

Outdated, Outpaced and Out of Touch:

The Future of the BBC Licence Fee

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Foreword

We must save the BBC from itself

I have always argued that Britain deserves a national public broadcaster fit to showcase to the world the best of Great Britain.

After all, we produce some of the finest talent there is. From the film and television industry, to theatre, sport, or news broadcasting - British excellence can and should be broadcast.

Yet it is fair to ask whether the public broadcaster is fit for purpose. Could the concept be improved? Is the funding model sustainable for the long-term? Does there need to be more scrutiny of impartiality?

These are all legitimate questions which legislators must be prepared to consider. No one should be labelled as “anti-BBC” for daring to raise such matters.

One of the most disturbing developments of recent times is the increasing politicisation of the BBC. For a football pundit, on a taxpayer-funded salary of £1.3 million, to rant about the government’s immigration policy on social media and compare it to “Nazi Germany”, is clearly unacceptable. Not only was such an episode outrageous and foolish, but it tested the public’s patience and detracted from all the good work the BBC can do.

For instance, take the sports coverage the BBC airs. This includes all kinds of pursuits from grassroots rugby to indoor bowls.

The boffins at other media networks may think giving airtime to these various sporting codes is commercially unviable, which is entirely their prerogative as the pursuit of profit defines all they do. Nevertheless, a sport can only grow if it can be promoted, and that entails it being seen. A public broadcaster can meet this need.

The famous Wimbledon championships broadcast to television sets around the world epitomises this. The incredible sporting talent, the insightful commentary, the strawberries and cream, and the Wimbledon whites, have all become a fixture of the English summer calendar and are wonderfully presented on the BBC.

Indeed, Wimbledon was first televised on the BBC in 1937 and has been so ever since, making the tournament the longest-running partnership between a major sporting event and broadcaster.

And what about the joy of listening to the Test Match Special on BBC radio? Listeners, no matter where they are, receive hours of entertainment and information thanks to a charming mix of anecdotal humour and expert cricket analysis.

The promotion of the British countryside and rural living is also a great BBC endeavour. Programmes like ‘Countryfile’, ‘Landward’, ‘Springwatch’, et cetera, all celebrate our natural world. Meanwhile ‘Farming Today’, broadcast early each day, remains important for those of us with an interest in agriculture.

All of this is exported around the world. So too is the BBC World Service, which provides an authoritative and trusted news source to places which crave just that.

Certainly, the BBC is capable of doing world-class work, but that does not mean that a discussion about future funding is not needed.

In a world that is more technologically-savvy, where most have a smartphone in their pocket or multiple devices in the one household, the appetite to consume content has increased and, therefore, new entrants in the market have soaked up this demand in the form of streaming services.

Yet, extraordinarily, according to the latest Westminster speculation – and much condemnation – Culture Secretary Lisa Nandy is now thinking of slapping the licence fee on people who never watch live TV and only watch the likes of Netflix or Disney+.

It just can’t be ignored, therefore, that the BBC finds itself at a critical juncture. Perhaps, it is facing an ‘adapt or die’ moment?

Ballooning Government debt accelerates this urgent need for reform because increasingly the taxpayer questions the value in continually pumping money into a BBC which does not reflect their viewing habits? The TV licence is, for all intents and purposes, another tax many are unenthusiastic about paying.

So, how can we guarantee ‘our’ BBC and enhance the product on offer for Britons in a world of endless technological disruption? Fortunately, the authors of this report nourish us with ideas on how to do just that!

Surely the final destination must be a BBC which reflects the expectations of the public in both value and product, and above all, offers British excellence. For only then will it survive for another century and beyond.



Rt Hon Sir John Hayes MP

Sir John Hayes is the Conservative Member of Parliament for South Holland and The Deepings. He is the Chairman of the Common Sense Group and a former Cabinet Minister.

Introduction

The BBC is an institution in the United Kingdom, an institution in every possible sense of the word. Now, approaching its Royal Charter centenary, it has stubbornly survived as the world around it has changed beyond recognition. However, even as the media landscape in the UK and across the globe is radically different, the BBC still stands as a bastion of respectability – unmatched in its recognition and brand awareness. At least, that is perhaps what its proponents would like you to think.

Its global footprint and status may remain largely unchanged from its heydays in the 20th century but, for many in the UK, the BBC is a shadow of its former self. In recent years, it has lurched from failure to scandal in a seemingly unending cycle of mistakes and problems. The public's view and support for the BBC is a long way from its rose-tinted heyday. There is a general sense that the quality of BBC content is far lower than it should be, and viewer numbers are sliding dramatically.

The modern licence fee has its origins in the introduction of a combined radio and monochrome TV licence in 1946 that coincided with the resumption of BBC television broadcasts post-WWII. At this point, the BBC had an unchallenged monopoly on both radio and television in the UK. Its first television competitor would not arrive until nearly a decade later with the launch of the commercial, independent network of Independent Television (ITV).

Now, almost a century on from its Royal Charter and nearly 80 years since the introduction of the television licence fee it has become a major issue. The licence fee and the BBC have come under increasing scrutiny from all sides. Its Royal Charter is due to be renewed in 2027 and there are many questions whether the current licence fee model remains in the best interests of the taxpaying public, the country, and the BBC itself.

