



Submission to Ofcom's Review of Public Service Media Phase 1 initial contribution - November 2024

1. The Media Reform Coalition welcomes the commencement of Ofcom's Review of Public Service Media ("the PSM Review"), and is grateful for the opportunities Ofcom has so far provided for us to engage in the Review process. We look forward to the publication of the results of the 'Phase 1' assessment and intend to submit comprehensive feedback and evidence in response to Ofcom's findings. This submission forms our initial contribution to discussions of how UK PSM has been delivered over the last five years, as well as outlining our concerns and recommendations for how the PSM Review is conducted.

Recommendations

2. **The PSM Review should be informed by comprehensive qualitative assessment and guided by genuinely participatory public deliberation on the social and cultural impact of PSBs.** This kind of interrogation will require sustained and active engagement with the public than is possible with consumer research methods. We urge Ofcom to extend its Phase 1 and Phase 2 processes in the current PSM Review to conduct large Citizens' Assemblies with the public, to generate novel findings on audiences' views on the current performance of UK PSM and to enable participants to develop their own recommendations, priorities and ideals for future PSM policy.
3. **Ofcom should use the PSM Review to communicate, authoritatively and unambiguously, the scale and significance of the many challenges threatening the future of UK public service media.** Ofcom will need to impress upon government, policymakers and the industry the urgent need for radical reforms to sustain PSM as a vital and highly-valued media policy intervention. Given the rapid speed of market developments and shifting audience habits, further delays and continued disinterest from policymakers will lead to a continued failure to serve the needs and interests of the UK public.
4. **Phase 1 and Phase 2 of the PSM Review will need to recognise and highlight the role of these persistent deregulatory trends in PSB policy as a major contributor to declining provision.** Without an immediate and significant change in policy, the public's sense of the purpose and relevance of PSBs – and in particular citizens' personal and shared connectedness with PSM as national institutions – will collapse. This will fatally undermine the public consensus for sustaining PSM intervention in media markets, as mechanisms such as the TV licence fee (or any future public funding model for the BBC) and wider public regulations will be seen as less relevant, popular or impactful for audiences.
5. **Ofcom should conduct an in-depth review of the relationship between PSM policy and the UK independent production sector, with a focus on PSBs' commissions from smaller, regional and more diverse (both in terms of staff and creative approaches) indie companies.** This review should assess the feasibility and impact of additional PSB regulations to support these companies, such as an 'SME Guarantee' as proposed by the Media Reform Coalition and debated in the House of Lords during the Media Bill debates.

MRC headline comments on the PSM Review

6. **PSM institutions – along with the fundamental purposes of public media as a policy intervention – face chronic and existential challenges.** Financial insecurity, stemming from a decade of public funding cuts and the collapse of traditional commercial revenues, has accelerated the decline in UK PSBs’ provision of highly-valued and socially beneficial PSM genres. Intense competition from streaming platforms and global studios has led UK PSBs to reorient their content strategies, increasingly favouring international distribution and revenue from IP sales over building and maintaining distinct services and programmes made for domestic audiences. Persistent political interference and ongoing commercialisation in the regulatory environment have undermined PSBs’ independence and reduced the requirements on PSBs to provide the UK public with universal, accessible and distinct public media.
7. Taken together these factors have substantially diminished UK PSBs’ ability to deliver essential PSM goals. Crucially, none of these challenges have emerged naturally or by accident; they are the products of policy decisions made by government and Ofcom which have prioritised commercial objectives over the public good. **Compounded by the deregulation of PSM objectives in the 2024 Media Act, this approach will worsen the future viability of PSM and, with a continuing decline of investment in and provision of socially and culturally important public media genres, will lead to a significant loss of benefit to UK audiences.**
8. We are especially concerned that, without an immediate and significant change in policy, the public’s sense of the purpose and relevance of PSBs – and in particular citizens’ personal and shared connectedness with PSM as national institutions – will collapse. **Unless PSM policies and structures are radically reformed to provide a more participatory, collective and democratic relationship with the public, audiences (and younger generations in particular) are far less likely to see a genuine distinction between UK PSBs and other media services.** This will fatally undermine the public consensus for sustaining PSM intervention in media markets, as mechanisms such as the TV licence fee (or any future public funding model for the BBC) and wider public regulations will be seen as less relevant, popular or impactful for audiences.
9. The statutory PSM Review is a pivotal moment in the UK’s media policy ‘calendar’. However, in our previous exchanges with Ofcom it was suggested that the PSM Review team will not be undertaking substantive *qualitative* research on the delivery of PSM, nor engaging in more detailed public consultation to examine and understand audiences’ relationship with PSBs. Although quantitative analysis is vital for measuring industry performance, programming and investment trends must ultimately be evaluated against the fulfilment of the social, cultural and democratic purposes that PSM exists to serve. **We hope that Ofcom will take the full opportunities of the PSM Review process to centre the interests, views and active participation of citizens in a comprehensive, open and genuinely deliberative debate on how UK PSBs have served audiences.** Ofcom should make additional efforts to include the public in developing informed and democratic solutions for the future of UK PSM as part of the Review’s ‘Phase 2’ process.
10. **We also urge Ofcom to use the Review to communicate, authoritatively and unambiguously, the scale and significance of the many challenges threatening the future of UK PSM.** Ofcom will need to impress upon government, policymakers and the industry the urgent need for radical reforms to sustain PSM as a vital and highly-valued media policy intervention. Despite Ofcom

