

## Liveryman Chris Roycroft-Davies reports on the Annual Lecture 2022

If there were no annual licence fee, how would the independence and effectiveness of the BBC be preserved in the face of hostility from the Government? That was one of the key questions posed by former BBC Director-General Greg Dyke when he delivered, in forthright and unapologetic style, our annual Livery Lecture, held in Carpenters' Hall on March 28.

"I think the licence fee is an anachronism but in the end it just might be the best way of funding a vital public service broadcaster – a broadcaster our politicians ought to cherish rather than constantly attack," Mr Dyke declared. "That we have in this country the most trusted broadcaster in the world is actually an accident of history. No-one would invent it today but that's not a reason for throwing away one of this country's greatest assets.

"I have always feared that at some time a government would get elected in this country who failed to understand the enormous soft power the BBC gives to this country and who failed to understand the support the BBC has amongst the general public. I have always feared that if that happened they'd set about destroying the BBC. And of course once it's lost you can't recover what the BBC brings to a nation."

Mr Dyke said one of the first things he did as Director-General was to consider the controversial issue of the licence fee. "My view, even back then, was that the licence fee was an anachronism in the 21st century. I came to the view that the licence fee would eventually have to be replaced by a more logical, more simple form of public funding.

"If any government tried today to introduce a new law whereby each of us (with a few elderly exceptions) would have to pay a flat tax of £159 a year to allow us to have equipment which would receive a television signal in our home they would be laughed out of Parliament. But that's what the licence fee is. It's a non-progressive tax which costs the poor exactly the same as the rich and, as such, is clearly unfair. It is also ridiculous in a free society that you just can't go out and buy a telly, bring it home and watch what you want without having to pay this extra, unfair tax.

“So in principle it’s a ridiculous tax. But the valid question I came up against twenty years ago and I’m still coming up against today is if you scrap the licence fee what do you replace it with? How else do you fund the BBC? I discovered there’s not a simple answer to that.

“Firstly it’s vital that the BBC doesn’t have to go cap in hand every year to the government of the day to get money. That way spells political control. That way you become a state broadcaster not a public broadcaster owned by the people. Believe me, governments would relish being in that position, whichever the party, and whatever they say. The upside of a licence fee which we pay directly to the BBC is that it means the BBC belongs to all of us NOT to the government of the day, not that in my time governments have always accepted that distinction.” He said it was vital that if there were to be no licence fee we would have to find another way of getting public money directly to the BBC without them having to beg for it from the government. “Personally I don’t think it’s beyond the wit of man to find a way whereby an independent committee of senior MP’s, not controlled by the government and without a government majority, decide how much funding the BBC should get from the public purse.

“That way you would take away the cost of collecting the licence fee which is quite expensive – in my day it was 10% of the total collected – and the money would come from general taxation. But it would be a hypothecated tax and the amount couldn’t be changed by the Prime Minister or the Chancellor of the Exchequer because they believed the BBC was biased against them.”

Mr Dyke said it was vital to the BBC is that remained a universal service, with all its services are available to everyone even those who don’t pay the licence fee. “There are many people, like me, who believe that the licence fee is an old-fashioned concept. And many of them believe that it could be replaced by the BBC becoming a subscription service – if you want it you pay for it just like Sky, Apple TV, Disney, Netflix and a whole range of other streaming services.

“On the face of it that’s superficially attractive in that I suspect the BBC would get more money if it became a subscription service than it currently gets from the licence fee, which means they could provide better services. But, and it’s a big but, you lose universality. You are no longer available to all be they rich or poor,

young or old, black or white, live in the south or the north, in Scotland and England, in Wales or Northern Ireland.

“Once you move to subscription what inevitably matters is not providing the best services available to all; overnight your viewers become customers and the BBC becomes a business even if it’s a not for profit business. Then, inevitably, your priority is maximise subscription income instead of trying to appeal to all.”

The lively Q&A session that followed was chaired by Liveryman Peter Day, who worked for BBC Radio for more than 40 years.