Andrew Neil, one of the most recognisable journalists in the country and a highly respected figure in the media industry, suggested¹ that “If you were starting from scratch today nobody would invent the BBC or the licence fee. It's legacy media protected by powerful vested interests.” He went on to say that alone, that “that doesn't mean it should be scrapped.” Yet, at the same time it was no “template for any kind of future”.

However, there is clear opposition to any move that would reform the BBC - both within the BBC and outside it.

¹ <https://x.com/afneil/status/1790030984550760698>

In May last year, major broadcast and print media organisations wrote² to the Government about their “deep concern” over BBC plans to start introducing adverts for on-demand BBC audio content, initially on third party apps. They rightly called for any changes to the BBC’s funding model to be transparent and highlights how the BBC’s plans would create an unfair advantage within the media industry.

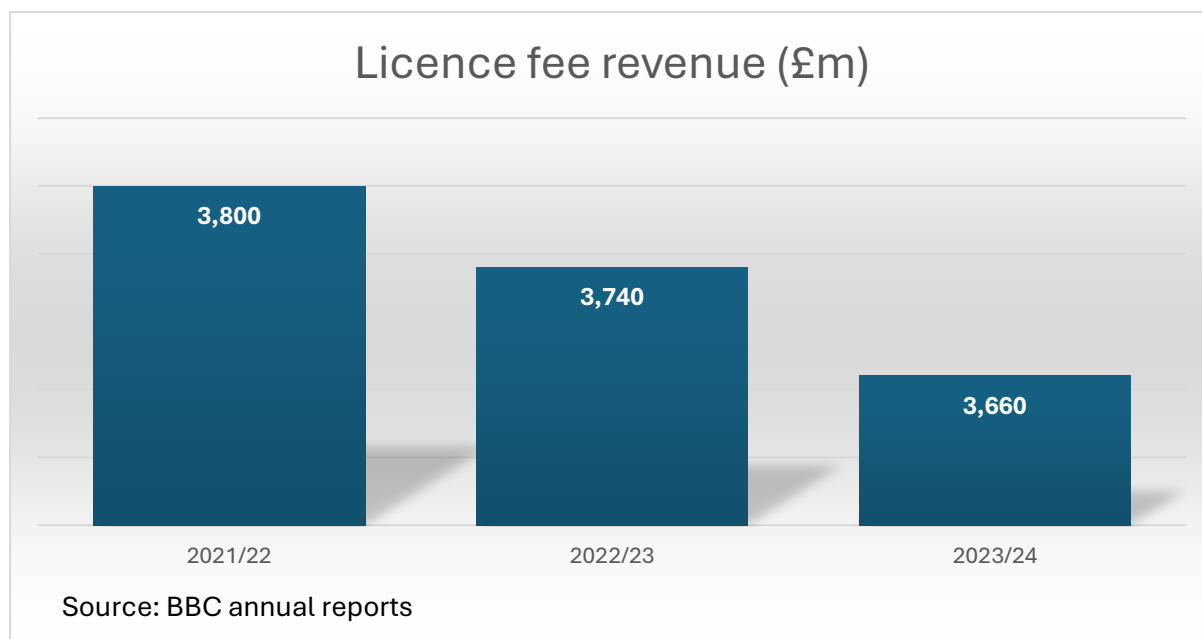
Yet, in the same letter, these competitors also warn of too much competition. That allowing the BBC to move away from the licence fee model would fundamentally change the media industry. That “the market is not big enough to sustain the BBC entering as a whole or part advertising-funded entity”. They suggest that the BBC entering the commercial arena would make certain operations “unviable”.

² <https://www.radiocentre.org/wp-content/uploads/2024/05/Industry-letter-to-DCMS-SoS-re-BBC-ads-in-podcasts-plans-May-2024-SENT.pdf>

BBC Income

One of the main questions that we need to consider for the future of the BBC is their income. If the licence fee is removed, how will the BBC continue to operate? How much income will need to be replaced if we end taxpayer funding? Opposing the licence fee and taxpayer funding for the BBC is not the same as calling for the end of the BBC.

In 2023, the BBC's total income was close to £6 billion.³ The licence fee raised about 65 per cent of this, just under £3.75 billion. The BBC earned more from the licence fee than its longest running domestic rival, ITV, earned in total during 2023.⁴ For the past three years, despite increases to the cost of an individual licence fee, income from the levy has decreased.



Yet, this is still a substantial income source that would need to be replaced if the licence fee was revoked or amended. Despite the problems within the BBC, it would still be a mistake to ensure the BBC was crushed under its own weight in the event that the taxpayer support from the licence fee was removed.

Removing the licence fee must be done in a way that allows for a sensible transition to the next funding model. The scale and length of any transition would be dependent on what future path is taken, but it would be likely to last at least a year, to allow proper reviews of employees, programme and channel popularity – to best protect the most important parts of the BBC.

³ <https://www.bbc.co.uk/aboutthebbc/documents/ara-2022-23.pdf#page=183>

⁴ <https://www.itvplc.com/~media/Files/I/ITV-PLC-V2/documents/investors/result-centre/itv-plc-2023-full-year-results-release.pdf>

Sadly, even if the BBC has the time to transition to a better funding model, it is likely that job losses and a further streamlining of content will occur. It is only natural that some of the more than 21,000 people⁵ employed by the BBC will be phased out in this renewal process. While it is always an individual tragedy for someone to lose their job, we must be pragmatic about what the BBC needs to achieve.

