

# **“A plague on both your houses” – a response to the BBC Charter Review Consultation**

## **Introduction**

The current BBC charter is set to expire at the end of 2016 and the Department for Culture Media and Sport (DCMS) is carrying out a fundamental review of the BBC. To assist this review the DCMS has published *BBC Charter Review – Public Consultation*. The BBC has responded with the first in a series of four publications, *British Bold Creative*. The second paper sets out their proposals on the future of BBC production and Worldwide. The third, which will be published in early October, will be the BBC's direct response to the Government's questions set out in their Green Paper and the fourth paper later in the year, will set out the BBC's money saving proposals.

## **Conclusions**

The BBC is a world class organisation and a unique British institution. It clearly has its problems. Its organisational culture, its ingrained arrogance and its strategic planning is bounded by the rationality of the past. *British Bold Creative* appears to be a knee jerk response rather than a carefully researched plan that answers the two crucial questions: (1) Where are we now? (2) Where do we want to be? And allocates resources accordingly. Instead of one document we are going to get four. However the BBC for all its faults does not warrant the hatchet job currently being perpetrated by the present Government with a review panel awash with conflicts of interests. To ensure objectivity there needs to be a public enquiry to take the entire matter out of the hand of politicians and the BBC so that the British public gets a BBC that serves their needs.

## **1 BBC Charter Review – Public consultation**

### **1.1 The Review panel – a clear conflict of interests**

The Government has set up an advisory panel to carry out a fundamental review of the BBC. Culture Secretary John Whittingdale has appointed eight people to work on the renewal of the BBC's royal charter - which sets out the corporation's remit.

Dawn Airey, former boss of Channel 5, and Dame Colette Bowe, former chairwoman of Ofcom, are among the advisers. Ms Airey, who is an executive at Yahoo, has previously called for the licence fee to be cut and to consider charging for website output. Other members of the panel include: Shazam executive chairman Andrew Fisher; Arts Council England boss Darren Henley – Darren Henley was head of Classic FM for many years; Johnston Press chief executive Ashley Highfield; former Shine Group chief executive Alex Mahon, digital entrepreneur Lopa Patel, and journalism professor Stewart Purvis, a former editor-in-chief of ITN.

As reported on the BBC, Mr Whittingdale said: "Each member of the independent advisory group brings individual skills, experience and expertise. Together they will contribute to the oversight of the government's review of the BBC royal charter".

What Mr Whittingdale neglected to say was that this panel has so many conflicts of interests that it would be like giving the criminal classes carte blanche to run the criminal justice system and appoint their own judge and jury

### **1.2 The Charter Review – a fatally flawed document**

#### **1.2.1 BBC expenditure compared to the independent sector?**

Set out below are the expenditure figures for the BBC from the BBC's Annual Report and Accounts for 2014/2015

## Box 8: What the BBC spends (cost per user hour in brackets)



The British public is apparently expected to comment on a set of figures without any comparable financial data from Channel Five, ITV, Sky, Classic FM or any of the other independent TV companies or radio stations. For example, the BBC spent £33 million in 2014/2015 on orchestras and performing groups. How much did Classic FM spend on live music? Sky? ITV? The BBC spent £83 million on Research and development. What was the research and development spend from the independent sector?

### 1.2.2 Research and development

The Charter Review stated “It is argued that the media sector and the UK economy has benefited from the BBC’s role in innovation with the BBC undertaking research and development which would not have been picked up by the wider market. This includes improvements in compression technology, the development of ultra HD standards and collaboration with groups such as the Digital Television Group and international technical standards bodies. The BBC has also worked with Innovate UK (formerly the Technology Strategy Board) on a number of projects including Thira35 and the Radio Player.

