

Consultation Title: Small Screen: Big Debate Consultation – The Future of Public Service Broadcasting

Name of respondent: Professor Catherine Johnson

Representing: Self

Confidentiality: None of the response is confidential

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Overview

This submission draws on Professor Johnson's broader expertise in television and PSM, and specific industry and audience research into the impact of platforms and streaming on television.

The submission makes the following recommendations:

Recommendation 1: Any outcomes framework for PSBs needs to ensure the delivery of public value across both linear and on-demand services.

Recommendation 2: Any new regulatory framework needs to reassess the circumstances under which PITs are required for PSBs, placing greater emphasis on the public interest and recognising the new market conditions in which PSBs are no longer the major players and are having to compete with global platforms and international media conglomerates. This is essential if the PSBs are to innovate with the speed necessary to fulfil their remits.

Recommendation 3: Regulators (whether Ofcom or a new regulatory body) should be provided with the necessary top-line data (such as the viewing figures for public service programmes and the criteria governing algorithmic recommendations) in order to assess the role of platforms within the UK's media markets and their impact on PSM.

Recommendation 4: Any revised regulation of PSM needs to address the dominant market position of the global platforms and the impact that this has on public service broadcasters' (PSBs) ability to reach and engage with audiences.

Recommendation 5: Revised prominence regulation is an urgent priority. Any delay will only further damage the ability of PSBs to fulfil their public service remits.

Recommendation 6: Given the potential for disruption, any significant change to the funding model for PSM should only be introduced if the current model no longer retains its legitimacy. Any changes that are made should aim to improve on the current system by reducing the potential for political interference in the level and terms of public funding and by making the system of funding more progressive.

Recommendation 7: The public interest would be best served through investment in the development of a public service internet which would also address the current challenges related to the dominance of global platforms online.

Question 1: Do you agree that a new regulatory framework for PSM delivery should support a more flexibly 'service neutral' delivery approach that is more outcomes focused?

Question 2: Do you agree with our proposals for a clear accountability framework?

The regulatory framework established in the Communications Act goes back to 2003 and the early days of digital television and radio when video-on-demand and social media were not features of the media landscape.

Today's media landscape is very different:

- It is characterised by an increased uptake of on-demand and streaming services, while linear remains essential for certain audiences. PSBs need to operate hybrid online/linear services to reach audiences and fulfil their remits.
- PSBs are no longer the major players in the market that they once were. As Ofcom's consultation document notes, 'global platforms wield increasing power as the access point between audiences and content'.¹ Ofcom refers to Netflix here, but it is important to recognise that the role and power of global platforms extends beyond Netflix, to the likes of Amazon, Google and Facebook, and beyond their gatekeeper functions.
- The new online media market within which PSBs are operating is strikingly different from that of the broadcast market of 2003. This is an online market dominated by a small number of platforms (such as Amazon, Google, Facebook and Apple) that dominate the basic infrastructures that are required to deliver services online. Put simply, it is not possible to operate online without the infrastructures that these companies control: from Apple and Google's app stores; to Google search; to Amazon Web Services (Amazon's most profitable division, providing data, content and analytics services); to Facebook's social media services. Apple, Amazon and Google all providing streaming services (Apple TV+, Amazon Prime Video, YouTube/YouTube Premium) and produce software (such as operating systems for television sets) and devices (streaming sticks, tablets etc) used to watch television. Finally, these platforms operate at a global scale.
- In addition to these global platforms, the contemporary media landscape is also characterised by the increasingly international focus of the US media conglomerates. This has been apparent in the purchase of UK TV providers and production companies by US media conglomerates (including Channel 5 and Sky), as well as the move of US media conglomerates into direct-to-consumer content delivery in the UK and beyond (e.g. Disney+ and Discovery+).

Within this new broadcast landscape, there remains a strong and compelling argument for the continuation of public service media. As Ofcom outlines, public service broadcasters offer a range of programming not found on other services. The growing internationalisation of the media landscape makes the argument for national broadcasters with a specific remit to produce a wide range of universally accessible content in and for the diversity of the UK's nations and regions more pressing. Although some of the new international players are investing in the UK production ecology, they have no specific requirements to do so, and the UK's PSBs are far and away the primary investors in UK productions.² These benefits are felt

¹ Ofcom, *Small Screen: Big Debate Consultation – The Future of Public Service Media*, December 2020, p.4.