After all, despite the BBC's huge income and potential budget, the BBC outspends its income. This does not have to be the case. Indeed, if the BBC is moved away from mandatory taxpayer funding, one would hope that it would become better run financially as the chances of bailout becomes less likely.

At the very least, there is an ongoing discussion about the future of the BBC's funding, Both the Government and the BBC are currently exploring ways to reform the licence fee and reviewing the funding model.

Defund the BBC is concerned that these reviews will not go far enough. That they will fall back onto tired platitudes and ignore the modern failings of the BBC. That the conclusion will be that the BBC is too special to be subjected to the marketplace of the media industry, that no funding model other than enforced taxpayer funding is suitable. The first suggestion of 'mutualisation' from the new Labour government did nothing to suggest this will change. The funding reviews could also be quietly jettisoned at any point and plans for reform sidelined.

⁵ <https://www.bbc.co.uk/aboutthebbc/documents/ara-2023-24.pdf>

Recent BBC Consolidation

The BBC has consistently run a deficit despite its massive incomes from taxpayer funding and the mandatory licence fee.

This has prompted several rounds of consolidation and cost-cutting measures across the BBC. One such round came in late 2023. A restructuring package designed to save £500m from the BBC's budget.⁶

This included another shift to more digital content, the merger of its news offerings and the creation of new service called BBC Verify. This followed plans announced earlier in 2022 to reduce the total number of BBC brands – including moving channels such as BBC Four and CBBC into online only content.⁷

These announcements of a consolidation effort into the BBC brand, came with a warning from Tim Davie, the Director-General of the BBC, that serious investment was required for the BBC to be able to keep pace with streaming platforms.

Where would this investment come from? The BBC does not allow advertisements on its content. The commercial arm, BBC Studios is a success, so why do we continue on insisting that the BBC must be taxpayer funded.

⁶ <https://www.televisual.com/news/bbc-news-makes-cuts-to-save-500m/>

⁷ <https://news.sky.com/story/bbc-slashes-jobs-and-set-to-move-cbbc-and-bbc-four-online-12621895>

Evasion and enforcement

A TV licence is an “essential” part of living in the UK⁸ according to the people who run the licence system. Clearly, households across the country disagree and have begun to refuse the £169.50 charge.

Some of those who refuse the fee will then continue to watch TV channels on any TV service, watch live TV on any streaming service, and use BBC iPlayer, on any device.

Licence fee evasion is only growing. The BBC estimates⁹ that the licence fee evasion rate is now more than 10 per cent. Continuing to treat this as a criminal matter is clearly unsustainable.

Defund the BBC has for some time called for the decriminalisation of avoiding paying the licence fee. Not just because the licence fee is an anachronistic relic of the past but also because enforcement processes are inefficient, discriminatory and downright unjust.

Research into enforcement of the licence fee has consistently been shown to disproportionately affect women. There are repeated shocking examples of enforcement prosecutions being brought against clearly vulnerable people – prosecutions that benefit no-one. In one reported example, “one man’s licence ran out while he was in hospital for 11 weeks, and despite renewing it as soon as he was discharged, he was prosecuted six days later”.¹⁰

Every week, almost 1,000 people are prosecuted for licence fee evasion. The overwhelming majority of these, averaging around 75 per cent, are women. It is patently unreasonable to suggest that women are that much more likely to break the rules than men. It is the second most common crime in the country.

The BBC knows that the enforcement process is discriminatory. In 2023¹¹, it chose to settle a damages claim made against TV Licensing by a single mother – it also dropped its prosecution attempt against the same complainant.

Following that case, the BBC published a new review¹² into this gender disparity in licence fee enforcement. It argued that there was “no evidence of direct discrimination” by TV Licensing. However, it could not dispute the core truth that enforcement processes continued to disproportionately target women.

⁸ <https://www.tvlicensing.co.uk/moving-to-uk-tips>

⁹ <https://commonslibrary.parliament.uk/research-briefings/cbp-8101/>

¹⁰ <https://www.theguardian.com/media/2024/feb/29/tv-licence-fee-scandal-1000-people-week-casually-criminalised>

¹¹ <https://www.leighday.co.uk/news/news/2023-news/bbc-pays-settlement-damages-to-tv-licence-sex-discrimination-claim-woman/>

¹² <https://www.bbc.co.uk/aboutthebbc/documents/gender-disparity-review.pdf>

Journalists, like Tristan Kirk of the Evening Standard, have been following the various scandalous enforcement decisions of the BBC and the courts. Each case reported is no less egregious than the next. He is carrying out a wider campaign against the abuse of Single Justice Procedures, which is one of the most common forms used to penalise vulnerable people falling foul of the unjust licence fee system through no fault of their own.

It is welcome news that the Labour government is reportedly considering decriminalising licence fee payments during charter renewal discussions. It is outrageous that it has taken so long.

Consumption of Media

When the BBC was launched, it was the only show in town. It had a monopoly on the public's attention. The world has quite clearly moved on since then. Where there was a monolith of entertainment is now just one pillar among many, in the market hall of the British entertainment industry.

