



Voice of the Listener & Viewer

Championing Excellence and Diversity in Broadcasting

Summer 2020

Bulletin 128

COVID-19: TRUST IN BROADCAST NEWS AND VIEWING RISE BUT PRODUCTION HALTS



Since lockdown began on 23 March the value of high quality broadcasting for citizens in the UK has been more apparent than ever. TV and radio audience data showed a huge spike in consumption as people became dependent on TV and radio for up to date, accurate information as well as content to stimulate and entertain themselves.

Against the backdrop of an explosion of online fake coronavirus news, broadcasters have been the most trusted news source during this period. Trust ratings published by Ofcom range from 72%-82% for news on the public service broadcasters (PSBs) and Sky News. They demonstrate the value of one of the most important aspects of PSB.

During late March and April live TV viewing increased by more than 21% year on year; the rise in daytime viewing and viewing by younger, hard-to-reach audiences were especially notable. The Prime Minister's address on 10 May secured just under a 90% TV share across six channels (27.4m), making it one of the most-watched broadcasts in UK TV history; and Radiocentre says 38% of commercial radio listeners tuned in for an extra hour and 45 minutes each day. While the initial uplift in live TV viewing was huge, it appears now to have returned to pre-lockdown levels, however streaming content on TV sets appears to have retained the boost seen during the first weeks of lockdown.

While consumption of TV and radio content has soared, all broadcasters have seen a considerable drop in advertising revenue. This is putting the industry under extra pressure at a time when it was already struggling with competition from online platforms. Ad revenue could be down by up to 40% year on year.

For the remainder of the pandemic and some time to come budgets will be reduced and new content will be more difficult to produce, therefore broadcasters will need to innovate if they are to maintain original output. Ofcom is considering relaxation of the PSB quotas and PSBs have already announced they are cancelling programmes such as *Love Island* and *Inside Out*. Broadcasters will be especially dependent on their archives in the coming months and years.

PSB REVIEW DELAYED BUT DCMS SELECT COMMITTEE LAUNCHES ITS OWN INQUIRY



In March Ofcom suspended its PSB Review until later in 2020 because of lockdown, but in the meantime the DCMS Select Committee, under the new Chairmanship of Julian Knight MP, has begun its own PSB Inquiry.

VLV has submitted written evidence to the committee which urges that citizen interests should be at the heart of policy making to counter consumer interests which are driving the market. Commercial services delivered via the internet, such as Netflix, Amazon and YouTube, are becoming increasingly popular and reducing the reach, advertising income and impact of traditional broadcasters.

While online platforms provide extra choice for audiences, which is welcome, they are less regulated than traditional broadcasters and this is causing an imbalance in the market. Unlike the UK's PSBs, online platforms have virtually no obligations, are largely unregulated for harm and offence and they prioritise commercial content with little regard to providing a range of UK-relevant content for audiences.

The commercial PSBs have suffered a decline in advertising income consistently since 2014 and VLV research shows that BBC income for UK services has been cut by 30% in real terms since 2010. In this context VLV is calling for regulation to be updated so that it is more equitable. VLV is urging the government to ensure that public service content is promoted and advertising regulation applies equally to all platforms. In addition we are calling for greater transparency and accountability in the process of setting BBC income.

Since 2016 VLV has been pressing for the establishment of an independent body to oversee BBC funding settlements to ensure greater transparency and accountability. We also recommend that a Citizens' Forum for Broadcasting should be established so that citizen interests, as distinct from consumer interests, are not neglected in the policy debate. This would encourage a more informed debate and further Ofcom's role in representing citizen interests.

VLV's full submission can be downloaded from the VLV website.

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VLV represents citizen and consumer interests in broadcasting and champions excellence and diversity in broadcasting. VLV is free from political, sectarian and commercial affiliations. VLV is concerned with the issues, structures, institutions and regulation that underpin the British broadcasting system and in particular to maintain the principles of public service broadcasting.

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FROM THE CHAIRMAN, COLIN BROWNE



Colin Browne, Chairman of VLV

Welcome to this 'extra' edition of the Bulletin. Trustees felt that with the unavoidable cancellation of our Spring Conference and Awards, it was important to maintain communication with our members and friends in this way – not least because, despite lockdown, there have been a number of significant announcements and events of relevance to the future of PSB.

As you will read elsewhere in this Bulletin, we have a new Director General of the BBC, a new Chief Executive for Ofcom and an active programme from the reconstituted Select Committee for Digital, Culture, Media and Sport. All of this has kept the VLV very busy; and I hope you will have time to read the two submissions we have made to the Select Committee which are on our website.

