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VLV JOCELYN HAY LECTURE 2022
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This lecture, which I promise will be brief, is named in honour of Jocelyn Hay. Jocelyn campaigned successfully to keep Radio 4 a generalist network, to prevent the privatisations of Radios 1 & 2 and for the licence fee to be kept exclusively for the BBC. One's driven to observe that Tim Davie could do with Jocelyn's determined support today. "Jocelyn was the great defender of Public Service Broadcasting"...that was the verdict of no less an authority than David Attenborough. And it's PSB I'm going to talk about today. Now renamed Public Service Media by OfCom, or PSM. What, I wonder, would Jocelyn have made of Connected TV's, of Netflix, or indeed, of Nadine Dorries? This is the world in which we have to consider the worth of PSM.

You may think I don't need to rehearse the value of PSM to the VLV. Except that it's crucial for all of us to make the argument strictly as it applies to our 21st Century, where we are in the early years of an industrial revolution: this is the digital century and, when it comes to media, it's the internet age. So old certainties don't apply, and new realities must be addressed. I'm not sure they always are.

You'll have heard me argue before that the three lenses through which we should look at this are: democracy, culture and economy. I've seen this approach picked up more recently by the BBC, so it must be valid, mustn't it?

We always knew that impartial and trusted news services are an essential ingredient of true democracy, which requires an informed citizenry. What has changed is the anarchy of the internet. All those folk who think Elvis still lives, that Paul McCartney is dead and that the moon landings were faked...they used to be isolated and propping up ill-populated bars in obscurity. Now they can all find each other, bolster their mutual delusions and win more converts (as often as not within the ranks of the US Republican party).

So we need public service news and all that it stands for, far more than we ever did before. I was trained as a BBC News Trainee in the 1970's. Our instructors were semi-retired journalists from the BBC World Service at Bush House. And a good number of these men in their 60's and 70's were originally Jewish refugees from Nazi Germany in the 1930's. They profoundly understood what happens to a civil society when its institutions, such as a free press and independent judiciary, are subverted. I often think about these men today, because they would have instinctively grasped the dangers of our online era. With all its benefits, it has also released the dark underside of human nature – the antithesis of a civil society.

If politicians devoted even a fifth of the time they routinely dedicate to accusations of political bias against the BBC, Channel 4 and ITV...rather devoting it to public affirmation of the importance of a gold standard of well-resourced, principled news...I'd feel more sanguine about PSM in general. And to those who say that younger generations rely on the wild west of YouTube and Tiktok for their news...I say the argument for the existence of this gold standard is therefore even more compelling. Besides, PSM content can also be distributed on these platforms. A recent example would be ITV's The Rundown, aimed at the grazing habits of Gen Z. And because the BBC news bulletin and website should always be there to refer to when big stories need to be

verified. My last important point about PSM news is the inestimable value of BBC World Service, particularly in a time of war, when we all know what the first casualty is. It really is one of the gems in our media output. And one of the greatest champions of our somewhat fraying worldwide reputation.

That's the democracy bit. Now culture. I like to sum this up as...programmes about us, by us, for us. Our viewing is so much richer than it used to be and the streamers have hugely enhanced this. At the moment, I'm particularly enjoying *The Old Man* on Disney Plus and *Dopesick* on Starz. But the £2.5 to £3 billion that the PSB's invest in news, documentaries, soaps, dramas, daytime strands...these are the shows which stimulate our national conversation and help define our domestic culture and values. Long may we have a system of broadcasting designed to deliver this.

And then, the creative economy. This might have seemed a trifle novel to Jocelyn, had she been with us today. But as a country we've now said that the Creative Industries are one of six priority sectors for growth. And mark you this matters, because the sector now accounts for around 6% of the total economy, and tends to grow much faster. That's more than £100 billion, and it's now recovered to pretty well the same level as pre-Covid – in other words it has recovered very quickly since 2020. The screen sub-sector itself is one fifth of the creative sector and the PSM's are its beating heart. Not just with their production activity and their training and apprenticeship programmes, but also via their stimulus to the independent production sector, to regional development and strong exports.

So, just to round off this part of my argument...this is how PSM's deliver for our democracy, our culture and our economy, *in the 21st Century*. This is why we should value them just as much in the future as in the past. We must look forward. Let's have no Golden Ageism here.

So the PSM system is undoubtedly facing an existential threat. And it's one we have not spent nearly enough time concentrating on this year. In a nutshell: how can PSM survive in an era, a post-network era, when their TV services are mostly streamed via foreign owned internet platforms? BBC iPlayer, All4 and the imminent ITVx all have to negotiate carriage with the likes of Amazon, Apple, Samsung and LG, as well as Sky and Virgin.

These are all powerful, foreign-owned platforms who can take shares of PSM revenue and withhold PSM viewer data, in the largely unregulated arena of the internet. In the digital age if you have no data, you have no business.

