

# With the end of the licence fee in sight, what's next for the BBC?

**Danielle Lett** explores the licence fee, what it funds and what could possibly happen to it in the future

**E**arlier this week, it was announced the BBC licence fee is set to be frozen for the next two years. After April 2024, it will then rise again in line with inflation for the following three years before the final licence fee funding deal expires in 2027.

Speaking in the House of Commons on Monday, culture secretary Nadine Dorries said: "This is a fair settlement for the BBC and for licence fee payers. The BBC must support people at a time when their finances are strained, make savings and efficiencies, and use the billions in public funding it receives to deliver for viewers, listeners and users."

And at a time when we're all trying to cut costs where we can, this might sound like a welcome respite, right?

Unfortunately, this may not be the case long term – and the impact losing the fee could have on the broadcaster may be felt far and wide.

With funding frozen for the next two years, the BBC will still receive around £3.2bn a year from the licence but is expected to lose out on £2bn in that period – and experts have argued the BBC will have to undergo a series of cuts across all of its services if the TV licence fee isn't rising in line with year-on-year inflation.

When 2027 arrives, the BBC may have to rely on alternative funding options such as part-privatisation, a subscription service or direct government funding.

But do you really know how far your TV licence fee stretches? And what do any future changes mean for the general viewing public?

In order to understand the gravitas, it's important to know what the TV licence is and what it pays for.

## What is the TV licence?

The TV licence is a tax that was introduced by the BBC in 1946

following the Second World War, and is used to fund the Beeb and its number of services.

Viewers pay an annual fee of £159 for a colour licence, or a reduced fee of £53.30 for a black and white licence. Discounted rates are also available for those who are visually impaired or are a care home resident, while those aged 74 or over may be entitled to a free TV licence if they receive Pension Credit.

People can choose to either pay their TV licence in one lump sum every year, or spread out over 12 months. According to TV Licensing's most recent figures, as of March 2021 around 24,837,260 licences are in force.

## But where does my TV licence money go?

"I don't really watch the BBC, all they do is show Eastenders" some may say – but the Beeb reaches much further than terrestrial television, and the money from the TV licence not only helps fund the BBC's nine national TV channels – but a number of other services and channels.

These encompass 10 UK-wide radio stations and 40 local ones (including BBC Suffolk and BBC Norfolk), BBC iPlayer, BBC Sounds, a number of websites and apps such as Bitesize and BBC Three, as well as the BBC World Service. The TV licence also ensures the BBC remains advert-free.

According to TV Licensing's monthly spend in 2020/21, each household's £13.13 was divided in the following way: £6.42 went towards television, £2.29 towards the radio, £1.28 towards the BBC World Service, and £1.32 towards its online output. £1.10 went towards other services and production costs while just 72p went towards licence fee collection and pension deficit costs.

Shortly after the pandemic hit back in 2020, the BBC used this money to expand its Bitesize



The BBC building in central London  
Picture: GETTY IMAGES



EastEnders actor Zaraah Abrahams

Picture: KIERON MCCARRON/JACK BARNES



Paul Martin from the BBC's Flog It! will be giving a talk at the Holt Festival this year

Picture: RED FORGE STUDIOS



Andrew Marr poses for photographers as he leaves BBC Broadcasting House, London, after presenting his final edition of current affairs programme the Andrew Marr show

Picture: DOMINIC LIPINSKI/PA WIRE

resources across its website, as well as broadcasting special home-schooling programmes on iPlayer and on its Red Button service covering maths, English, and a number of other core subjects.

In addition, BBC Four teamed up with the Red Button to deliver evening programmes aimed at supporting GCSE and A-Level students, while BBC Sounds launched a range of podcasts for primary and secondary pupils to support home studying.

This undoubtedly provided a much-needed lifeline for students of all ages across the country who found their studies severely disrupted following the sudden shift to home learning.

Further afield, BBC World – the world's leading international radio broadcaster – provides news in more than 40 languages.

And closer to home, local services such as BBC Radio Suffolk and BBC Radio Norfolk have long delivered a breadth of content specific to East Anglia, hosted by the likes of Mark Murphy, Lesley Dolphin, Nick Risby and Stephen Bumfrey to name but a few. There's also of course BBC Look East, the regional television output that provides news for those in Norfolk, Suffolk, and Essex.

However, the TV licence hasn't come without its controversies over the years.

One of the most commonly cited arguments against the TV licence is that it's a costly outgoing if you don't find yourself utilising most of its services on a regular basis, especially at a time when we're all feeling the pinch due to the pandemic.

