

# The challenges facing Public Service Broadcasters in the UK

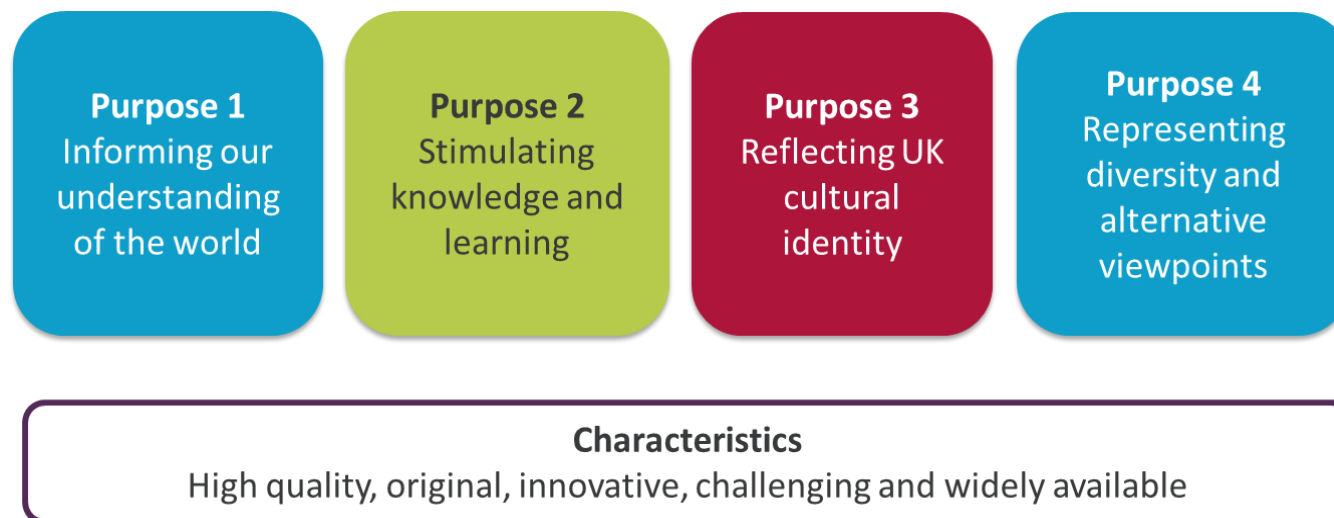
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# What is Public Service Broadcasting (PSB)?

Public service broadcasting has a long history in the UK. The current public service broadcasters are: The **BBC**'s licence-fee funded channels, **Channel 3 licensees**, **Channel 4**, **S4C** and **Channel 5**

Taken together, these broadcasters should produce programming which delivers on the following purposes:



## PSB Funding

Broadcaster	Ownership	Funding
BBC	Public	Licence fee
S4C	Public	Mainly via licence fee
Channel 4	Public	Commercial
Channel 3 licensees	Commercial	Commercial
Channel 5	Commercial	Commercial

Total Licence fee income: **£3.8bn**

Of which the BBC receives **£3.5bn**

# Regulating the BBC: the new Charter

Effective from 3 April 2017 to 31 December 2027

**BBC's mission** To act in the public interest, serving all audiences through ...  
impartial, high-quality and distinctive output and services which  
inform, educate and entertain

**BBC's public purposes**

- 1** Provide impartial **news and information**
- 2** Support **learning** for people of all ages
- 3** Show the most **creative, highest quality and distinctive** output
- 4** Reflect, represent and serve the **diverse communities** of all UK nations and regions, [supporting] the creative economy across the UK
- 5** Reflect the United Kingdom, its **culture and values** to the world

