

## A6. Why public service broadcasting still matters

- A6.1 When public service broadcasting was first created, its role was clear. With only a single television channel (or just a few), regulation was important to ensure that what was broadcast was of high quality and provided societal value.<sup>1</sup>
- A6.2 Technological developments have meant that audiences now have a greater choice than ever before. Content provision in the UK is currently highly competitive, with multichannel providers<sup>2</sup>, subscription video on-demand (SVoD) players, advertising video on-demand (AVoD) players, and video-sharing platforms (VSPs) all offering a wide range of content for UK audiences in addition to the PSBs. While PSB is available in very nearly all households, the reach of SVoDs is growing fast: in Q3 2020, 60% of UK homes subscribed to at least one SVoD service.<sup>3</sup>
- A6.3 Viewers now have access to an unprecedented variety of high-quality content, which raises the question as to whether public service broadcasting still matters for delivering societal value, and what content it ought to offer.

### **PSB is key to the provision of certain, socially valuable, genres of programme**

#### **Different funding models and incentives produce different programme portfolios**

- A6.4 Public service broadcasters differ from other commercial broadcasters in that they are required to provide services that fulfil societally valuable purposes across their range of programmes, including the provision of genres of particular societal value (for further details, see annex 8, paragraphs A8.1 to A8.35).
- A6.5 Other content providers may (and do) produce programmes which have societal value, but they do not have an obligation to do so and the continued provision of such content will always be determined by its commercial viability.
- A6.6 Some genres will tend to be underprovided by the market, such as news (including regional news), arts, religious and children's programming due to a range of commercial factors.

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<sup>1</sup> Helen Weeds (2020) has explored the role of regulation in the development of PSB. [Helen Weeds academic paper - Rethinking public service broadcasting for the digital age](#)

<sup>2</sup> The multichannel sector comprises all the broadcast television channels that are not PSB channels or their associated commercial portfolio channels. The sector includes channels, such as UKTV's Dave and Sky One, and contains a mix of free-to-air (FTA) and pay channels (i.e. channels only available as part of pay-TV packages). Some of these channels are also supplemented with on-demand and online services. The sector also includes local TV channels which carry specific regulatory obligations for the provision of local content and news.

<sup>3</sup> BARB Establishment survey.

Without a regulatory intervention, there may also be limited provision of content that has a uniquely UK cultural perspective or sensibility as these tend not to sell well to other markets.

## **Certain types of programming can generate a large societal value**

A6.7 The genres that risk being under-delivered by commercial broadcasters create societal value in a number of ways.

### **News, current affairs and factual programmes contribute to a well informed and educated society**

A6.8 Certain programmes inform us about the world and the society we live in. As well as the personal benefits that people get from watching these programmes, there is a societal benefit from living alongside better informed citizens who may be more likely to engage in the political process or make better decisions as a result.

A6.9 At a time when the prevalence of disinformation and ‘fake news’ online is high, the need for trusted, duly impartial and accurate news providers is all the more important. The Covid-19 pandemic has also highlighted the importance of having easily accessible and reliable information across a variety of trusted sources (TV, radio and online), especially with a more local focus. Audiences have told us that ‘trusted and accurate UK news’ is the most important feature of a PSB system.<sup>4</sup>

### **Certain programmes create social cohesion and inclusion**

A6.10 Television programmes may help to build a sense of national identity and belonging, for example by representing diverse versions of life in the UK or through mass audiences experiencing ‘shared moments’ through watching the same programmes simultaneously. As we discuss below (from paragraph A6.58), the PSBs may be uniquely positioned to provide content which achieves this goal.

### **Programmes can explore issues relevant to the public in an authentic way**

A6.11 Popular dramas and soap operas, by exploring the lives of their characters and challenges they face, often deal with contemporary social issues, such as diversity and tolerance, or health issues. For example, the issue of domestic violence has been highlighted recently on *The Archers* (BBC) and *Coronation Street* (ITV). Other content providers can also work to

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<sup>4</sup> [Small Screen: Big Debate Research 2020](#). Q5a. Earlier this year, we asked audiences to rate the most important features of the PSB system. We asked them to do this in two different ways. Firstly, we asked them to think about what mattered to them as an individual, and then we asked them to think what the most important features were that a PSB system needs to deliver for everyone within society. The following list describes the range of benefits that public service broadcasting is broadly designed to deliver. Could you please review the list of potential benefits in full before telling me which three you consider to be the most valuable for you personally?’ Base: All respondents (n=1851) Q7a. ‘What three benefits do you think are most valuable to society overall?’ Base: All respondents (n=1851).

highlight these issues, for example Sky Sports' campaign against online abuse, *Hate Won't Stop Us*.<sup>5</sup>

A6.12 Regulation can ensure that PSBs have these goals as part of their remit, and they can also offer follow up support. Statistics from the BBC's Action Line support service show that enquiries for support and information on issues such as domestic abuse, miscarriage and post-traumatic stress disorder increased following coverage on programmes like *Holby City*, *The Archers* and *EastEnders*.<sup>6</sup> This indicates that entertaining programmes can also provide a useful public service.

