



## **Response to the consultation on a contestable fund for public service content**

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**[www.tac-cymru.co.uk](http://www.tac-cymru.co.uk)**

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### **Introduction**

1. Teledwyr Annibynnol Cymru (TAC) is the trade association representing independent TV production companies in Wales. There are around 60 Welsh companies producing a wide range of Television and other content in genres that include children's, drama, comedy, factual, documentary, animation, entertainment, music and sport.
2. TAC members make content for several UK network broadcasters and are involved in selling programmes and formats abroad as well as international co-productions. Members also make content for the Wales-based broadcasters such as BBC Wales and S4C, the latter of which, as a publisher–broadcaster, works very closely with our sector. TAC members' programmes have been sold to territories around the world.
3. The independent sector plays a critical part in the development of talent and skills which must be maintained to meet the growing demand for such skills and talent.

## Responses to Consultation Questions

### 1) (i) Should the fund be broadly or narrowly focused?

#### (ii) On which genres and audiences should the fund be focused?

**a) Arts & Classical music; b) Children's; c) Religion and ethics; d) Education; e) Factual; f) Nations and Regions; g) Diversity (i.e. content for/about protected groups); h) Other, please specify**

4. To create the best impact from the contestable fund, TAC agrees with the idea of a relatively narrow focus.
5. In particular, diversity, portrayal and representation of the UK nations should be a priority. TV PSBs can do much more to increase commissioning opportunities for the nations. Ofcom's figures show that in the five year period between 2008 and 2013, spending by the BBC and ITV on non-network first-run originations fell by 33.2% in Wales, more than in any other UK Nation<sup>1</sup>. This steep decline demonstrates the receding commitment by the main UK PSBs to the Nations, and particularly to Wales.
6. Ofcom has previously pointed out that;

'The BBC dominates English-language programmes made specifically for Wales, producing 592 hours in 2013, compared to ITV Wales' 331 hours. But both broadcasters produced significantly less in 2013 than in 2008 – a 17% reduction on the BBC (down from 716 hours) and a 31% reduction on ITV (down from 477 hours). While there has been a reduction in both broadcasters' output of news for Wales (with current affairs output remaining constant across the period), the greatest decline has been in non-news/non-current affairs programming, with a decline of 80 hours on the BBC and 124 hours on ITV Wales. Most of the decline on ITV Wales occurred in 2009, following a reduction in the licence quota'.<sup>2</sup>
7. Ofcom's figures also show that in the period between 2008 and 2013 less than half of those consulted in the UK Nations were satisfied that the main PSBs portrayed their area fairly to the rest of the UK. Whilst that figure rose during that period from 34% to 40%, the importance attached to such portrayal also rose from 58% to 68%<sup>3</sup>. In terms of the genres listed, producers in Wales have good expertise in genres such as childrens, arts and classical music, religion, education, factual and others so allotting a certain amount of the contestable fund specifically to Wales and the other UK devolved nations can also help meet these other under-served genres.
8. We note that the DCMS does not include UK minority indigenous languages in its list, but the paper does reference their importance elsewhere, and we would support this being targeted by the fund. This could help boost the available funds for Welsh language TV production at a time when it has experienced a significant cut. Since

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<sup>1</sup> Public Service Broadcasting in a Connected Society: third review of PSB – consultation paper. Ofcom, December 2014, p61, Fig 34

<sup>2</sup> Third Public Service Broadcasting Review: Public Service Content in a Connected Society. Ofcom, December 2014, p63, para 3.147

<sup>3</sup> Ofcom PSB Report 2014: Section 3 – Television. . Figure 3.41: Main PSB Channels combined, PSB viewings, importance vs. satisfaction: 2008-2013

2010 the S4C overall budget has fallen from over £100m, linked to inflation, to around £83 million. S4C calculates this drop to equate to a 36% cut in funding. The Welsh indie TV sector has subsequently worked hard with S4C to make efficiency savings, and this, coupled with a short-term fall in some equipment prices, has enabled the sector to continue to provide a wide range of high-quality programmes to S4C, including in many of the genres the contestable fund seeks to serve. Despite this S4C has had to curtail its programme budgets and schedule, meaning 57% of its scheduled hours are now given over to repeats.