Excellence

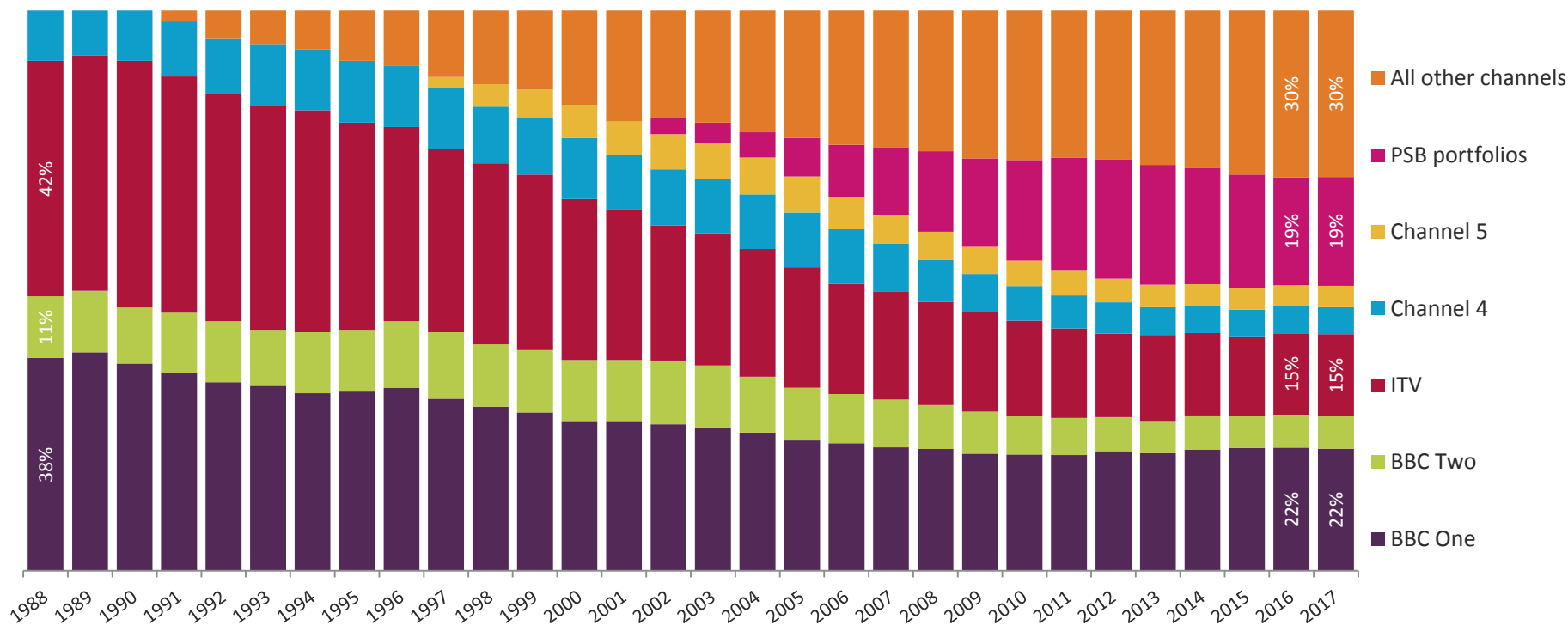
collaboration

agility

EMPOWERMENT

## Viewing of PSB channels remains high, despite continued growth in the range of non-PSB channels

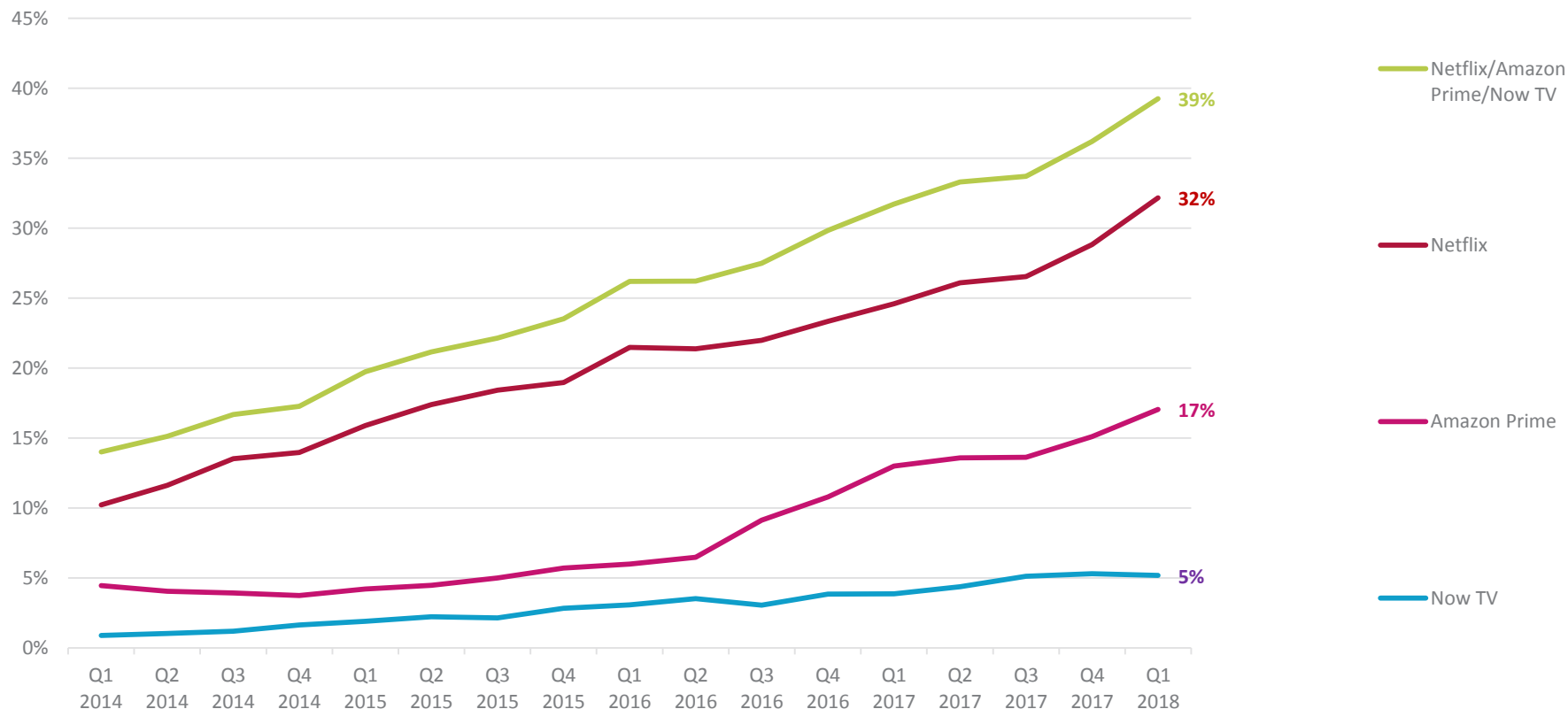
Channels shares in all homes, 1988-2017



Source: BARB, TAM JICTAR and Ofcom estimates, individuals (4+). Network. New BARB panels introduced in 2002 and 2010, as a result, pre- and post-panel change data must be compared with caution (see dotted lines). Channel 4 includes S4C up to 2009. S4C share 2016 = 0.1%. The main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