² Oliver & Ohlbaum, *UK Television Production Survey: Financial Census 2020*, August 2020, p.16.

across the economy, particularly as PSBs have increased the amount of programming they produce outside of the South East: for every direct audiovisual job created by PSBs, 1.7 extra jobs are created in the local economy.³ The UK's creative industries are a success story and a declining PSM sector would only serve to undermine that success.

However, given the new characteristics of the contemporary media landscape, there is a clear need for a revised regulatory framework to ensure that the public continues to be able to receive the benefits of public service media. Indeed, the rise of a relatively unregulated platform ecology makes the case for PSM even more urgent.

Ofcom's suggestions for a more flexible, service neutral and outcomes focused approach is an appropriate response. Ofcom is right to recognise that the kinds of quotas that are appropriate in a linear environment might not translate to an on-demand context. However, given the hybrid linear/on-demand landscape for PSBs, it is important that the PSBs' remits cover both their linear and on-demand offers. Linear must not be neglected by PSBs given its continued value for significant audience groups.

Recommendation 1: Any outcomes framework for PSBs needs to ensure the delivery of public value across both linear and on-demand services.

In addition, PSBs need to have the agility to compete in a fast-moving industry with providers (such as the global platforms) who are able to innovate at speed. The current system of Public Interest Tests (PITs), for example, can hamper the UK PSBs' abilities to adapt at the necessary speed and limit their ability to serve the public effectively. The BBC's request to increase the amount of time that content spent on iPlayer in 2019 is a case in point. At this time, the BBC was seeing its iPlayer viewing figures decline as streaming services like Netflix were altering perceptions of what an on-demand service should provide. However, the requirement to take this to a PIT before making changes to iPlayer delayed the BBC's ability to respond to this market change. It is clear that since 2019/20 the BBC has started to see the success of this changed strategy as iPlayer viewing almost made up for falls in broadcast TV viewing.⁴ However, qualitative research from the University of Huddersfield suggests this remains a challenge for the BBC as some viewer still holds a misplaced perception of iPlayer as a catch-up service.⁵ There needs to be greater emphasis on public value when deciding whether to require a PIT for changes to PSB services, and greater recognition of the need for PSBs to respond at speed to changes in the marketplace in order to fulfil their public service remits.

Recommendation 2: Any new regulatory framework needs to reassess the circumstances under which PITs are required for PSBs, placing greater emphasis on the public interest and recognising the new market conditions in which PSBs are no longer the major players and are having to compete with global platforms and media conglomerates. This is essential if the PSBs are to innovate with the speed necessary to fulfil their remits.

³ UK Coalition for Cultural Diversity (UKCCD), *Submission to the DCMS Select Committee Inquiry into the Future of Public Service Broadcasting*, June 2020.

⁴ Ofcom, *Small Screen: Big Debate Consultation – The Future of Public Service Media*, December 2020, p.31.

⁵ Johnson, C. and Dempsey, L., *Covid-TV: Routes to Content During Covid-19*, October 2020, p.3, 19.

Finally, the discussions about PSM regulation need to take place alongside and in conjunction with debates about the regulation of platforms. The Competition Market Authority's (CMA) report into online advertising made a strong case for the incumbency advantages of Google and Facebook in the online advertising market, including network effects, economies of scale and unmatched access to user data. It argued that these incumbency advantages mean that potential rivals cannot compete on equal terms.⁶ These incumbency advantages extend beyond the online advertising market (and Google/Facebook) to the broadcast market. The dominant global position of Google, Amazon, Apple, Facebook and Netflix gives them significant incumbency advantages over PSBs. These are already apparent in the widespread use that younger audiences (who are more habituated to online media consumption) make of SVOD and streaming services. There are two broad ramifications of this for PSB regulation.

1. Data

Global platforms have access to a scale of user data which drives platform economics.⁷ Data about users is highly valuable for targeted advertising, but also for product development (and, in broadcasting, for content creation and commissioning). It also underpins the quality of algorithmic recommendations, enabling platforms to offer superior user experiences. It is also an asset that can be sold to third parties. The platforms like Google, Apple and Amazon have a significant advantage in terms of data because of the vast array of services that they offer. Google generates a wide range of services, from maps, to email, to search, all of which generate data. It also gathers data from its operating system (Android) and the tags it places on third party sites and apps. Amazon gathers data from its marketplace, from the wide range of web services that it offers, from its devices (such as Amazon Fire TV Stick), its online TV service Amazon Prime Video (and other content services), and its operating system which it has developed for smart TVs. Apple generates data from its devices, its operating system, its app store, its Apple TV service and its other services, such as maps, iTunes etc. For all three platforms, this vast access to multiple data points gives them significant market advantage which creates barriers to entry for smaller platforms and publishers, including PSBs. Although Netflix doesn't operate across such a wide range of data, its global scale gives it access to data which has enabled it to create user experiences (including algorithmic recommendations) with which it is difficult for PSBs to compete.⁸

