

# From fee to mutual? What kind of BBC do you want to emerge from Charter Renewal?

[blogs.lse.ac.uk/polis/2013/08/22/from-fee-to-mutual-what-kind-of-bbc-do-you-want-to-emerge-from-charter-renewal/](http://blogs.lse.ac.uk/polis/2013/08/22/from-fee-to-mutual-what-kind-of-bbc-do-you-want-to-emerge-from-charter-renewal/)

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Most of these people are Tories and I doubt they want 'their' BBC abolished

If the BBC is such great value then why do we have to take 180,000 people to court every year to make them pay for it?

In answering that question we soon get into a discussion about how public service broadcasting should be financed and what role it has in relation to the increasingly convergent media industries.

That is a debate that many of the BBC's commercial rivals are desperate to have. Their profits are being reduced and they want to take the opportunity of a Conservative-led government.

Does the BBC want to join that debate? I think it should and I have no doubt whatsoever that BBC Director General Tony Hall and his policy wonks led by James Purnell are beavering away on this issue as part of the BBC Charter Renewal

process that climaxes in 2016.

They need to get a move on because Culture Minister Ed Vaizey has already [suggested that the process can be speeded up](#). The idea of changing the way the BBC is regulated is also now on the political agenda, with [the suggestion that Ofcom might take over from the BBC Trust](#).

## Political Reasons

For political reasons I would be surprised if there is a revolutionary change in BBC funding and structure in this round of the Charter Renewal. I would still bet on retaining the licence fee, for example. [Though City AM Editor Allistair Heath makes [a positive case for getting rid of it here](#)] But it's quite possible that there will be significant steps taken to prepare the BBC for a more fundamental shift in its finance and scope thereafter.

Of course, the fee is a TV Licence not a BBC Licence. We should remember that ITV and Channel 4 are also part of the state-regulated public service broadcasting landscape. Yet they get their money from adverts, the BBC gets the Licence income. But increasingly other players such as newspapers have a direct stake because they compete online – including with audio and video – with the BBC. At a local level the space is even more cramped with Sky News, for example, launching hyper-local video websites that fight for the same audience attention as local papers and the BBC.

But before we get onto the grand designs, let's deal with that licence fee non-payment. I think that it's gone up because the BBC is getting better at chasing people down and I bet most of those people are on very low incomes who have even less spare cash thanks to the recession. They are not rich, principled objectors to the idea of a licence fee like [Tory journalist Charles Moore](#). One useful short-term step would be to decriminalise non-payment.

## Wider Disgruntlement

I realise papers like The Telegraph have an interest in highlighting the non-payment story but I think it is symptomatic of a wider disgruntlement about the BBC. Despite making cuts to editorial budgets and claiming to have slashed the number of middle managers, it still manages to squander, for example, more than £100 million on a failed digital project and excessive pay-offs to (often failed) senior staff.

So does it need to have its financing, size and shape – perhaps even its national purpose – changed?

My answer is 'yes' but not because Rupert Murdoch wants to protect his profits or because of the increased traffic through the Magistrates Courts. The BBC must adapt because:

- All public institutions in the UK are having to adapt to new economic and social circumstances. We need leaner, more adaptable and open public service institutions.
- New media technologies mean that production processes and audience consumption patterns are changing and the BBC needs to reflect that in how it works.
- There are fresh opportunities for the UK to increase public service media provision in more diverse, innovative, and efficient ways that will increase value to the UK public and enhance UK's creative industries – reform of the BBC is central to that.

This article is too short to deal with all this in detail, but let's have a go at raising some key issues and throwing out some ideas for change.

## **The Politics**

First the politics. There is a significant section of the Conservative Party that does want to see a smaller, cheaper BBC. Just because Polly Toynbee is a staunch defender of the BBC's role doesn't mean she's wrong [to identify the 'threat'](#). The review of media plurality that was originally aimed at Murdoch's failed full takeover attempt of BSkyB has inevitably raised the obvious question of who else might dominate UK media markets. The answer is 'the BBC'. This has combined with stories ranging from the Savile scandal to the licence fee court cases to raise doubts over the BBC's untouchable status.

Yet it's very difficult for politicians to cut back the BBC in a crude way without hitting their own supporters. Just as it's difficult for a pro-austerity MP to back the closure of an NHS hospital in her own constituency. I was recently at a sold-out BBC Proms performance where I would guess that most of the 6,000 audience who thoroughly enjoyed some thrilling music were Conservative voters. Even if you closed down BBC Three I think they would still want BBC One, BBC Two, BBC News, Local Radio, The Archers (and most of Radio 2,3,4,5), BBC Online, BBC iPlayer and possibly even BBC Four. They probably travel, own second homes or do business abroad enough to value the BBC's global services, too.

## **Changing The Fee**

An alternative to the licence fee [aka 'BBC Poll Tax'] is difficult for political reasons, too. Yes, Finland recently moved from a fee to a tax, but their public service broadcaster has the advantage of speaking a rather unique language, so it represents a bulwark against globalisation for Finns. They are a typical welfarist Nordic state happy to pay high taxes for good services.