# Increase in SVOD subscription

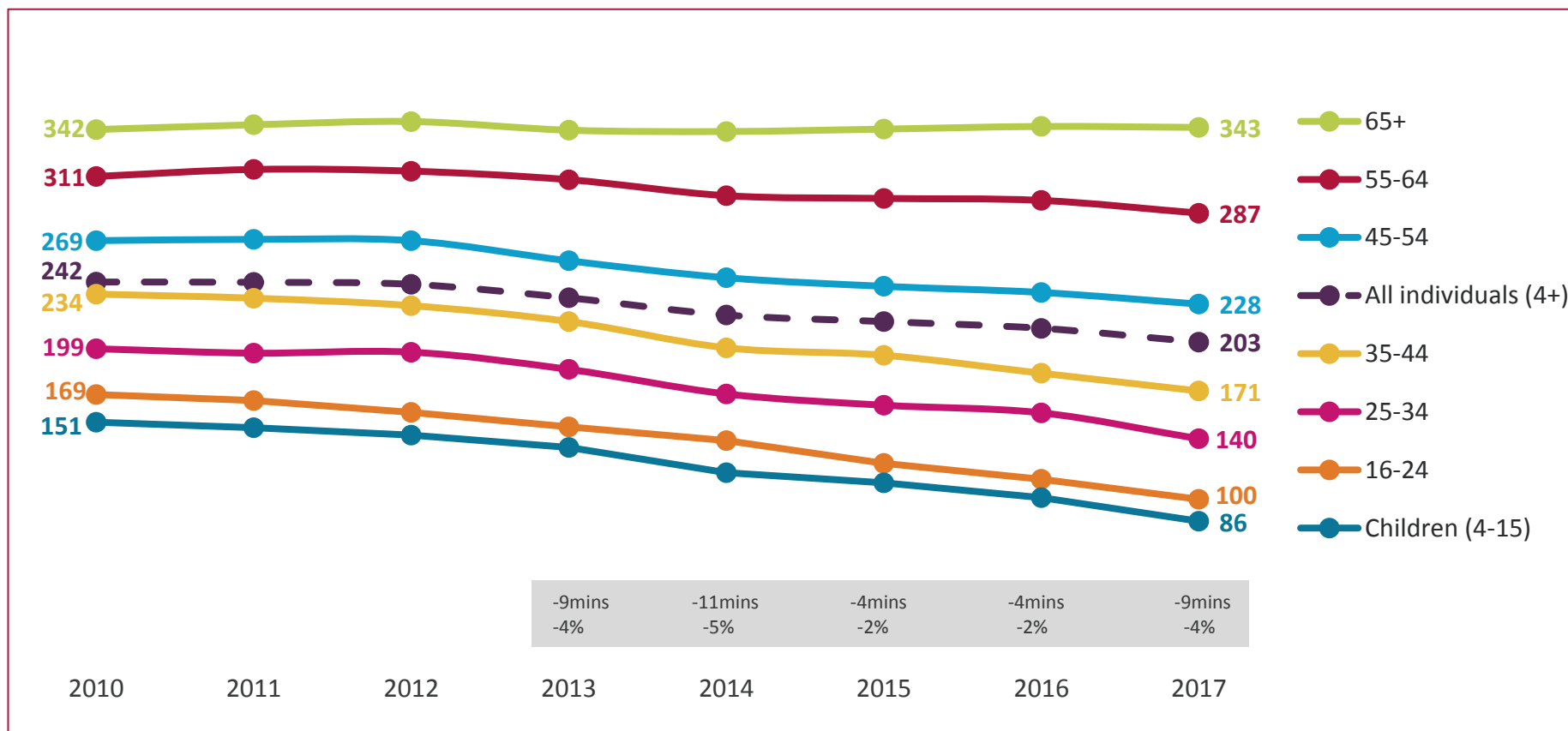
Households with SVOD service (%)



# Audience behaviour is changing (1)

Linear TV has become less important as part of overall viewing but remains resilient