This is why we had a far-sighted media white paper published earlier this year which promised an update of the prominence rules enshrined in the 2003 Communications Act: not just prominence for PSM on home pages (and a PSM button on TV remotes...why not?), but also guaranteed access to the platforms and fair value for the services too. But have you seen these far-reaching proposals debated much in our media, let alone on the Clapham omnibus? They're of existential importance to the survival of Public Service Media but they've been drowned out by something else also in that White Paper...the privatisation of Channel 4. Whatever the rights and wrongs of that idea, it's now clear it's become a damaging distraction from the thing that really matters: prominence in the internet age. So it's up to us to make sure this legislation is still pursued in a timely manner...and not held up by unholy rows about Channel 4.

And this is even more pressing than some politicians realise...because ITV needs to decide whether to apply for a new PSM licence next year to start in 2024. A difficult decision to take when you don't know what the terms are. ITV is in a stronger position than most PSM's because,

with its successful international production company and its robust cash flows, it can choose any number of commercial paths and partnerships. But you'd think it's in the interests of UK PLC to keep ITV in the PSM fold, continuing to deliver the public good that it excels at. There's some work to do here in Westminster and time is short.

We're told that economic growth is the number one priority of our current government. Don't forget what I said earlier about the PSM's core role in the Screen sub-sector, growing fast at the moment. So the danger here is not just the loss of cultural value but a deficit in economic growth which the PSM's can deliver, given a level playing field.

One last point about distribution. It's true that the internet is going to dominate: just witness Sky's admirably dynamic move to Sky Glass, away from the satellite service of old. But I think we should definitely keep DTT, transmitting digital TV to our aerials free, for the foreseeable future. It's a matter of national resilience. It won't have escaped your notice that there's a war in Europe at the moment. A key gas pipeline has already been sabotaged. Are internet cables or satellites the next target? The international infrastructure of our digital age is one of its greatest boons, but also one of its greatest vulnerabilities. It would be a foolish government indeed that surrendered an alternative information network. You only have to think of the critical messages that needed to get out during the Covid crisis to realise we should keep the DTT spectrum for the PSM's but also as a matter of resilience. This is a valued service for many, bringing them a range of channels beyond just the PSM's.

Now, just as we need to update the 2003 Comms Act, there's also a pressing need to redefine the television advertising market. According to the current definition, ITV has 45% of the TV advertising market, as recognised by the Competition and Markets Authority. This definition is so out of date as to be practically otiose. ITV (and Channel 4 & Five) have to compete every day, in the *video* advertising market, against the likes of YouTube, Facebook and TikTok. This is our real market. And ITV's share of this market is, by contrast, just 18%. Why does this matter?

It matters because it's increasingly understood that for Europe's domestic PSM's to thrive in the era of powerful international streamers there will have to be greater co-operation, or even consolidation, amongst them. This is what lay behind the proposed merger of TF1 and M6 in France. That deal has now been abandoned because of all the complaints from media sales houses and others. But this reform - allowing more consolidations - which is no more than realism, has to come. My warning to regulators and legislators alike is: if you value home grown production and content, don't tie our hands behind our back. Should anyone need persuading let me give you.....DRUM ROLL PLEASE....*Kangaroo, A Warning From History.*

In 2009, this joint streaming service between ITV, Channel 4 and the BBC was turned down by the Competition Commission. It's now cited as one of the most egregious errors by a regulator ever, where they showed they could look in the rear view mirror but, tragically, not at the road ahead. If it had been allowed it would now be a worldwide business worth billions and a muscular rival to Netflix, Amazon, Apple and the rest. Instead they tied our hands behind our back. Please don't do that again. Liberalise our advertising market. There will be howls of protest, no doubt, but if you understand where we're going, the decision has to be inevitable.

Now, what would a VLV meeting be like without touching on the BBC Licence Fee? Like a England football defeat without a penalty shoot-out.. Like Downing Street without an illicit drinks party...Don't worry I'm not going on any further with similes. I just want to say one thing about this. Sometimes you could be forgiven for thinking the licence fee is the only issue that matters about the BBC. The tortuous debate seems to attract a particular sort of trainspotter who revels

in ever more byzantine funding schemes, compulsory or voluntary. OK, it must be said that to question the regressive nature of the licence fee is legitimate.

However, whether it survives beyond 2027, or is replaced by a charge added to the Council Tax, or comes from direct taxation....can we please hear support for hypothecated funding, not for some voluntary subscription? The fact that there is guaranteed public funding for an organisation whose remit is specifically to hold the government to account, seems to be the most laudable expression of a liberal democracy that I can think of. Let's not throw it away.

With that, let me just reiterate the question I posed at the beginning: is Public Service Media needed in the 21st Century? I hope you feel I have answered that this evening. Yes, in the internet age, it's needed more than ever. Thank you very much.