Technological change and digital uptake have brought a large amount of audiovisual content to people, including content which exhibits public service purposes and characteristics. There is continued demand for PSB, although the ways in which people access and consume PSB content may change as existing broadcasting institutions compete with new players in the delivery of PS programming. Is institutional competition the answer? This paper argues that there are diverse points of view, but two things are certain: first, the market alone is unlikely to provide plurality in the ownership, commissioning, editorial and production of public service content. Second, institutional competition for PS provision risks becoming unacceptable if this implies a weaker BBC, which remains Britain’s most powerful global brand and the most trusted source globally. The paper also notes that the vigorous UK debate on PS plurality of institutions and plurality of funding has not so far featured in European discussions.

In the UK, in January 2009 Ofcom (2009) published its final statement of a long-running Public Service Broadcasting (PSB) review, titled ‘Putting Viewers First’, setting out recommendations for the future of PSB. The Ofcom review identified a number of challenges and opportunities concerning the PSB system, including: the transition from analogue to digital; that audiences value Public Service (PS) content and they want it sustained; and they
want choice beyond the BBC. Having considered that the public continues to value the benefits of PSB and that plurality (defined as competition in the provision of public service content) is critically important, Ofcom’s main recommendations to government were to: maintain the BBC’s role and funding at the heart of the system; free-up ITV plc and Channel 5 as commercial networks with a limited PS commitment; create a strong, alternative PS voice to BBC with C5C at its heart. It can be seen that propositions include ‘institutional’ competition for PS provision to end the BBC’s near monopoly in the area, competition in the provision of PS programming, and ‘contestable’ funding (that is, income top-sliced from the licence fee) (see Iosifidis, 2010). In its third review of PSB in December 2014, Ofcom stated that the PSB institutions (BBC, C4C, ITV plc, STV Group plc, UTV Media plc, S4C and Channel 5) remain strong, but it confirmed that there have been declines in programme spend, output and viewing. Specifically, the PSBs continue to account for the bulk of investment in first-run non-sport UK content with around 85% in 2013, but there has been a substantial fall in spend on all programmes, and investment in new first-run UK originations is substantially down, with a 17.3% real-terms decline in programme spend by the PSBs.

Is institutional competition the answer to the ‘plurality deficit’? Institutional competition refers to the situation where we have more than one PSB to deliver PS purposes. The basic idea of establishing competition to the BBC and to avoid the country being left with just one PSB has been on the agenda for quite some time. It appears a valid proposition in view of an emerging deficit in the provision of public service broadcasting in the fully digital era, characterized by pressure of audience fragmentation, pressure of alternative media, and pressure of advertising revenues. But visualizing C4C, alongside the BBC, as the main source of UK-wide competition and plurality in the provision of PS content is risky. It only makes sense if there is assurance that the advertising-funded broadcaster can deliver quality and diverse programming genres with edginess and can survive financially without public funding given the declining advertising revenue. The other option is that public money could be distributed more widely and TV licence fee income could be made available to providers other than the BBC on a contestable basis. In return the recipients of a portion of the licence fee (in this case C4C) should enhance their PS output.

It is obvious that the argument about ‘contestability of institutions’ implies ‘contestability of funding’ too and therefore proposes an end to the integrity of the licence fee as an exclusive resource for the BBC. Top-slicing is the option of distributing public funding (typically licence fee income) to more than one broadcaster in order to ensure plurality in the
provision of PS content. Top-slicing certainly presents a very fundamental change in the ecology of PSB and in particular in the clear relationship between the BBC and the licence fee. There are two issues here. First, would the BBC deliver public purposes with less money? Would it be a good idea to weaken the BBC’s ability to deliver PSB mission in order to enable other broadcasters to deliver theirs? The answer is no. Ofcom (2014) itself notes that the BBC’s licence fee income has fallen by around six per cent in real terms over its review period from 2008 to 2013. While the BBC has responded well through delivering very significant efficiency savings over this time, significant savings have had to come from actual cuts to content. Second, would the BBC continue being independent if it was drained of resources? Barnett (2009) claims that the core of the BBC’s success has been a single, uncomplicated instrument of funding which has provided financial stability, democratic accountability and independence of political interference and argues that the introduction of top-slicing will affect the independence of the BBC by legitimizing political intervention. There are surely lessons here about the connections between transparency of funding, accountability to audiences and PSB independence. One only needs to take a look at the PSB systems of France, Spain and Italy.

The issue that the digital switchover and the intensified competition that accompanies it forces commercial PSBs to water down or give up their PS remit is certainly true in France where PS plurality is hard to keep going, particularly as provision increases generally across television and audiences fragment. The PS television sector is in very poor shape and is reeling from former President Sarkozy’s decision to take advertising away from PS channels, leaving France Télévisions to rely more on the licence fee but with significantly less resources. In Spain commercial channels have no PS obligations and the main concern is to ensure that public broadcaster RTVE really provides a PS output since for the last decade has been commercialized and plagued by chronic debt. Traditionally, it does not receive a licence fee but instead it depends on commercial income and state grants. Funding through these means rather than a licence fee is insufficient to cover its operational costs and meanwhile jeopardizes its independence. A 2009 law introduced a prohibition on advertising and by way of compensation RTVE receives additional public funding generated from a tax on the revenues of commercial channels and electronic communications operators, and also a share of the existing levy on radio spectrum. It remains to be seen if this change will impact on RTVE’s independence. Likewise in Italy non-PSBs are not obligated to provide PS content. Likewise in Italy non-PSBs are not obligated to provide PS content. Public broadcaster RAI
has diminished PS responsibilities (there is a provision that RAI’s two main channels be privatized and the third to remain as the only publicly funded channel), without however expanding its PS obligations to other players. In 2014 Italian Prime Minister Renzi set up a committee to initiate changes to RAI in order to enhance content quality and provide more cultural output.

Overall, there is little evidence in Europe to support the UK government’s idea of setting up a competing body to offer programmes with a PS content. Although there is evidence of a decline in the range of PS output offered by European PSBs, either due to licence fee funding limits or due to competition for dwindling advertising revenues, there is no similarity to the UK policy development elsewhere in Europe. As I argued elsewhere, European countries have mainly opted for providing pluralism within the PSB, rather than between different providers. PSB is still primarily defined in terms of internal pluralism in most locations (Iosifidis, 2010).

References


