

Ring Fenced Funding – Ofcom deep dive required.

A Campaign for Broadcasting Equality CIO response to Ofcom's proposed plan of work 2021/22

1. Ring Fenced Funding

Sir Lenny Henry

In March 2014 in a BAFTA lectureⁱ, Lenny Henry proposed “ring-fenced funding’ to drive BAME employment. He argued that to address under-representation of the Nations and Regions, the BBC said “they would spend 50% of their money outside of the M25; and for Scotland, Wales and Northern Ireland they went further, promising them that the proportion of programme spend in each nation, would at least match that nation’s percentage of the UK population. They set firm targets and even set quotas of a minimum amount of programmes they were going to commission from each nation and region”.

BBC

On 17 November 2015, the BBC response to the Lenny Henry proposal was explained for the first time by Charlotte Moore, then Controller BBC One, at a BAFTA event “*Diversity in Television: Lenny Henry 18 months on*”.

Moore argued that what was needed was sustainable change across the industry and across the whole of the BBC. She said, “*I don’t want to see it as another tick boxing exercise that can happen with quotas, that can happen with ring fenced money, that then disappears.*” She said that the solutions that the BBC was offering up, had been thought about long and hard and she really felt that that these are the solutions that would bring about real change.

A full analysis of the details of the flaws in Moore’s argument can be found in the Campaign for Broadcasting Equality evidence published by the Lords Communications Committee on 15 December 2015ⁱⁱ.

The data over the following five years demonstrates Moore’s evaluation of what the BBC was offering was wrong. The BBC approach had not been successful.

Ofcom

In September 2016, then Ofcom CEO, Sharon White addressed the Royal Television Society Conference, and said:

“I know that there is some discussion over whether you [should] have some ring-fenced spending or not. We will want to look at all of this closely; this is going to be an area where I personally want to give a harder edge than we have had in the past”.

There is no evidence that Ofcom has looked at ring-fenced spending closely or otherwise.

BBC £100 Million Diversity Fund

In June 2020, the BBC announced a £100 million diversity fund. Spread over three years, it amounted to £33.3 million a year or just under 2% of tv programmed spend. As programme spend has declined, it amounts to just over 2% today.

To date there has been a lack of precise information of how it will be applied between the underrepresented groups it is intended to support, which include BAME, disabled and socio-economically disadvantaged people.

The BBC has provided no status quo ante baseline against which to measure progress, nor the basis for any form of monitoring as to how the £100 million is actually spent. It is possible that the £100 million commitment may make no difference at all.

2. Contestable Funding

The development of the concept of Contestable Funding, a form of ring fenced funding, as an appropriate means for supporting a diverse and pluralistic broadcasting sector, that delivers a range of high-quality, UK-originated content, became Government policy thanks, to the foresight of John Whittingdale as DCMS Secretary of State.

Ofcom has recognised that:

“In the UK, tools such as tax relief and contestable funds are already used alongside regulatory requirements. These and other tools could be used to boost production and delivery of different types of TV and audio content with a national or local focus or to support increased UK content on SVoDs and other platforms”ⁱⁱⁱ.

3. Public Service Media

Ofcom concluded:

“There is still a clear case for intervention to support public service media, which appeals to people from all backgrounds. It delivers programming which is important to society, creating shared national experiences and reflecting the UK back to itself in all its diversity”^{iv}.

Hypothecated funding to address specific market failures will be required. To better understand what role Ring Fenced funding or Contestable Funding might play Ofcom should take the following actions.

4. Actions

As part of Ofcom’s proposed plan of work 2021/22, Ofcom should:

- **Do a deep dive on ring fenced funding to look at ring fenced funding closely as Sharon White said it would in 2016.**
- **Evaluate the impact of the BBC £100 million diversity fund, the effectiveness of BBC implementation of the plan.**
- **For any external research that Ofcom proposes, in general and in particular on diversity issues, Ofcom should observe the principles of public procurement policy.**

ⁱ “Lenny Henry: his BAFTA Lecture in full”, Televisual, 18 March 2014

http://www.televisual.com/blog-detail/Lenny-Henry-his-Bafta-Television-Lecture-in-full_bid-597.html

ⁱⁱ Campaign for Broadcasting Equality CIO – supplementary written evidence (BBC0058)

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/communications-and-digital-committee/bbc-charter-renewal-public-purposes-and-licence-fee/written/25513.html>

ⁱⁱⁱ Small Screen: Big Debate Consultation – The Future of Public Service Media, Ofcom 8 December 2020

^{iv} *ibid*