recommending important and urgently-needed reforms in the 2018 PSM Review, it took the previous government almost five years to implement just a handful of marginal regulatory updates via the 2024 Media Act. Given the rapid speed of market developments and shifting audience habits, further delays and continued disinterest from policymakers will lead to a continued failure to serve the needs and interests of the UK public.

The PSM Review should be informed by comprehensive qualitative assessment and guided by genuinely participatory public deliberation on the social and cultural impact of PSBs

11. Audience research and sector analysis over the last decade (encompassing two rounds of Ofcom PSM reviews) has demonstrated audiences’ persistently strong understanding and valuing of the core ideals and principles of PSM.¹ Survey data from Ofcom’s most recent PSM tracker show that foundational public service objectives – including but not limited to accurate and trusted news, universality, providing shared national experiences and programming that reflects and represents all of the UK – are ranked as highly important attributes of UK public service media.² The PSB channels and PSBs’ VoD services attract high audience favourability, and audiences state a high level of satisfaction that the PSB channels taken together provide services fulfilling the attributes and objectives of PSM.³
12. However, small but notable portions of audiences (around 10% of respondents averaged across the PSB channels) are dissatisfied with how well PSBs are delivering on specific PSM purposes. Attributes such as the provision of “programmes that feature my country/region” and “programmes that feature people like me” show evidence of ‘delivery gaps’, with audiences rating these as important and valued PSM objectives at the same time as considering PSBs to be less effective at delivering them.⁴ This highlights a growing mismatch between, on the one hand, strong and widespread support for the core ideals and purposes of PSM, and, on the other hand, uncertainty about PSBs’ role and capacity in fulfilling these goals - particularly amongst poorer, younger, ethnic minority and regional audiences.⁵
13. Efforts to address this mismatch will need to be informed by a much deeper understanding of the public’s attitudes to and relationship with PSM than is provided by audience polling or focus groups. A consumer research approach is fundamentally incapable of accounting for the social, cultural and civic benefits that PSM exists to cultivate for both individuals and the public. In the context of severe social and economic inequalities, rising political polarisation and deepening distrust towards traditional news outlets and national institutions, the PSM Review must undertake a significantly more engaged, deliberative and participatory approach to audience research.
14. In addition to the ‘standard’ quantitative methods, qualitative methods should focus on identifying, assessing and critiquing the contribution of UK PSBs and the wider PSM compact towards the stated aims and principles of PSM policy. Topics for evaluation might include:

¹ See, *inter alia*, BBC Trust/NatCen 2014, [Purpose Remit Survey UK report](#); Ipsos MORI 2014 [PSB Review](#); GfK 2016 [Research to explore public views about the BBC](#); Freeview/Aurora Market Research 2020 [value of PSB during lockdown](#); Ofcom/Kantar Small Screen Big Debate [PSB omnibus survey findings](#).

² [Ofcom PSM tracker 2023](#), Q27.

³ [Ofcom PSM tracker 2023](#), Q22 and Q28.

⁴ [Ofcom PSM tracker 2023](#), Q24.

