



Response to Ofcom Review of Interaction between BBC Studios and the BBC Public Services

December 2020

About this response

1. TAC (Teledwyr Annibynnol Cymru) represents the independent television production sector in Wales. Our sector is a substantial component of the creative industries, in Wales and in the UK overall, providing economic, social and cultural benefits through supplying creative content. There are around 50 companies in the sector, ranging from sole traders to some of the leading players in the UK production industry. They produce content for the BBC, ITV, Channel 4, Channel 5 and Sky as well as other commercial broadcasters. They produce almost all the original television and online media content for Welsh-language broadcaster S4C, and a variety of radio productions for UK-wide networks.
2. In recent years, Wales' reputation as a centre of first-class drama production has grown significantly with productions such as *35 Diwrnod*, *15 Days*, *Un Bore Mercher / Keeping Faith*, *Bang*, *Craith / Hidden* and *Y Gwyll / Hinterland*. Our sector also offers a great deal of expertise in genres such as factual, children's programmes, sport and entertainment. Overseas programme and format sales have increased, and our members are also experienced in international co-productions. In 2020, TAC members' content has appeared on Amazon Prime, Netflix and Discovery US as well as the major UK network broadcasters.
3. We welcome the opportunity to comment on Ofcom's Review of the interaction between BBC Studios and the BBC Public Service. The following is largely qualitative evidence in the form of a brief summary of the main concerns raised by our members. We spoke to members between 26 and 30 October, focusing on companies that work most often with the BBC. We found that two of the areas identified by Ofcom were of particular interest and potential concern to them. These are:
 - Operational separation
 - Other ways that BBC Studios might gain an unfair advantage as a result of its relationship with the Public Service
4. Together, they are a combination of practical issues and ones of perception, where inconsistent language and lack of clear briefing from the BBC results in a lack of transparency regarding the separation between BBC commissioners, BBC Studios and the independent production sector.

Views from TAC members

5. On the whole, the independent TV production sector in Wales was optimistic following the stipulation in the BBC Charter in 2017 for the BBC to make 100% of commissions contestable by the independent production sector by the end of the current Charter period, with the exception of news and some sport, subject to rights. This was seen to create new opportunities for the independent sector to compete for the broadcaster's flagship titles, alongside BBC Studios.
6. It was hoped that this would lead to reducing the dependency on central commissioning in London and increasing it elsewhere in the UK, creating a level playing-field in competition between companies in the UK independent production sector. The extent to which contestability is genuine remains a significant one for our members.
7. One member we spoke to prior to drafting this paper said that it was a positive step for BBC Studios to have become a commercial producer, as it would put BBC Studios on a similar footing to independent companies in competing for commissions. However, it is not clear to the members we consulted how the separation of BBC Studios and BBC Public Service is defined, nor where this information can be found – there is a perceived lack of transparency here.
8. TAC as an organisation is aware of all of the publicly-available documents setting out the relationship between the BBC's public service structure and BBC Studios, e.g. the BBC's commitments to Ofcom following the merger of BBC Studios and Worldwide.¹ However, while we can communicate this information to members, the BBC itself does not emphasise or portray clearly the difference in terms of its communications and dealings with the independent sector. BBC Commissioning also has an ongoing job to clearly communicate how producers will be treated fairly. One example of this was when BBC Cymru Wales' programme *The Great Indoors* was awarded to BBC Studios during the Covid-19 pandemic in Spring 2020 without being put out to tender.
9. The same is true of the nature of how the contact between the development team at BBC Studios and access to commissioning works. As one member put it: "Is there a tendency to turn to BBC Studios because they know them so well? In this case, doesn't this revert to the tendency to go 'in-house' as before?"
10. It is possible that the relocation of BBC Studios Wales' administrative headquarters to Roath Lock rather than Central Square will help the perception that there is an arms' length relationship between BBC Studios and BBC Cymru Wales, but the fact remains that they're in a BBC compound. This has led our members to ask questions such as "What is BBC Studios' strategy in Wales? And is there an internal quota arrangement between BBC Cymru Wales and BBC Studios which means that some projects will never go out to the wider sector?" If BBC Studios is truly supposed to compete with the independent sector, this should be on an equal, fair and transparent basis. The promotion of its mission statement and clear strategy would help in this case.

¹ [The merger of BBC Studios and BBC Worldwide: Commitments to Ofcom. Ofcom, 23 Mar 2018](#)

11. In addition, we would query the BBC's description of BBC Studios as an 'independent production company', for example in a BBC media release about BBC Wales commissions,² given that it is actually vertically integrated with a broadcaster and therefore not 'independent' as defined by legislation.
12. The question was raised also as to why BBC Cymru Wales series such as *X-Ray* and *Weatherman Walking* have not appeared as tenders rather than operating on what seems to be a rolling contract with BBC Studios in Wales.
13. When BBC Cymru Wales announced in 2017 that it was going to invest an additional £8.5m a year in English-language programmes for Wales, the sector saw this as positive news. At present, it is not clear if this increase has been sustained, and it was noted by more than one member that trying to decipher BBC Wales' spend from the Annual Report is almost impossible.
14. Members expressed the view to us that it would be beneficial to see an audit of BBC Wales' expenditure since the 2017 announcement and the companies who were commissioned, including differentiating between BBC "in-house" and BBC Studios, as well as a list of projects commissioned since the establishment of BBC Studios which were not put out to competition from the independent sector.

² [BBC Cymru Wales announces new commissions for TV, radio and online. BBC Media Centre release, 7 May 2020](#)