



BECTU

BECTU response to the DCMS Green Paper on BBC Charter Review

October 2015

The Broadcasting Entertainment Cinematograph and Theatre Union represents 25,000 workers in the media and entertainment sector, covering film and TV, radio, theatre, and events. Over 4,000 of them work directly for the BBC, with many more employed by service partners who run the BBC's buildings estate, technology, transmitter network, TV playout systems, and many more functions.

Thousands more members work in the independent production sector, providing top-quality programming for the BBC's TV channels.

We believe that the BBC provides work-class services in TV, radio, and online, for an unbeatable price. It is a major contributor to the UK's cultural sector as the largest single commissioner of written work and new musical compositions, and reaches into the community through its network of local radio stations.

The BBC's output is distinct from all its commercial competitors, and, in the field of radio in particular, there is no UK operator who comes near the BBC's breadth and depth of content. In TV, the BBC has a proven track record of offering a mix of quality drama, documentary, comedy, and news which serves a wide UK audience well.

There appears to be no public appetite for a reduction in the BBC's services, nor any withdrawal from producing popular programming, including reality TV and entertainment, which appeals to large audiences.

Our preferred outcome to the Charter renewal debate would be a BBC that continues as the cornerstone of public service broadcasting in the UK, and a continuing Licence Fee funding system that allows the BBC to continue offering the wide range of content that has made it the envy of broadcasters, public and commercial, across the world.

1. How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve?

The BBC has performed well within the statement of the public purposes introduced at the beginning of the current Charter in 2007. It has contributed to civil society, promoted learning, stimulated cultural excellence, represented the UK's communities and put the UK on the world stage, and remained at the cutting edge of distribution technology.

However, we believe that the BBC's public purposes should be extended to cover three specific objectives:

There should be a specific obligation on the BBC to produce a full range of content genres in-house, alongside programmes that may be commissioned from the independent sector, whether in TV or radio.

Developments in the UK's TV production sector have led to many independent producers becoming subsidiaries of broadcasters and other distributors. This demonstrates the business logic of operators running TV channels having a steady supply of programming over which they have ultimate control, and full rights ownership.

The BBC should continue to emulate this model by maintaining sufficient in-house programme making capacities, across all genres, to retain a critical mass of talent and experience which will inform, influence, and create, future output.

Loss of this critical mass, in any programme genre, will in our view be a loss for the entire UK production sector, which often looks to the BBC to set standards of excellence.

The BBC should have targets for delivery of vocational training in all roles involved in programme production and the general broadcasting sector.

For many years the UK has been one of the world leaders in film, TV, and other broadcast content production. It is the second largest exporter of audiovisual product after the US, and much of this success has been due to the provision of first-class training in the sector, coupled with opportunities to learn on the job in the company of work-class professionals.

A key part of this, historically, has been the BBC's contribution to industry training, mostly through workers in the industry spending some part of their careers, mostly at the beginning, working for the BBC, and benefiting from the extensive in-house training that has been offered.

With casualisation of the sector still growing, and fewer permanent jobs or long-duration contracts, workers are having to turn to their own means to obtain the training they need throughout their careers, in an industry which is subject to continual technical change and renewal.

A commitment to continue offering high-quality training to the industry should become one of the BBC's public purposes, and should be factored into its funding.

Employment within the BBC should be secure and properly rewarded.

Casualisation in the radio, TV, and broadcasting sector has had an impact on the demographics of the workforce. New entrants are increasingly being expected to pay for their own training, and work for extended periods either on token wages, or working for nothing as ostensible interns or work-experience placements.

This has narrowed the field of new entrants to those who can afford the many costs of establishing themselves in the industry, while earning little or no pay initially. A second effect has been the reduction in permanent posts within the sector, which has had a particular effect on women workers, who often need a degree of predictability in their working lives due to caring responsibilities, coupled with a need for flexibility on the part of their employer.

The informal nature of engagements in the casualised workforce, as opposed to structured recruitment in more stable employment environments, has led to a fall in the number of entrants from

black and minority ethnic backgrounds, and those with disabilities.