⁵ See for example Jigsaw/Ofcom 2020, [An exploration of people’s relationship with PSB, with a particular focus on the view of young people](#); Ethnic Dimension/Ofcom 2021, [Broadcast expectations of minority ethnic audiences](#); BBC Audiences Review 2023, [Understanding what factors may drive lower satisfaction levels among D and E socio-economic groups](#).

- How has PSM supported and enhanced social cohesion for the UK as a national community, as well as within and between different communities and audience groups?
- What contribution has PSM made to enabling and empowering audiences' citizenship and participation in political and democratic processes?
- Have PSBs and PSM effectively provided universal access to arts, culture, entertainment and diverse perspectives, and what benefits has this had for UK audiences?
- Are PSM benefits distributed equally across all audiences, and how effectively are PSBs and PSM representing and reflecting the diverse views, experiences and identities of the UK population?
- How do audiences conceive of their own relationship with PSBs and PSM as social, cultural and democratic institutions, and what are citizens' priorities for PSM as a system of publicly-owned and/or publicly-regulated organisations?

15. This kind of interrogation will require sustained and active engagement with the public. To this end, the PSM Review should incorporate deliberative research methods that enable and encourage participants to articulate their views about PSM beyond their consumption of content. The previous PSM Review in 2018, *Small Screen Big Debate*, incorporated a multi-method Citizens' Assembly exercise, recruiting 46 members of the public from different backgrounds to a series of online deliberations in which they debated and reflected on each other's views and experiences of PSB.⁶ This project allowed for a much more detailed investigation into the challenges and dilemmas surrounding PSM that were investigated as part of the *SSBD* Review, and also highlighted the vitally empowering and democratising effect of actively engaging audiences in deliberation on institutions that are supposed to serve the public:

“Engaging the public in deliberation can nurture the citizen perspective of public service broadcasting, which we suggest is in danger of being marginalised by a consumer orientation. This is, in part, because there are so few spaces in which it is articulated or discussed; **audiences are approached as consumers far more often than as citizens, and setting up opportunities for deliberation can contribute to redressing this balance.**

A deliberative approach is especially well suited to considering the future of public service broadcasting as a policy issue, because **it enables the public to reflect on difficult questions about changes in media industries and technologies alongside consideration of more deep-seated values.**

Members of the public may not have reflected on these questions before, even though they have a significant impact on all our lives. **This project shows that, given the opportunity, the public can, and will, engage with detailed arguments, consider tensions and identify priorities based on careful reflection.**⁷

16. We urge Ofcom to extend its Phase 1 and Phase 2 processes in the current PSM Review to conduct a new, larger round of Citizens' Assemblies, to generate novel findings on audiences' views on the current performance of UK PSM and to enable participants to develop their own recommendations, priorities and ideals for future PSM policy. The scale and significance of the challenges facing UK PSM requires a much more deliberative and comprehensive process of assessment and analysis than has

⁶ Edwards, L. and Moss, G. (2020) [Debating the future of Public Service Broadcasting: Recommendations of an Online Citizens' Assembly](#).

⁷ *ibid.* pg. 35, our emphasis.

currently been sketched out in the Review’s terms of reference. The Review must ensure that the public – on whose consent and engagement the entire PSM compact rests – has a genuine stake and say in the finding and recommendations of the Review.

17. The House of Lords Communications Committee has similarly argued for Ofcom to undertake more involved methods of assessing audiences’ relationship with, and expectations of, regulated news media outlets - of which PSBs comprise the most used and most trusted sources. Commenting on the widespread uncertainties around the application of due impartiality in broadcasting regulations, the Committee’s Future of News report called for “more thorough longitudinal audience research with consistent metrics and more granular audience profiles, focusing both on the drivers of trust and confidence in due impartiality being upheld”.⁸ While more metrics and measures will not on their own redress the significant absence of participatory and democratic public policymaking in UK PSM, detailed and longer-term assessments of qualitative factors like trust, confidence and connectedness with institutions are an important foundation for informing and guiding more deliberative public-led exercises.

PSM delivery has been seriously undermined by deregulation, public funding cuts and market capture in the UK production sector

18. Ofcom’s ‘Phase 1’ review of PSM delivery between 2018 and 2023 needs to emphasise two important contexts: first, the long-term trend of nearly two decades of declining provision and investment in key PSB programming genres; and second, the market and regulatory contexts that have enabled and accelerated this precipitous decline in PSM output.