## PSB is needed to provide genres of programming with societal value

A6.13 In February 2020, we published a five-year review of public service broadcasting, which assessed what PSBs have been providing.<sup>7</sup> The review considered in more detail how the PSB purposes had been delivered by the PSB channels, with reference to objectives set out in the Communications Act 2003 that promote economic, social, cultural and citizen benefits.<sup>8</sup>

A6.14 Of course, we cannot know what content the market would provide in the absence of PSBs. It is possible that other providers might change their mix of programming to fill these gaps, but it seems unlikely that they would produce the same range of content and to the same extent. Amazon has said it is prepared to move into any areas of broadcasting if it felt viewers were not 'being served'<sup>9</sup>, but it will only do this if it is profitable, which may not be the same as whether it is in the interests of viewers and society for this content to be provided. As Enders Analysis says, 'the difference between what the BBC is compelled to do and what a foreign, public company will do is obviously stark. One must lead, while the other will do what benefits its shareholders'.<sup>10</sup>

A6.15 Figures 1 and 2 below show how the offerings of different content providers are weighted between various genres. PSBs show a wide range of different types of programme, including news, live sports, factual programmes, entertainment, drama and children's. This breadth reflects the PSB objectives set out in statute.

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<sup>5</sup> <https://www.skysports.com/more-sports/news/29181/12080260/against-online-hate-sky-sports-sets-out-series-of-measures-to-fight-online-hate-and-abuse>

<sup>6</sup> <https://www.bbc.co.uk/news/uk-42522656>, <https://uksaysnomore.org/importanceofmediarepresentation/>

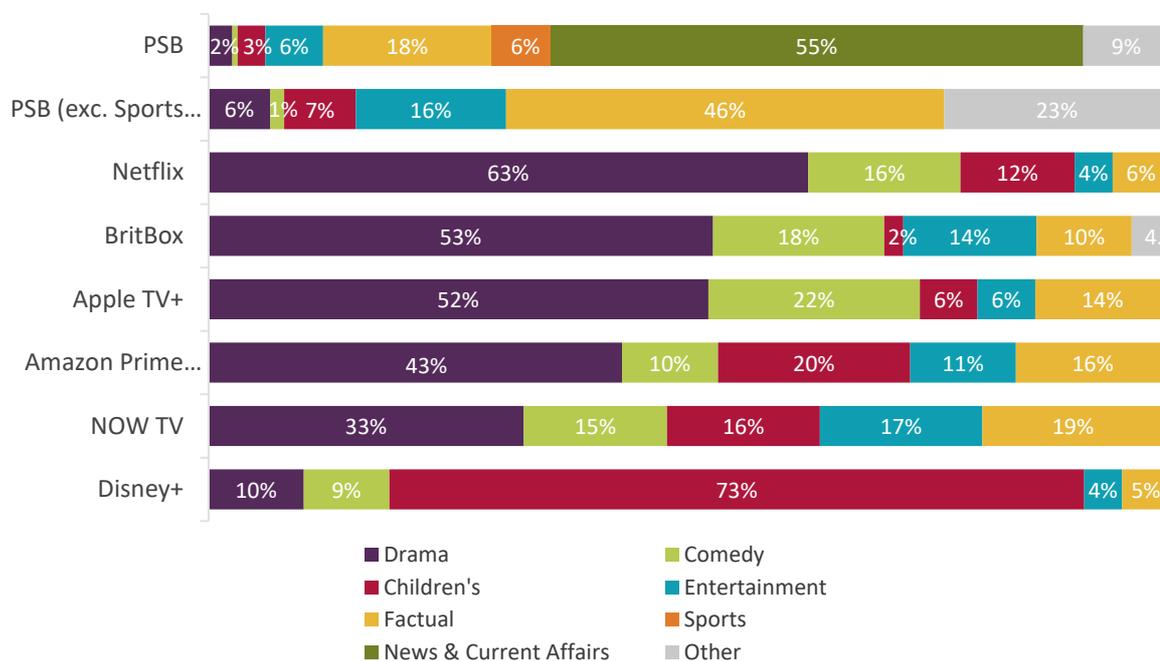
<sup>7</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0013/192100/psb-five-year-review.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0013/192100/psb-five-year-review.pdf)

<sup>8</sup> The PSB objectives are set out in section 264(6) of the Communications Act 2003. See Annex 8, para A8.4.

<sup>9</sup> Evidence given by Georgia Brown, Director of European Originals at Amazon Studios, to the [DCMS Committee on the Future of PSB](#), response to Q399 and 400.

<sup>10</sup> Enders Analysis, [The BBC: Benefiting the UK creative economy](#).

Figure 1: Selected UK SVoD platforms’ hours of content (April 2020) and PSBs’ first-run hours of content (2019), by genre



Source: SVoD: Ampere Analysis, content hours, UK, April 2020; Ofcom/broadcasters, 2019. Note: Factual for SVoDs includes documentary and news and current affairs. Includes TV seasons and films.