Going back 50 years, there were only three television channels in the UK. There are now more than 450 available through free to air, free to view and subscription services.

The number of channels on the television and the radio seems to increase every year. There is an ever-increasing competition for viewers. Yet, at the same time, that proportion of viewers is declining.

In fact, Ofcom figures show that this decline is accelerating¹³. Between 2021 and 2022, was the steepest ever annual fall in viewers of traditional broadcast – dropping from 83 per cent to 79 per cent.

There is a clear correlation between this decline and the changing consumption of media across different generations. Young people are turning away from traditional broadcast far faster than any other generation. Among 16-24s, weekly reach for traditional broadcast has fallen from 82 per cent in 2017 to 54 per cent in 2022¹⁴. Similarly, for children aged 4-15 it has fallen from 87 per cent in 2017 to 60 per cent in 2022.

The BBC is not immune to this loss of viewers. While its flagship channel, BBC One, remains the most popular channel in the UK by weekly reach – its domination is also waning, with its reach falling to 58 per cent which is 12 percentage points lower than in 2017.

Traditional broadcast media has lost its grip on the nation's attention. It once was almost solely responsible for capturing the nation's minds. Viewing numbers of over 6 million used to be commonplace. In 2014, well over 1,000 programmes generated more than six million TV viewers. Nearly ten years later, this number crashed by more than 80 per cent to just over 200 occasions in 2022. Even when reducing the number of viewers, traditional TV is simply not as popular. The number of programmes with more than four million viewers halved from 2014 to 2022.

Ofcom's figures are clear, this is a clear shift in viewing patterns. Traditional broadcast media is rapidly becoming obsolete with precipitous falls in consumption between generations.

¹³ <https://www.ofcom.org.uk/media-use-and-attitudes/media-habits-adults/media-nations-2023-latest-uk-viewing-and-listening-trends-revealed>

¹⁴ <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-nations/2023/media-nations-2023-uk?v=330012>

Streaming channels

The defining change of recent years is the increase of choice in how to watch TV. This is an important distinction that must be made. Previously, choice was limited to an increasing number of traditional broadcast channels. There were more options and more channels available, but the format was unchanged.

Streaming platforms are fundamentally different, even if the content is broadly similar. Thousands of programmes and films instantly available at the click of a button, ready to watch whenever you want and in whatever order you wish to. It is a choice of how to watch as well as what to watch.

Netflix is the platform that most immediately think of when it comes to the emergent dominance of streaming platforms. Yet, its online services started in the same year as BBC iPlayer, 2007, and only arrived in the UK in 2012. Netflix's arrival in the UK is the spark that lit the streaming beacon.

According to the comparison website Uswitch¹⁵, two thirds of UK households used streaming services in 2023. This is more than three times larger than the 20 per cent of households in 2015. The rapid growth in streaming services in just nine years is a remarkable contrast to the decline of traditional broadcast TV. Netflix jumped from 4.2 per cent of the population to almost a quarter (24.7 per cent) and Prime Video household take up grew 983 per cent in the same period.

The 2024 Ofcom figures¹⁶ show that 58 per cent of UK households subscribe to Netflix and 45 per cent to Prime Video. They are also clear that even when considering traditional broadcast media, their in-house streaming services are become increasingly important. For both ITV and the BBC, use of their on-demand services of ITVX and iPlayer is growing fast, becoming of greater importance and proportion in their overall viewer numbers.

iPlayer, the BBC's streaming platform, by hours streamed is around the 7th most popular service in the UK (May 2023 figures¹⁷), with Netflix, Prime Video and Discovery+ taking the top spots. However, if Britbox's figures were added – iPlayer would jump up to 4th. It is not unreasonable to suggest that Britbox could be incorporated into iPlayer in a reformed BBC model, given that a substantial part of its offering is BBC content unavailable on iPlayer.

Yet, streaming success is not just limited to TV and film streaming channels. YouTube has continued to grow its audience, with more than 10 million more viewers in 2024 compared to 2017 (43.9m vs 33.4m).

¹⁵ <https://www.uswitch.com/broadband/studies/online-streaming-statistics/>

¹⁶ <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-nations/2024/media-nations-2024-uk.pdf?v=371192>

¹⁷ <https://www.uswitch.com/broadband/studies/online-streaming-statistics/>

Interestingly, the rise of streaming platforms is no longer limited to younger generations. As an example of the overall popularity of the type of streaming platforms, between 2022 and 2023¹⁸, the proportion of over-64s subscribing to Disney+, nearly doubled, from 7 per cent to 12 per cent.

At the same time, it is estimated that this year, Brits will spend more on streaming services than traditional TV packages. If this proves accurate, it will have taken only 13 years for streaming platforms to have eclipsed traditional broadcast media.

When given the option, Brits are choosing to pay for greater choice and the luxury of not being beholden to TV schedules.

¹⁸ <https://www.ofcom.org.uk/media-use-and-attitudes/media-habits-adults/media-nations-2023-latest-uk-viewing-and-listening-trends-revealed>

BBC failures

Reporting and impartiality

It is strange, but it seems rare that a week goes by now without the BBC or a staff member of the BBC having to apologise for a scandal or a mistake. Headlines of “BBC under fire” and “BBC apologises for ...” are all too common.

