

**MEDIA
REFORM
COALITION
POLICY
BRIEFING**

This briefing provides an overview of critical debates currently taking place in UK media policy. Each of these issues involves serious policy failures, corporate abuses of power or underlying structural crises that threaten the ability of media organisations to hold powerful groups to account, serve the public interest and support the democratic process.

With the prospect of a draft government Media Bill including swathing changes to current broadcasting legislation, this is a vital opportunity to develop a radical reform agenda. Our analysis brings together evidence and proposals from three MRC research reports published in 2021:

- The **Manifesto for a People's Media**, published as part of our 'BBC and Beyond' project, outlining proposals for a more democratic, independent and accountable media commons. [1]
- The **Media Influence Matrix report**, exploring the influence of shifts in policy, funding and technology on contemporary journalism in the UK.[2]
- The **Who Owns the UK Media? report**, analysing the concentration of ownership across newspapers, broadcasters, online journalism and social media.[3]

The BBC licence fee and mid-term Charter review

The government's two-year freeze in the TV licence fee and plans to abolish the licence at the end of the BBC's current Charter period are only the latest of many examples of political interference in the BBC's public funding. Since 2010 a series of deals negotiated behind closed doors, without any approval from parliament or licence fee payers, has resulted in a 30% real-terms cut in BBC income.[4] 52% of the £971m in 'efficiency savings' made by the BBC since 2015 have come at the expense of drastic cuts across core public services, resulting in significant reductions in original programme-making as well as in the BBC's news provision across the nations and regions. More than 1,800 staff have been made redundant since 2016, with around 350 jobs cut from front-line journalist roles.[5]

Threats to the future of the TV licence fee further demonstrate the dangerous relationship between the BBC's independence and government control over funding decisions. While the TV licence fee requires urgent reform to create a fairer and more modern funding mechanism, the introduction of subscription or advertising would destroy the principle of universal public media free from commercial pressures, and lead inevitably to a smaller and more 'exclusive' BBC.[6]

[1] <https://bbcandbeyond.net/#manifesto>

[2] <https://www.mediareform.org.uk/blog/uk-media-influence-matrix-final-report>

[3] <https://www.mediareform.org.uk/media-ownership/who-owns-the-uk-media>

[4] Estimated by the Voice of the Listener & Viewer, March 2020.

[5] See the National Audit Office's report on BBC savings, December 2021 pg. 22.

[6] See Enders Analysis 'Subscription BBC?' report, February 2020

A more detailed Media Reform Coalition briefing on the government's licence fee announcement, and issues concerning the future funding of the BBC, will be forthcoming.

This year's mid-term Charter review will test the effectiveness of the BBC's governance and regulation following changes made in the 2016 Charter review. Under the current Royal Charter, Ofcom is wholly responsible for regulating the BBC with a central aim of promoting 'distinctiveness'. This model prioritises restricting the BBC's market impact on its competitors above protecting the interests of licence fee payers, and gives private media interests undue influence over Ofcom's regulatory decisions concerning the scale and scope of the BBC's public services. Both the BBC Board and the wider Royal Charter review process as currently constituted are woefully unaccountable to Parliament and the public, and any attempts to expand the government's role in BBC governance must be opposed.

To build a more democratic, independent and accountable BBC that serves the public interest in a changing media landscape, we propose:

- **Replacing the television licence fee with a progressive levy linked to household council tax bands or a digital income tax based on the Finnish model.** The BBC's public funding should be determined by a body appointed independently of government, following the example of the Press Recognition Panel, and in full consultation with licence payers.
- **Establishing a new independent regulator responsible for the regulation of the BBC, dedicated to enhancing the media commons.** The new regulator would have the power to handle complaints, involve audiences directly in its decision-making and be accountable to the public through elections to the board.
- **Replacing the BBC's Royal Charter with a statutory constitution promoting public service media.** This would ensure that the BBC's remit is properly scrutinised by parliament rather than unilaterally changed by government, with future changes made through regular reviews voted on by the public.