Decline in PSM investment and content hours

19. Adjusted for inflation, total investment in broadcast TV and AV content by the PSB channels has fallen more than 30% from 2010 to 2023, a cut of just under £1.3bn from £4.28bn to £2.99bn.⁹ PSB investment in first-run UK originations has fallen by 24% over the same period, a cut of £871m from £3.6bn to £2.7bn. Vital ‘public good’ genres have experienced some of the most damaging cuts, with first-run UK originations in arts & classical music (-60% since 2010), education (-68%) and religion & ethics programming (-50%) suffering the highest declines in PSB investment. The BBC’s expenditure on radio has also declined by more than one-fifth, from £975m in 2012 to £748m in 2023.
20. Public service genres have correspondingly seen a dramatic reduction in broadcast hours. First-run UK originated hours of arts & classical music (-59%, down to just 185 hours in 2023), children’s programming (-45%) and comedy (-55%), alongside total hours of educational programming (-82%, down to just 130 hours) and religion & ethics (-28%), have shown the most marked declines in provision.
21. The on-going decline in the provision of UK children’s programming epitomises the serious misalignment between public expectations of PSM and what PSBs have actually provided. 78% of those surveyed for Ofcom’s 2024 PSM tracker said it was important that PSB channels provide high quality and UK-made programmes for children, with 33% of respondents saying this was ‘extremely

⁸ House of Lords Communications and Digital Committee, [‘The future of news’](#) pg. 53. HL Paper 39

⁹ Figures from Ofcom’s [Communications Market Report 2024](#).

important' – the highest score on the survey's 1-to-10 ranking.¹⁰ Yet from 2004 (the time of the removal of commercial PSBs' quotas for children's programming) to 2018, provision of first-run UK originated children's content fell from 1,887 hours to 661 (a 65% decrease). Commercial PSB investment in children's programming over that same period declined from £48m to £2.2m - a 95% fall over 14 years. By 2014 the BBC accounted for 95% of total PSB expenditure on first-run UK originated children's content, and between 2018 and 2023 that expenditure has fallen by a further 15% from £97m to £82m.

22. The Media Act 2024 removed the statutory requirement on Ofcom to monitor PSB provision of programming in an even wider range of valued socially- and culturally-beneficial genres. Many of these genres – education, drama, comedy, sport, education, science and religion & ethics – have already experienced significant reductions in investment and provision since 2010. Despite Ofcom's assurances that wider measures in the Act allow it to intervene, without the active and specific duty to monitor provision there is a substantial risk that this further deregulation will result in these genres continuing to wither away - with at best the BBC providing minimal 'market gap' investment. Both Phase 1 and Phase 2 of the PSM Review will need to recognise and highlight the role of these persistent deregulatory trends in PSB policy as a major contributor to declining provision.

Collapse in public funding and traditional commercial revenue sources

23. UK PSBs also face extreme financial constraints that have led directly to the decline in PSM provision. The previous government's decision to freeze the value of the TV licence fee for a combined period of eight years, alongside below-inflation funding settlements, has led to a dangerous collapse in funding for PSM output. Analysis from the Voice of the Listener and Viewer¹¹ indicates that as a result of these funding settlements, since 2010 public funding for the BBC has fallen by 38% in real terms. This has led to extensive cuts in BBC output, particularly to socially- and culturally-essential PSM services like local radio and news, as well as an increasing reliance on commercial income. As the VLV points out, the BBC's growing focus on generating commercial income to offset public funding decreases poses a threat to the licence fee payers' perceptions of both the economic and personal value of their 'investment' in the BBC.

24. Commercial PSBs have similarly faced a steep decline in traditional revenue streams. Since 2018 UK expenditure on TV advertising fell by 32% from £5.8bn to £3.9bn. Although spend on BVoD advertising doubled over this same period, reflecting the on-going shift in advertising trends and consumer media habits, that increase is nothing close to replacing the loss in traditional TV advertising revenues. Combined, the total UK ad spend across TV and BVoD has fallen by 22% since 2018 from £6.2bn to £4.8bn.¹² With the further relaxing of PSM objectives and Ofcom's oversight of PSM delivery by the 2024 Media Act, there is a significant risk that commercial PSBs will continue to drift away from providing programming and content in less commercially-viable genres that are essential to the fulfilment of the objectives of PSM.