The BBC is one of the few broadcasters with the scale to create permanent jobs, and longer-duration contracts, given the vast amount of continuing activity going on in the organisation. Amongst those broadcasters, only the BBC can be directed to ensure that a significant proportion of its workforce is in stable employment, with adequate reward, and is diverse in a way that reflects the society it serves.

2. Which elements of universality are most important for the BBC?

BECTU believes that the BBC should continue to offer a full range of services, covering all programme genres, to the widest possible audience, free at the point of consumption.

One of the BBC's great strengths is that its range of content from popular Saturday night TV programming, to niche audience offerings away from peak time, ensures that almost the entire population, and therefore the entire licence-paying community, interact with the BBC at some point in an average week.

The breadth of services, and multitude of platforms through which they can be accessed, is crucial to the BBC's contribution to UK culture and civil society, and universality in range and audience is essential.

We do not accept the argument that the BBC should, in some way, rectify market failures by serving only specialist audiences, while leaving programmes with mass appeal to the commercial sector. The BBC has brought genuine innovation to popular programming, and it is an important link to many licence-paying households.

We acknowledge the Green Paper's comment that the BBC may be "underserving" some sections of the audience, and would point to lower-paid and more vulnerable parts of society as examples. But we believe that popular programming can be an entry point to the BBC for these groups, and should not be dropped as part of any strategy to resolve problems of underservice.

3. Should Charter Review formally establish a set of values for the BBC?

The BBC's values should be informed by its public purposes, and other broad objectives as contained in the new Charter, not through any political process. As a public institution it is already expected to have the highest standards of probity and integrity, and already has in place extensive and transparent mechanisms whereby any lapse in those standards can be investigated.

As a broadcaster, the BBC is expected to maintain editorial independence, integrity, and honesty, and already has in its public purposes the objective of accurately representing the UK, its people, culture, and civil society institutions.

As an employer, we have suggested that its public purposes should be extended to include employment of skilled workers across the full range of programme genres, stable and secure jobs for a diverse workforce, and a commitment to play a key role in training for the industry.

A fully-comprehensive list of public purposes for the BBC should be a sufficient definition of how it is expected to function, and its core values should be inferred from those purposes, rather than being separately codified, which will lead to duplication and confusion.

4. Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

In BECTU's view, the BBC's range of services is at risk of contracting, not expanding, due to the pressure of the Licence Fee freeze in the current Charter, and the rising costs that programme-makers and broadcasters face.

If the BBC is to continue as an independent and publicly-funded broadcaster without advertising, the Licence Fee, or similar household levy, appears to be the only effective financing model. If that is the case, the BBC has to be seen to offer a similar range of choice to audiences as the many commercial operators who have grown thanks to the arrival of digital distribution.

It can be argued that the very existence on some UK platforms of hundreds of commercial and other TV and radio channels is proof that the BBC is not crowding out the competition, despite the increase in services it offers.

UK consumption of audiovisual content has expanded faster than in almost any other country in the world, and the market for production and distribution has grown accordingly. It makes sense that the BBC should grow with the market, or otherwise risk being left behind as a minor provider, with limited services, whose brand would be at risk of being lost as competitors launched new channels and services on new and existing platforms.

A slimmed-down BBC would be at greater risk of being crowded out by its commercial rivals, than they would be at risk of losing market share to the BBC.

5. Where does the evidence suggest that the BBC has a positive or negative wider impact on the market?

Looking at the evidence available on the performance and profitability of the BBC's main market competitors, it is hard to argue that they have been damaged by the BBC's presence.

In their most recent trading figures, BSkyB reported profits increased by 16% year-on-year, ITV profits were up by 25%, BT was up by 14%, and Virgin Media saw an increase in operating profit for 2014 of 41%.

These figures refute any claim that the BBC's direct competitors are suffering commercially from its presence in their markets.