A6.16 In terms of the SVoDs, Netflix is by far the most popular SVoD service: in Q3 2020, 14.8 million UK households had a subscription. With just over half the number of Netflix households, Amazon Prime Video grew by 49% since Q3 2019 to reach 9.5 million subscribing households in Q3 2020; Disney+, which launched in late-March 2020, was available in 3.4 million households as of Q3 2020.<sup>11</sup>

A6.17 SVoD content is typically concentrated in particular genres: drama, comedy, entertainment, children’s and factual, with an overwhelming focus on drama. In 2019, Drama made up 60% of Netflix’s hours of content and 45% of those for Amazon Prime Video.<sup>12</sup> Disney+ is more predominantly focused on children’s programmes, which made up almost three-quarters of its content in April 2020.<sup>13</sup> In general, SVoDs aim to create a large on-demand archive and do not focus on live programming, though Amazon Prime has recently started to offer live sport.<sup>14</sup> In addition, as we discuss later, most content on SVoDs is sourced internationally – typically from the US – rather than being UK-focused.

A6.18 Multichannel providers overwhelmingly concentrate on news, sport and entertainment (which includes drama, comedy and quiz shows), as shown in figure 2.

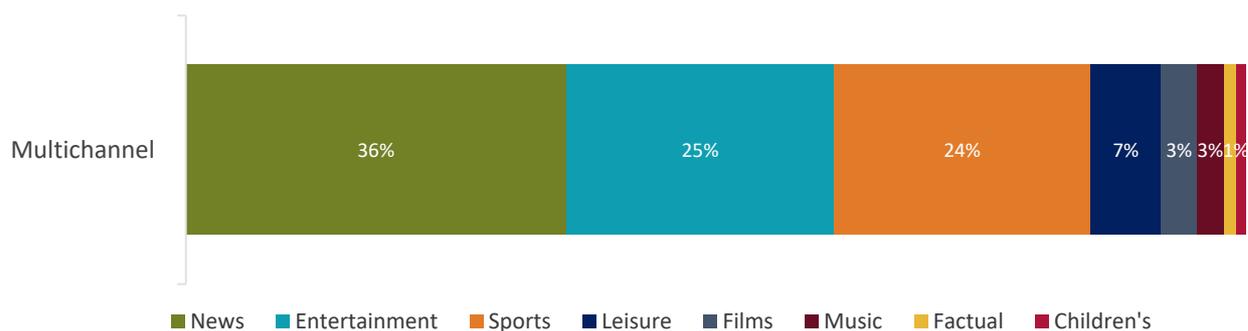
<sup>11</sup> BARB Establishment survey.

<sup>12</sup> Ampere Analysis, content hours, UK, 2019. This differs slightly from the chart above, as it is for the whole of 2019, not for April 2020 as in Figure 1.

<sup>13</sup> Ampere Analysis, content hours, UK, April 2020.

<sup>14</sup> Amazon’s first major sports event was the 2018 US Open and it now has a three-year contract to show 20 premier league games per season (from 2019), as well as the ATP tennis tour. [How to watch live sports on Prime Video.](#)

Figure 2: Hours of first-run multichannel content, by genre, 2019<sup>15</sup>



Source: Ofcom/broadcasters, 2019.

### News and current affairs

A6.19 As shown in Figure 1 above, over half of the combined PSBs’ output is news. The PSBs all have specific obligations to offer peak time news programmes on their main channels, and some PSBs have obligations to provide regional news.

A6.20 The multichannel sector also offers a large amount of news (as shown in Figure 2) from a range of providers, potentially including two new UK channels which have recently received a licence to broadcast.<sup>16</sup> In particular, Sky’s channel is free-to-air and well-regarded. Our 2020 News Consumption Survey ranked Sky News above ITV, Channel 4 and Channel 5 offerings when it came to accuracy (76% of regular users rated highly), above Channel 5 for trustworthiness (74%) and above BBC TV, ITV and Channel 5 for impartiality (69%),<sup>17</sup> though it should be noted these scores come from regular viewers of each channel for news, and may reflect the much greater viewer numbers for the largest PSB news programming.

A6.21 However, as a rolling standalone news channel, Sky News is separated from Sky’s entertainment offering. By contrast, the PSBs also all offer prime time news programmes on their main channels, meaning that they may be more likely to be seen by people who switch on to watch other programmes.<sup>18</sup> There is also no guarantee that Sky will always choose to continue its news service, whereas PSB news provision is guaranteed by regulation.<sup>19</sup>

A6.22 The major SVoD providers do not generally offer news or current affairs programming and are unlikely to do so, given that the perishable and national nature of live news does not fit

<sup>15</sup> This is roughly comparable to Figure 1 above, but the multichannel provision is categorised into genres which do not easily map to the genres in Figure 1, so it is presented separately.

<sup>16</sup> [Ofcom TV broadcast licensing monthly updates](#) – January 2020 and November 2020.

<sup>17</sup> Ofcom [News Consumption Survey 2020](#) report, page 73

<sup>18</sup> This practice is known as ‘hammocking’. The BBC also has a separate rolling news channel, as well as BBC Parliament which offers rolling coverage of UK politics. The BBC also showed 7,289 hours of first-run news on the dedicated BBC News Channel, and 3,826 hours of news on BBC Parliament in 2019 (Ofcom Media Nations 2020).