The abolition of Channel 4's 'publisher-broadcaster' status risks exacerbating the effects of severe concentration and lack of diversity in the UK production sector.

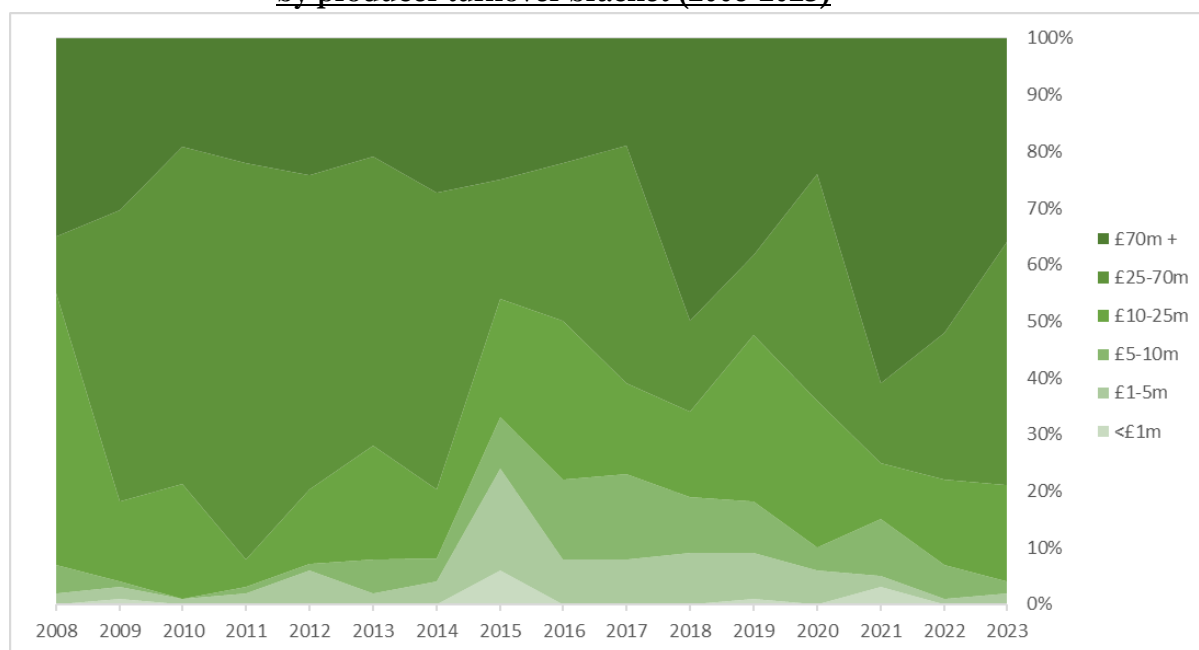
¹⁰ [Ofcom PSM tracker2023](#), Q31.

¹¹ VLV [Report into BBC funding](#) October 2024

¹² Figures from Ofcom's [Communications Market Report 2024](#).

25. UK PSBs and the PSM ecology have played an important and growing role in supporting economic and industrial policy goals, for example through investment in training and skills, building creative hubs in the UK's nations and regions that 'crowd in' private sector activity, and commissioning content from independent producers.¹³
26. The UK's independent production sector is regularly championed as a success story for both the UK creative industries and for the diversity and creativity of PSB services, with interventions like the statutory out-of-London quota and Channel 4's 'publisher-broadcaster' status being integral to this. However, market trends and commercial deregulation have undermined both the economic and public benefits of this framework. Of particular concern is the growing domination of 'super-indies' and other large production companies, who wield significant international market clout and revenues dwarfing much of the UK sector.
27. Analysis of financial surveys by Pact, the independent producers' trade association, reveals the stark state of concentration in UK independent commissioning. In 2023 the four main UK PSBs accounted for over four-fifths of the £1.78bn primary commissioning spend by UK broadcasters, but the largest beneficiaries of this commissioning were the already dominant indie companies. Independent producers with turnovers above £70m make up just 10% of the sector, but accounted for 44% of the total 2023 primary commissioning. By contrast, the smallest companies (with turnovers under £10m) make up 43% of the sector but accounted for just 11% of UK broadcasters' primary commissioning spend.