9. And whilst other parts of the broadcasting sector have benefitted from the greatly-welcomed creative industry tax breaks, in S4C's case, because of the budgets involved, S4C productions do not in the most part qualify for tax breaks which benefit other broadcasters, particularly the high-end drama tax credit.
10. We note that there is a percentage minority indigenous language requirement in the Irish BAI model. The NZ On Air model also serves minority indigenous language needs.
11. We note that the Irish language percentage in the BAI model is 25% - however we would concede that this is arguably too high a level for Welsh language programmes, as it is one of a number of minority indigenous languages in the UK. Nevertheless we would support the principle of a minimum percentage to be allocated to Welsh language production.
12. The BBC states that BBC Wales made up 7.1% of BBC network spend in 2015-16 <sup>4</sup>. An equivalent percentage from the fund to spend on Welsh language content would be around £4m. Assuming this was replicated across the nations, then this would only represent just over a fifth of the total fund, with the remaining 79% being available for any bid.
13. It is very important to note here that ring-fencing some of the contestable fund for Welsh language production must not in any way be seen as a substitute for other funding to S4C. In particular we do not consider it to be a factor that should in any way influence the conclusions of this year's forthcoming review of S4C. Whilst money from the fund would be a useful addition to S4C's commissioning budget, there is a fundamental need for the Government to address the large shortfall in S4C's funding – relative to its funding pre 2010 – in order to allow it to commission a sufficient amount of original content and for it to ensure a presence on all platforms where it can find its audience.

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<sup>4</sup> Management Review 2015/16 – Wales. BBC, 2016 p17

**2) (i) Should the fund extend to radio as well as TV? (ii) If so, how should the proportion of the fund available for radio content be capped?**

**a) 5%**

**b) 10%**

**c) 15%**

**d) Other, please specify**

14. TAC would like the majority of the fund to be TV / online only, to maximise opportunities for extra TV commissions. However many TAC members also make radio and there is room to explore further opportunities to make content with commercial radio and also to put forward bids that included radio as one of several platforms. We would therefore be happy to see radio included, perhaps with a cap of 5%.

**3) With regards to ensuring that content is free-to-access and made widely available, what platforms should be available to content funded by the contestable pot?**

**a) Linear broadcast only**

**b) Linear and associated broadcaster on-demand platforms**

**c) Linear, on-demand platforms and other online platforms (such as YouTube)**

15. TAC supports Option c) as it would allow for the greater number of options for audiences to view content and increase its potential reach. S4C can broadcast on its linear and online platforms (the latter of which is available across the UK), however broadcasters such as S4C are also present on YouTube and therefore it makes sense that this content can also be found on that platform given its huge popularity. This would help to ensure that Welsh language content can be accessed as widely as possible by Welsh and non-Welsh speakers across the UK.

16. As stated above we believe that one of the priorities of the fund should be children's programming, and in this context it is important that non-linear platforms are included. This is borne out by Ofcom's recent research into children's viewing habits:

'Children are watching a wide range of content, with the TV set becoming an increasingly important focus for family time and children using portable devices for more focused, solitary viewing. YouTube is a particularly important player, with 37% of 3-4s, 54% of 5-7s, 73% of 8-11s and 87% of 12-15s using the YouTube website or app.<sup>5</sup>

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<sup>5</sup> Children and parents: media use and attitudes report. Ofcom, Nov 2016, p3

**4) Which of the following broadcasting/distribution criteria should be placed upon qualifying bids?**

**a) Broadcaster/platform guarantee not required in bid**

**b) Broadcaster/platform guarantee required in bid**

**c) Award permitted “in principle” subject to broadcaster/platform guarantee within a particular timescale**

17. TAC supports the model outlined in Option b). It is important to have broadcasters/platforms attached to content otherwise there is the danger of something being made which cannot then be distributed. We are concerned that the ‘in principle’ proposal for option (c) would potentially tip the balance of power in favour of the broadcasters who could insist producers obtain such a condition before they agree to support the bid.
18. ‘In principle’ bids could be allowed in later rounds if an insufficient number of proposals were being put forward for any individual genres. (The Irish Sound and Vision Fund e.g. has put an emphasis on drama and animation in its latest round as not enough proposals were submitted in these genres.)