<sup>19</sup> For example, as part of recent takeover discussions there were suggestions that Sky News could be shut down to allow the prospective merger to gain competition authority approval. [‘Sky threatens to shut down Sky News to aid Fox Takeover’](#), BBC News, November 2017.

with their on-demand global business models.<sup>20</sup> As Benjamin King, Director of Public Policy UK and Ireland for Netflix has said:

*‘To move into news or current affairs would require a very different kind of business and mindset and we believe it would be a distraction from the things that we know that we can do... We certainly have no intentions to move into that space for now or indeed for the foreseeable future.’<sup>21</sup>*

- A6.23 Audiences regard PSBs highly for their impartial news coverage, and see it as something that is vitally important for PSBs to provide. Earlier this year, we asked audiences to rate the most important features of the PSB system. We asked them to do this in two different ways. Firstly, we asked them to think about what mattered to them as an individual, and then we asked them to think what the most important features were that a PSB system needed to deliver for everyone within society. For each question, audiences told us that ‘trusted and accurate UK news’ was the most important feature of a PSB system.<sup>22</sup> This research echoed what we learned in our news review last year when we asked audiences about the most important characteristics of a news organisation.<sup>23</sup>
- A6.24 Despite the growth of online news, television is still the most used platform for news. Our News Consumption Survey found that TV remains a trusted source of news in line with magazines, ahead of newspapers and radio, and even further ahead of social media. It should be noted these figures come from regular viewers of each platform for news.<sup>24</sup>
- A6.25 In addition, research we undertook in 2019 for our review of BBC news and current affairs highlighted audience concerns about ‘fake news’ and disinformation which they found online. The people we spoke to told us they valued the accuracy of the BBC’s news content and were driven to it at key times, particularly to verify facts and during breaking news.<sup>25</sup>
- A6.26 Respondents in our qualitative research placed a similarly high value and importance on both national and regional news. They viewed the PSBs as a reliable source for finding out what is happening in their local areas and the wider world, and as somewhere they could go to for news that is trusted and accurate.<sup>26</sup>
- A6.27 Despite being valued by audiences, regional news is especially likely to be underprovided by the commercial sector – even the multichannels – absent regulation, since the market for such news is limited to the population in the relevant region and there are advertising

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<sup>20</sup> In November 2020, Amazon executive Georgia Brown confirmed that children’s programmes and news were not on Amazon’s ‘road map’. [Evidence to parliamentary select committee on the future of PSB.](#)

<sup>21</sup> [Oral evidence to the DCMS committee on The Future of PSB, 15 September 2020.](#)

<sup>22</sup> [Small Screen: Big Debate Research 2020.](#) Q5a. The following list describes the range of benefits that public service broadcasting is broadly designed to deliver. Could you please review the list of potential benefits in full before telling me which three you consider to be the most valuable for you personally? Base: All respondents (n=1851) Q7a. What three benefits do you think are most valuable to society overall? Base: All respondents (n=1851).

<sup>23</sup> [Ofcom’s review of BBC news and current affairs \(2019\).](#)

<sup>24</sup> [Ofcom News Consumption Survey 2020](#)

<sup>25</sup> [Ofcom’s review of BBC news and current affairs \(2019\).](#)

<sup>26</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

restrictions on news services. Regional news provision is currently limited to certain PSBs and is likely to remain so.<sup>27</sup>

“News is the big one – political shows or anything political that happens. They can tell you what is going on locally in your area. You don’t get that from anywhere else.”

**Male, 18-21, Glasgow, SS:BD Research 2020**

### UK-originated and UK-focused content

- A6.28 The PSBs make a considerable amount of original programmes – using UK writers, actors and locations – and are therefore well placed to make content which authentically represents UK life. Considering genres other than news and sport, around 12,000 hours of first-run UK-originated content was shown on PSBs in 2018 and around 2,000 hours on the multichannels.<sup>28</sup>
- A6.29 A large proportion of the multichannel providers’ original UK content is in news and sport, and they commission less drama than the PSBs. Sky’s investment in drama is increasing, though, and it has committed to double its spend on original content – which it said in July 2018 was about £500m annually – over the next five years.<sup>29</sup>
- A6.30 Only a small minority of SVoD content is from the UK. As of Q3 2020 only 8% of Netflix and 10% Amazon Prime Video’s library consisted of UK-produced content hours. The equivalent figures were 8% for Apple TV+ and 2% for Disney+. This equates to just under 3,300 hours of content on Netflix and around 8,000 hours on Amazon Prime Video.<sup>30</sup> Of 1,807 ‘Netflix originals’ titles available in the UK<sup>31</sup>, 105 (less than 6% of them) were produced in the UK.<sup>32</sup> Now TV had 4,028 hours of UK content, representing 22% of its catalogue.<sup>33</sup>
- A6.31 Netflix is increasing its investment in producing and acquiring content produced in the UK. Of the 10 top-reaching series titles on Netflix in the UK this year (up until September 2020), half were produced in the UK, including *The Stranger*, *Sex Education* and *After Life*.<sup>34</sup>
- A6.32 However, a significant proportion of the UK-produced content available on the SVoD platforms was originally commissioned by and broadcast by the PSBs. For example, *Peaky Blinders*, the only UK-produced programme in Netflix’s 30 top-reaching titles in April 2020<sup>35</sup>, was originally commissioned by and shown on the BBC. Of the content hours available on Netflix and Amazon Prime Video in Q3 2020, 3.3% and 1.9% respectively were