Its venture of BBC Verify, has turned into an unmitigated disaster. A project that, far from becoming a renowned fact checking service, has been attacked from all sides for its repeated failings. At its core, as one former BBC journalist mused¹⁹:

“The definition of ‘verify’ is to ‘to prove that something exists or is true, or to make certain that something is correct’. This is, in essence, the most basic rule of journalism. Yet here we were, having to reassure our increasingly distrustful audiences that we weren’t just broadcasting any old rubbish without checking it properly. Now why might that have become necessary?”

Shockingly, the BBC’s disinformation correspondent, Marianna Spring was found to have lied on her CV. It’s hardly inspiring confidence in the BBC if their disinformation correspondent spread misinformation to get her job.

People are looking at the BBC and finding it, lacking. Lacking judgement, lacking common sense and lacking the ability to remain impartial when many of its staff have clearly been captured by ideology.

Past polling carried out for Defund the BBC has found that more than a third (34 per cent) of Brits thought the BBC deals with ‘woke’ issues too much - including the misrepresentation of British culture and interests. This rose²⁰ to 43 per cent believing that the BBC did not reflect ‘British values’.

There is one accusation in this area that has become louder than most. That the BBC is incapable of remaining impartial in its coverage of Israel’s war against Hamas. That its double standards in issues relating to Israel are tipping precariously close to antisemitism. This includes reporting Hamas propaganda as fact; leading to several public retractions and corrections. BBC Verify has repeatedly drawn its source material from Hamas and has been outright accused of being a willing tool for anti-Israel bias.²¹

¹⁹ <https://www.spectator.co.uk/article/has-bbc-verify-done-more-harm-than-good/>

²⁰ <https://savanta.com/knowledge-centre/poll/defund-the-bbc-october-2020/>

²¹ <https://www.telegraph.co.uk/news/2024/03/04/bbc-verify-has-become-a-tool-for-promoting-anti-israel-bias/>

It has outright refused to label Hamas a terrorist organisation, despite it being legally defined as such. By May last year, BBC Arabic, one of the many additional services offered by the BBC, had to make 80 corrections in its coverage²² since the October 7 terror attacks. BBC Arabic journalists publicly support Hamas on social media. UK taxpayers are paying for those who support terror and atrocity. The BBC is lending its name in support to those who espouse the virtues of Hamas. Still, Tim Davie believes “we should be very proud of” BBC Arabic.

However, BBC Verify is not alone at the BBC in needing to apologise for bias²³. During last year’s election, one of BBC News’ presenters, Geeta Guru-Murthy, broke the BBC’s impartiality rules in their description of a Nigel Farage press conference. The BBC does seem to have a Farage problem, as the year before the BBC failed to accurately report on Coutts debanking Farage for political reasons.

One of the most recognisable faces of BBC programming, Gary Lineker, is consistently airing his political opinions in public forums – particularly on X. It is little wonder that the public look at the BBC and question its impartiality when some of its presenters can opine freely on every news story going. Worse still, he was involved²⁴ in the creation of new guidelines that are widely seen as far more permissive.

We could also turn back to the polarising topic of Brexit. It was widely perceived that the BBC had a major problem with its reporting during the referendum campaign and then the subsequent exit negotiations. A 2019 Ofcom review²⁵ found “dissatisfaction with the BBC’s coverage of Brexit”. This is supported by analysis from 2018²⁶, by the Institute for Economic Affairs, a non-partisan charity, which found that Leave supporters were badly underrepresented on key BBC political programmes.

Partiality and bias is clearly an ongoing and unaddressed issue at the BBC.

²² <https://www.telegraph.co.uk/news/2024/05/04/bbc-arabic-forced-to-correct-its-output-80-times/>

²³ <https://www.telegraph.co.uk/politics/2024/05/28/bbc-accused-impartiality-breach-for-accusing-nigel-farage/>

²⁴ <https://www.telegraph.co.uk/news/2024/02/07/bbc-social-media-guidelines-independently-gary-lineker/>

²⁵ <https://www.theguardian.com/commentisfree/2019/oct/27/brexit-bias-bbc-faces-a-difficult-balancing-act-in-polarised-nation>

²⁶ <https://iea.org.uk/media/iea-analysis-shows-systemic-bias-against-leave-supporters-on-flagship-bbc-political-programmes/>

Salaries, ethics and safeguarding

The BBC's impartiality and coverage problems are not the only serious questions that it has failed to adequately answer. There are several ethics and safeguarding doubts that remain adequately resolved.

Its failure to address the horrific abuse perpetrated by Jimmy Saville and Stuart Hall, as well as others is well known. The Dame Janet Smith review took aim at the "culture of fear" and a mistaken culture of deference to senior staff.²⁷

This problem continues to rear its ugly head. The BBC had not learnt its lessons as an accused staff member was prioritised over the complainant.²⁸

We can also point to the fact that despite the BBC's knowledge of Huw Edwards' arrest last November – it continued to pay his astonishingly high salary for five months until he finally resigned in April of this year. The BBC now knows this was a mistake and has asked for Edwards to repay that money.

The question of why Edwards was not sacked considering his arrest remains unanswered. As does why the BBC sat on the story instead of reporting a high-profile story – one that would have shown transparency and honesty to the public.

