadcasting environment. (Broadcast, 2015:22)

4.4 BBC role in New Media at home and across Europe

The concept of public service is no longer tied specifically to traditional media and it is important that a space is reserved for UK programming online that fully reflects the diversity of the population. It is thus welcome that Public Service Broadcasting has expanded into new media areas and the BBC has extended its services into a range of new media areas, principally the iPlayer. It is entirely appropriate that those accessing the BBC through the iPlayer should pay the licence fee thus

contributing to the virtuous circle of BBC investment in high quality local programming for the whole of British society. It is also essential that the BBC should offer iPlayer portability across borders for licence-fee payers.

The BBC also has a potential role to play in providing cross-border provision of audio-visual programmes and services in the European context at a time when non-European SVOD services are fast becoming available across the continent. The BBC should consider developing a Pan-European SVOD platform to carry BBC material and that of other channels and creators whilst simultaneously gathering commercial revenue for further investment in original programming.

However, although we have witnessed shifts in consumer behaviour with the growth of niche channels and online viewing, it is important, (especially given the fact that Ofcom has an 'evidence based' approach to media regulation), to put these changes into context. The free to air channels remain the central reference point for viewers throughout the UK and they are still the most popular channels.

The BBC's investment in original programming will remain the bedrock of investment in the whole of our audiovisual industry. The BBC spends over £2 billion on original programming and alongside the German public service broadcasters, its investment represents the most substantial contribution from one broadcaster to original programming in the whole of the EU audiovisual industry.

Whatever the multiplicity of channels and platforms for the delivery of information, education and entertainment, citizens and consumers still require indigenous programming made specifically for them that enables them to make sense of a complex world and a huge number of sources of information. If digital television is going to enhance pluralism and viewer choice, it is important that public sector broadcasters continue to invest in new digital services, and offer a range of public services, particularly thematic channels composed of local and national programming made and shown specifically for the viewer and listener.

Whilst the new dimensions to the delivery of programming require a watchful eye on evolving regulatory needs, it should be recognized that the public service nature of a service cannot be judged on the basis of the distribution platform. As has been pointed out "Once the UK government has defined a certain service as being a public service, thereby referring to the service of general economic interest of Art 86

(2), such a service remains a public service regardless of the delivery platform.” (CEC 1999, cited in Ward 2004)

In today’s expanded media environment, it remains crucial to steer the broadcasting market in order to derive the maximum benefits, to as many viewers as possible. It is therefore necessary to have the right regulatory structures in place to enable public service broadcasters, as well as the commercial sector to take advantage of the opportunities that multi-channel television and the internet offers. In the UK an extremely healthy market has emerged in multi-channel television, which includes a central position for the BBC. However, the position of the BBC clearly needs to be strengthened, whilst it is important that this process goes hand in hand with making this unique institution more accountable and acceptable to the public, which it was established to serve.

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