Channel 4 privatisation

We completely reject the government's argument that privatisation is necessary to protect the future sustainability of Channel 4, and note the government's total lack of evidence or public mandate for taking the channel out of public ownership. Channel 4 is a vital part of the UK's media ecology. Its news programming records the largest PSB viewing share among both young and ethnically-diverse audiences, while its unique publisher-broadcaster status delivers significant investment in SME production companies across the nations and regions.[7] Channel 4's remit for appealing to "the tastes and interests of a culturally diverse society" fuels innovative, creative programming that reflects the lives of diverse communities across the UK.

[7] In 2020 Channel 4 accounted for 14% of the total out-of-London commissioning spend of UK PSBs, commercial broadcasters and international companies. See [Oliver & Ohlbaum 'Pact UK Television Production Census, Nations and Regions Annex'](#) pg.7.

Channel 4 faces three long-term challenges: increasing competition from streaming services; the long-term decline of TV advertising; and programming cost inflation.[8] However, privatisation would make Channel 4 more vulnerable to these challenges while wrecking the benefits it provides to the public. Outside of public ownership Channel 4's corporate leadership would be required to increase profits for shareholders, leading either to more services placed behind subscription, reduced investment in UK content, a diluted PSB remit, or all of these combined.

Rather than increasing the commercialisation of UK media, more progressive reforms to Channel 4 should strengthen existing regulatory requirements and enhance its mission for serving marginalised and underrepresented groups. In 2020 just 10% of Channel 4's commissioning spend went to producers with annual revenues under £10m, despite these smaller companies making up 58% of all UK independent production companies. Alongside geographical obligations and requiring producers to pay the local living wage, Channel 4 should direct a greater proportion of commissioning to smaller producers and counter-act the dominance of 'super-indies' in the UK TV industry. The Channel 4 brand and its established online presence also make it well placed to remedy the sector-wide decline in essential public service genres such as education and programming for young audiences.

Building on Channel 4's success as a publicly-owned broadcaster with a distinct remit for serving minority audiences, we propose:

- **Transforming Channel 4 into an advertising-free platform, funded by a UK cross-platform advertising levy.** This will allow Channel 4 to focus on creating great programmes for the public rather than generating audiences for advertisers.
- **Refocusing Channel 4's remit to better serve marginalised and underrepresented groups,** particularly ethnic minorities and younger audiences who are drifting away from traditional broadcasters.
- **Strengthening Channel 4's successful publisher-broadcaster model to promote more regional productions, higher labour standards and greater SME investment.**

Government appointments and media independence

In the last few years government-controlled appointments to the BBC, Channel 4 and Ofcom have severely undermined the independence and legitimacy of major media institutions. Figures appointed to the posts of BBC Director-General, Chair of the BBC Board and non-executive director for England all held close connections with government ministers, exposing the top levels of the Corporation's governance to political interference. The government's veto of two reappointments to the Channel 4 board and its ongoing attempts to impose the former Daily Mail

editor at the head of Ofcom also highlight the increasing politicisation of broadcasting policy along an ideologically-charged ‘culture wars’ axis.

Fundamental changes to the constitution and process of these appointments are needed to end persistent patterns of government interference and safeguard the public interest. These should include:[9]

- **Removing senior appointments to public media organisations and independent media regulators from exclusive government control.** These positions should be appointed through an open, democratic process that includes formal parliamentary scrutiny and public elections.
- **Introducing worker representation on the national and regional boards of the BBC and Channel 4,** and ensuring that staff, trainees and companies working with these organisations are representative of wider society.

