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Beyond 2012 – The Future for the BBC  
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I want to begin with a question – what is the BBC for? It's a question which often comes up when policy-makers and interested parties debate the future of broadcasting in this country, though when we ask the British public what they think it's for, they seem to have a pretty clear idea.

The BBC exists to deliver to them, and to audiences around the world, programmes and content of real quality and value. Content that deepens understanding, changes attitudes, makes people encounter the world with new eyes and new ears. Content – news, music, drama, documentary – which would not be made and which they would never enjoy if the BBC did not exist.

Sometimes our critics like to claim that the BBC has forgotten this basic mission. There will of course always be arguments about BBC's services – about the proper limits to entertainment, say, or to the BBC's commercial activities. But listen to Radio 4 at the moment, watch Cbeebies, or David Attenborough's Life, take a look at that remarkable 90 minute documentary Wounded which was shown on primetime on BBC ONE, and you'll find the same conviction, the same excellence which has always characterised the BBC at its best.

Other brave souls suggest – or at least used to suggest – that if the BBC wasn't there, the market would simply step up and produce all this remarkable content instead. The Proms, presumably, the Reith Lectures, The Thick of It, Newsnight, or dramas like Occupation.

Look around you. Look at commercial media both here and around the world. Is it possible in 2009 to believe that – with all its undoubted shortcomings – if you took the BBC away you would end up with anything other than a big black cultural hole?

But the BBC is not just a machine for investing in and delivering good content and services. It's a guarantor of public space – that public square which everyone can enter, no matter how wealthy or poor they are, and within which they can share ideas, cultures, experiences and debate the great issues of the day. There are no pay walls in public space, no barriers between the public and the news and information they need to form their own judgement of what is going on. Public space is independent space in which everyone should get a fair hearing. This is why the BBC strives so hard to achieve impartiality.

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## **The battle for public service broadcasting**

But the values of public space – and of public service broadcasters like the BBC – are under attack as never before, and from a number of different directions.

The BBC's absolute duty to impartiality is now regularly disputed with well-intentioned and serious-minded people claiming that there other imperatives so important that we should set impartiality aside. In the case of Gaza, it was humanitarian need. In the case of Question Time, the alleged need to exclude a party like the BNP from normal political discourse. But a BBC that compromised its impartiality for any reason, even one that many people might think was worthy, would no longer be the BBC. That is why we can never accept these arguments.

There's also now a vigorous attempt in the press and elsewhere to suggest that strong comedy and satire are somehow unacceptable in the public space and are evidence that the BBC has lost its traditional values. We haven't. These critics sometimes forget that, while we do of course have a duty to reflect and respect the absolute boundaries of public taste, another of our duties is to stand up for creative freedom and ambition. It's what the public want from us. It's what we believe in. It's what the BBC always done.

But the attacks are about much more than impartiality or the boundaries of taste. And they're not restricted to the UK or to the BBC.

Let's look at some headlines: 'Just what is the licence-fee for anyway?' 'Abolish it.' 'Why not put a bomb under them.' 'How much public service intervention does the internet need?' 'We've had it with the licence-fee – join our campaign!'

These aren't quotes from the British press. They're from Bild, the Frankfurter Allgemeine Zeitung, the Flemish paper De Standaard, Il Giornale and Spiegel. Nor are they about the BBC – they're about ARD/ZDF, VRT and RAI. I could just as easily have quoted some of the French press on France Télévision, or the Japanese press on NHK.

The assault on public service broadcasting is happening across the developed world. Its immediate causes are the immense pressure which digital is placing on traditional media models and which makes many commercial broadcasters and newspaper groups look at the special status and funding of the PSBs with fresh envy and anger; and secondly and specifically, the impact of convergence.

Once newspapers and broadcasters were in separate clearly defined markets, the first pretty free in most markets, the second typically heavily regulated and subject to significant state intervention.

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Now everyone is meeting everyone else on the web – and, whether here or in continental Europe or in Far East, more or less the last thing most newspaper proprietors want to bump into on the web is a well-funded and creatively ambitious public service broadcaster.