This argument has become more prevalent over the years thanks to the popularity of streaming services such as Netflix, which cost less than the TV licence and, for some, provide better content.

Various critics have also spoken out about the TV licence being a flat fee, with some arguing that it should be relative to your earnings, while others have refused to pay it on the grounds they believe the content put out by the BBC is too 'English-centric' and neglects other cultures from around the UK.

In 2019, an elderly woman – part of the Welsh language pressure group Cymdeithas yr Iaith Gymraeg – was arrested once she stopped paying the licence fee after she felt the BBC lacked Welsh language and culture representation.

More locally, former BBC royal correspondent and columnist for the East Anglian Daily Times and Eastern Daily Press Michael Cole believes the BBC fails to cater to the older generation in particular – and that it hasn't done so in a long time.

"The BBC is increasingly out of touch with the licence payers, and I feel it has abandoned its older viewers and listeners," he says.

"It doesn't talk to the country at large – it is rarely concerned with the real countryside, and only reflects the metropolitan view. The licence fee is a poll tax which nobody in this country ever voted in existence, and it has to go. After



Ipswich MP Tom Hunt

Picture: HOUSE OF COMMONS

100 years, it's had its day. With people turning to streaming services such as Netflix and Amazon Prime, the BBC is regrettably no longer a staple of British life."

Another ex-Beeb employee, Kevin Burch of Ipswich, left the company in March after three decades. However, he argues that the licence fee is good value.

"Whether it's subscription or a broadband levy, they all have limitations. But the licence fee is unquestionably good value for money if you access a mix of services, but I can see why it's opposed by people who don't," he says.

On the topic of representing views, he adds: "I think alarm bells would have rung a lot earlier if the BBC hadn't been serving that regional audience. There have been mistakes, it's invariably a cock-up and it's not a conspiracy, but there's always work to do on impartiality."

And across the region, a number of MPs have also shared their thoughts in regards to Monday's announcement.

MP Tom Hunt says he is "pleased by the news" and adds: "It would be better in my view if the BBC moved to a subscription-based model post 2027. If you want to watch it, great, you can pay the subscription. But if you take the decision not to watch the BBC you shouldn't be forced to pay for it."

MP Dr Dan Poulter sees both sides of the coin – but argues the importance of the BBC, especially in a local remit. He says: "In particular, we all value BBC Radio Suffolk and I would be reluctant to see an important and well-loved source of local news lost as a result of any changes to the licence fee."

#### What do local people think?

A number of readers across the region have also shared their thoughts, with many backing the BBC and its services.

"The idea of a broadcaster is they produce a little bit of something for everyone. You pick the bits you like, ignore the bits you don't, and accept the fact that other folks have different tastes," explains Robert Herring.

"I don't want narrowcasting, where only the most popular things get transmitted in a scramble for advertising revenue. Soap operas are popular, but I don't watch them. I have relatives that do though. The idea of a broadcaster providing something for all, and the option to use subscription services for special

Continued on 52

## From page 51

interests is still a good one.”

Geoffrey Morgan expresses similar sentiments, and says: “The licence fee provides excellent value for money. BBC local radio and TV would probably be the first areas to be cut by any changes to funding arrangements, so leave it well alone.”

“We need the BBC to do the big, time-consuming investigations that smaller journalistic operations can’t handle,” adds Andrew Clarke. “We also need them to support the arts, indigenous film-making and niche programming – and, most importantly, to produce British TV drama and comedy. We don’t just want to be spoon-fed American entertainment. We need to nurture British writers and keep them in work throughout their careers – not just when they are the new kids on the block.”

“The BBC provides so much great content at a great price,” says Teresa Baker. “It’s always reassuring to be able to watch BBC World service when overseas, and the lack of adverts when watching or listening to programmes is a great bonus too.”

Reader Rachel Davey agrees, and says: “I like that there’s no ads. You get niche programs that could never be made on commercial stations, and the variety of radio stations is amazing. It caters to all.”

However, a number of readers believe the licence fee needs major restructuring or completely scrapping.

Roger Fyler says: “The BBC has become hugely bloated, particularly in its online presence. It’s publicly funded but the public has no say in its direction, scope or governance, and it effectively marks its own homework on complaints. As a minimum its services need to be unbundled and an appropriate funding approach applied to each – it doesn’t need to be one size fits all.”

Reader Jane Gooch calls it “an outdated system” and adds: “The BBC need to fund themselves like the other channels do.”

“The fact you have to pay for it if you own a TV regardless of how much you watch it is unfair but if it was a subscription channel and carried a few ads I’d personally still watch it,” adds Andy Graham.