The Covid crisis has been both a challenge and an opportunity for the PSBs. On the one hand, demand from citizens for reliable and trusted news and information has never been greater. On the other hand, the financial challenges have been huge. For the commercial PSBs, advertising income has been down by at least 40%; for the BBC, covering the pandemic has created extra cost, with the postponement of its planned job reductions in news, while revenues from its commercial operations have been hit. It also faces the politically incendiary decision on whether to go ahead with charging most over 75s for the licence fee and the possibility of decriminalisation for non-payment.

It's really important that the VLV's voice continues to be heard on all these issues. For that, we remain dependent on the continuing support of you, our members. We are very grateful that, especially in these difficult and challenging times, our members continue to renew subscriptions and often add a donation. Thank you. You make the VLV what it is.

Colin Browne
Chairman of VLV

THE VLV DURING COVID-19

It was with much regret that VLV had to cancel its annual Spring Conference and Awards in April. It was a difficult decision to make and we apologise to everyone who might have been looking forward to the day. While other organisations have held events during lockdown using video streaming platforms, we didn't think this would work for VLV at a time when everyone was living in a state of such uncertainty.

We still plan to hold our Autumn Conference on 24 November at the Geological Society in London. Steve Punt, best known as writer and presenter of Radio 4's the *Now Show*, has kindly agreed to present the VLV Awards on the day. The winners' names are safely under lock and key in the VLV filing cabinet.

VLV has continued its work representing audience interests in broadcasting during this period, making two submissions to the DCMS Select Committee and preparing its research for the Ofcom PSB Review which will involve making a submission to a consultation later in 2020.

Along with the rest of the population VLV trustees have been sustaining themselves with viewing and listening. All of them have been consuming more news content than usual, but an informal straw poll showed that the programmes which were doing an especially good job during lockdown were *More or Less* (Radio 4), *Quiz* (ITV), *Normal Lives* (BBC Three), the NT Live performances on YouTube, *Gogglebox* (Channel 4), *Bad Education* (BBC Three), and *Words and Music* (Radio 3). Do let us know what your favourite viewing experiences have been during lockdown and we will publish further recommendations in our next newsletter.

TONY HALL SUCCESSION

Tim Davie, Chief Executive of BBC Studios, has been appointed as the new Director General of the BBC, due to take over from Tony Hall on 15 September. Tim joined the BBC as Director of Marketing in 2005. He went on to become BBC Director of Audio and Music and had a brief spell as acting Director General after the resignation of George Entwistle in 2012, before moving on to lead BBC Worldwide.

Mr Davie was selected from a shortlist of candidates, said to have included Charlotte Moore, the BBC's director of content, Will Lewis, the former chief executive of the publisher of the Wall Street Journal, and Doug Gurr, the head of Amazon's UK and Ireland operations.

He takes up the role at a critical period in time for the BBC with licence fee settlement negotiations due in 2021, the government's mid-term Review in 2022-24 and all this amidst allegations of BBC bias and the challenge of competing with online platforms. Another influence on how the BBC will fare under Tim Davie's leadership will be the choice of BBC chairman. Sir David Clementi's term as Chairman is due to end in February 2021.

TIMES RADIO LAUNCH

Times Radio is due to launch on 29 June. It has secured a number of high-profile journalists, including some from the BBC, as producers and presenters. The station is part of Rupert Murdoch's News UK, which also owns Talksport, Talkradio and Virgin Radio under its Wireless subsidiary. The channel, which will be available online and on DAB, will be funded by sponsorship rather than adverts. It promises "provocative and well-informed" news and current affairs analysis. Former BBC Deputy political editor John Pienaar, Aasmah Mir and Mariella Frostrup will join former Conservative Home Secretary, Amber Rudd, and former shadow minister Gloria de Piero as presenters.

SELECT COMMITTEE NEWS

Both the Lords Communications and Digital Committee and the DCMS Select Committee have continued to conduct inquiries during lockdown. Lord Gilbert was reinstated as Chairman of the Lords' Committee in February. It is currently holding an inquiry into the future of journalism at a time when print journalism is facing considerable challenges but the need for well-funded journalism has never been greater. In addition to its Future of PSB inquiry (see page 1) the DCMS Select Committee is examining the impact of Covid-19 on the DCMS Sector. VLV has contributed a written submission which is available on the VLV website.

COVID PRODUCTION GUIDELINES

Broadcasters have collaborated to devise guidelines for production during the pandemic to get production started again as soon as possible. They include actors standing 2m apart, filming in front of green screens more often and working outside wherever possible. While some productions have continued during lockdown, it is hoped that soaps, including *Eastenders* and *Coronation Street*, will resume, as a result of the guidelines being agreed with the government.

NEW CEO FOR OFCOM

Dame Melanie Dawes has joined Ofcom as its CEO, replacing Sharon White who left the regulator to become the chair of the John Lewis Partnership in November 2019. Dame Melanie is one of the UK's most senior civil servants, having served as Permanent Secretary at the Ministry of Housing, Communities and Local Government since 2015. She has also worked as an economist and held non-executive roles at *Which?*

Ofcom Chairman, Lord Burns, has agreed to step down from his role by the end of this year.