The BBC has also finally had to come somewhat clean about the dirty way Martin Bashir ensnared Princess Diana into giving an interview. A judge labelled the BBC "inconsistent, erroneous and unreliable" after he forced them to release thousands of damning emails.²⁹ Fewer than six months later, the BBC chose to settle a slander case against her former chauffeur.³⁰

It is this, almost arrogant, belief and culture that is driving people away from support for the BBC. People see these headlines and wonder why an organisation that has so many problems, continues to retain taxpayer funding.

Another clear problem that the BBC has struggled with recently is failing to pay its staff fairly. In 2021, the BBC disclosed that it paid over £1 million to barristers and solicitors across their attempts to fight tribunal claims brought by staff in equal pay and race discrimination cases.³¹ Worse, the BBC even tried to prevent this figure coming to light and it took a Parliamentary Committee forcing the Director General to personally intervene to ensure the truth uncovered.

²⁷ <https://www.bbc.co.uk/news/uk-35658398>

²⁸ <https://news.sky.com/story/bbc-assured-us-it-had-learned-from-past-mistakes-this-fresh-scandal-is-not-a-good-look-12917784>

²⁹ <https://news.sky.com/story/bbc-ordered-to-release-emails-related-to-martin-bashirs-princess-diana-interview-13027310>

³⁰ <https://www.bbc.co.uk/news/articles/crgyy994z2eo>

³¹ <https://committees.parliament.uk/committee/378/culture-media-and-sport-committee/news/138652/bbc-spent-over-1-million-on-fighting-discrimination-cases/>

It has faced accusations of sexist pay discrimination from several high-profile staff such as Samira Ahmed and Carrie Grace. Both Grace and Ahmed won their cases at tribunal.³²

You might expect that two major cases would be the end of it, that meaningful change would be brought forward. However, BBC continues to face legal action on the basis of equal pay, age and sex discrimination. Martine Croxall, Karin Giannone, Kasia Madera and Annita McVeigh have argued that they were denied chief presenter roles on the BBC's merged news channel due to a "rigged" process in which they stood no chance of being selected.³³

Once again, it appears that the BBC is incapable of changing for the better. Incapable of meaningful reform or learning from its mistakes.

³² <https://www.bbc.co.uk/news/entertainment-arts-44655335>

³³ <https://www.bbc.co.uk/news/entertainment-arts-68927258>

Polling

The scandals and problems at the BBC are not unnoticed. The public see the consistent failures and worsening standards and they are not impressed. At every turn, polling is clear, people want change.

In 2011, polling carried out by Ipsos Mori for the BBC³⁴ found that 59 per cent of the British public thought the BBC was the most trusted news source. This was carried through to 47 per cent saying the BBC was their preferred choice for impartial news and 57 per cent believing that the BBC was clearly an impartial news source.

Fast forward to October 2024, and the most recent YouGov tracker result, only 25 per cent of the UK believes the BBC is generally neutral.³⁵ This indicates a shocking collapse in trust. Only a quarter of adults believe the BBC is a neutral news source – less than half of what it was just over ten years ago. This should be seen as a disaster at the BBC and yet, it seems that remarkably – it is still business as usual. There are no meaningful public plans designed to restore confidence, unless you count the blatantly flawed BBC Verify.

It is little wonder that there is a clear lack of support for taxpayer money funding the BBC. For the past 5 years, support for the general taxation funding going to the BBC has never been above ten per cent. Meanwhile, support for the licence fee model is always less than a third of the public.³⁶

Our own polling has consistently shown the same belief from the British public. In 2021, our ComRes polling found a staggering 51 per cent of British adults considered the national broadcaster bad value, with a third of Brits describing it as “very bad value”.³⁷

The most popular method of funding, according to YouGov’s tracker, would be the BBC adopting a funding model that is based on advertisements and commercial breaks. More than a third (36 per cent) of the UK public would support such a shift, and is more popular than the second and third options combined.

Our own polling, carried out in 2020, found that as much as 60 per cent of the public believed that the existing licence fee model was unsustainable and could not continue.³⁸

There is clear majority public support for the BBC to move away from public funding, when combining support for an advertisement model or a subscription model, compared to other options polled. This is worth repeating. A majority of the public supports a BBC that is fully funded by non-taxpayer money.

³⁴ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/58001/bbc-annex2.pdf

³⁵ <https://yougov.co.uk/topics/politics/trackers/is-the-bbc-more-favourable-towards-labour-the-left-or-the-conservatives-the-right>

³⁶ <https://yougov.co.uk/topics/entertainment/trackers/how-should-the-bbc-be-funded>

³⁷ <https://savanta.com/knowledge-centre/poll/licence-fee-poll-defund-the-bbc/>

³⁸ <https://savanta.com/knowledge-centre/poll/defund-the-bbc-october-2020/>

Where do our political parties stand?

There is a clear groundswell of support for change at the BBC. This is unquestionable from polling on this issue. The public is fed up with slackening standards and output. They are annoyed with constant demands for increased funding while services are cut, and quality continues to fall.

So, where are our politicians on this issue? Are they in line with the public mood or are they behind the times and still clutching onto the unpopular and anachronistic licence fee?

What did the major UK parties promise the public in last year's election?

