



NUJ briefing for the Westminster Hall debate on the E-petition 170931 relating to the TV licence fee, Monday 20 November, 2017

Despite the best efforts of John Whittingdale when he was Culture Secretary, the BBC will be funded by its licence fee during the next charter period. This is because this public service for all UK citizens is more than just a broadcaster. It is major financier of drama, new music and is an essential source of impartial and trusted news. It is free from shareholder pressure, advertiser influence and the chase for ratings. There is nothing else in the world to rival the BBC's Proms. The BBC is only game in town in children's programming. The World Service makes the UK a world leader in soft power. Changing to a subscription service on a par with Sky or Virgin would rob the UK of an essential force for good which continues to education, entertain and inform like no other organisation.

The NUJ supports the present licence fee model, but believes there may be the case for a discussion of other funding models, such as the German broadcasting levy on households and the system in Finland, a hypothecated tax based on income specifically for broadcasting.

The fee gives the public who pay for it a direct link to the BBC, which must then demonstrate its accountability to the licence-fee payer. Paying for the BBC from the tax system would hugely undermine the corporation's independence and break this relationship.

The licence fee has, however, been used by governments to foist other costs on the BBC licence-fee payers. In 2010 it was top-sliced to pay for fast broadband, Local TV, S4C, BBC Monitoring and the full cost of the World Service. In the latest secret deal between the BBC and government, the licence fee will be used to pay for free licences for the over-75s – £1.3bn over five years, then £750m each year. George Osborne, the then chancellor, proposed that the equivalent of 20 per cent of the budget would be diverted to fund a benefit previously administered by the Department of Work and Pensions. After BBC One, this amount will be the single biggest item in the corporation's budget and the BBC is now braced for huge cuts to staff and programming.

Lord Birt, a former BBC director general, said during the BBC charter debate in the House of Lords, that the cost of the two raids on the licence fee in the past decade had taken "almost

exactly 25 per cent out of the real resources available to the BBC for its core services. A massive reduction in programming is therefore simply unavoidable.”

The NUJ and many other commentators have called for an independent and transparent method of setting the licence fee, which involves full consultation. Governments must be prevented from making raids on licence-fee revenue for their own projects, or as part of general saving efforts. Michelle Stanistreet, NUJ general secretary, said the BBC had allowed itself to be completely shafted by the government in agreeing to the over-75s payments; a deal which had no integrity or transparency and let down its staff and the broader public. The House of Commons Culture, Media and Sport Committee concluded in its report, *Future of the BBC*, (26 February 2015) that: “The 2010 settlement demonstrated that the BBC’s independence can be compromised by negotiations with the government of the day that lack transparency and public consultation... no future licence fee negotiations must be conducted in the way of the 2010 settlement.” This committee was chaired by the very same John Whittingdale who, as culture secretary saw through yet another shabby, secret agreement in 2015.

The 2010 deal which forced the BBC to take on the costs of BBC Monitoring resulted in dire consequences – the BBC has run down the service and sold its building in Caversham. Monitoring plays a major role in surveying the world’s broadcast and print media and translating reports from 150 countries in 100 languages. Its consumers include government bodies, commercial organisations, NGOs and think tanks and media organisations as well as the BBC. Its headquarters also housed its US counterpart, Open Source Enterprise (OSE), which shared a great deal of its information with Monitoring. Now OSE is leaving the UK, according to a report in *Private Eye*, and Monitoring could be consigned to a rump department in a dusty corner of the World Service. This is a shameful loss of talent and expertise during a time when the UK faces uncertain and dangerous times as Brexit unfolds, terrorism threatens and the USA and North Korea square up to each other behind nuclear missiles.

The BBC and Capita, which is responsible for collecting the licence fee, were criticised by the House of Commons Public Accounts Committee because the expected rate of fee evasion had not decreased and the BBC was losing at least £250m a year. The committee said the BBC urgently needed to ensure that Capita improved its performance on collecting the money and improve its ICT systems and TV licence database. The National Audit Office confirmed, in a report in February 2017, the BBC had performed well in collecting the licence fee, but it performed less well in reducing evasion.

Because the licence is a universal fee, the BBC must serve all the diverse communities of the UK. That is why the NUJ has challenged the new regulator Ofcom’s decision to monitor only on screen/air diversity. The union argued that it must also monitor those who are doing the hiring and the commissioning. If these people continue to be predominantly Oxbridge, white

males, there is little hope that the aim of having a representative workforce at the BBC on-screen and off-screen will be achieved.

Why the BBC licence fee is worth every penny:

- The BBC licence fee costs just over 40p per day, for four TV channels, 10 national radio stations, a network of local radio stations, an internationally-acclaimed website, BBC Parliament, the World Service, S4C, BBC Monitoring and five orchestras and choirs. The top packages from Sky, Virgin Media and TalkTalk cost more than £1,000 a year.
- The BBC is not just one of the most trusted broadcasters in the world; it is a hugely important cultural institution in the UK. It is through shared memories of Monty Python, Life on Earth, Blue Peter, the Young Ones, Civilisation, Strictly Come Dancing, the Archers, Victor Meldrew, Call the Midwife, Ab Fab, Top of the Pops and Bagpuss that we connect with others.
- It is free from shareholder pressure, advertiser influence and the chase for ratings.
- The corporation is the largest single investor in TV news production; it spends approximately £680m a year on its radio services, with approximately £120m on radio news, across the UK. The commercial sector contributes only about £27m to radio news.
- It is the most important commissioner of new content in the UK, devoting about £1bn a year on non-news commissions and 76 per cent of its licence fee income goes on TV content. This is more than any other broadcaster. As a subscription platform, Sky's outlay is 34 per cent.
- Every £1 of licence fee spent by the network generates £2 of economic activity. In the period 2011/12, the BBC raised £8.3bn for the UK economy.
- Local radio can be literally a lifeline in times of danger, ask the people of Cumbria who relied on it during the 2015 floods.
- The licence fee is the single biggest investment in the arts and creative industries in this country, injecting more than £2bn into the creative industries.
- It is the biggest commissioner of new music in the world.
- According to the Children's Media Foundation, the BBC is "the only player in town for commissioning content for kids".
- The World Service reaches 200m people.
- The broadcaster is Europe's biggest provider of media and creative skills training.

BBC and Capita must improve performance on licence fee enforcement (April 2017)

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2015/bbc-licence-fee-report-published-16-17/>*BBC TV Licence fee collection, National Audit Office (February 2017)*
<https://www.nao.org.uk/report/bbc-tv-licence-fee-collection/>