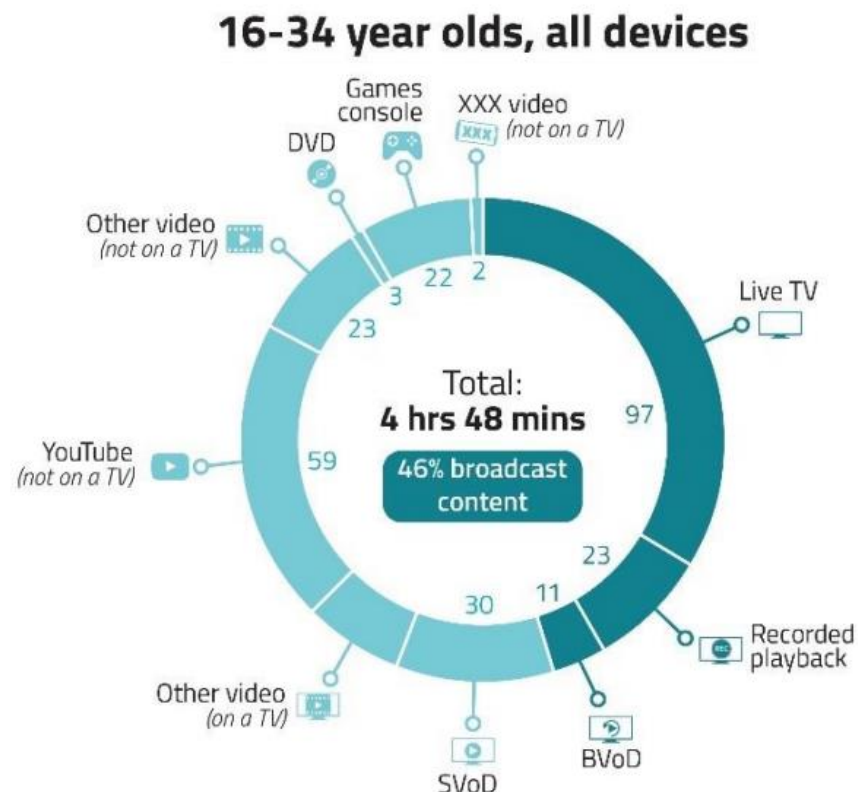
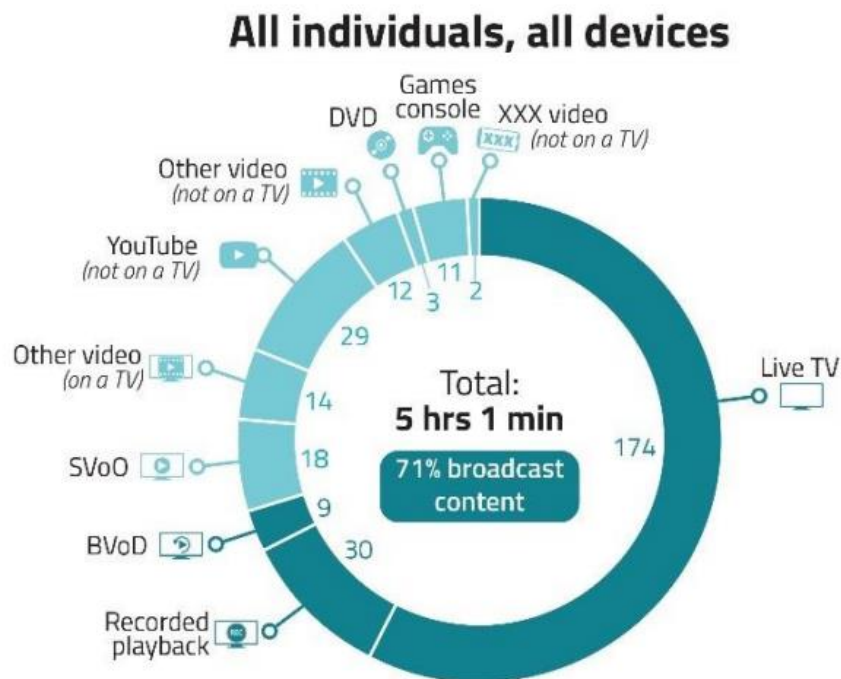
## Minutes of viewing to linear TV 2010-2017