GLOBAL AMBITION: BBC FOUR?

The BBC Annual Plan, released in May, set out plans to develop BBC Four into a global subscription service and return BBC Three to linear TV, in an effort to retain the 16-35's who began watching more live TV during lockdown. The challenge in creating an attractive BBC Four global service will lie in identifying must-see original content for which the BBC holds the rights. Some shows will have been sold to subscription platforms which want all the rights and others to channels which demand lengthy windows. The BBC has said it has no plans to shut BBC Four at present.

TERMS OF TRADE AGREEMENT

The BBC and PACT have agreed terms of trade for independent producers after lengthy negotiations. The BBC will receive an automatic 12 month licence to include content on the iPlayer, in line with the extended window agreed last year with Ofcom. In return independent producers will retain a larger share of back end rights - 90% for global distribution and 80% for UK sales in comparison with 85% and 75% respectively which they previously retained.

The BBC deal was the one remaining PSB deal to be finalised after Channel 4, Channel 5 and ITV concluded negotiations in 2018.

BBC GOVERNMENT RELATIONS

As we go to press, VLV understands the BBC intends for the majority of those over 75 to pay for their TV Licences from 1 August, after delaying the project because of lockdown. The Secretary of State has made it clear that the government does not approve of the move. After a period of tension between the government and the BBC, it seemed that relations were thawing during lockdown, however if the BBC goes ahead with this plan, VLV is concerned government disapproval will escalate. This comes after the Secretary of State wrote to the BBC to complain about an edition of *Panorama* in April which was critical of the government.

CHANNEL 4 PRIVATISATION?

Press reports in February alleged that the Prime Minister was considering privatising Channel 4 in the wake of disagreements between No10 and the broadcaster in the run up to the December 2019 election. The last time privatisation of Channel 4 was threatened, in 2016, VLV opposed this move strongly. Channel 4 has faced a significant drop in advertising revenue during lockdown but its ratings, especially among younger viewers, have risen.

VLV 37th Autumn Conference & AGM
Tuesday 24 November 2020

including

The VLV Awards for Excellence in Broadcasting 2019

The Geological Society, Piccadilly, London W1J 0BG

Diary Date

LOCAL RADIO AND TV CUTS



Radio critic Gillian Reynolds made an important observation during the online launch of a new book *Is the BBC still in Peril?* on 11 June. She said that local politics will have a huge influence in the years to come and that local radio plays a crucial role in informing citizens. She described local radio as the new Director General's 'secret weapon' saying that no former DG has ever realised the potential and the reach of local radio. Her comments came as significant cuts have been announced in both local radio and TV output.

Commercial group Bauer has said it plans to rebrand almost 50 local regional radio stations into a national network, *Greatest Hits Radio*, from September. This means dozens of towns and cities across England will lose distinctive local commercial radio stations, which will be replaced with largely syndicated programmes made in London, miles from the communities they serve.

This reduction in local commercial radio follows a similar move by Global in 2019 when Capital, Heart and Smooth converted local breakfast and drive-time shows into national output. These changes have come about following the relaxation of local radio regulations by the government in 2018 which VLV opposed. The new rules reduced the minimum amount of local programming a local radio station must produce from seven hours to three and removed the requirement for local stations to produce their own breakfast programmes.

In May it was also reported the BBC has launched a review of its news coverage in England that could mean reductions or even an end to regional English current affairs programmes, including regional political debate shows. The BBC confirms that it has cancelled the next series of regional current affairs series *Inside Out* which was due to return in the autumn. The programme, which broadcast 11 different local current affairs shows in primetime on BBC One, provides valuable regional content as well as a training ground for up and coming journalists.

The BBC is reviewing its output as a result of the £125 million drop in its income during the Coronavirus pandemic and has said, "We are taking a thorough look at what we do in England. This is driven by the BBC's significant financial challenges and efforts to learn lessons from the Covid-19 crisis."

In the past few months regional TV news bulletins across England have performed strongly, attracting large audiences for regional perspectives on the coronavirus lockdown, while local radio stations have become hubs for community support. The impact of the government's decision in 2018 to allow commercial radio companies to reduce their commitment to local output is now being seen, but any decision the BBC takes with regard to regional output longer term will need to be agreed with Ofcom. In a competitive marketplace funding local journalism is becoming increasingly challenging despite the fact that it is considered one of the most important drivers of local democratic engagement. This is an issue of crucial importance for all UK citizens and one which VLV will be monitoring closely.

VLV NEW SUBSCRIPTION / DONATION / CHANGE OF ADDRESS* (delete as appropriate)

VLV Subscription - Individual £30 Joint (two at same address) £45 Student e-membership £10

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