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<sup>27</sup> As Ali Law, Director of Policy (UK and Ireland) at Sky, has said: ‘In the existing landscape, with the two subsidised TV operators delivering services, there is not a commercial incentive that would drive a Sky News regional service.’ [Oral evidence to DCMS committee on the future of PSB, September 2020](#) Q314.

<sup>28</sup> Ofcom/Broadcasters, 2018

<sup>29</sup> [Small Screen: Big Debate – a five-year review of Public Service Broadcasting \(2014-2018\)](#), page 48.

<sup>30</sup> Ampere Analysis, content hours, UK, Q3 2020, Primary production country: UK.

<sup>31</sup> Netflix Originals refers to content that is produced, co-produced, a continuation of a cancelled show or streamed first on Netflix UK by Netflix, for example *The Crown*.

<sup>32</sup> Ampere Analysis, Netflix, distinct titles, Q3 2020, UK. Includes Movies and TV Seasons.

<sup>33</sup> Ampere Analysis, content hours, UK, Q3 2020, Primary production country: UK.

<sup>34</sup> Digital-I, Jan-Sep 2020, UK.

<sup>35</sup> Ampere Analysis, April 2020.

produced by the BBC, ITV or Channel 4, which equates to 40% of Netflix's UK content hours and 20% of Amazon Prime's UK content hours.<sup>36</sup>

- A6.33 Our audience research showed that younger audiences often watch content through a streaming service that was originally produced by a PSB, with a number of their favoured shows originating on PSB channels, e.g. *Peaky Blinders* which was commonly watched on Netflix rather than through the BBC. Credit tends to be given to the service that delivers the content, with little thought as to the brand responsible for the content's production.<sup>37</sup>
- A6.34 Although the SVoDs (especially Netflix) are producing content in the UK, it is not always particularly UK-focused or representative of the UK. For example, people we spoke to in our audience research identified Netflix's *Sex Education*, which is set in the UK but developed to have international appeal, as less authentically British than programmes like *This Country* and *The Inbetweeners* produced by UK public service broadcasters.<sup>38</sup> However, there are examples of more culturally and location specific programmes on the SVoDs for example, Netflix's *Top Boy* which it began producing after the series was originally made for Channel 4.
- A6.35 The global SVoDs may not be incentivised to produce much content that is tailored to individual national markets, as their aim is to appeal to audiences globally. As Netflix says: 'Hollywood content travels very well abroad, with local content representing a minority of viewing in most of our markets.'<sup>39</sup> UK audiences may therefore be less likely to see themselves, their local area or their voices represented in programmes provided by global commercial players.

### Factual content

- A6.36 Our research showed that around 1 in 5 (19%) UK adults placed 'programmes which make me stop and think' in their top three most important features of the PSB system when considering both the value it offers them personally and the value it offers wider society.<sup>40</sup> Documentaries and other factual content were also highlighted as valuable in our qualitative research across all age groups. Factual content from PSBs was often very well-respected, and audiences particularly appreciated its portrayal of British life and culture.<sup>41</sup>

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<sup>36</sup> Ampere Analysis, Q3 2020, UK. Co-produced content is recognised by primary production country.

<sup>37</sup> [An exploration of people's relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

<sup>38</sup> [An exploration of people's relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

<sup>39</sup> [Netflix investor top questions](#), 'Will you have to invest more in local content to be successful internationally?'

<sup>40</sup> [Public Service Broadcasting: omnibus survey findings](#)

<sup>41</sup> [An exploration of people's relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

“You get a snapshot of British life in the documentaries on these channels (PSB) ... it’s nice to see your own life reflected in what you are watching ... knowing how other people in the country are living.” **Female, 22-24, Aberystwyth**

- A6.37 Some areas of factual programming are well catered for by the multichannel broadcasters. In 2018, there were 21 commercial factual channels (five of which were free to air).<sup>42</sup> Sky has specific channels for history and arts content, and recently launched Sky Nature, with Sky Arts being free-to-air.
- A6.38 However, the volume and diversity of original, UK made factual content is much greater amongst the PSBs than the multichannel and SVOD sectors. In 2018, 619 hours of informative original UK first-run content was shown in the multichannel sector, equivalent to 9% of the volume produced by the PSBs, which showed 5,752 hours of factual content.<sup>43</sup>
- A6.39 While SVoD providers are increasing their provision of factual content over time, the number of documentary titles available in Netflix’s library for UK viewers grew from 456 documentary titles in September 2015 to 816 in September 2020<sup>44</sup> – including the addition of David Attenborough’s *A Life on Our Planet* – the growth in documentaries and reality shows on the SVoDs will not necessarily be tailored to the UK market. As Dan Cheesbrough of UK independent production company Hartswood films has said:

‘[the SVoDs] are not really interested in mini-series and they are certainly not interested in singles, and those can frequently be the types of shows that are much more local with a very specific story.’<sup>45</sup>

## Children’s

- A6.40 One objective of public service broadcasting is that it should include ‘a suitable quantity and range of high-quality and original programmes for children and young people’.<sup>46</sup> In 2019, the PSBs broadcast 10,819 hours of children’s content including 640 hours of first-run UK material. They invested £79m in new programming aimed specifically at, and portraying the lives of, children in the UK.<sup>47</sup> For example, in March 2020, the BBC premiered *JoJo & Gran Gran*, the UK’s first preschool animated series centered around a black British family<sup>48</sup>; and there are other successful PSB series for children which reflect life in the UK, such as CBBC’s *Operation Ouch*.

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<sup>42</sup> Source: Ofcom. Notes: Data are based on the number of channels broadcasting in the UK during 2018, which in turn is based on broadcast hours submitted by Ofcom licensed broadcasters. FTA channels are defined as channels available on Freeview and Freesat. ‘Other’ includes adult, arts, games, and shopping channels, as well as ‘general’ channels with no distinct genre. Channel counts exclude +1 and HD channel variants, and do not include BBC portfolio channels.

<sup>43</sup> Source: Ofcom/Broadcasters.

<sup>44</sup> Ampere Analysis, September 2015 and 2020, UK. Includes movies and TV seasons.

<sup>45</sup> [Oral evidence to parliamentary select committee on PSBs, May 2019](#)

<sup>46</sup> See Annex 8, paragraph A8.4.

<sup>47</sup> Ofcom/broadcasters, 2019.

<sup>48</sup> <https://melanmag.com/2020/03/17/jojo-gran-gran-cbeebies-tv-series/>

- A6.41 In comparison, in 2018, the multichannel sector broadcast 31 hours of first-run UK children’s content, just 5% of the amount shown by the PSBs.
- A6.42 The difficulty of securing a wide range of UK focused programming for children has long been recognised. Concerns about the limited amount of content led to the creation of the Young Audiences’ Content Fund in October 2018, which committed over £11.5m to 18 projects in its first year.<sup>49</sup>
- A6.43 All of the major SVoD services offer a large variety of children’s programmes – in Q3 2020, over 70% of the content on Disney+ was aimed at children, which equates to 3,000 hours.<sup>50</sup> Very little of this content, however, is original content produced in the UK. Of the 4,655 hours of children’s content available on Netflix, only 25 hours were its own UK-produced children’s content, available alongside programmes originally broadcast by the PSB sector such as the BBC’s *Horrible Histories*.<sup>51</sup>
- A6.44 In our audience research for this review, some parents expressed concern about the extent to which much of the children’s content on SVoDs reflected American contexts rather than British ones; they considered it was important for children to see and hear the UK they were growing up in. In our follow up research, carried out during the lockdown period in summer 2020, audiences considered the interactive and educational aspects of PSB children’s programming to be unique.<sup>52</sup>

## Video sharing platforms are getting increasingly popular but are unlikely to ‘fill the gap’

- A6.45 Video-sharing platforms, such as YouTube, are highly popular with UK audiences across all age-groups, and especially under 35s. In the first two months of lockdown, 75% of UK adults used YouTube,<sup>53</sup> and in April 2020, UK individuals spent on average 48 minutes a day using it. Moreover, this figure rose to 85 minutes for 16 to 34-year-olds.<sup>54</sup>
- A6.46 At present, viewers generally go to YouTube for different types of content than they get from broadcast TV and SVoDs, though YouTube content was successful at bringing large audiences together simultaneously with Joe Wicks’ daily exercise streams during lockdown. According to recent research conducted on behalf of Ofcom in June 2020, only 13% of adults watch full TV programmes or films on YouTube. By contrast, 33% watch music videos, 26% watch ‘how to’ videos and 20% watch humorous content.<sup>55</sup>

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<sup>49</sup> <https://www.bfi.org.uk/news/latest-young-audiences-content-fund-production-slate-announced>

<sup>50</sup> Ampere Analysis, Q3 2020, UK.

<sup>51</sup> Ampere Analysis, content hours, Q3 2020, UK. The 25 hours covers programmes produced in the UK by Netflix as the Primary Production Company. If ‘Netflix Originals’ - not necessarily fully produced by Netflix – are considered, the number of hours increases to 49.

<sup>52</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020](#) and Jigsaw research report for Ofcom, December 2020. [The impact of lockdown on audiences’ relationship with PSB](#)

<sup>53</sup> [Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 17-18 June 2020](#). Base: online adults aged 16+.

<sup>54</sup> Ofcom estimates of total audio-video viewing. Modelled from BARB, Comscore and TouchPoints data. These two figures do not include viewing to YouTube on the TV set, only on other devices.

<sup>55</sup> [Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 17-18 June 2020](#). Base: online adults aged 16+.