## Audience behaviour is changing (2)

Younger audiences are moving away from linear TV channels to SVoD and YouTube

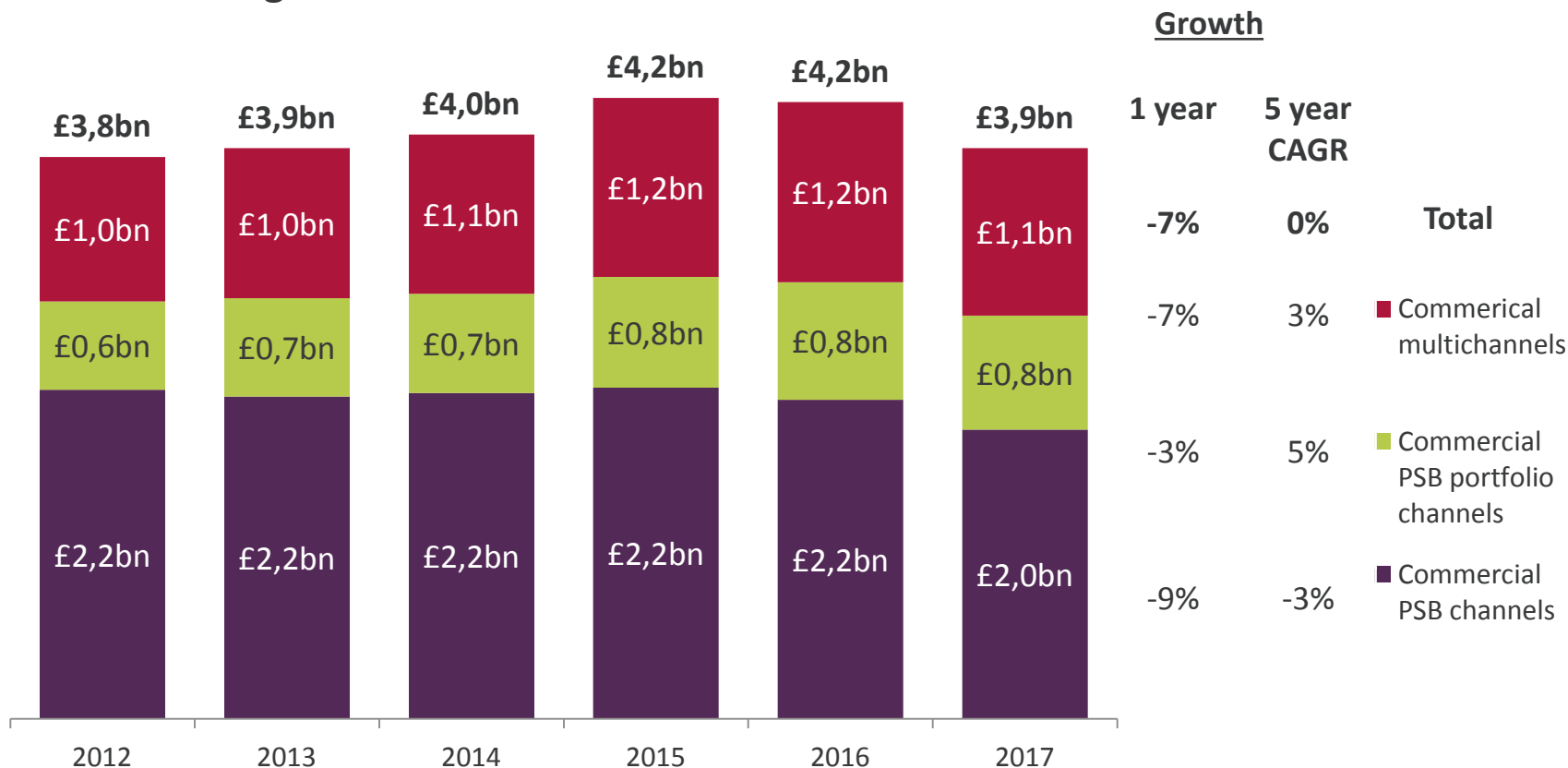
Breakdown of total time spent on devices, Media Nations Report 2018