The CMA found that 'platforms have an incentive to interpret data protection regulation in a way that entrenches their own competitive advantage, including denying third parties access to data that is necessary for targeting, attribution, verification or fee and price assessment while preserving their right to use this data within their walled gardens.'⁹ Because data, and the algorithms that process that data, are black-boxed by platforms, it makes it difficult for market participants to understand and/or challenge how decisions are made and to exercise choice. The CMA states that 'since they are unable to scrutinise the basis on which decisions are made, platforms' users are often required to accept outcomes on trust. ... platforms both set the rules and are the sole arbiters of whether they abide by

⁶ CMA, *Online platforms and digital advertising: market study final report*, July 2020, p.5.

⁷ Van Dijck, J., Poell, T. and De Waal, M., *The Platform Society: Public Values in a Connective World*, Oxford and New York: Oxford University Press.

⁸ Johnson, C., *Online TV*, London and New York: Routledge.

⁹ CMA, *Online platforms and digital advertising: market study final report*, July 2020, p.16.

them.¹⁰ It is not just users and advertisers who are unable to scrutinise the basis upon which decisions are made, but also regulators and policy makers.

Recommendation 3: Regulators (whether Ofcom or a new regulatory body) should be provided with the necessary top-line data (such as the viewing figures for public service programmes and the criteria governing algorithmic recommendations) in order to assess the role of platforms within the UK's media markets and their impact on PSM.

2. Market domination and fair trading

The global media platforms have leveraged their market power into other markets: Amazon, Apple and Google have moved from retail, devices and search (respectively) into a range of other markets, including the commissioning, production, acquisition and distribution of audiovisual content online. YouTube funds the creation of content for the YouTube platform – so it is both a distributor of content but also a commissioner of content. Google can also use its dominant position in search to drive people to YouTube. Amazon funds the creation of content through Amazon Studios for its Amazon Prime Video service, but it also offers a range of third-party apps and content through Amazon Prime, its marketplace and the Amazon Fire TV Stick. Apple controls the distribution of online TV apps through the App Store and offers a range of third-party apps and content through the Apple TV app and device, as well as moving into commissioning for Apple TV+. In addition, the Apple TV app comes preloaded on all of its devices and (like Amazon and Google) it can determine which TV apps come preloaded on its devices and can charge for the prominence of apps/content within its devices and services. These platforms can also (subject to negotiation) access data from the third-party content and apps accessed through their devices. This is a potential conflict of interest that could allow platforms with market power at one stage of the value chain to use it to undermine competition at other stages.¹¹

There is clearly the need for a broader discussion about the regulatory intervention needed to address the dominant position of platforms within the market, beyond that of news provision and/or advertising (where the regulatory debates currently focus). It is important that these discussions include consideration of PSM: that any new platform regulation considers the impact of platforms on the public value of media and that any new PSM regulation considers the place and impact of the global platforms online.

Given the dominant infrastructural position that these global platforms hold in the online ecosystem, it is impossible for PSBs not to operate within their systems. For example, PSBs' VOD systems have to conform to Apple App Store terms and be made compatible with Amazon's devices; PSBs have to place some of their content social media sites in order to reach younger audiences. YouTube is a useful case in point. In 2019, YouTube was the most-visited online video app in the UK.¹² Use of YouTube by UK citizens is increasing, particularly, but not only, amongst younger viewers. Because of YouTube's dominant market power, PSBs have little choice but to use YouTube to reach certain audiences and they have little

¹⁰ CMA, *Online platforms and digital advertising: market study final report*, July 2020, p.17.

¹¹ Johnson, C., 'The appification of television: TV apps, discoverability and the software, device and platform ecologies of the internet era,' *Critical Studies in Television: The International Journal of Television Studies*, 2020, 15(2), pp.165-182.

¹² Ofcom, *Media Nations: UK 2019*, August 2019, p.70.

ability to negotiate terms of trade. Network effects and economies of scale mean that there is a lack of viable alternatives. In 2019 Ofcom noted that 19% of the top 100 YouTube channels are broadcasters.¹³ The most-viewed YouTube channels in the UK are professionally produced, including from ITV and BBC, and not the user-generated content most associated with YouTube.¹⁴ YouTube, therefore, significantly benefits from the professionally produced content that is shared on its service, while paying ad rates typically not sufficient to cover the costs of production.

