[GB] Regulator Publishes Options for Future of Public Service Broadcasting

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The Office of Communications (Ofcom), which regulates most UK broadcasting, is required by the Communications Act 2003 to review public service broadcasting at least every five years. It has just published the second stage of its current review, based on detailed evidence from broadcasters and from stakeholders and the public.

The review found that audiences value the BBC very highly, but do not favour it becoming the only provider of public service broadcasting. However, provision of such broadcasting by commercial broadcasters will not survive transition to an all-digital world (from 2012) without new means of support; the value of commercial licences will fall below the cost of current public service obligations before 2012, so broadcasters will have an incentive to surrender the licences unless further funding is provided. Although the marketplace will make a growing contribution, multichannel broadcasters provide very little programming in the genres under threat; current affairs, national and regions programming, challenging UK drama, UK scripted comedy, and UK drama and factual programming for children. Online business models remain highly uncertain, especially in these areas.

The review sets out three possible modes for the post-switchover world. In the first, the "enhanced Evolution model", the main commercial public service broadcasters retain some obligations. ITV1 will have them for UK origination and news, including that for the devolved nations; Channel 4 for innovation and distinctive public service across platforms (with additional funding), and Five for UK origination, in particular children's programming. The second model is the "refined BBC/Channel 4 model". These two channels would be the main recipients of public funding and regulatory assets, whilst the other channels would lose their public service obligations. The third model, the "refined competitive funding model", would be the most appropriate, if audiences turn rapidly to new platforms and forms of content. The BBC would remain the cornerstone of public service broadcasting provision, but additional funding would be made available to a wide pool of providers through competitive bidding. Channel 4 would retain its public service status, but would be required to bid for any additional funds.

Any future model will require replacement funding for the provision of news and information for the devolved nations of Scotland, Wales and Northern Ireland. To

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continue the same mix of public and private content which exists today, funding of between GBP 330-420 million will be required, in addition to the licence fee. This could be found from part of the licence fee settlement ring-fenced to pay for costs of digital switchover, from partnerships between the BBC and commercial broadcasters or the transfer of BBC Worldwide to Channel 4 or from industry levy schemes. In the meantime, the cost of some obligations would be reduced substantially by reducing ITV1's minimum requirements for news and non-news programmes for the nations and regions and reducing its quotas for out-of-London productions; Ofcom is consulting on these proposals.

It is important to note that all the possible models are highly controversial and at this stage remain proposals; the debate will continue for some time.

Ofcom, 'Ofcom's Second Public Service Broadcasting Review – Phase 2: Preparing for the Digital Future', Ofcom, 2008

http://www.ofcom.org.uk/consult/condocs/psb2_phase2/

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