# PSB funding (1)

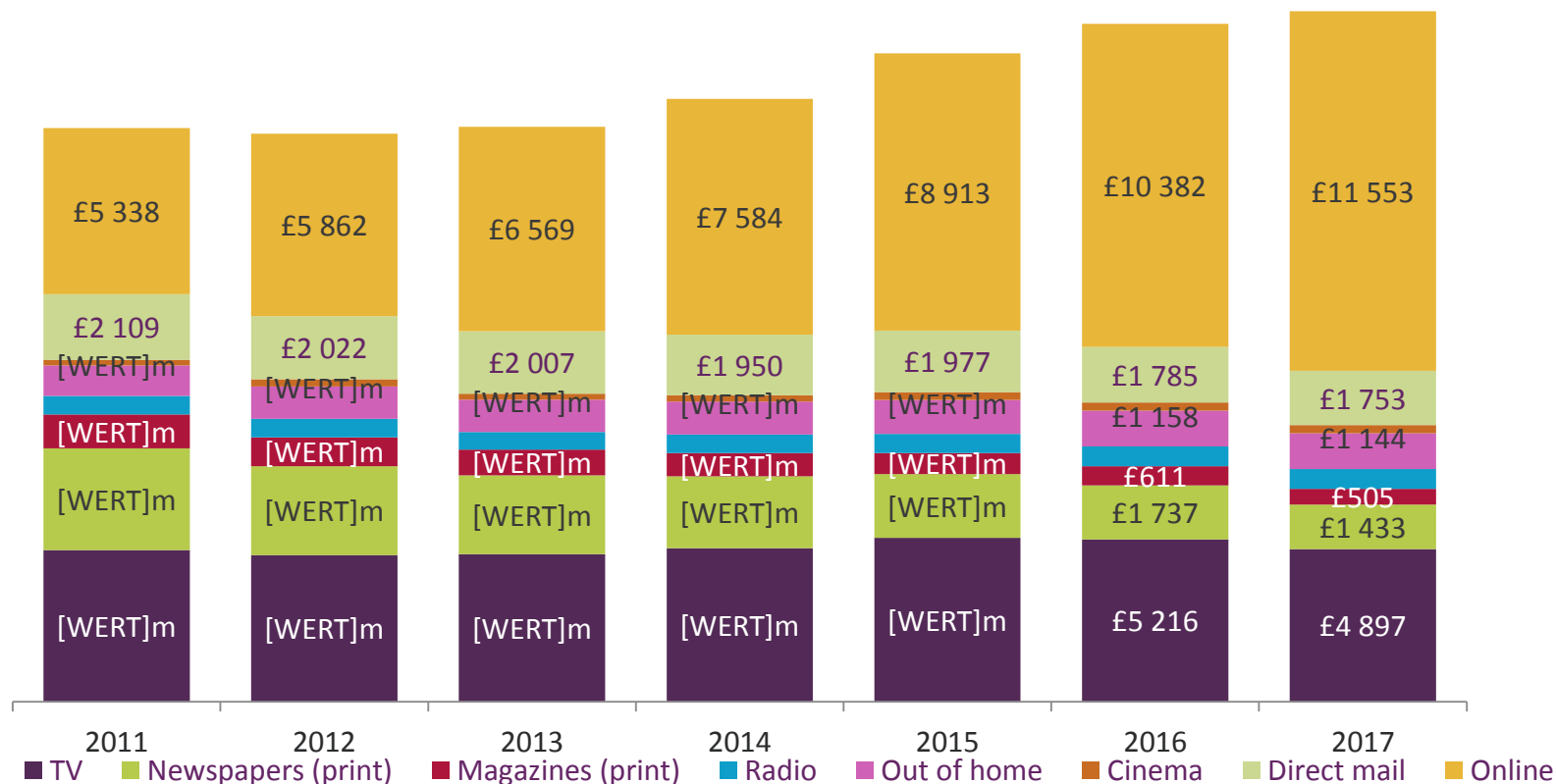
## UK advertising market 2012-2017



Source: Ofcom/broadcasters. Figures are adjusted for CPI (2017 prices).