MRC Figure 1. Distribution of Channel 4 primary UK commissioning spend, by producer turnover bracket (2008-2023)¹⁴



28. Channel 4 was founded as a publicly-owned broadcaster with an explicit purpose to grow and support the UK independent production sector. However, these worsening trends of market consolidation and

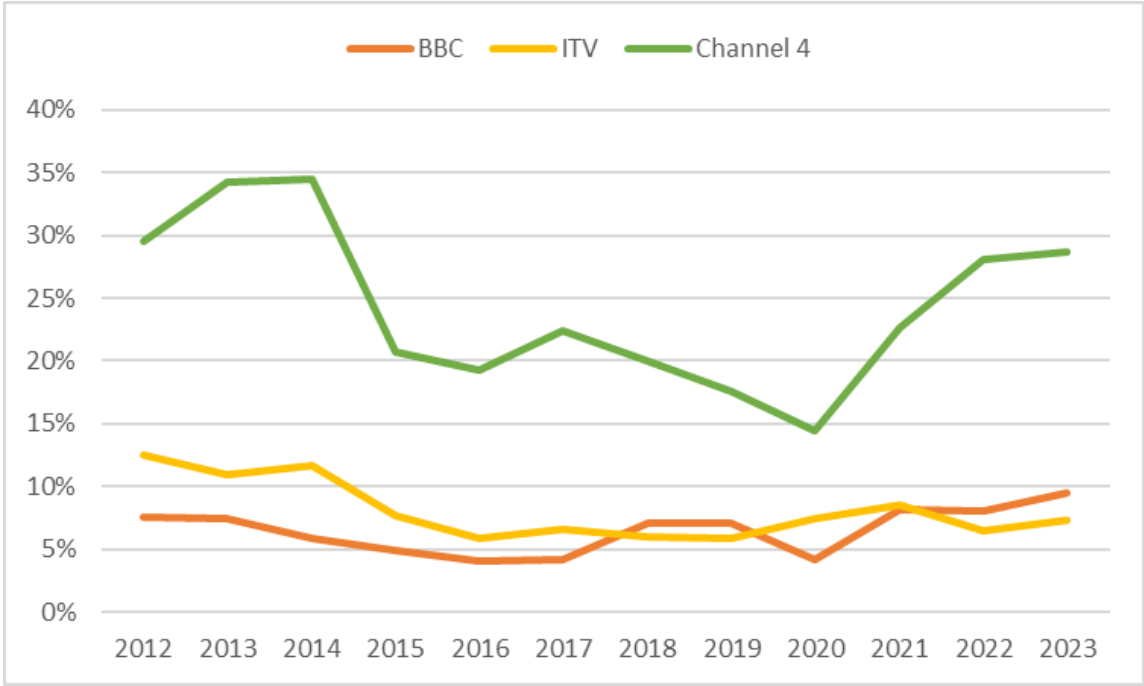
¹³ Chivers, T. and Allan, S. (2022) [What is the Public Value of Public Service Broadcasting?](#) Creative Industries PEC January 2022; Mazzucato, M. et al (2020) [Creating and measuring dynamic public value at the BBC.](#)

¹⁴ Figures from Pact financial census releases covering 2008-2024.

concentration have seen Channel 4’s commissioning predominantly benefit the largest producers (MRC Figure 1). Channel 4’s share of commissioning spend going to producers with revenues over £25m has risen from 45% in 2008 to 79% in 2023. Correspondingly, the share of Channel 4 commissioning spend going to independent producers with turnovers £25m or under fell from 55% in 2008 to just 21% in 2023.

29. Compared to other UK broadcasters, Channel 4 appears especially over-committed to commissioning from the largest production companies. In 2023 Channel 4 spent £307.3m, or 28% of its total revenue (£1.07bn) on commissions from £25m+ turnover producers, while ITV spent a similar £310.6m on that same bracket – but as part of a much more diversified commissioning spend portfolio (14% of ITV Studios’ £2.17bn revenue). Despite being founded and – until 2024 – required by law to only commission from an economically and creatively diverse independent sector, Channel 4 has regularly performed significantly worse than both the BBC and ITV in terms of its diversity of commissioning spend, as a proportion of broadcaster revenue (MRC Figure 2).

