

BBC CONSULTATION ON AGE-RELATED TV LICENCE POLICY

RESPONSE FROM THE SCOTTISH GOVERNMENT – FEBRUARY 2019

The Scottish Government believes the over-75s concession should be retained but funded by the UK Government, not the BBC. Bearing the full cost will damage the BBC and public service broadcasting in the UK at a critical time. The BBC Board should ask the UK Government to resume full responsibility for design and funding of the scheme. The licence fee should be raised for the purposes of public service broadcasting alone, and should be set by a body independent of Government which can keep the concession scheme under review and consider whether it should be improved to reach more of those in need.

The BBC plays a unique role in British life as a source of news and entertainment and a forum for debate. Responsibility for funding this important democratic and cultural resource lies with the UK Government.

The licence fee concession is a valuable benefit for those aged over 75 and should be retained. But transferring its cost to the licence fee deprives the BBC of funds that support our creative economy, and ultimately deprives licence payers of content.

The options offered in the BBC consultation – even that of non-replacement – would either impoverish people in need and/or divert funding from the UK creative economy. They are likely to weaken the BBC's ability to uphold journalistic and creative standards and affect perceptions of the 'value for money' of the BBC.

As its funding falls, it becomes more important for the BBC to secure positive licence fee settlements. This strengthens the Government's hand in Charter negotiations and weakens that of the BBC Board, compromising the BBC's independence from Government. We believe the licence fee should be set by a body independent of Government.

UK Government social policies should be funded by the Treasury and licence fee funds should be devoted to delivering the BBC's public purposes. The Scottish Government recommends that the concession be retained to protect those in need, but that the BBC Board ask the UK Government to take back responsibility for designing and funding the scheme, setting up an independent body to review it and to ensure that the concession reaches those most in need.

It will weaken the BBC

Funding the concession diverts licence fee income from programme-making and will affect the quality and/or range of BBC services. If investment in content falls, perceptions of the value for money offered by the BBC will be negatively affected. This would weaken the case for the licence fee, the BBC, and the public service broadcasting model which it sustains.

It will weaken the UK public service broadcasting model

We agree with the UK communications regulator Ofcom that the BBC is the cornerstone of the UK public broadcasting model which we believe delivers valuable cultural and social outcomes in Scotland and across the other UK nations. The BBC already faces unprecedented competition, and weakening it further is damaging for the wider system.

The Scottish Government believes broadcasting should be devolved to ensure that proportionate decisions can be taken which recognise the requirements of viewers and listeners in Scotland. But we support the BBC licence fee on which the wider system is ultimately dependent, and would continue to support it should broadcasting be devolved.

It will lower standards of public debate

The UK public service broadcasters including the BBC form a vital defence against the spread of unreliable information in digital and conventional media. We believe BBC journalism has shortcomings of its own but sets high standards overall, and continues to command wide public respect. Weakening the BBC will weaken public service journalism which is the basis of informed, even-handed democratic debate in the UK. The economic harm caused by Brexit is an indirect result of irresponsible and poorly-regulated media coverage in the EU referendum of 2016. This is not a time to weaken BBC journalism.

It will compromise the BBC's independence

Successive UK Governments have transferred funding obligations to the licence fee. As noted above, this threatens the independence of the BBC by making its financial future ever more dependent on the goodwill of the UK Government. The Scottish Government believes licence fee settlements should be negotiated and decided by a body independent of Government. This body should also regulate the concession.

It will damage the creative economy

We are concerned about damage to the Scottish and UK creative economies as the licence fee increasingly takes on the cost of the concession. Many jobs in the Scottish media and creative sectors depend to a degree on BBC activity, and any across-the-board cut in service budgets will hit employment and damage the sector. The BBC's network production quotas in Scotland are measured in percentages of BBC network spend: a drop in overall network spend would reduce spend in Scotland, reversing the hard-fought gains of recent years.

The concession should be independently regulated

The concession should be retained in a form which ensures that over 75s continue to benefit and that it can be extended to those most in need. The charity Age UK says its initial appraisal is that any of the proposed options would introduce significant practical difficulties and create unfairness, and that the additional bill incurred were the concession to be removed would cause "great worry and distress". But the UK Government should be responsible for funding the scheme, not the BBC. And the licence fee should be set by a body independent of Government and be for the purposes of public service broadcasting alone.