The Labour Party

The new party of government ignored and dismissed the public's valid concerns about the BBC. In its two mentions of the BBC in its manifesto, the only plan is that there is no plan for change.³⁹

“Labour will implement our creative industries sector plan as part of our Industrial Strategy, creating good jobs and accelerating growth in film, music, gaming, and other creative sectors. We will work constructively with the BBC and our other public service broadcasters so they continue to inform, educate and entertain people, and support the creative economy by commissioning distinctively British content.”

“At home, Conservative attacks on our globally respected institutions – universities, courts and the BBC – have undermined our soft power, traditionally a source of great strength, and diminished our influence.”

This is in line with Labour's previous insistence that there are no problems with the BBC or the licence fee. It has chosen wilful blindness and has previously maligned calls to scrap the licence fee a “pathetic distraction” and “the end of the BBC as we know it”.⁴⁰

However, since its election, this position appears to have changed. In September, it was reported that Ministers were exploring options of reform.⁴¹ In particular, the new Culture Secretary Lisa Nandy was reportedly keen on the possibility of mutualising the BBC in a move that would supposedly hand direct ownership and control to licence fee payers.

³⁹ <https://labour.org.uk/change/>

⁴⁰ <https://labourlist.org/2022/01/labour-criticises-scrapping-licence-fee-as-a-distraction-that-will-be-end-of-bbc/>

⁴¹ <https://www.ft.com/content/c2b43d62-07f7-44a4-806e-80d5617a2dd0>

This has been followed up by a new suggestion to punish Brits for turning away from the BBC, by forcing those who only use streaming services to pay the fee.⁴²

Additionally, in its recent Budget, the government announced an increase to FCDO funding for the BBC World Service “in support of the UK’s global presence and soft power”.

The Conservative Party

The party of government for the past 14 years, the first five in coalition with the Liberal Democrats, was happy to criticise the BBC but dragged its feet on reform. Its manifesto contained 4 mentions of the BBC.⁴³

The relevant part is as follows:

“The BBC should represent the perspectives of the entire nation with diversity of thought, accuracy and impartiality as its guiding principles. We will carefully consider the findings of the Funding Review ahead of the next Royal Charter and ensure it upholds these principles. We will introduce a new complaints process for the BBC so the BBC does not mark its own homework.”

In essence, the current Conservative Party leadership has no real position on the BBC. This was made even more clear earlier this year, when our Campaign Director, Rebecca Ryan, wrote to the Prime Minister. (insert link to letter on Defund Website) The government’s response was as non-committal as its manifesto, full of empty platitudes over sharing our concerns.

Waiting for yet another impartial review of the BBC’s funding model, showed a clear lack of leadership and clarity. A lack of willingness to lead towards a better future for both the BBC and the taxpayer.

Defund the BBC hopes that the new Conservative Party leader, Kemi Badenoch, will soon have a clearer position that acknowledges the pressing need for reform.

⁴² <https://www.radiotimes.com/tv/current-affairs/netflix-users-licence-fee-proposal-newsupdate/>

⁴³ <https://public.conservatives.com/static/documents/GE2024/Conservative-Manifesto-GE2024.pdf>

The Liberal Democrats

The Liberal Democrats were also tone deaf to the public's attitudes on the BBC. They are stuck in the mindset of the entirety of the BBC being a vital national treasure, rather than an anachronistic, bloated and unliked money sink.

This is clear from their manifesto, which was a commitment to maintaining the status quo.⁴⁴

“Protect the BBC, S4C, BBC Alba and Channel 4 as independent, publicly owned, public service broadcasters.”

Naturally, they also want to expand the problematic failure of the BBC's “factchecking services” that were created to counteract the rise of misinformation.

“Support the BBC both to provide impartial news and information, and to take a leading role in increasing media literacy and educating all generations in tackling the impact of fake news.”

There is no scope for change or recognition of the flaws with the BBC and the licence fee model in the Liberal Democrat Manifesto.

Reform UK

Reform UK is an insurgent party, and it received genuine support around the country.

Reform UK has a clear position in their manifesto when it comes to the BBC and the licence fee.⁴⁵

“The out-of-touch wasteful BBC is institutionally biased. The TV licence is taxation without representation. We will scrap it. In a world of on-demand TV People should be free to choose.”

They were the only party that committed to a change in the system that so many in the UK are demanding.

Defund the BBC hopes their newly elected MPs will continue to hold this position and will press the government for much needed reform over this Parliament.

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https://www.libdems.org.uk/fileadmin/groups/2_Federal_Party/Documents/PolicyPapers/Manifesto_2024/For_a_Fair_Deal_-_Liberal_Democrat_Manifesto_2024.pdf

⁴⁵https://assets.nationbuilder.com/reformuk/pages/253/attachments/original/1718625371/Reform_UK_Our_Contract_with_You.pdf?1718625371

Green Party UK

The Green Party won a record 4 seats at the 2024 election. However, their manifesto contained no reference to the BBC or the upcoming negotiations over the renewal of the BBC's charter.⁴⁶

Previously, the Green Party had committed to scrapping the licence fee and fund the BBC through general taxation.

It is unclear whether this remains the case as this is no longer visible on their website and a request to their leadership went unanswered.