A6.47 In Ofcom’s most recent News Consumption Survey, only 41% of YouTube users for news thought that news on YouTube was trustworthy, in contrast with BBC website users for news, 74% of whom believed the BBC website was trustworthy.<sup>56</sup>

## **PSB delivers more societal value when it offers a broad range of programmes**

A6.48 The PSB system continues to play an important role in delivering high quality and varied content to UK audiences, particularly for genres that are under-provided by the market. Given that other media players (especially SVoDs) offer extensive amounts of drama programmes, it is worth asking whether PSBs should be limited to specific types of societally valuable programming which risk being under-provided, or whether they should continue to offer a broad range of entertainment content as well.

A6.49 It is not simply that PSBs will provide valuable genres of programming that others may not, but also that the way in which they make programmes can generate societal value. For example, PSBs make programmes which reflect the diversity of the UK population in the nations and regions, and employ UK talent to produce them.

A6.50 The provision of content which is designed to entertain also remains an important part of the PSB remit, ensuring that everyone has access to a wide range of high-quality programming that contributes to UK culture, alongside content designed to inform and educate.

## **It is not sufficient to make PSB content available – it must be watched**

A6.51 It is not only important that the PSBs produce high quality programmes with societal value, it is also vital that the PSBs are attractive as a brand so that viewers will go to their platforms or channels when looking for something to watch. This requires the PSBs to build up a reputation as a provider of high-quality, appealing content. This cannot be achieved by only supplying the content that other providers do not offer; it must also include attractive and entertaining popular programmes.

A6.52 Popular programmes help audiences to value the PSB sector and feel invested in its continuity. They strengthen the brands of the particular broadcasters and channels and make people more likely to watch their programmes.

A6.53 In the case of the BBC, having a range of programmes that audiences love makes people feel that the licence fee is value for money. In the case of advertising-funded broadcasters, they have long argued that popular programmes serve to cross-subsidise other programmes with particularly high societal value, such as news.<sup>57</sup> As Channel 4 has stated:

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<sup>56</sup>Ofcom News Consumption Survey 2020, report page 79.

<sup>57</sup> As Carolyn McCall, CEO of ITV has said: ‘Some of the programmes you would not necessarily classify as PSB help to fund news and current affairs, where we cannot really take advertising and certainly cannot get sponsorship... Therefore, the way ITV works as a model is that we cross-subsidise.’ [Oral evidence to House of Lords Select Committee on Communications \(PSB in the age of video on demand\)](#)

‘We do this through a cross-funding model that funds genres such as News, Current Affairs, British Film and Education (which are typically loss-making), with revenues from commercially-valuable programming, like Factual Entertainment.’<sup>58</sup>

- A6.54 Viewers value the PSB providers for their high-quality productions. Our PSB quantitative research in September 2020 found that 32% of respondents included “*high-quality productions*” in their top three most personally valuable PSB benefits, and 21% included in their top three most societally valued benefits.<sup>59</sup>
- A6.55 Recent audience research found that high-profile ‘hero’ content is important to “make a media brand feel relevant to consumers and help determine what their first choice/’go to’ will be”.<sup>60</sup> This was found to be particularly the case for younger audiences.
- A6.56 Once viewers are engaged with the PSB, they will also discover additional programmes. In various ways, the PSBs are able to guide audiences towards programmes that they would not necessarily seek out but may value. Sometimes this is achieved through ‘hammocking’, when a programme with particular societal benefits (such as the news) is scheduled between very popular programmes with a view to increasing its audience. PSBs can also use cross-promotion to generate audiences for programmes by advertising them within their already popular content.
- A6.57 The potential to use hammocking is very different with on-demand services compared to scheduled TV channels as people may ‘binge watch’ a whole series or follow recommendations driven by algorithms, rather than watch programmes in an order designed by a broadcaster. However, a large proportion of the population continues to watch broadcast TV, and PSBs can use features such as auto-play trailers and recommendations to highlight a variety of content as part of their on-demand services.

## **Programmes watched by a large share of the population build social cohesion and inclusion**

- A6.58 Broadcast television is particularly effective at generating social cohesion when a large share of the population is watching the same programme. This can generate societal value beyond the pleasure that individuals get from watching the programme.
- A6.59 Through being available to all, and structured around a linear schedule, the PSB system brings the nation together for shared experiences. These ‘water-cooler’ moments are more likely to happen with a popular entertainment show or drama and therefore it is important that these remain fundamental to the PSBs’ business models. It can also happen around a big news event where lots of people will tune into the BBC.<sup>61</sup>

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<sup>58</sup> <https://www.channel4.com/corporate/about-4/who-we-are/our-model>

<sup>59</sup> [Public Service Broadcasting: omnibus survey findings](#)

<sup>60</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people](#), page 22.

<sup>61</sup> For example, the Prime Minister’s 7pm broadcast on BBC One on 10<sup>th</sup> May 2020 easing lockdown restrictions was watched on average by nearly 19m people, or 60% of the audience share. A BBC News Special which followed it was watched by 13m people, or 48% of the audience share. Source: BARB.

