

## [GB] The Department for Digital, Cultural and Media & Sport publishes report on their vision of the UK broadcasting sector

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The UK government has launched its policy paper (report) reviewing the future role and relevance of public sector broadcasting (PSB) and proposals ensuring greater regulatory uniformity between video on demand services and terrestrial television services.

According to the report, terrestrial services remain part of the broadcast ecosystem and 89% of the British public listen to the radio weekly. Current statistics show that nearly half of UK adults used online video services as their primary source for viewing TV and film. 17.3 million homes accessed digital terrestrial TV via an aerial, 8.4 million households subscribe to satellite television, and 3.9 million to cable TV subscriptions. The report identifies that technological advances were changing viewing habits and there was more intense competition from global organisations such as Netflix and Disney.

The report is supportive of PSBs but suggests providing a more flexible regulatory framework which would govern how they deliver their required remits whilst still delivering programmes relevant to audiences.

The report contains over 25 proposals. As regards the BBC, it suggests freezing the TV licence fee (a primary source of BBC revenue) at GBP 159 for two years, and then increasing it according to inflation. The report states that this should give the broadcaster sufficient funding to tackle a more competitive market yet be fair to paying households. The BBC commercial borrowing limit would increase from GBP 350 million to GBP 750 million, pending the agreement of appropriate oversight methods enabling the BBC to access greater capital investment.

The report advocates the proposed State sale of Channel 4 thus facilitating its ownership of content and allowing it to become economically stronger in order to compete internationally albeit retaining its PSB public role alongside other privately owned PSBs namely ITV, STV (Scottish TV) and Channel 5.

The report advocates the importance of programmes broadcast in the UK's indigenous regional and minority languages, such as Welsh, by including it in a new public service remit for television. This would be enhanced by updating Welsh PSB S4C's remit to include digital and online services whilst removing

current geographical broadcasting restrictions. This would allow S4C greater reach by offering its content on a range of new platforms worldwide. New legislation would allow S4C and the BBC to have a less rigid framework so the BBC would not have to provide S4C with a specific number of hours of television programming but instead allow the parties to agree more flexible content arrangements.

PSB standards are currently defined by 14 overlapping ‘purposes’ and ‘objectives’ which the report considered outdated and replaced with a shorter remit concentrating on cultural, economic and democratic values vital to the UK’s character. Greater flexibility on how PSB’s fulfil their remits allied to Ofcom powers ensuring these objectives are met thus making it easier to make their content available on free to air platforms. This would be enhanced by ensuring greater prominence on on-demand platforms, including regional content produced by S4C and STV. Ofcom would be given new enforcement powers. Licensing for local TV would be reformed and have the same conditions as national digital terrestrial television (DTT) multiplexes.

Independent production revenues increased by nearly 50% between 2010 and 2019, whilst new technologies are allowing new revenue sources, e.g. podcasts. The report identifies that the UK’s ‘terms of trade regime,’ should be maintained but updated to reflect changes in technology and how viewers watch PSB content. This may include extending this regime to aspects of radio and audio producers that produce programming for the BBC.

The report advocates that larger TV-like video-on-demand providers, that are not currently regulated in the UK but who target and profit from UK audiences, should be regulated by Ofcom. Ofcom would draft and enforce a new Video-on-demand Code, similar to the Broadcasting Code thus ensuring continuity of standards, regardless of how programmes were viewed. This would help protect the public from harmful material and give them the possibility of seeking redress from Ofcom, albeit balanced against principles of free speech and proportionality. The reforms would end a loophole whereby unregulated internet-delivered services appear on UK TV, by designating additional regulated electronic programme guides. This will have the effect of bringing internet-delivered services listed on those guides within the scope of Ofcom regulation.

The Report supports the British Film Commission facilitating the growth of seven geographic production hubs including one in each nation and numerous new studio developments all across the UK.

Further, the UK’s trade policy should complement and protect the UK’s audiovisual public policy framework, including maintaining UK’s membership of the Council of Europe’s Convention on Transfrontier Television and, consequently, its European Works status.

The new Digital Markets Unit regulator within the Competition and Markets Authority will be supported by legislation to encourage a pro-competition regime in the innovative digital economy, and to work alongside existing regulators, such as Ofcom.

The Report recognises the right to freedom of expression, as well as the importance of ensuring independent and impartial news reporting. Following the UK's implementation of the Audiovisual Media Services Directive (Directive), UK legislation references the Charter of Fundamental Rights of the European Union, in a way which, according to the Report, “may have a chilling effect on free speech”. The Report proposes that the UK Communication Act 2003 be amended to replace the existing free speech definition from the Directive with “a UK specific measure over the coming months.”

Further, the Report recognises that radio and television services increasingly rely upon online platforms for distribution of their content. In order to ensure TV and radio news published via an online platform are not caught by some of the safeguarding provisions in the Online Safety Bill, news publishers’ content will be exempt from the safety duties contained within it, as well as from the obligation to ensure that relevant platforms provide safeguards for any third party journalistic content that they distribute.

***Up Next - The Government’s vision for the broadcasting sector published by the Department for Digital, Culture, Media & Sport, April 2022***

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