



Consultation on Proposals to update PSB Quotas

Comments from Paramount - Channel 5

10 July 2025

Channel 5 welcomes the opportunity to respond to Ofcom's consultation on its proposals to update the PSB quota framework following the passing of the Media Act (2024). Channel 5 and its affiliated streaming service 5 are a destination for factual programming, as well as drama, kids, news, and current affairs. 5 offers audiences a high-quality, locally produced schedule, with a major focus on the UK's social agenda. It remains the only PSB Channel to broadcast children's content on its main channel every day of the year. Regionality is also a core part of the success of our business model, and we invest heavily to support the creative economy outside the M25, across all nations and regions of the UK—more than 50% of the independent production companies we work with are SMEs.

General comments

- PSBs remain the enduring cornerstones of the UK broadcasting ecology and critical investors in the creative economy. The Media Act has introduced important provisions to secure the future of PSB, not least through a prominence regime that places increased weight on the importance of PSB on-demand players as vehicles to deliver their remit. PSB on-demand players will therefore be crucial vehicles to ensure PSB remains commercially viable in the medium to long term as audiences, along with the advertising revenue that funds commissioning, move away from linear broadcasting to digital services.
- Production quota requirements play a vital role in ensuring the continued creation of new UK public service media content through specific quotas for original, regional, and independent productions. 5 has quotas for original production and regional production as a result of a statutory requirement for Ofcom to set quotas through conditions in the PSB licences. Minimum independent production quotas are set by government in a Statutory Instrument, and transposed by Ofcom into our PSB licence.
- We broadly welcome the proposed modernising of the existing quota framework, which was originally designed for the era of linear television, so that PSBs are able to meet their quota obligations through their on-demand services when they wish to do so. We accept the methodology for translating quota percentages into absolute figures and find the proposed new obligations on 5 reasonable. We would note that ongoing monitoring by Ofcom will be crucial – future changes in economic conditions will be harder for PSBs manage with fixed spend quotas, as opposed to proportionate spend obligations.

Question 1: Do you have any comments on our proposals and proposed draft Guidance for Original Productions and updates to the Regional Production Guidance?

Translating Proportional Quotas into Hours and Spend

Currently, quotas are expressed as proportions of a linear channel's output. We accept that this is no longer a viable method to measure quota compliance when PSB on-demand players may be used to deliver the remit. Ofcom's proposal is to multiply total qualifying hours and spend by the current proportional quota levels to convert these into absolute numbers of hours and spend required by the Media Act.

We have reviewed Ofcom's methodology and agree that the use of the last five years of historic information to set the absolute hours and spend quotas is reasonable – affording sufficient flexibility that might occur due to commissioning changes and disruptions that occur during the year. It offers a reasonable balance for smoothing out fluctuations while not using data which dates back too far and so may be less representative of recent market conditions.

Original Productions

We are supportive of Ofcom's position that quotas for original productions continue to ensure that PSBs deliver content that reflects the diverse lives, cultures, and interests of UK communities. The ability to deliver the original productions quota by a combination of linear channel and on-demand players is important, particularly for Channel 5 as linear viewing remains important for our audience.

Under the proposed rules, Ofcom would continue to permit repeats on linear channels to count towards the quota, but programming from catalogues or catch-up services on designated on-demand platforms would not be eligible. Content first released on on-demand platforms would only count once towards the original production quota. This approach is reasonable and would not create challenges in terms of quota delivery for Channel 5.

However, as Ofcom has noted, will lead to additional reporting burdens. Moving forwards for a commission to meet a quota obligation the broadcaster must also assess the distribution model used between linear channels and on-demand service. It is important that Ofcom work with broadcasters so that we can collate this data most efficiently to be included in annual reporting with limited additional business friction.

Regional Productions

Regional production quotas ensure that content reflects the diversity of audiences across the UK and supports the creative economy in different regions. To account for rising production costs, Ofcom has proposed increasing the spend quota by 2% annually. We note that Ofcom regards this as a "a reasonable proxy for changes in costs of production over time and therefore, compared to a nominally fixed quota, safeguard the value of the quota".

Whilst we appreciate that this is a simple approach that provides certainty – as opposed to an annual adjustment based on CPI – there may be unforeseen future economic circumstances

that means 2% is an additional regulatory burden, greater than intended. It is important that Ofcom has an agile mechanism to review and alter this figure in future.

Independent Productions

We agree that independent production quotas ensure audiences benefit from a wide range of content created by independent producers, rather than relying solely on in-house or broadcaster-owned production companies. 5 is a champion of the independent production sector. We note that the Secretary of State sets the minimum quota levels, which have been updated in the draft Broadcasting (Independent Productions) Regulations 2025 SI. We have no objection to these being incorporated into the Channel 5 licence.

Question 2: Do you have any comments on our impact assessments underpinning our proposals, as set out in Annex 3?

We do not have any significant concerns with the impact assessment set out in Annex 3. It broadly acknowledges the benefits of increased flexibility for quota delivery whilst at the same time there will be some additional regulatory burdens (primarily reporting) to PSBs.

As noted above we feel that a review of the new regulatory obligations should be committed to by Ofcom to ensure that it has implemented the Media Act in way that does not introduce significant new regulatory or financial burdens on PSBs.