- A6.60 SVoDs and multichannel broadcasters do, of course, also produce programmes which become ‘talking-points’. For example, Netflix’s *Stranger Things* and *The Queen’s Gambit* have created a buzz among younger audiences. However, SVoD programmes do not currently bring a large share of UK viewers together at the same time with the same scale or regularity as the PSB providers, and tend to have less cross-generational appeal.
- A6.61 PSBs are effective at bringing the nation together with key programming often the Saturday evening entertainment (e.g. *Strictly Come Dancing* or *Britain’s Got Talent*), Sunday drama (e.g. BBC’s *His Dark Materials*), or major sporting occasions. In the 7 months leading up to July 2020, all of the top 10 most viewed programmes of 2020 were on the PSB channels. In 2019, 79% of individuals watched any PSB channel on average each week.<sup>62</sup>
- A6.62 Among all audiences in our research, PSB content is often used for communal viewing, for watching as a family but also with housemates.<sup>63</sup> Some recognise that these bonding moments are a key feature of PSBs that they would miss if these channels were no longer available. One in five (21%) of respondents in our research said they personally valued PSBs for ‘programmes that I can watch with and talk about with my family and friends’.<sup>64</sup>
- A6.63 The wider societal cohesion provided by PSB content also has intrinsic value in that the universality of PSB content enables conversations between different groups and cohorts in a way that content from subscription services may not.<sup>65</sup>
- A6.64 People value watching programmes which reflect their lives and experiences, either news about their area or drama which feels relevant to them, building a sense of inclusion. This is a feature that audiences valued about PSBs in our research – they display genuine pride in seeing their own area portrayed on TV and makes the content often more relatable to them.<sup>66</sup> For example, BBC’s *Still Game* (set in Glasgow) and Channel 4’s *Derry Girls* – were the fourth and first most watched programmes among audiences in Scotland and Northern Ireland respectively in 2019.<sup>67</sup>

### **PSBs ability to generate social cohesion is underpinned through being universally available**

- A6.65 Access to Pay TV and SVoDs requires a subscription and either a good broadband, cable connection or satellite dish. Perhaps as a result of this, and also because the SVoDs are relatively new to the market, the current reach of each SVoD player (and even the combined SVoD and Pay TV sector) is considerably less than that of the universally

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<sup>62</sup> BARB. Two of the most watched programmes were broadcasts from the Prime Minister on lockdown, one was an address by The Queen, two were BBC News Specials, three were episodes of Britain’s Got Talent, one was Ant and Dec’s Saturday Night Takeaway and one was the Salisbury Poisonings, a drama on BBC One. Average weekly reach criteria: 15+ consecutive minutes.

<sup>63</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people](#), page 41.

<sup>64</sup> [Public Service Broadcasting: quantitative survey findings](#) December 2020

<sup>65</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

<sup>66</sup> [An exploration of people’s relationship with PSB, with a particular focus on the views of young people, Jigsaw Research, July 2020.](#)

<sup>67</sup> [BARB](#)

available PSB system. Ofcom research suggests that around one in eight adults (13%) do not use the internet at home, a figure that has remained broadly constant since 2017 and which includes some 15% of working age adults in the lowest (DE) socio-economic groups.<sup>68</sup>

- A6.66 In contrast, all content in the PSB system is universally available. This has equity benefits in that all citizens have equal access to a certain volume of high-quality content, regardless of access to technology.
- A6.67 Though the SVoD players do create a social media buzz around the release of popular series, they cannot bring the UK together in a shared experience, in the same way as a universally available, broadcast channel. Although the size of the linear audience is diminishing with more people watching on-demand television, national TV moments are still a key feature on the PSB channels.

### PSBs raise quality and increase innovation in the market as a whole

- A6.68 All of the PSBs are required to deliver high quality programmes, with BBC and Channel 4 having specific remits to be innovative and take creative risks. This may result in innovation and expansion in the market, with the PSBs creating new material that others then purchase or imitate. Commercial content providers may be required to raise the quality of their offerings to compete, spending more on production than they would in the absence of PSBs which ‘raise the game’.
- A6.69 The PSBs’ reputation for high quality TV content is internationally recognised, as demonstrated by EY’s report for Ofcom on international perspectives on PSB.<sup>69</sup> For example, Ulrika Von Celsing of SVT has said that,

‘UK PSBs’ content is of very high quality, not just from the BBC but also the other British PSBs. You look towards them as role models, and people take inspiration from them in terms of content and format.’

As the House of Lords Select Committee report on PSB stated:

‘Public service broadcasting remains essential to the UK media and losing it would leave UK society and democracy worse off. Public service broadcasting can bring the nation together in a way in which other media cannot and can ‘raise the level’ of quality, as well as ensuring continued investment in original UK content across a range of programming.’<sup>70</sup>

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<sup>68</sup> [Ofcom Technology Tracker 2020](#).

<sup>69</sup> EY, 2020. [International perspectives on PSB](#)

<sup>70</sup> [House of Lords Select Committee on Communications and Digital, Public Service Broadcasting: as vital as ever.](#)