As a result, plenty of heat and plenty of headlines. Also plenty of political activity. In many developed countries, commercial media groups can exercise not just direct pressure through what they say on their front pages, leader columns, or what they choose to broadcast on their own or closely aligned television stations, but indirect pressure through friendly politicians.

In recent months, there has been acute pressure on the independence and the funding on the public service broadcasters in Spain, France and Italy. Two weeks ago the President of RTVE, Luis Fernandez, stood down amid questions about the Spanish broadcaster's political independence, despite legislation three years ago which was supposed to guarantee it.

Governments in both Spain and France claim to be moving closer to the BBC model by removing advertising from the PSBs and making them rely solely on public money. In itself, the ending of dual-funding could be seen as positive but in practice it's meant a large cut in the money available to them to invest in programmes and services. In fact, cuts in public service budgets are happening across Europe, particularly in countries where licence-fee settlements are of short duration or, as in the case of Holland, where the licence-fee has been replaced by direct government funding.

And there are governance changes too. In France, for instance, a new way of selecting the Director-General: direct appointment by the President of the Republic. So not quite the BBC model.

In Italy, two Government ministers immediately signed up to the campaign 'Enough with the Licence Fee' launched by the newspaper *Il Giornale*, which coincidentally happens to be owned by Silvio Berlusconi's brother. The campaign sounds better in Italian, by the way – 'Basta canone!' I must suggest it to Charles Moore.

Meanwhile, the Secretary of State summoned both the Chairman and DG of RAI to a meeting to discuss two things: first their decision to interview one of the women at the centre of the recent sex scandal involving the Prime Minister; second and in the same meeting, the status of RAI's equivalent of the BBC Charter and Agreement.

So: hostility from commercial media; from politicians, a squeeze on funding, threats, apparent collusion with commercial interests, broken promises and, in some cases, attempts at overt political influence on appointments and editorial decisions. Not just an economic argument then, about the scale and scope of public intervention in media, but in several of our closest neighbours in Europe, political attempts to curtail the independence and freedom of the public broadcasters.

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## **Is Britain bound to go the same way?**

Which brings us to another question: is it inevitable that Britain goes the same way?

It's clear that some of the same factors are at work. The language which some of the leaders of UK commercial media use to describe the BBC – 'sinister', 'Orwellian', 'chilling' were some of James Murdoch's epithets in his MacTaggart lecture this summer – the language is becoming more extreme and intemperate.

Relations between the Government and the Corporation have been strained by the issue of top-slicing, while – on the topic of governance – the shadow culture minister was quoted by the Financial Times as having raised the possibility of 'ripping up' the BBC's Charter which, if he indeed said it, would, I believe, represent a first for a major British politician.

And yet in Britain we are different. There are important grounds for believing that the UK will not go the same way as some other countries.

First the British public still overwhelmingly support the idea of public service broadcasting and of a strong, confident BBC. 85% of them say they'd miss it if it wasn't there. At a time when public confidence in institutions is sinking – only 13% of the public say they trust British politicians – the BBC's trust ratings remain strong, indeed have actually risen over the past five years.

But second, while British politicians are sometimes as enthusiastic as their continental counterparts to criticise the BBC when they think we've got it wrong – and that, by the way, is not just their right but their duty – underlying political support for a strong, independent BBC also remains robust.

Let me quote one representative leading British politician:

'You can come up with all the arguments in the world for how – theoretically – a different, more market-driven model could work better. But frankly, I would rather stick with a structure that has produced good television and radio programmes, led by an institution – the BBC – that is still respected at home and abroad.'

That was David Cameron, writing in The Sun last autumn. No 10 has made it clear again in recent months that it believes that 'the BBC has an essential role to play at the heart of public service broadcasting in the United Kingdom' and emphasized that 'it needs an adequate and reliable form of funding'. And that's a view publicly shared by Nick Clegg and the Liberal Democrats, indeed by nearly all the mainstream UK political parties.

## **Support for the BBC's independence and for its Charter**

In addition to that broad political support, there is a specific tradition in the UK of politicians accepting and honouring the independence of the BBC and the other PSBs.