#### What has the BBC said?

In a statement released on Monday, BBC chairman Richard Sharp and director-general Tim Davie said the following:

“Given the breadth of services we provide, the Licence Fee represents excellent value for money

“There are very good reasons for investing in what the BBC can do for the British public and the UK around the world.

“A freeze in the first two years of this settlement means the BBC will now have to absorb inflation. That is disappointing – not just for licence fee payers, but also for the cultural industries that rely on the BBC for the important work they do across the UK.

“The BBC’s income for UK

services is already 30 percent lower in real terms than it was 10 years ago. We will set out the implications of the settlement later, before the end of the financial year, but it will necessitate tougher choices which will impact licence fee payers.

“While there will be challenges, we do have the financial stability of the licence fee, which is crucial. We have the certainty of a six-year deal for the funding of the BBC: two years cash flat and four years keeping pace with inflation.

“We have great faith in the BBC and its future. We will do everything to ensure the BBC continues to punch above its weight for Britain and for audiences around the world. We will continue to drive an ambitious programme of reform, moving more of our output across the UK, transitioning the organisation to a digital future and delivering distinctive and impartial content. We have a uniquely talented team of people at the BBC who are focussed on delivering this for the public.

“We actively look forward to the national debate on the next Charter and, of course, all options should be considered. The BBC is owned by the public and their voice must always be the loudest when it comes to determining the BBC’s future.”

#### When the funding stops, what could happen next?

When the BBC Royal Charter comes to an end in 2027, there are a number of funding options the Beeb may have to consider:

One option suggested by many is that the BBC starts including adverts on its television channels, website and radio stations. At present, the only BBC outlet that features adverts is BBC World. The broadcaster has said these help fund BBC services and keep the licence fee lower than it otherwise would be.

Critics of this idea have however said that revenue from advertising alone would not be enough to sustain the current quality of the broadcaster’s output, and would put viewers off.

Another possibility is the BBC being granted funding from the government. A similar model is in place in Australia, where the country’s broadcaster, Australian Broadcasting Corporation, is funded by an annual grant from its government. If this were to happen in the UK, whichever government is in power would need to provide a set amount of funding. However, this amount could change with whichever government is in charge at the time, and may jeopardise the BBC’s independence and impartiality pledge.

And finally, one option is a new tax which comes directly from people’s incomes, similar to the Swedish model. Just a few years ago, the country got rid of its TV licence and replaced it with a one percent tax which everyone pays, regardless of whether they own a television.

**What are your thoughts on the debate? Get in touch with danielle.lett@archant.co.uk.**



Radio Norfolk breakfast show host Stephen Bumphrey at dashing about City College Norwich, 2007. Left, Culture Secretary Nadine Dorries



Picture: ADRIAN JUDD/PA



The Forum in Norwich - home to BBC East  
Picture: ABIGAIL NICHOLSON

### An early history of the BBC

Both the world's oldest national broadcaster and largest broadcaster in terms of employees, the BBC has a long and rich history. Originally set up nearly 100 years ago, the Beeb began life as the British Broadcasting Company on October 18 1922, and on November 14 that year, the first BBC Radio broadcast took place in London. On January 1 1927, it became known as the British Broadcasting Corporation. That was also the year it was granted a Royal Charter, and Sir John Reith became its first director-general. Just a couple of years later, on September 30 1929, John Logie Baird made the first experimental television broadcast for the BBC from its Long Acre studio in London. On March 15 1932, the BBC's first radio broadcast from Broadcasting House took place - which has been the Beeb's home ever since. That same year, King George V became the first monarch to deliver a Christmas Day message by radio. The Beeb's first programme broadcast on a dedicated TV

channel was the Opening of the BBC Television Service from Alexandra Palace on 2 November 1936. A year later, the channel's first major outside broadcast was the coronation of King George VI and Queen Elizabeth took place in May 1937. In 1938, the BBC expanded its radio programming and began broadcasting in a number of languages including Arabic, French, German, Italian, Portuguese, and Spanish. However, the outbreak of the Second World War followed just a year later - and on September 1 1939, the BBC Television Service is suspended after the conclusion of a Micky Mouse cartoon, out of fear that transmissions would help enemy bombers locate London. Throughout the war, television was shut off but radio services resumed. But on June 7 1946, a year after the war ended, BBC Television resumes - and in the subsequent years, the BBC has gone on to create a number of regular programmes and shows across its numerous outputs.



Left, Mark Murphy outside BBC Suffolk on Suffolk Day  
Picture: SARAH LUCY BROWN

Right, The BBC: A People's History, by David Hendy  
Picture: PA

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