*There are legitimate questions, however, about whether the BBC should continue to try to lead the way development of new technology ahead of the market. The cost of BBC development last year was £83 million. The BBC’s role in the development and deployment of new technologies – particularly online distribution – has the potential to impact negatively on the ability of commercial competitors to monetise emerging technologies, and could crowd out new start-ups. There may be savings to the licence fee payer from provision of some of these developments by the market”.*

This is a prima facie case of this enquiry being hidebound by the dogma of the Government; public sector bad, and private sector good. A further example is the specious twaddle of “the BBC’s role in the development and deployment of new technologies – particularly online distribution – has the potential to impact negatively on the ability of commercial competitors to monetise emerging technologies, and could crowd out new start-ups.” It is axiomatic that commercial companies will be competing with each other not only in programme content but in innovation, research and development. Without details of the expenditure on research and development by the independent sector how can anyone tell whether the BBC has a negative impact. Also what is a negative impact? The Charter Review does not state what that negative impact is.

### 1.2.3 The questions that are to be answered by the general public in the Charter Review

This response does not propose to address every question in the consultation but two examples will suffice to demonstrate that the questions themselves are flawed.

Question number four – “Is the expansion of the BBC’s services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?”

If this was a court of law question four would be regarded as a leading question. Furthermore the Charter Review contains no detailed and substantiated evidence that the BBC is crowding out

commercial competition. Also to expect the general public to address this question is asking a lot just in time alone.

Question number five – “Where does the evidence suggest the BBC has a positive or negative wider impact on the market”?

Where is the evidence in the Charter Review?

## 2 The BBC's response

### 2.1 British Bold Creative

Lord Hall laid out the first paper in response to the Charter Review document, *“British Bold and Creative”* at the Science Museum on Monday 7<sup>th</sup> September 2015

Citing the importance of "excellence without arrogance", he said his plans did not signal "an expansionist BBC".

He did warn, however, that funding cuts would mean it would "inevitably have to either close or reduce some services", without specifying which areas might be under threat.

The BBC's Charter Review document *British Bold Creative* is regrettably well short of what is required. The BBC should have asked: (1) Where are we now? (2) Where do we want to be? Answering these two questions requires a review of the BBC's operations, organisational culture and current resources. This would enable the development of a coherent vision and costed strategic plan for the BBC that inspires and uplifts. *British Bold Creative* is 90 pages of a mishmash of no doubt laudable stuff, but where is the strategic fit with existing operations? Where is the research and justification behind the proposals?

For example if the BBC had undertaken a coherent strategic review it would have looked at the resources at its disposal and would have been able to say what services were going to be reduced or closed. The BBC's response is as flawed as the Charter Review document.

Another example is the plan, laid out in *British Bold Creative*, to fund 100 local reporters to provide public service material for regional papers. Ashley Highfield runs Johnston Press and is vice chair of the press industry's trade body, the News Marketing Association (NMA), as well as a member of the Government's BBC Charter Review advisory panel. He was reported in the Guardian saying “It looked to us” – fellow regional newspaper publishers – “like BBC imperialism through the back door. The whole idea was flawed. Essentially, by hiring more journalists, it meant the BBC putting another workforce in the regions who could well end up competing with us”. This should be called the “Charter Review cocktail – a toxic blend of conflicts of interest and sloppy research and arrogance by the BBC. The cocktail – to mix metaphors - drives a coach and horses through Tony Hall's claim of "excellence without arrogance" and that his plans did not signal "an expansionist BBC".

### 2.2 The culture, governance and accountability of the BBC

Before the BBC can begin to provide a convincing strategic plan for the next Charter renewal period it has to address the culture of the organisation

In June 2014 Michelle Stanistreet, NUJ general secretary gave evidence to the All-Party Culture, Media and Sport Select Committee's inquiry into the future of the BBC, she told the committee “Despite all the scandals and budget cuts, the reputation of the BBC and the quality of its programmes have been upheld by staff "working their socks off”.