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For the BBC, the main guarantee of independence and impartiality is the Royal Charter. Each Charter is only granted after an exhaustive debate about the future of broadcasting but, once it is granted, it removes the BBC from direct political control for a decade. It spells out the Corporation's independence, not just in editorial matters but in the overall management of its own affairs.

Parliament remains of course sovereign and therefore has the theoretical power to pass legislation to abrogate or override the Charter at any time. In many other countries, there's a tradition of changing the mandate of the public service broadcaster every time there's an election – often the government also changes the DG and the rest of the senior management at the same time – but in Britain over more than 80 years that has never happened.

It's not that successive British governments has not had strong views about the BBC. Rather that they've accepted they should wait until the point of Charter review to press home any changes they want to make.

And it's a similar story with funding. We have a tradition of multi-year funding settlements to prevent the BBC from facing an annual financial choke-point which could leave it vulnerable to political pressure. Just like the Charter, this arrangement does not leave the BBC free from financial accountability. The BBC Trust is required to hold the BBC to account for the value for money it delivered on a continuous basis. And, every five years or so, there is a set-piece public debate on the funding of the Corporation and a chance for the Government of the day to make a judgement-call about how large or small the licence-fee should be. What there isn't is a constant insidious incentive for the BBC not to offend the Government about anything else for fear that it will lead to an immediate financial penalty.

Remember, this is what makes public service broadcasting different from other public services: one of our most important jobs is to analyse and scrutinise daily the policy and politics of our country. Without guaranteed independence, we cannot fulfil this mission and public trust in the impartiality and believability of our reporting will be undermined.

To date, all the UK's major parties have accepted the need for these safeguards and protections.

### **Our side of the bargain**

But none of this should be taken as an argument for the status quo. The BBC's independence is there not so that it can stand still, but so that it is better able to serve the public and, where necessary, better able to adapt and change.

To justify its independence, the BBC must keep its side of the bargain.

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Because what I and everyone at the BBC have to accept is that with the great privileges which the Charter and licence-fee confer, there are equally great responsibilities. A responsibility to respond promptly and constructively to fair criticism. A responsibility, wherever possible, to support rather than to hinder the rest of the public broadcasting system and the wider media and creative industries. Above all, a responsibility to listen to the public.

One of the core missions of the BBC Trust is to ensure that the BBC does all of these things, not only in the run-up to charter reviews and licence-fee settlements, but all the time.

And I believe that in the first three years of this Charter, you can see that working in action. In the fact that proposals for new BBC services are automatically subject to independent market impact assessment, and in some cases are being turned down. In our response to the public demand for greater openness – I believe that we have moved further down the road of disclosure than any other major public body. In our recent decisions about executive pay and our commitment to contain overall talent costs and reduce top talent costs – again a topic of public interest which the Trust insisted that I and the BBC should take seriously. In the whole partnership agenda. In our renewed focus on broadcasting and production in the Nations and Regions of the UK.

But that only tells one part of the story. Although all of these topics and others, like editorial standards, are important and should be addressed in a timely and effective way, by far the biggest responsibility of the BBC is a positive one. To deliver to the British public the best programmes and services that we can. To turn the fine words of the theory of public service broadcasting into journalism, drama, documentary, children's programmes that live on in the memory and that open doors that otherwise would be shut.

Darwin, the Poetry Season, and next year the Year of Science and The History of the World in 100 Objects, with Neil MacGregor and the British Museum. This is our side of the bargain.

### **The strategy review**

But the BBC also has a duty to challenge itself, both to do better and to meet changing audience needs, and new developments in the wider media landscape.

It's only three years since our last strategic review — one that saw the development of the iPlayer, HD, mobile services as well as a concentration of investment on critical areas like drama and specialist factual programmes.

But in those three years, the world beyond the gates of Broadcasting House has changed almost beyond recognition.

Digital take-up and the public's use of digital services has exceeded almost everyone's expectations. But the effect of that — and of the downturn — on many incumbent media businesses has been devastating.

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Inevitably, that has meant a steady increase in the number of those who worry about the BBC's scope and market impact. Convergence has become an everyday reality and, as I noted earlier, businesses who once regarded themselves as being in a quite different market from the BBC — newspapers, for instance — now believe themselves to be direct competitors.