In the online world, the BBC's presence has not prevented the rise of many new content providers, whose revenue streams are, in part, dependent on subscription or pay-per-view income from consumers, despite the existence of free content from the BBC. Netflix is an example of an online provider expanding at rapid speed, and claims that the BBC is damaging the prospects of similar operators are not supported by the evidence.

Local newspapers may complain that the BBC's local radio services present unfair competition, but their decline needs to be viewed in context. In the year to August 2015, local publishers experienced falls in circulation mostly ranging from 10-15%, compared to a drop in readership of the national press of just over 10%. This points to a secular decline in consumption of print news across the UK, not only where the BBC has local stations.

Figures for traffic on local newspaper websites contrast with this, suggesting that online consump-

tion of online news, supported by advertising, is increasing rapidly. Trinity Mirror, one of the largest local and regional publishers, reported an increasing web traffic to its sites of more than 90% in the year to August 2015, and other publishers reported that the boost in online traffic had more than cancelled out lost print readership over the period.

It appears that the BBC should not be blamed for the fall in local newspaper print circulation.

6. What role should the BBC have in influencing the future technological landscape including in future radio switchover?

As the single largest player in UK radio, and significant TV operator, the BBC is an obvious party to any future technological developments in the sector. Its research department has historically led the way in breakthrough technology, although cuts in funding, and an increased interest from manufacturers in primary research have reduced its role.

Nevertheless, BBC Research and Development is an important agent in the UK, and world, broadcasting technology sector. Many component parts of digital TV distribution technology, including ever-improving compression systems, owe their existence to work done within the BBC.

One of the BBC's advantages in influencing the technological landscape is that it can combine technical expertise with real-life applications in TV and radio production setting, all within a single organisation.

As an organisation that is still regarded as an authoritative commentator on broadcasting technology the BBC should be encouraged to continue its R&D work, but this must be factored into the BBC's future funding.

On the issue of future radio switchover, the installed base of analogue receivers is far greater than that of analogue TV receivers was when the switch to DTT took place. This poses a major problem for switchover, with more than 20 million households needing to replace up to five or six devices, without the cheap option of an intermediate digital receiver box, as was available in the TV switchover.

Nor, for many listeners, will there be a perceptible improvement in reception quality. Given the BBC's close connection with radio audiences, it should be a partner in the switchover process, not just in decisions about technology, but also in the crucial decision about timing.

7. How well is the BBC serving its national and international audiences?

The BBC is still the UK's largest producer and commissioner of original UK TV and radio content, and has taken significant steps in recent years to ensure that programmes are originated from across the UK, not just in London and the South East of England.

However, the share of programming among the Nations, and the major cities of England, is somewhat uneven, and the decline of BBC programme-making in Birmingham is particularly alarming, given the large conurbation in the region, and a population that includes a significant number of black and minority ethnic households.

At national level, we believe the BBC should do more to ensure portrayal in dramas, and presentation in other programming, of the full diverse range of citizens in the UK, and should take note of the many surveys revealing that BAME groups, as well as older women, feel they are under-repre-

sented.

Internationally, the BBC's service to audiences is emphatically demonstrated by the growing sales of its TV programmes for distribution in foreign territories, together with the continuing growth in listeners to the BBC World Service.

8. Does the BBC have the right genre mix across its services?

Genres in TV that make a significant contribution to the UK's cultural sector include high-end TV drama, wildlife and other long-form documentaries, and high-budget entertainment programming.

These genres test and improve the skills of the UK production workforce, and provide significant employment for the duration of the production process. They are also a proven success with audiences, and the recent fall in levels of high-end production, particularly drama, is regrettable.

There has been a growth in reality-based factual programming, some of which works to high production values, and represents a real employment opportunity for workers in the sector. On the other hand, many reality programmes are produced on very low budgets, do not offer industry workers a chance to acquire new skills they can apply elsewhere, and are not a good opportunity for overseas sales. An actual format may well be sold abroad, but it is unusual for the higher-value, UK-produced, programme to be bought by overseas distributors.

Reality programming may have become an economic necessity for the cash-strapped BBC, since it fills airtime at modest cost, but the BBC's reputation at home and abroad needs to be sustained by quality output, particularly home-produced dramas.