## PSB funding (2)

Internet advertising spend was more than double that of TV in 2017

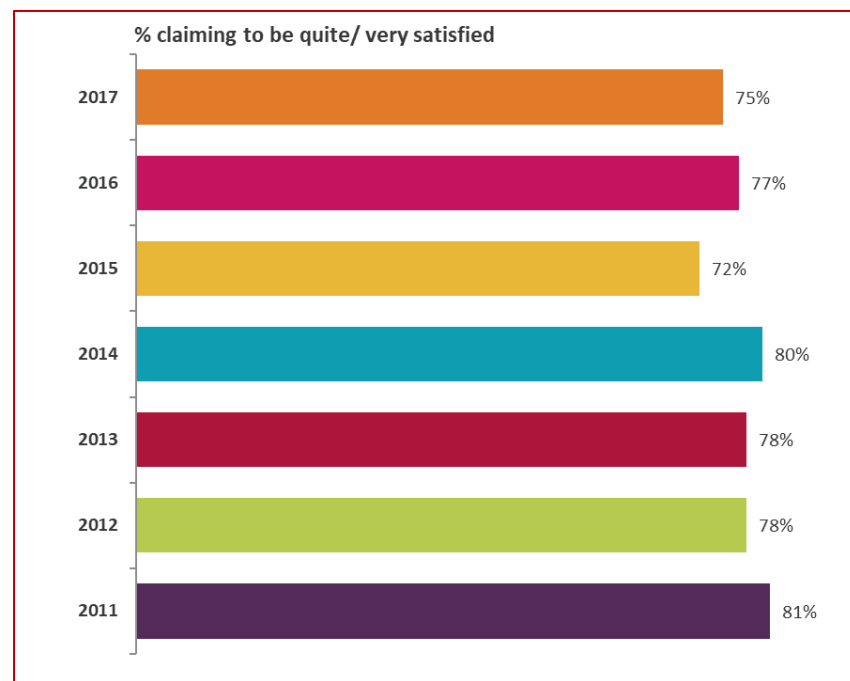


Source: AA/Warc Expenditure Report, April 2017

## PSBs remain in good health

Despite increased competition, PSB channels remain popular, innovative and well-regarded

- **Audience appreciation of the PSBs remains high:** Overall, 75% of regular or occasional viewers of PSB channels are either very, or quite satisfied with PSB broadcasting.
- **The PSB's continue to produce high-quality programming:** PSBs attract high audience figures across a range of genres: in particular drama; factual; news; comedy and some major sports.
- **PSB's are adapting their distribution methods:** There is an increased focus on On-Demand; Podcasts; and new content.
- **PSBs are taking steps to improve the way they reflect the lives of viewers:** e.g. new BBC Scotland channel, investment in nations, empowerment of local radio stations.
- **PSBs are seeking to collaborate:** Broadcasters are working together across production and distribution.



*Overall satisfaction with PSB over time*

## Distinctiveness: how does the BBC deliver it?

The BBC has to be distinctive and different, yet universally available, popular and relevant. It distinguishes itself in a range of ways:

- **The BBC provides a breadth of services that no other broadcaster provides**, our research shows that two in three people rate it highly for the quality and mix of its TV, radio and online content.
- **It broadcasts the largest amount of genres identified as in decline across public service broadcasting**, including music, arts, religion, comedy, current affairs and children’s programming.
- **BBC radio services offer a broader range of music and artists than competitors**, supporting UK artists and bringing new music to large audiences.
- **A substantial quantity of original UK programming**, our quotas require 90% of the programmes broadcast on BBC One and BBC Two peak to be original programmes.
- **It must have a renewed focus on innovation and creative risk-taking**, it should take risks with new titles, series and formats.
- **BBC services must cater for the diverse audiences of the UK**, people should be represented and authentically portrayed as well as served.
- **It offers individual “distinctive” and specialist services**, such as BBC Asian Network, BBC Parliament, Radio 4 and its children’s channels.