The BBC should not respond to, let alone be cowed by, vindictive or groundless press attacks. But nor should we fall into the trap of dismissing every criticism as self-serving and without merit. Our job is to discriminate between the two and to take the second seriously.

The world has changed and the BBC must consider how it should change to meet it. Five years ago, we said that 'the BBC should be as small as its mission allows' and in absolute terms it is smaller. Thousands of jobs have gone and whole former divisions — Technology, Play Out, OBs — have been sold. The high-water mark of new channel launches and of content investment was passed some years ago. Instead the focus is on offering convenient new ways of giving the public access to existing content, rather than representing expansions into fresh content areas. iPlayer sits in this camp.

But we have to accept that to many in commercial media we seem relatively bigger and stronger than ever.

This fact, along with a real desire to continue to meet changing audience demands, meant that back in June, the BBC Trust and I decided that this autumn was the right time to look ahead to the post-switchover world of 2012 and beyond and to develop a clear strategy for what kind of BBC could best serve the public, and best support the media sector.

The review is being both radical and open-minded and it's throwing up difficult choices. Over the past twenty years, we've been able to use productivity gains — enhanced during some of the period by a licence-fee which grew in real terms — to opt for what you could call a 'both-and' strategy: both maintaining, indeed sometimes being able to increase investment in existing linear services, and launching new digital ones.

The British public tell us that they continue to want a strong, confident BBC which delivers real value to every household in the country. But in a period where not just the licence-fee, but the wider public finances and the revenues available to commercial media, are constrained, and after years of squeezing efficiencies out of the system, 'both-and' must and will give way to 'either-or'. And that means choices.

We'll have conclusions from the review early in 2010. Without preempting them, I can tell you something about the direction of travel.

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The British public tell us that what they most expect from the BBC is quality - that is, a combination of creative ambition, excellence and originality. Even more than at present, our new strategy will be first and foremost a quality strategy.

Expect to see a further shift of emphasis in favour of key priority areas: the best journalism in the world, high quality programmes and services for children, content of every kind that builds knowledge and shares music and culture, a long-range commitment to outstanding British drama and comedy, national events that bring us together.

At a time when so many other broadcasters are struggling with programme budgets, the licence fee's importance as an engine of creative investment in British talent is more important than ever. Expect a commitment post-switchover to spend a higher proportion of the licence-fee on original British content than we are able to today.

The archive will be a key focus: not just the goal of liberating the BBC's extraordinary existing archive but the question of what and how you should commission in a world in which content is no longer ephemeral, but persists and can give pleasure and value forever.

Partnership will be a central theme too — partnership with other broadcasters, sharing technology and infrastructure to help them continue to support PSB in their own way, but also partnership with many other public bodies, working for instance to liberate their archives and make them available to the public.

But importantly we'll lay out new boundaries for the BBC. Once our boundaries were obvious. They were set by medium and spectrum scarcity: the BBC offered two TV channels and a fixed number of radio stations.

Expect to see reductions in some kinds of programmes and content – a look for example at the current scope of our website – and a close examination of the future of our service portfolios once switchover has been achieved.

## **Conclusion**

The point of the strategy review is to set out a template for a more focused BBC, a BBC that delivers better quality of higher value. It may point to a BBC which is smaller in some respects, but no less confident, a BBC which is even more capable of keeping that idea of public space alive and populated with wonderful things.

I also hope it will be a BBC which can command the support of this country's politicians. If independent public service broadcasting is to survive and thrive in Britain, it will because our politicians stood up to defend it, not uncritically, but with conviction and courage.

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For the BBC, the immediate test will be threefold: will they support its Charter – the current one runs to 2016 – on which its independence rests? Will they support the multi-year licence-fee settlement which protects it from political interference? Will they support its right, enshrined in the Charter, to manage its own affairs?

There are other countries where politicians are answering all these questions, or their equivalents, in the negative. I am confident that Britain will be different. Because our traditions are different. Because the aspirations and values of our politicians are different. And because the British public expect and will demand something better from all of us.

Thank you.