⁴⁶ <https://greenparty.org.uk/app/uploads/2024/06/Green-Party-2024-General-Election-Manifesto-Long-version-with-cover.pdf>

Our recommendations

Defund the BBC believe that it is time that the BBC completely moves away from the licence fee model and embraces the modern era.

Defund the BBC has been campaigning for reform of both the BBC and the licence fee for several years. Public support for reform is only growing.

The BBC's charter must change. But what should that change look like? Even the BBC's leadership is beginning to recognise that the current system is not fit for purpose in the modern era, with the new chairman of the BBC, Dr Samir Shah, proclaiming that he wishes to "future-proof the BBC".⁴⁷

As part of this, his recent interview took aim at an "outdated" regulatory regime that was stifling the public service broadcasters in the UK, preventing them from fully embracing the modern era.

We want to provide options that the government and the BBC could choose to explore further to secure the BBC's future, a future that we believe should draw most of its money from its commercial ability rather than mandated taxpayer funding.

Firstly, the government's suggestion of mutualisation is not a valid solution. It does not address the problems of the BBC's funding model. We are concerned that it will only be an additional layer of bureaucracy that will deliver no meaningful changes.

Expanding the licence fee to apply to those who only use streaming services is equally poor and would essentially punish people for freely choosing to stop watching BBC content.⁴⁸

Throwing taxpayer money at a problem and refusing to innovate or reform should never be the answer in our public services. The public deserves better than this.

Instead, it is time to properly explore the commercialisation of the main TV output of the BBC, into a subscription model like that of Sky, Netflix, HBO or Disney+. This must be a considered and unrushed process that will be introduced gradually to minimise disruption. This is change that the BBC should not be afraid of, if it is the success it claims to be. There is no end of money available through commercial innovation.

⁴⁷ <https://www.telegraph.co.uk/news/2024/11/04/bbc-thing-of-the-past-new-chairman/>

⁴⁸ <https://www.radiotimes.com/tv/current-affairs/netflix-users-licence-fee-proposal-newsupdate/>

Decriminalisation of the licence fee

Any part of BBC reform must include decriminalisation of the licence fee. The BBC have made the licence fee rules deliberately unclear, in order to keep people coughing up. That is not right.

The BBC's system for catching and prosecuting non-licence fee payment is discriminatory, and disproportionately affects women and the poor due to a deliberate lack of clarity around the right to refuse entry. This must stop.

It is not reasonable for people to be forced, by fear of imprisonment, to pay a licence fee to watch (or record) non-BBC live TV.

Once the decriminalisation of non-payment is introduced, the licence fee – in its current format – can be gradually phased out and replaced with alternative funding models.

The future of BBC funding

Introducing advertisements to BBC services is the most popular method among the public as an alternative to the licence fee. The BBC is an outlier among broadcasters in its steadfast refusal to run adverts in the UK.

However, although the UK is the largest advertising TV market in Europe, linear advertisement revenue is declining among traditional broadcasters.

It is not the magic replacement for the licence fee that it may once have been when the first commercial rival, ITV was launched, nor when options such as Sky first emerged in the UK market.

All broadcasters have recognised the threats and possibilities of the rise of online only streaming channels. This is the future that needs to be embraced by the BBC as well.

The commercialisation of iPlayer represents the best source of potential revenue that could be easily accessible. Firstly, it should be allowed to start accepting advertisements.

Secondly, as part of the move to a more commercialised structure, access to iPlayer could be properly locked behind payment of the licence fee. Instead of the current pointless popup – it could be replaced by a sign in system that is linked to your payment of the licence fee.

This change would allow a gradual shift of the licence fee infrastructure away from a compulsory fee towards a voluntary subscription fee model, similar to that of paid for channels such as Sky or streaming services such as Netflix.

Additionally, the BBC already has a paid for streaming service in its joint project, with ITV, of Britbox. This experience and system could be incorporated into BBC iPlayer and used as part of a new subscription fee model.

Testing the success of adverts online would then allow the choice of allowing them onto live broadcasts.

However, the most important culturally important and influential areas of the BBC, such as the BBC World Service or major international sporting events, should be retained under special ringfenced taxpayer funding – drawn from taxation rather than the licence fee.

Programmes such as BBC Hardtalk, recently slated for being cut in a new cost saving measure, should be prioritised by the BBC. They are the forefront of the BBC and the UK's cultural power. Hardtalk alone has over 70 million viewers across 200 different countries.⁴⁹

There is already provision for this sort of additional support, as Labour's Budget specifically increased the FCDO funding for the World Service under this system.

It is this sort of muddled policy that proves that the BBC and the government need to radically rethink their policies. On the one hand, the BBC is a vital soft power institution that needs protecting and boosting to counter malign propaganda but on the other hand, we must cut all the programmes that give it that ability.

Efficiency measures are clearly necessary across a corporation that has become bloated and outsized. Yet, cutting popular programmes is counterproductive – especially when it is the most popular programmes that could generate the most revenue in a more commercialised future.

There is a choice to be made by the government and the BBC. Do they wish to continue to yoke the taxpayer to the unjust licence fee and continuing decline. Or do they wish to allow the BBC to be free to compete effectively with its broadcast and streaming rivals and to move forward to a better future?

⁴⁹ <https://www.thetimes.com/culture/tv-radio/article/stephen-sackur-hardtalk-axed-bbc-interview-flwvb3sw0>



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