But Stanistreet also said there needs to be a huge culture change at the BBC if it is to survive and flourish as a public service broadcaster which is representative of the licence-fee payer:

- There needs to be progressive change to the governance of the BBC, whether it is the Trust or another model, which has a genuine oversight at what is happening at the BBC, so we do not have the exercise in buck passing we witnessed between BBC management and members of the Trust, during their evidence to the public accounts committee on pay-offs to outgoing BBC executives.
- We do not want to see a situation again where Mark Thompson, the former director general of the BBC, did a secret deal which resulted in the freezing of the licence fee and new funding responsibilities, which have done a great disservice to the corporation.
- There needs to be an end to excessive executive pay and perks and disastrous and wasteful IT projects, such as the Digital Media Initiative fiasco, which failed at a cost of the £100,000m.

- There also needs to be a cultural shift at the BBC because despite the Rose review, into bullying and harassment at the BBC, where the NUJ provided evidence of bullying based on gender and race, it is still apparent that management is not making genuine changes.  
[www.nuj.org.uk/news/change-of-culture-needed-at-the-bbc-mps-are-told/](http://www.nuj.org.uk/news/change-of-culture-needed-at-the-bbc-mps-are-told/)

The Respect at Work Review by Dinah Rose QC cited 37 sexual harassment cases over six years at the BBC. "What is most striking about Respect at Work review by Dinah Rose QC is that it exposes a nasty, broader culture of everyday bullying and poor management, which seems to infuse the organisation, and hasn't even been properly monitored..... The research found a real lack of engagement between senior managers and their staff, a key feature too of the Pollard review into the Newsnight/Savile failings" <http://www.theguardian.com/media/media-blog/2013/may/02/bbc-bullying-sexual-harassment-poor-management>

As reported in the Guardian on the 30th September 2015. The broadcaster and former newspaper editor Janet Street Porter said the BBC should "put an end to its "cosy middleclass club by reflecting the lives of the people who pay for it".

## 2.2 A musician's perspective

From a musician's perspective there needs to be a seismic cultural shift. In her biography of her father, My Father—Reith of the BBC, Reith's daughter Marista Leishman said he banned the playing of jazz music on the BBC, and that he wrote in his diary that "Germany has banned hot jazz and I'm sorry that we should be behind in dealing with this filthy product of modernity." That was back in the 1930's and in September 2014 it was reported by the BBC that Alan Davey the new controller of Radio Three "It is an honour to be asked to lead this wonderful institution and to renew it for the digital age, helping new audiences to encounter the wonderful things serious music and culture can bring". <http://www.bbc.co.uk/news/entertainment-arts-29375818>

There are only two types of music good and bad. The term "serious music" gives an indication that some of the cultural values of the BBC are out of step with the present time.

The BBC is bounded by the rationality of being a public sector organisation and needs to think beyond the license fee and the vendetta of MPs fuelled by a dotty ideology from the School of Murdoch. For example the BBC could devolve Radios 1, 2 and 6 to a commercial arm of the BBC - BBC Worldwide for example, so that they could be supported by advertising. Retain Radio 4 and reconfigure Radio 3 into a digital platform for music's such as jazz, folk, world music, classical music and opera. Or the BBC could assist fledgling online radio stations in delivering the widest range of music and serving every niche and genre. It is crucial that the BBC orchestras and live music output is retained and enhanced; these cultural assets at the BBC are something that MPs putting the boot in always fail to recognise.

## 3 Conclusions

The BBC is a world class organisation and a unique British institution. It clearly has its problems. Its organisational culture, its ingrained arrogance and its strategic planning is bounded by the rationality of the past. *British Bold Creative* appears to be a knee jerk response rather than a carefully researched plan that answers the two crucial questions: (1) Where are we now? (2) Where do we want to be? And allocates resources accordingly. Instead of one document we are going to get four. However the BBC for all its faults does not warrant the hatchet job currently being perpetrated by the present Government with a review panel awash with conflicts of interests. To ensure objectivity there needs to be a public enquiry to take the entire matter out of the hand of politicians and the BBC so that the British public gets a BBC that serves their needs.

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