MRC Figure 2. Broadcasters’ commissioning spend on largest independent production companies (turnover £25m+) as a proportion of annual revenue (2012-2023)¹⁵



30. Given Channel 4’s foundational role in supporting the independent production sector and growing the creative economy – particularly in the Nations and Regions – the 2024 Media Act’s abolition of Channel 4’s ‘publisher-broadcaster’ status risks a worsening concentration and significantly reduced Channel 4 contribution to both the independent production sector and diversity and creativity in PSB content. Allowing Channel 4 to make its own programmes, and thus reducing commissioning opportunities for independent producers, fundamentally alters the purpose and effect of Channel 4 as a structural intervention in the UK broadcasting market.

¹⁵ Figures calculated from Pact financial census data for each broadcaster’s commissioning spend per production company turnover bracket, as a proportion of broadcasters’ revenues (or combined BBC income) in annual reports.

31. 2021 analysis by EY, calculated as part of the debates on Channel 4 privatisation, indicated that, if the publisher-broadcaster status was abolished, Channel 4's supply chain contribution to 'gross value added' (GVA) could be 29% lower over a ten-year period, falling from £7.2bn to £5.1bn.¹⁶ Channel 4's GVA in the Nations and Regions could be 37% lower, falling from £2.8bn to £1.8bn over a decade. Additional analysis by Ampere suggested that as many as 60 independent production companies could be at risk of closure if Channel 4 further reduces its investment in external commissions as a result of introducing a commercial 'Channel 4 Studios' to its business.¹⁷
32. As part of the Media Bill debates, the previous government pledged additional safeguards to protect Channel 4's indie sector contribution. These safeguards were not included (or even proposed) in the Media Act, and the new government has indicated it is unlikely to re-open the Act's measures ahead of implementation. The latest Channel 4 licence, and the widespread dissatisfaction at its minimal nations quotas, further highlights the lack of effective debate, consultation and assessment of the fundamental changes to Channel 4's market model.
33. We urge Ofcom to conduct an in-depth review of the UK independent production sector, with a focus on PSBs' relationships with smaller, regional and more diverse (both in terms of staff and creative approaches) indie companies. This review should assess the feasibility and impact of additional regulations to support these companies, such as an 'SME Guarantee' as proposed by the Media Reform Coalition and debated in the House of Lords during the Media Bill debates.¹⁸ The PSM Review should also examine Channel 4's remit and how effectively the broadcaster is fulfilling its founding principles for innovation, diversity and reaching under-served audiences – particularly younger audiences.

Short-sighted and undemocratic policymaking undermines audiences' already-limited connection with PSM as national public institutions

34. The five years since the last Ofcom PSM Review, *Small Screen Big Debate*, have demonstrated the total lack of democratic process or meaningful public participation across all aspects of the UK's PSM landscape. The freezing of the value of the TV licence fee in 2022, the abortive campaign to privatise Channel 4, the government's appointment of the BBC's Chair, the BBC mid-term Charter review, the renewal of commercial PSBs' operating licences, and the narrowing of the legislative definitions of PSB in the 2024 Media Act – all of these decisions were made without genuine public participation, and often without effective consultation or even public awareness.
35. The absence and exclusion of audiences' and citizens' interests from major decisions on the funding, governance and regulation of UK public media has seriously weakened the connection between these public institutions and the publics they are supposed to serve. Long-term challenges of trust, relevance and purpose will not be resolved if the public is not given an active role and meaningful stake in the institutions that are supposed to inform and empower them.
36. PSM is not just a market intervention, but first and foremost a collective national project with public purposes for social, cultural and democratic benefit. Unless those purposes are debated, decided and implemented in genuinely democratic and transparent ways, audiences will struggle to perceive PSBs as meaningfully and practically distinct from commercial operations, let alone as public institutions

¹⁶ EY (2021) [Assessing the impact of a change of ownership of Channel 4](#).