Sweden – more similar to the UK – failed to make the shift. Their right of centre governing party wanted to lose the licence fee but the leadership balked at the idea of telling cash-strapped Swedes that they were going to bring in a new tax. So after a lengthy and sometimes fraught review process the Swedes' version of the BBC has retained its licence fee – and at a healthy level.

The licence fee is a clunky way to raise revenue but it's less bad than most of the others. That is, unless you see changing the money-raising as part of wider institutional reforms.

## Future Opportunities

I [have made it clear](#) that I think that the idea of public service media is even more relevant in the digital age of uncertainty and complexity. But it does need to be reinvented. In [this article from earlier this year](#) I outlined some of the future opportunities:

### **Opportunities of Demand Growth**

*People need public service media more than ever because they are swamped by information. They desperately need filters to sift out bad information. In an age of subscriptions and pay-walls, they need accessibility.*

### **Opportunity to Connect**

*To get public attention you need to be relevant and trusted. In the digital age this means more than the old universal provision of the past. It means you must be networked into the social media that connects people to media and each other.*

### **Opportunity for Open Production**

*Trust is the key currency in the online information economy but it is a constant process, not an annual report. It is made up of openness and transparency. Public service media should be good at that, but is too often held up by institutional inertia and cultural conservatism. A more open journalism is not just a production trick it's a way of life.*

### **Opportunities For New Public Roles**

*Your journalists and other creatives now have new roles. They don't just produce content, they are also educators, archivists, curators, connectors, enablers, and trainers. Media is now a service industry and yours is a public service.*

I [have written in the past](#) about how I think the BBC must become more open and networked. It must enter into real partnerships with other bodies that provide public service value: local communities, councils, commercial media, production companies, cultural and educational bodies. In the past these partnerships have often favoured the BBC, but now it must surrender the space and the cash and even the control to others. Governance also needs to be addressed. The BBC may be a national treasure but the citizen has little engagement with how its run.

It might be that it needs to look even harder at what kind of public body it is. Perhaps the BBC could adopt some aspects of the Dutch system where public service broadcast companies (and there are lots of them) have members who pay an annual fee and have a say in what it produces. It creates a lot of diversity (and some rather crappy content amongst some outstanding work) and very engaged support from parts of society.

## **Mutualisation or Membership?**

Or should the BBC aim for some kind of mutualisation along the lines of a co-operative or building society where the component parts have more autonomy – even separate business units – and/or with much greater ownership by the producers, consumers or stakeholders? I bet the traditional BBC management, so often obsessed by turf wars and fiefdoms would find that rather uncomfortable. But in other sectors we are seeing new forms of business and civil society organisation spring up such as social enterprises and management co-operatives, so why not at the BBC?

Perhaps we will end up with forms of subscription that allow the public to sign up for public service content channels

or platforms from a variety of sources via the BBC – a kind of PSB iPlayer?

## **Fostering Commercial Media**

But how would this reformed ‘networked’ BBC placate the demands of those people we identified who are gunning for the BBC’s dominant role in our media lives? Regardless of their self-interest we need a rich plurality of media production to foster innovation, competition and the capacity to battle with the global media giants on the world stage.

Firstly, I think that my kind of BBC would be an enabling structure that would directly benefit commercial rivals. It’s a similar argument to the case Google makes for connecting audiences to online content. But unlike Google, the BBC won’t nick your advertising revenue.

Secondly, part of being networked means doing less, not more. There is still a lot of scope for cutting internal costs at the BBC but the real saving is letting others use the licence fee income to create their own content. It’s a radical version of using independent producers. That process can be costly at the moment because the BBC insists on keeping control over the independents. In my version, it has a much more distant relationship.

Finally, though, I do not think that cutting back the BBC will magically save the commercials. People like what the BBC produces. I do not want my boringly balanced and reliable BBC online news replaced by the offerings of the partisan Guardian, Telegraph or Sun. I want both.

## **Offer Choice Not Cuts**

The business model problem for newspapers online has very little to do with the BBC and much more to do with other platforms competing for readers attention and advertising revenues. [Netflix is more of a threat than the BBC](#). Newspapers like the Mail, for example, have done brilliantly online by offering something the BBC does not provide. In the Mail’s case: right-wing politics, belligerent investigations and campaigns and misogynist celebrity stories.

However, I do accept that the BBC’s attempt to provide a ‘universal’ service should not mean doing everything in the media universe. In fact, the BBC is currently rather homogeneous and predictable in its production. By spreading itself widely and thinly it is not innovative or focused enough. It is possible to connect its services to the whole population without having to do everything. The idea of mutualisation, membership or subscription might be a way forward that allows the BBC to be embedded in British society as a whole without claiming to own it all.

Of course, what I have outlined above are options for change. In the end we should note how much new policy and institutional reform after the Leveson Inquiry report. Almost none so far. The BBC is still a standard-setter for public service media around the world. It’s pretty cheap for what it does. There aren’t a lot of votes in messing about with it. We might well see little change this time around.

Read my [full submission to the DCMS Select Committee on BBC Charter renewal here](#)

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