



Brass-Plating issue - summary

May 2024

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, with Cardiff alone having the third largest film and TV cluster in the UK¹. Our sector provides economic, social and cultural benefits through supplying creative content. There are around 50 companies in the sector in Wales, 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 and platforms. Our member companies produce almost all the original television and online media content for Welsh-language broadcaster S4C, and a variety of radio productions for the BBC.

What is the problem?

2. Wales' production companies are set up by local production and business talent, with their HQ in the nation and which employ locally and spend in their communities.
3. 'Brass-plating' refers to the practice of a TV company from outside Wales establishing a small satellite presence in the nation in order to win a network PSB commission.
4. There are several reasons for TAC members being concerned about brass-plating:
 - The profits from the production flow back out of Wales, meaning there is less investment in the production sector in Wales
 - A greater amount of talent, often senior talent, ends up being recruited from outside Wales, thus limiting opportunities for Welsh production talent to work on UK-wide and international shows
 - The IP is often held outside of Wales, meaning again that further monetisation of the IP will not wholly or even partly benefit the Welsh creative economy
 - In some cases the show will have less of a Welsh identity or even make factual errors relating to Wales on occasions where the location is relevant
5. There are quotas for the various PSBs (BBC, Channel 4, ITV, Channel 5) to spend on commissioning programmes from outside the M25. Ofcom publishes guidelines which set out three criteria, any two of which must be met for a programme to qualify as an

¹ <https://www.cardiff.ac.uk/news/view/2510538-cardiff-has-third-largest-film-and-tv-cluster-in-uk,-study-shows>

out-of-London production monitors this by requesting data on spend from the broadcasters.

6. It is felt that the letter of the guidelines may be being followed, but not the spirit of them. TAC members have long been concerned that PSB commissioners encourage production companies from London and elsewhere in the UK to bid for Wales-based commissions, and to set up a small presence in order to meet the criteria.
7. The identity of specific companies is not the issue for our members. We accept any company taking part in such practices is working with broadcasters and both are acting within the Ofcom guidance, however TAC does not feel the spirit of the guidance is being followed, which is aimed at encouraging the development of production centres around the UK and through that to better reflect the lives and perspectives from people all around the UK.

The Ofcom process

8. Ofcom currently sets out-of-London PSB TV production quota requirements. It draws up guidance² which defines which productions can qualify as ‘made outside the M25 area’, in order to meet the requirements in Sections 286 and 288 of the Communications Act 2003. It last consulted on this guidance in 2018-19 and at the time TAC expressed concerns that the guidance may not be sufficiently stringent.
9. There are currently three key criteria, two of which need to be met for a production to qualify as ‘Out-of-London’ or beyond that as specifically produced in Wales. In brief these are as follows (the full definitions can be found in Ofcom’s guidance):
 - a) The production company must have a substantive business and production base in the UK outside the M25. The production in question must be managed from that substantive base.
 - b) At least 70% of the production spend must be spent in the UK outside the M25. For the purposes - production spend should be based on the entire production expenditure, including any funding from third parties and spend outside the UK, but should exclude the cost of on-screen talent, archive material, sports rights, competition prize-money, copyright costs and any production fee.
 - c) At least 50% of the production talent (i.e. not on-screen talent) by cost must have their usual place of employment in the UK outside the M25.
10. Ofcom publishes annually a register of ‘Made out of London’ productions, showing how they met the criteria. However this is out-of-date by the time it appears, with the latest being published in 2022 but covering the calendar year 2021. This makes it harder to determine the status of a production company’s presence in Wales at the time of commission, as opposed to when the register appears.

² https://www.ofcom.org.uk/_data/assets/pdf_file/0017/152450/regional-production-and-regional-programme-guidance-from-2021.pdf

11. Nonetheless, from an initial examination of productions which qualify as being ‘Wales’ productions included in the Ofcom register for 2021³, it does appear to us that the total number of commissions to companies with HQ’s outside of Wales (including PSB in-house production), is higher than the number of commissions to ‘home-grown’ companies in Wales.
12. Again while these productions might meet the guidance, there is a loss to the Wales economy and long-term benefit of companies with HQs elsewhere being commissioned so regularly.
13. Subsequently the 2022 register has been published and we are continuing to analyse the data, however indications are that there still appear to be a large number of hours produced by companies not based in Wales.

The BBC

14. The BBC specifically has a quota to spend a certain percentage of its production investment in each nation of the UK.
15. The requirement for a set number of both hours and production spend sits in the BBC Agreement – Ofcom sets the precise amount of the quotas.
16. Currently the BBC needs to allocate at least 5% of its production spend in Wales. However TAC’s concern is that not all of this spend remains in Wales, if some of the companies commissioned are satellite firms of companies from London or elsewhere in the UK.

Inward investment

17. To be clear, this is not a deterrent to inward investment. The quotas are a minimum of spend outside the M25 and the PSBs can choose to allocate as much spend outside the M25 as they wish, including to companies who may not meet the criteria.

What needs to change?

18. TAC is calling for the following changes to be applied to the Media Bill:
 - Ofcom reporting: It would assist transparency and provide a more current overview if a more up-to-date Ofcom ‘live’ register of Out-of-London productions was published online by Ofcom. There should also be more information and transparency on the value of each commission contained in the reporting (including returning series), in order to better understand the financial impact of this on the Welsh economy. TAC is currently discussing this with both the PSBs and with Ofcom.

³ https://www.ofcom.org.uk/_data/assets/pdf_file/0022/242815/mol-register-2021.pdf

- Ofcom guidance: We would also like a tightening of Ofcom's guidance. This could include a stipulation that a company needs to be based in a nation for a specified period of time before it can be counted as having a 'substantive base' in the area. This would not apply to start-ups provided they were companies founded in and indigenous to Wales.
- Media Bill: We are also supporting proposed changes to the Media Bill to require Ofcom to apply stricter guidelines as to what constitutes an out-of-London production. These measures will require greater evidence that there is already a substantive base present prior to commission.