Recommendation 4: Any revised regulation of PSM needs to address the dominant market position of the global platforms and the impact that this has on the PSBs' ability to reach and engage with audiences.

Question 3: What do you think should be included in the PSM 'offer'?

Question 4: What options do you think we should consider on the terms of PSM availability?

It is crucial that the PSB VOD apps and programmes are available and easy to find across the major devices used to access TV (smart TVs, streaming devices) if they are to fulfil their public service remits. It is important to recognise that this is a highly unequal market in which the ability for PSBs to negotiate for prominence is limited.¹⁵ Audience research from the University of Huddersfield suggests that once people make the shift to an on-demand environment, their awareness of and knowledge of new PSB content can be diminished, leading to a reduced engagement with PSB channels and services.¹⁶ Prominence legislation (such as that which Ofcom has outlined) applied to streaming devices and smart TVs is now an urgent regulatory priority.

Recommendation 5: Revised prominence regulation is an urgent priority. Any delay will only further damage the ability of PSBs to fulfil their public service remits.

The suggestion from PSBs seems to be a pragmatic one. The suggestion from techUK that PSBs should be required to freely provide metadata is rather one-sided. If PSBs are required to freely provide metadata, it would make sense for devices/platforms to be required to freely provide PSBs with access to user data related to their apps/programmes.

Beyond apps, any prominence legislation should require labelling of PSB content with the brand of the PSB provider within third party sites (such as Netflix and Amazon Prime Video). This does not happen consistently and can cause audiences to mis-attribute PSB programmes to SVODs. This legislation should also include a requirement for third party devices and services that carry PSB apps or programmes to make top-line audience data (e.g. number of viewers) available to regulators for scrutiny. With more people watching PSB content on SVOD services, this is essential for regulators and policy-makers to be able to evaluate the share and reach of PSB content to all audiences across all services and devices.

¹³ Ofcom, *Media Nations: UK 2019*, August 2019, p.71.

¹⁴ Ofcom, *Media Nations: UK 2019*, August 2019, p.72.

¹⁵ MTM, *Review of TV user interfaces in the UK market: current offerings and future developments*, May 2019.

¹⁶ Johnson, C. and Dempsey, L., *Covid-TV: Routes to Content During Covid-19*, October 2020, p.23.

Question 5: What are the options for future funding of PSM and are there lessons we can learn from other countries' approaches?

Any funding model for PSM should adhere to the four principles proposed by the EBU for the public funding of the media:¹⁷

- Stable and adequate
- Independent from political interference
- Fair and justifiable
- Transparent and accountable

The funding models that best fulfil these principles are the licence fee or a household/individual fee. Funding direct from state budgets does not ensure sufficient independence from political interference. Funding wholly from advertising does not provide a stable form of income (particularly with current declines in broadcast advertising revenues) and can lead to a de-emphasis on programmes that are less economically viable. Beyond the technological problems outlined in the consultation document, subscription is not an appropriate funding mechanism for PSM because it is only provides services to those who choose, and can afford, to subscribe. PSM (as with other public services) by definition is a merit good, defined as goods/services that create positive benefits for social welfare but which people are likely to under-consume. Merit goods should to be subsidised and provided free at the point of use so that consumption does not depend on ability to pay.

While the current UK licence fee system fulfils some of the EBU's principles, it does have some disadvantages.

- The way in which the licence fee settlement takes place does not provide PSBs with sufficient independence from political interference. In some countries, licence fee levels are set by independent bodies. This helps to limit government interference in the stability and adequacy of public funding for PSM.
- The UK licence fee is currently regressive in that most people pay the same amount regardless of ability to pay.
- The terms upon which the UK licence fee is payable are complex and do not reflect the universal principle of public service funding (i.e. that public services are merit goods that all citizens should pay for regardless of use). There are also costs involved in collection and determining who is required to pay. In addition, people can avoid paying and still use PSM services.

Any reform to the licence fee should seek to address these disadvantages. A household/individual fee payable by all citizens could address the limitations of the current UK licence fee model. Under this model, funding for PSM is not tied to media use, but is payable by all citizens (as with other public services). Household/individual fees can be collected at source, which reduces the cost of collection. They can also be progressive, by being attached to income or other measures (such as council tax).

