



NUJ response to BBC White paper

June 2016

NUJ statement following the White paper's publication: Michelle Stanistreet, NUJ general secretary, said: "The public response to the consultation on the future of the BBC was one of the largest ever, but the game was lost before it had even begun by the BBC agreeing to a deal with George Osborne to fund the licence fees of the over-75s – which could diminish the scale and scope of the BBC by 20 per cent. This is a disaster; since the 2007 charter there have already been £1.5bn cuts.

"We welcome another 11 years of the licence fee, but believe a five-year review is unnecessary and risks further political interference. Ministers should not be able to hold this threat over the BBC. The test the new unitary board must pass is one of independence. The high level of trust and respect the BBC receives across the globe is because of its independence from the state. The new board must ensure editorial independence is sacrosanct, represent the licence-fee payer and have at least one place for a member of staff.

"We support a charter which enshrines diversity measures to ensure the corporation reflects its audiences – both on and off screen. The NUJ will put pressure on the BBC to introduce policies to create this diversity.

"The BBC is the cornerstone of the UK's creative industry. Every £1 of the licence fee spent by the network generates £2 of economic activity, adding £8.3bn to the economy. The BBC and World Service are the best way to export British culture and values around the globe. After all the speculation and scare stories, don't be persuaded that this is a good deal for the BBC because 'concessions' have been made. I am deeply concerned whether the BBC will be able to continue the high-quality journalism and programme-making which allowed it to sweep the board at the recent Bafta awards.

"The NUJ also opposes the use of licence-fee payers' money to prop up local newspaper groups which have used profits to pay shareholders and executives fat bonuses instead of investing in journalism and enough journalists to cover courts and councils meetings. As for the planned consultation on a new contestable public service content fund – this is just

another example of raiding the licence fee. The underspend from the last licence fee agreement should be reinvested and off-set the further cuts our public service broadcaster is about to endure.”

NUJ response to the deal between James Harding, BBC's head of news, and Ashley Highfield, chair of the News Media Association, for the BBC to pay £8m to fund 150 journalists to be employed by regional newspaper groups to provide a service covering local authorities and other democratic institutions.

Laura Davison, NUJ national organiser, said: "The NUJ believes there is a democratic deficit in local news – the press is not covering the decisions of courts, councils and public bodies in a way which properly informs readers about their democratic institutions. But should it be the licence-fee payer who plugs this gap?

“Local newspaper groups have a proven track record of cutting staff, merging titles, closing local offices and overstressing the few workers left on the ground just to maintain their profits. What checks are there that these groups will not exploit this licence-fee subsidy in the same way? The deal has been done behind closed doors with no consultation and no transparency; none of the practical details are clear and it would be totally bizarre to have people ostensibly working to the same aims and standards, but employed locally, by different groups, and on different, no doubt low, pay and conditions.”

BBC White paper – next steps

After the various leaks and what we had all heard John Whittingdale say public on his view of the BBC, the publication of the White paper was generally thought to have been better than was feared. But there are still a number of concerns and outstanding issues to be addressed.

1. Funding

The BBC's disastrous deal with the Treasury to take on the cost of the over-75s subsidy could cost the corporation £750m by 2020/21. There is limited scope for more efficiency savings. Since the last charter the BBC made cuts of £1.5bn and staff say they are already suffering from high workloads. The BBC's management will now be left with the task of making decisions on this welfare payment. James Harding, head of BBC news, has said because of its "short-term contribution to the £150 million shortfall by 2017 and the estimated £80 million annual cut from the News budget by 2021-22 –we will have to review the on-air spend".

2. Independence & regulation of the BBC

At least half of the new unitary board will be appointed by the BBC. The NUJ believes staff representatives should be included and is concerned the make-up of the board must not

threaten the independence of the BBC. There is also no room on the Clementi-style board for people who are interested in giving the licence-fee payer a say.

If Ofcom is to take up its new responsibilities as a regulator it must be radically reformed from being a light-touch regulator with a record of letting broadcasters water down their public service remit. It must also be prevented from interfering with the BBC's editorial independence. Ofcom regulation would mean far more internal BBC bureaucracy. BBC finances are to be investigated by the National Audit Office. This could be good, with the potential to stamp down on executive excess, but again there is the same bureaucracy problem.

3. Future of BBC News Channel (see briefing & EDM below)

The BBC's management is considering closing the BBC News Channel and broadcasting the BBC World News TV in the UK instead. Or, closing both channels and creating a new one, with a foreign emphasis, which would air in Britain and globally. The NUJ believes both play important and different roles and therefore must be retained; the union has submitted ideas that could save millions of pounds across the newsroom by reducing waste and duplication, while safeguarding jobs and services.

4. Privatisation of BBC production

The NUJ fears the BBC's plans to create a wholly-owned subsidiary which would compete for commissions against the open market, ending in-house quotas, makes it ripe for privatisation. There is a long history of hived-off operations of the BBC being then sold off. The fear is that it will result in "safe" commissions and that BBC training will become a casualty if the corporation pursues a publisher-broadcasting model.

That all BBC TV and online (except for news) will to be put out to tender goes much further than BBC management themselves had proposed (for example they had suggested some protection for in-house production of children's programmes). Disgracefully, the government is proposing that the 25 per cent output guarantee for independent producers should remain, but there will be no output guarantee for BBC in-house production.