Media plurality

The UK faces a severe crisis of concentrated media ownership, in which a few powerful companies are able to dominate national debate and shape the news agenda in support of their own private interests. In a national market of 20 daily and Sunday newspaper titles, just three companies control 90 percent of newspaper circulation. These same publishers account for four-fifths of the online ‘brand reach’ of the UK’s major print titles. Meta (formerly known as Facebook) controls three of the top five social media services UK audiences use to access news online, and the same organisations that dominate ‘traditional’ news account for 48% of Facebook users’ news sources.[10]

This crisis reflects the failure of Ofcom and successive governments to act on rampant commercial consolidation across UK media. Ofcom’s recent review of media plurality rules contains some welcome proposals,[11] particularly with regards to opening online intermediaries’ news algorithms to greater transparency. However, bolder action is urgently needed to curb the accelerating concentration of media ownership and enhance the diversity of viewpoints available to UK audiences. Essential reforms include:[12]

- **Requiring Ofcom to conduct regular assessments of media plurality,** with new powers to intervene outside of merger activity and enforce appropriate remedies—such as public interest obligations, divestment and profit levies—when companies breach certain ownership thresholds.

[9] See the [Manifesto for a People’s Media](#), pgs.29-31.

[10] Figures as of 2021, see the MRC’s [‘Who Owns the UK Media’](#) report.

[11] See Ofcom report on [‘The future of media plurality in the UK’](#), November 2021.

[12] For more details see the MRC’s [‘Media Manifesto 2019’](#).

- **Updating the current media plurality framework to include tech giants like Google and Meta.** Ofcom should scrutinise and monitor these platforms' news algorithms to ensure they do not unduly favour particular types of news providers over others.
- **Ensure the [bargaining code between platforms and publishers](#), being developed by the Digital Markets Unit, does not unduly favour particular some news providers over others and takes into account the social value of public interest news.**

Local journalism and press regulation

Over the past few decades local media has suffered a precipitous decline, with many people in towns and cities around the UK lacking access to news sources reporting on important local issues. Chain ownership, mergers and closures have resulted in the three largest local newspaper publishers—Newsquest, Reach Plc and JPI Media—each owning a larger market share than the smallest 50 local press companies combined. The prevalence of 'news deserts' is exacerbated by swathing job cuts, redundancies and distinct local titles being consolidated into generic online-only regional news 'hubs'.^[13]

Current efforts to reverse this decline have tried to patch over the failure of commercial funding models rather than build sustainable, independent public interest local news. More than 9 in 10 of Local Democracy Reporters, funded by the licence fee to cover local council business, are contracted to the three dominant local publishing companies. While some recommendations from the 2019 Cairncross Review would create more funding for local journalism,^[14] any public investment should not be used to subsidise larger news organisations who have already failed to deliver. The industry regulator IPSO is neither independent nor effective in handling complaints or investigating journalistic malpractice, meaning that the majority of the UK's local and national press is not signed up to a Leveson-compliant system of regulation.

To rebuild vibrant local journalism that is independent, sustainable, trusted and held to the highest ethical standards, we recommend:

- **Creating a new legal structure for public interest news organisations with charitable tax benefits**, provided they are regulated by a Press Recognition Panel approved regulator such as IMPRESS.
- **Restoring the Community Radio Fund, supporting community-led buyouts of local papers under threat of closure and establishing Regional Media Councils for distributing funds to non-profit local media** – supporting hyper-local journalism and providing communities with unique sources of specialist public interest news.

[13] 'Who Owns the UK Media' report, pgs. 8-10.

[14] Cairncross Review, February 2019.

- Commencing Part 2 of the Leveson Inquiry together with the legal incentives established in Section 40 of the Crime and Courts Act 2013 for publishers to join a recognised press regulator.

Further issues

Alongside these pressing issues in UK media policy, we are also exploring further research and recommendations for:

- Ensuring that the **Online Harms Bill** protects individuals' rights to safety and freedom of speech online. We need a new model for online regulation of harmful content, the impact of algorithms and harmful design.
- Devolving local and regional media production through **Citizen Media Assemblies**, and building new forms of participatory commissioning and funding for public service media.
- Establishing a **British Digital Corporation** that develops public social media, search and other information architecture free from commercial pressures, and leads the roll-out of affordable full fibre broadband guaranteed to all homes.

This briefing is provided as part of the UK component of the [Media Influence Matrix](#), set up to investigate the influence of shifts in policy, funding, and technology on contemporary journalism, funded by the Joseph Rowntree Charitable Trust. The final report was published in December 2021.