¹⁷ Burnley, R. (2017) *Legal Focus: Public Funding Principles for Public Service Media*, EBU.

A number of countries across the EU have moved away from the traditional licence fee model tied to device use, most typically either to a household/individual fee (e.g. Finland, Germany, Sweden) or to a state grant (e.g. Iceland, Netherlands, Romania). However, what we can learn from countries that have shifted to a new funding model is that the process is time-consuming and disruptive for regulators and broadcasters. In most cases, the proposal for a new funding model has led to challenges to the very legitimacy of PSM and legal challenges to the new system once implemented (in Germany and Finland, for example).¹⁸ For example, in 2015 Switzerland's proposal to shift from a licence fee tied to radio/TV set ownership to a universal fee payable by households and businesses,¹⁹ led to a vociferous anti-PSM campaign by small businesses facing increased fees, culminating with a referendum on PSM.²⁰ In this case, proposals to change the funding model put the very legitimacy of PSM at risk and challenged the social consensus. Although the referendum result was strongly in favour of PSM, the Swiss PSBs had to make concessions which led to reductions in revenues.²¹ The examples of Switzerland, Germany and Finland suggest that the disruption of moving to a new funding model is only merited when there has been a breakdown in the perceived legitimacy of the existing system.

A key question, therefore, is whether the licence fee system in the UK retains its legitimacy. Currently, the high levels of support for PSM and relatively low evasion rates would suggest that the licence fee remains a legitimate form of public funding. Rather than seeking alternatives to the licence fee, it would make more sense to put in place safe-guards to improve the current system. Specifically, reducing government interference in the setting of the licence fee level is crucial for maintaining the legitimacy of the licence fee. If the legitimacy of the licence fee were to decline, then the institution of a new model should be grasped as an opportunity to make the licence fee universal, more progressive and less subject to political interference.

Recommendation 6: Given the potential for disruption, any change to the funding model for PSM should only be introduced if the current model no longer retains its legitimacy. Any changes that are made should aim to improve on the current system by reducing the potential for political interference in the level and terms of public funding and by making the system of funding more progressive.

In the meantime, it is important to recognise that the contemporary media environment will present financial challenges for PSM organisations. Regardless of how they are funded, moving forward PSM organisations will have to operate as hybrid linear/online media

¹⁸ Winter, C. (2018) German ZDF and ARD Public Broadcasting Household Levy Ruled Constitutional, DW.com: <https://www.dw.com/en/german-zdf-and-ard-public-broadcasting-household-levy-ruled-constitutional/a-44721576>. Herzog, C. & Karppinen K. (2014) Policy Streams and Public Service Media Funding Reforms in Germany and Finland, *European Journal of Communication*, 29:4, p.423, 427.

¹⁹ Geiser, U. (2015) Wafer-Thin Majority Votes for Public Radio/TV Funding Reform, swissinfo.ch, 14 June 2015: https://www.swissinfo.ch/eng/directdemocracy/close-call_wafer-thin-majority-votes-for-public-radio-tv-funding-reform/41481762

²⁰ Mombelli, A. (2018) Swiss Licence Fee Vote: The Demands and Potential Consequences, swissinfo.ch, 18 January 2018: https://www.swissinfo.ch/eng/radio-and-television_swiss-licence-fee-vote--the-demands-and-potential-consequences/43824266

²¹ Interview with Richard Burnley (Director of Legal and Policy, EBU) and Florence Hartman (Senior Media Analyst, EBU), 6 Oct. 2020.

providers, with the additional complexity of providing a far wider range of media content than online competitors. There are significant costs in maintaining a linear offer alongside developing an online offer that can maintain audience share against competitors with global scale and deep pockets (as outlined above). These challenges need to be recognised in any regulatory changes. It is simply not feasible to keep asking PSM organisations to do more with less, given the financial demands of running a hybrid linear/online offer.

Question 6: What do you think about the opportunities for collaboration we have referred to? Are there other opportunities or barriers we haven't identified?

The suggestions for collaboration between PSM organisations are sensible. However, the PSM organisations are also in competition with each other (for viewers and for ad-revenue). The current competitive environment between PSM organisations is likely to present barriers to collaboration.

A single PSM BVOD service could have benefits both to consumers and to PSM organisations in their negotiations for availability and prominence. There are obviously costs involved with this, and it is important that there is recognition that the shift towards an on-demand logic will require significant financial investment for PSM organisations. In addition, there is a danger that this could undermine their brand identities.