¹⁷ Ampere Analysis (2022) [Channel 4 privatisation: A potential disaster for the UK independent TV sector?](#)

¹⁸ See Viscount Colville [House of Lords speech](#) on [amendment 14](#) to the Media Act.

owned by and operated for public benefit. This is especially urgent with the widespread use of new media platforms and services that provide a gloss of ‘participation’ through user customisation and personalisation, albeit as part of a purely commercial relationship.

37. Regrettably the patterns of short-sighted and undemocratic media policy are more of a feature of the system than an accident. The exclusive powers over broadcasting regulations and PSB governance procedures given to government ministers has resulted in decisions that are heavily politicised and unaccountable to either the public or parliament. The absence of regular opportunities for public debate, review and consideration of the role and impact of PSM – the PSM Review being the rare and limited exception – similarly results in reactive and ineffective policymaking.
38. The 2024 Media Act, which makes sweeping reforms to the core tenets of UK PSM, epitomises this systemic failure of UK media policymaking. Ofcom’s own 2019 recommendations for regulatory reform included the call for “an open and wide-ranging debate about the future of PSB”.¹⁹ From the publication of the government’s White Paper, ‘Up Next’, in April 2022, neither the government, nor parliament, nor Ofcom provided the mechanisms or opportunity for this kind of debate to take place. Government ministers actively prevented civil society groups and wider interests from presenting their concerns to parliament during the Media Bill’s debates in the Commons and Lords, and the final Act was passed in the rush of a muddled and unaccountable pre-election legislative ‘wash-up’. Rather than offering the open and wide-ranging debate Ofcom envisaged, the Media Act skirted over the many deep structural crises facing PSM, instead tinkering at the edges of the industry’s regulatory benefits and leaving those crises unaddressed. The foundational principles of universal PSB, and the regulatory apparatus meant to provide it, were rewritten and narrowed without any chance for the public to register their own view.
39. Citizens’ interests are also de-emphasised and overlooked within the operation of Ofcom’s regulatory oversight of the BBC. The BBC’s Charter and operating framework give Ofcom rigid ex ante powers to monitor, intervene in and remedy the BBC’s ‘market impact’, putting the concerns and commercial priorities of the BBC’s competitors front and centre in the regulatory model. However, the equivalent processes for monitoring, evaluation and remedying of the BBC’s public impact – its fulfilment of its public purposes and wider contribution to desirable social, cultural and democratic goals – are far less established and occur at long intervals.
40. Ofcom’s 2022 materiality assessment of the BBC’s changes to its local news coverage is just one of the latest cases of this systematic lack of balance between citizens’ and commercial interests.²⁰ The assessment details plenty of econometric analysis of potential impact to market providers of local news, but features just a few sentences about the intrinsic and obvious loss of public value as a result of the BBC reducing its local journalism and radio services made in and about local communities. These changes are no less ‘material’ to the UK’s media system – as demonstrated by the decline in BBC local radio audiences since the changes – but are sidelined in regulatory assessments of the BBC’s changes in services.
41. The DCMS mid-term review (MTR) of the BBC Royal Charter²¹ also mirrored the bias across UK media policymaking towards market goals at the expense of public benefits. Its recommendations for

¹⁹ Ofcom, [Small Screen Big Debate](#), pg 4.

²⁰ Ofcom, [Review of the BBC’s materiality assessment of proposed changes to the provision of local online news in England](#).

²¹ DCMS, [BBC mid-term review 2024](#).

even greater scrutiny and regulatory intervention of the BBC's 'market impact' do not feature even a passing consideration of 'audience impact', or of providing mechanisms for the public to contribute meaningfully to assessments of changes in the BBC's services.

42. It is in Ofcom's own interests to make clear through the PSM Review that the current PSM policy settlement, and the means by which that policy is debated, implemented and changed, is antithetical to the public interest. While we appreciate that Ofcom, as a statutory body, can only follow its legislative duties, it can nonetheless be clear that the fundamental aim of PSM policy is to deliver wide-ranging public benefits, and not merely to 'balance' market interests or fulfil service quotas. Unless Ofcom uses opportunities like the PSM Review to look comprehensively at how and whether the popular objectives of PSM are being fulfilled, or if Ofcom does not make it clear to policymakers that it lacks the powers to effectively assess the fulfilment of those objectives, then it stands to reason that those fundamental social, cultural and democratic goals will not be achieved – and the needs and interests of the UK public will be significantly harmed as a result.