5. Putting 60 per cent of BBC Radio out to tender

The proposal to put 60 per cent of BBC Radio out to tender was originally tabled by BBC management in June 2015, following negotiations between the BBC and trade body RIG" (the Radio Independents Group, which represents precisely the private sector companies

who stand to gain from the plan). The proposals have now been adopted in the White paper.

The NUJ's view is that this is far too large and sudden an expansion in competitive tendering. Major concerns about the proposals include:

- More money will be spent on admin (to fund costly commissioning processes) and less on programmes – a stated aim of the proposals is to produce savings on programme budgets. BBC Radio budgets are already extremely small: RIG's members describe them as "inadequate" and RIG stated in their submission to the government charter review consultation that "BBC Radio budgets, which used to keep pace with inflation, have in recent years declined in cash terms and even more so in real terms. This cannot continue without having an impact on programme creativity and quality in ways which will be noticeable by the listener."
- Destruction of BBC in-house radio production, the industry leader and its acclaimed public service ethic.
- Casualisation of the radio industry.

NUJ concerns are shared by, among others:

- **The BBC Trust** – whose preliminary verdict on the proposals identified "clear risks to public value if competition is extended too quickly given the still limited scale of the radio supply market (the BBC being the only significant commissioner in the UK of Independent radio content). A large or rapid reduction in in-house production could put public value significantly at risk...The Trust is concerned that the BBC executive proposals may involve significant additional costs both in terms of implementation and administration." It added: "We firmly believe that the alternative approach of a significant increase in the independent production quota would not be in the interest of licence fee payers as it could lead to a position where the BBC is forced to commission ideas externally simply to comply with a quota rather than selecting the best ideas regardless of source."
- Roger Mosey (33 years at the BBC, including as Controller of Radio 5 Live): "I'm ... unconvinced about "compete and compare" in radio, where the old model wasn't broken so there was no need to fix it."

Furthermore, despite negotiating the proposals with RIG, BBC management have so far refused to negotiate them with the recognised trade unions – a clear breach of their commitment in the BBC Charter to "consult BBC staff on all matters affecting the interests of those staff".

The NUJ's BBC Radio & Future Media chapel has carried out a consultative ballot of more than 100 radio members. The ballot, which had a 66 per cent turnout, produced the following results:

		YES	NO	ABSTAIN
	Will the plans to put 60% of BBC Radio out to tender be harmful to Radio's service to our audiences?	100%		
	If Radio management continues to refuse to negotiate over this, are you prepared to take strike action?	93%	3%	4%
3.	If Radio management continues to refuse to negotiate over this, are you prepared to take industrial action short of a strike?	99%		1%



Future of BBC News Channel

June 2016

BBC management is considering the future of the BBC News Channel as part of a cost-cutting exercise. Several plans are being examined:

- Close the BBC News Channel and broadcast the BBC World News TV in the UK instead.
- Close both channels and create a new one which would air in Britain and globally. It would have a foreign news emphasis, with coverage of UK stories significantly reduced, so as to appeal to an international audience.

The NUJ believes both play an important and different role and therefore must be retained. The union argues that efficiency savings can be made elsewhere.

The BBC News Channel has a weekly audience of 8 to 10 million, reaching more than a third of all households. TV remains by far the UK's main source of news, despite the march of online and mobile content.

The BBC News Channel interviews hundreds of MPs, peers and campaigners from across the political spectrum each year. It provides a vital platform for political debate, scrutiny of public and private institutions and provides policy analysis.

It covers politics across the UK's nations and regions, bringing local issues to a wider audience. BBC News Channel's output is continuous so it has more time to examine issues and seek a wider range of opinion than other news programmes on TV and radio.

UK licence fee payers rightly expect to have their own distinctive domestic channel, while continuing to fund foreign TV news channels in Arabic and Persian, plus 12 TV bulletin services in languages such as Swahili, Pashto, Hausa, Kyrgyz and Urdu.

Joint output would be tricky because of competing domestic and international agendas. How could a merged channel justify rolling coverage of, say, the 2015 Cumbrian floods when, at the same time, more than 500 people were killed and nearly two million people displaced by flooding in southern India?

For its part, BBC World News is a commercial entity. It is funded through advertising and a merger would blur the lines between licence fee and profit.

BBC World News cannot afford to compromise its distinctive international content because of British editorial priorities. It provides, along with the World Service, a vital outlet for impartial news abroad and promotes the UK's democratic and cultural values. Meanwhile BBC News aired in the UK must be above accusations that it is funded commercially. If the BBC News Channel were to disappear, it would leave Sky with a domestic monopoly in continuous UK television news.

John Whittingdale, the Culture Secretary, has warned the corporation not to cut news budgets or close a channel. The Government's White Paper called instead for the BBC to save money by becoming a more "efficient, lean organization".

In February, the Best Report from the Lords Communications Committee recommended "the continuation of a dedicated UK news channel".

The NUJ urges the BBC to cut 1,000 management posts as promised and to stop signing off expensive redundancies only to later reopen the same staff jobs. NUJ members have put forward dozens of ideas that would, if implemented, save millions of pounds across BBC News by reducing waste and avoiding duplication without losing services or jobs.

The proposal goes before the BBC News Executive Board in July.

We hope that parliamentarians will help persuade the BBC to retain two separate TV news channels offering distinctive output, relevant to their particular audiences.