In radio, the BBC is the world's most prolific producer of spoken word programming, and dramas, and the industry that has grown up, inside and outside the BBC, to support this level of activity is unique.

There should be no further reduction in the quantity of high-end radio drama produced by the BBC, and the range and volume of spoken word programming should be maintained, partly to support and encourage the development of writers and performers who will go on to work across the UK cultural sector.

9. Is the BBC's content sufficiently high quality and distinctive from that of other broadcasters? What reforms could improve it?

Research indicates that audience appreciation of the full range of BBC output remains high. It is a significant producer of high-end TV drama, and produces and commissions more original children's programming than any other broadcaster.

Anecdotally, audiences can often perceive a distinction between BBC programmes, and those in similar genres from other producers. This is particularly true in output areas like sport, drama, and national events, where the BBC has a critical mass of talent and experience, and a commitment to the highest production values.

There are two reforms that could improve quality and distinctiveness. Firstly, programme budgets must be restored, in real terms, to the levels prevailing before the 2010 Licence Fee freeze. It is a tribute to the BBC staff and many freelancers producing the output that quality has remained at

Income restored to 2010

the BBC's high level despite funding cuts.

This has come at the cost of too few workers on productions, and too little time to perfect the product. Staff and freelancers have been put under immense pressure to increase productivity through dangerously long working hours and work on days off, and frequently have taken time or cash-saving short-cuts in the production process which undermines quality. This can only be rectified with adequate funding.

Secondly, the distinctiveness of BBC programming will be improved by more frequent portrayal of the UK's diverse population, in terms of gender, ethnicity, and age. Much of the audiovisual industry is concentrated in the South-East of England, and a stronger flavour of communities outside this area will increase audience appreciation, and therefore support for, and engagement with, the BBC.

10. How should the system of content production be improved through reform of quotas or more radical options?

BECTU is opposed to proposals for the removal of a guaranteed level of in-house production, as well as the creation of a wholly-owned Limited subsidiary to compete against commercial rivals for BBC programme commissions in many genres.

We believe that the current system of content supply provided a healthy mix of independent production, with in-house programme-making, while ensuring that the BBC retains a critical mass of production talent in every genre.

Experience suggests that programme ideas being pitched in a fully-commercial environment will tend to be less risk-taking and innovative than those that can be generated in the safer confines of an in-house production department.

This will be especially true if commercially-competitive BBC production unit devises programmes that can be pitched to the commercial market if they are unsuccessful at winning a commission from the BBC.

Efforts within a separated production unit may be directed at genres and programme ideas that will appeal to large audiences, and win many sales overseas, at the expense of niche and specialist programming that does not command such interest, or such high fees.

11. How should we pay for the BBC and how should the licence fee be modernised?

BECTU believes that the Licence Fee, or a similar household levy collected independently from taxes, is the most appropriate, and only workable, funding system for the BBC.

The level of Licence Fee needs to take account of the six-year freeze in the current Charter, and the burden of funding the over-75 licence concession, the World Service, and Welsh channel S4C. We have expressed our concern at the new Licence settlement, reached this summer, before the public debate had really begun over the BBC's future.

Setting a funding level before confirming the scope and scale of the BBC's future activity really does put the cart before the horse, and rules out a Licence Fee which is sufficient to fund the existing range of services on offer, which we believe is the will of most Licence payers.

Alternative funding by direct government subvention would undermine the BBC's independence, and the introduction of advertising would disrupt the rest of the UK broadcasting market.

The introduction of subscription services would contradict one of the founding principles of the UK's historic and successful public service broadcasting sector; namely that services should be free at the point of consumption. Depending on the choices made by a subscription consumer base, it could also dramatically alter the diversity of the BBC's output, with less popular, probably specialist, content disappearing.

Funding the BBC on the basis of public service broadcasters in the USA, funded as they are by pledge drives and telethons, is likely to produce the same disappointingly low levels of income.

