

Meeting Mark: is the BBC too big?

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BBC: stop building?

Yesterday was a good day to have lunch with BBC Director General Mark Thompson. Before we could tuck into BBC catering's offering (privatise that Mark) he proudly showed us the [new wing](#) of Broadcasting House tucked behind Nash's church and the original BBC building in Portland Place. £800 million plus of new real estate (partly to replace Bush House) that is so big that the BBC have had to work with London Transport to make sure that it doesn't collapse the Underground tunnel that runs beneath.

Is this what BBC Trust Chairman Michael Lyons had in mind when he [said](#) that the BBC had grown too big? Or is it the overinflated wages and pensions paid to stars and management? Or the luxurious moving expenses paid to staff who are being lured from London to the new BBC centre up north in Salford? No, apparently it is programmes. No retreat from news, said Lyons, but other services have to be considered for retrenchment and even dissolution, he indicated. But which?

Mark Thompson wasn't much help to us on this at the lunch. He accepted that universality is no longer a defence in its own right. The BBC can't just affirm that it must do everything for everyone because everyone pays the licence fee.

[James Murdoch's](#) rationale for BBC retreat is different to mine, but has validity. He pointed out in his McTaggart lecture that the huge BBC licence fee massively distorts all media markets. Convergence means that online as well as broadcasting – and even sectors such as local newspapers – are cramped by the BBC's vast economies of scale and massive audience reach. Murdoch wants the BBC to get its tanks off various lawns to allow private companies the space to make the profits that will perpetuate independent media, the only guarantor of real competition, independence and innovation. BSkyB has been good for Britain and good for the media industry and, here's the important point, good for the BBC. It has forced the BBC to up its game while providing a genuine alternative in some selected areas.

My rationale is not that the BBC should retreat from any particular areas. This is a fraught version of the Balloon Game. I might want to dump BBC 3, my wife would happily see Sport disappear, while, I am sure, Mr Murdoch would like the BBC to get out of popular entertainment, and certainly Online. The latter would be particularly perverse considering that BBC Online is a particular triumph and the only UK web company in the global top 15.

I have always said that the BBC has an imperialist imperative. It feels compelled to operate in all areas. It never gives anything up and has never decided 'no we won't go there'. But as Thompson pointed out over the stuffed chicken breasts, it has shifted programme strategy quite significantly over the last period. On Radio 3 it plays far fewer discs and does much more live music. BBC 1 has become much more distinctive from ITV1. Yes there is still Eastenders but there are almost no US imports, less soap, less soft drama and more factual. Conversely, Thompson argued, an area like Comedy has now become a market failure so the BBC sees it as a new priority. With some Channel 4 exceptions it is the BBC that develops new comedy talent and gives it platforms on TV and radio.

So I think that if the BBC is to become smaller it should do so not by reducing its overall scope but by opening itself up. Let other companies produce and even profit from some BBC services (Radio 1 is an obvious one) while the

BBC retains overall strategic control. Enter into far more meaningful partnerships with other broadcasters and online producers. Instead of the shabby wheeler-dealing of the BBC Worldwide/Channel 4 attempted deal, go for proper partnerships that divert the licence fee funds into other areas of public service broadcasting. I don't mind if it's done under BBC aegis, but do it. There are straws in the wind on this. Thompson told us (over the inedible pear dessert) that nearly as many people watched Top Gear on the semi-commercial channel Dave as did on BBC 2, for example.

This opening up, for Lyons and I suspect for Thompson, is too far. They seem to have fought off the cruder version of this, the so-called 'top-slicing'. But from what I hear there is no appetite for a more creative organisational geometry and a more open production process. It is partly because the BBC is so culturally defensive. They [cite polling evidence](#) that the public doesn't want them to change in support of that stance. Too many barons would lose control of their turf. And overall, they fear that opening up the BBC's funding and resources in any meaningful way will end up in the dissolution of the BBC as an independent, discrete organisation with all the loss of cultural capital that entails.

This ignore two major conditions. Firstly, the market has changed hugely around the BBC. The recession combined with an advertising collapse combined with Convergence and the Internet and the BBC's dominance online means that the relationship between the Corporation and the private sector and other public service media can no longer remain the same.

Secondly, this current government has stopped making policy. It is drifting towards the election (defeat) with no clue how to manage the BBC after a decade of benign funding. Meanwhile, the Conservative's admirable media shadow Jeremy Hunt MP taunts the BBC over salaries and the ethics of Jonathan Ross without offering a strategic vision of what it would look like in a Cameron government. He's speaking at Polis/LSE on November 17th and I would think – and hope – that he will have firmed up his questions for Lyons to answer. What is no in doubt is that there will be more questions

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