**5) (i) To what extent do you agree with the pilot administration model (figure 5)? (ii) If not what other options should be considered?**

19. TV commissioning rounds are not uniform, making it hard if not impossible for the contestable fund to mirror them. Therefore Bidding Rounds should be quarterly (as per the Irish system).
20. There should be, post-broadcast, a mechanism for evaluating the success of funded productions – bearing in mind the lead-in-time, it will take a while before the first funded productions are aired. It would therefore make sense to spread the fund over a period of three years rather than two.

**6) To what extent do you agree that the BFI is a lead candidate to administer the fund?**

21. Clearly the BFI has some funding administration experience and some TAC members have experience of dealing with the BFI on children’s tax credits, and report that they are very efficient and pragmatic. However this fund would differ in some respects in terms of the way film/TV is funded. TAC would like to see the cost benefits of being based in the BFI balanced by recruitment of the required expertise.
22. There is, however, once again a potential London-centric issue. Specifically, to ensure that each of the UK’s nations benefits from equal access to the fund, we would like to see representatives / contacts for the fund in each devolved nation.
23. To reduce costs, that representative could work out of already existing offices, in Wales for example one of Arts Council Wales, Ofcom Wales, or Bafta Cymru. It might

also be worth considering whether one of those organisations could perhaps have a role in awarding the funds.

**7) Which of the following conditions do you think should be placed on successful funding awards:**

- a) The fund should require matched funding from broadcaster/platform or other commercial partners**
- b) The fund should be able to recoup up to the amount granted to a successful programme**
- c) The fund should grant money by way of an equity investment**
- d) Other, please specify**

- 24. TAC does not support the fund being an equity investment or for the funding to be recouped. It should not be repayable. This is due to the fact that it is far more challenging to secure a return on the international market for the particular genres in question i.e. children's, music, education, arts and so on.
- 25. We would also argue against the fund taking a share of any further profits – this would add as a disincentive to a scheme that is after all designed to encourage more production in areas where such profits are minimal.

**8) Which of the following criteria should the fund consider in respect of judging bids for funding?**

- a) Quality**
- b) Innovation**
- c) Additionality**
- d) Nations and Regions**
- e) Diversity**
- f) New Voices**
- g) Other, please specify**

- 26. Bids should involve a producer from the independent sector, or production companies not wholly-owned by a broadcaster. This will which help to ensure diversity and encourages plurality in terms of the number of different production sources for programmes.
- 27. Companies should be established companies with a demonstrable track record for providing high quality content, but if they involved significant level of new/developing production staff and/or new writers/talent, then that would meet the 'f) new voices' criteria.
- 28. Options a) and d) should also be a priority – the latter would solve some of the other issues. For example greater commission from the nations and regions is one method of encouraging improved diversity and also of finding 'new voices'.
- 29. Regarding g) there should be a percentage set aside for UK indigenous minority language production as per above. To ensure genuine bids from indigenous

producers, it is important that bids for minority UK indigenous language content should involve a production company based in the relevant devolved nation.

**9) How can “additionality” (i.e. ensuring the funding is not replicating funding that would otherwise have been available) best be assessed?**

30. This is fairly straightforward in relation to Welsh language production as S4C has a fixed available spend on originated content. The contestable fund could provide additional content to what that broadcaster can currently fund, thereby reducing the number of repeats it is forced to show (currently around 57% of its broadcast programme hours).
31. Regarding non-Welsh language content, it would be a matter of the broadcaster demonstrating it could not viably make the content otherwise, either at all or to the same scale or standard.