There is also a strong argument for the PSM organisations to strengthen their partnerships with charities and cultural organisations in the UK in order to broaden access to UK culture for all. Beyond the third sector, however, there are significant challenges for PSM organisations in collaborating with the global platforms. While the PSM organisations have successfully utilised social media platforms to develop initiatives and content that fulfils their public service remit, doing so requires them to operate within platforms that they do not control and that do not share the ethics and values of public service broadcasting. The power relationship is also highly unequal. For example, in 2020 the BBC attempted to develop a service through which smart speakers would provide trusted, accurate and impartial information about the Covid-19 pandemic. However, because the platforms would not allow the BBC the necessary editorial oversight needed to ensure the service met its public service values, the project did not get off the ground.²² This instance demonstrates the unequal relationship between PSM organisations and global platforms and the risks of simply suggesting that PSM organisations should be collaborating more with them.

A further challenge for PSM organisations in placing their content on third party platforms is the extent to which this is measured in evaluations of their public service remits. If PSM organisations need to place their content on third-party platforms in order to reach certain audiences, then measurement of this audience reach should be included in evaluations of their audience share and reach.

²² DCMS Committee, Oral evidence: The future of Public Service Broadcasting – PSBs in the time of Covid-19, HC 156, Tuesday 16 June 2020.

The wider challenge underlying these suggestions is whether the changes to the media ecology demand a wholesale transformation of the PSM system. A PSM system designed for today's digital and online media landscape would include the provision of a public service internet that enshrined public service within the online sphere. The BBC R&D Public Service Internet project is one example of the ways in which a PSM system could be developed for the internet age through collaboration with organisations that support the development of an online ecology in which the public interest is enshrined. Rather than suggesting that PSM organisations collaborate with global platforms, the public interest would be better served through investment into a public service internet. This could be expanded beyond the experiments of the BBC's R&D project to include, for example, public service social media and messaging services.

Recommendation 7: The public interest would be best served through investment in the development of a public service internet which would also address the current challenges related to the dominance of global platforms online.

Question 7: What are your views on the opportunities for new providers of PSM?

The primary difficulty with the suggestions for new providers of PSM is that it underplays the value of having media spaces that are free of both commercial and political demands, such as the BBC. However, there could be an argument for retaining the BBC as a publicly-funded broadcaster (with increased protections from political interference as outlined above), while moving to a model of contestable funding for the commercial PSM organisations. The current system of commercial and publicly funded PSM organisations goes back to a time when there were no other commercial broadcast providers. Since the 1980s, and the development of cable and satellite, the position of the commercial PSM organisations has become increasingly challenging as they have had to compete for advertising revenue with largescale commercial competitors that do not have to adhere to public service remits. These challenges have become more acute with the rise of online advertising, leading to a reduction in the public service requirements for commercial PSM organisations like ITV. An effective remedy to this problem, and one that would also address the calls to broaden the provision of PSM content, would be to make contestable funding available to all providers who sign up to a 'public service contract' containing a basic set of public values, which could include requirements related to the availability of the publicly-funded content, as well as other important public values (such as commitments to diversity on- and off-screen, commitments to make certain data available publicly, including employment data, commitments to environmental standards in productions and commissions). However, this should operate alongside a publicly-funded broadcaster (such as the BBC) in order to retain a media space free from potential commercial and political interference. At the very least, such contestable funding should only be provided to organisations that ensure that:

- Any content funded through contestable funding is freely available and not behind a paywall.
- Any content funded through contestable funding is easily accessible and findable by all audiences.

Instituting such a model could, however, make regulation more cumbersome than at present (particularly around accessibility and prominence). In addition, it could increase the move towards audience silos, where audiences only encounter narrow sets of content and have fewer opportunities to be within media spaces where they might encounter new and surprising content. In this regard, such proposals risk over-emphasising PSM as 'content' and de-emphasising the value of PSM as a system – one in which people can expect to encounter a wide range of high quality and innovative content that they might not otherwise have found to watch or listen to.

The suggestion of a competitive franchise model for regional news is problematic. The history of the ITV franchise system in the UK suggests that this is unlikely to be a financially viable model. Franchises were awarded on a competitive basis, but there were challenges in assessing quality vs value for money on the basis of a proposal alone. Non-renewal of franchises was relatively rare, sometimes made on the basis of costs, rather than quality, and brought with it risks of redundancy (in terms of investment in infrastructure and people).²³

²³ Johnson, C. and Turnock, R. (eds), *ITV Cultures: Independent television over fifty years*, Berkshire and New York: Open University Press, 2005.