By a process of elimination, the Licence Fee, with all its shortcomings, emerges as the best option for funding the BBC.

BECTU supports the principle that users of digital devices who have no TV licence, but stream BBC services, or use the catch-up iPlayer, should be obliged to contribute, and we would welcome the introduction of technology which would make this possible.

12. Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content?

We support the continuation of guaranteed in-house programme-making, and this objective might be supported by a ring-fence around a proportion of income to be used for this purpose. Similarly, our preferred public purpose of training for the industry could benefit from a similar provision.

However, any move to prescribe exactly how the BBC disburses its income would need to be carefully considered, after full consultation with the BBC and any other stakeholders, to avoid unintended consequences.

BECTU does not believe that funding should be made available to other providers. Without a guarantee of in-house programme-making, the BBC's commission spend is already planned to be fully contestable, and any hypothecation of income adds to the risk that critical mass in some production areas could be lost if funding is diverted to the commercial sector.

13. Has the BBC been doing enough to deliver value for money? How could it go further?

In the experience of our members, the BBC has been in cost-cutting mode for almost 15 years, and we strongly refute the Green Paper's implication that there are still inefficiencies that need to be dealt with.

Our members have been producing ever-increasing levels of output, despite thousands of job losses, changes to terms and conditions, and reduced staffing levels.

With the exception of executive pay, where we believe too little has been done to moderate salaries and bonuses, we can see no areas where further shaving of costs can be done, and indeed have argued for the restoration of adequate Licence funding to relieve the many problems caused by the squeeze on budgets.

Any further cuts in real funding levels will inevitably lead to the BBC considering the closure of some services, since "salami slicing" has gone as far as it can go.

14. How should the BBC's commercial operations, including BBC worldwide, be reformed?

In BECTU's view, BBC Worldwide makes a major contribution to the BBC's income with profits from commercial exploitation of content, and should be allowed to continue doing so. It is also a major investor in BBC production, and has partially made up the shortfall in Licence funding in recent time.

We would strongly resist any move to sell off all or part of BBC Worldwide, since this would deprive the BBC of an important income stream, and undermine its public purpose of showing the UK to the rest of the world.

15. How should the current model of governance and regulation for the BBC be reformed?

The current governance model is problematic, with the BBC Trust sometimes playing the role of a disconnected public advocate, and on other occasions attempting to micro-manage BBC activities. There is a strong argument for change.

If this is to be a single management board, regulated by Ofcom as seems popular at present, we would make two points.

Firstly, any new board must have adequate representation from licence payers, stakeholders in the cultural sector, and staff and other workers who help to produce and distribute BBC content.

Secondly, we have reservations about Ofcom being appointed as the final regulator. Its roots are in the commercial broadcasting sector, although there has long been an overlap with public sector broadcasting, and we would be concerned about its ability to properly reflect the views of Licence payers, and the national and regional interests of UK citizens who use BBC services.

16. How should Public Value Tests and Service Licences be reformed and who should have responsibility for making these decisions?

We support the current framework, but believe that Licence Fee payers and those who work for and with the BBC should have a greater say in decisions about changes to BBC services.

17. How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling?

We believe that the current processes are adequate, taking account of the enormous volume of output the BBC generates.

18. How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

BECTU believes that Parliament should have a greater say over the regulation and funding of the BBC, while acknowledging that its independence from government is paramount.

We have particular concerns that the last two renegotiations of the Licence Fee happened behind closed doors, with no public input whatsoever. For an institution that is funded directly by the public, and should be run in their interests, this method of determining funding levels is unacceptable.

19. Should the existing approach of a 10 year Royal Charter and Framework Agreement continue?

BECTU supports the concept of long-duration Charter periods, to offer predictability and stability to the BBC, and would also support the extension of the next Charter from 10 to 11 years to separate debate about the BBC's future from the cycle of General Elections. This should enable a calm and measured debate about the organisation, at a time when significant change may be necessary.

Any further enquiries about BECTU's position on the BBC Charter should be directed to Tony Lennon: tlennon@bectu.org.uk 020 7346 0900

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