



Teledwyr Annibynnol Cymru
Welsh Independent Producers

Response to Ofcom proposals to update the PSB quotas

July 2025

About TAC

1. TAC represents independent TV production in Wales. With a value of £460m, our sector is a substantial component of the Welsh creative industries, and Cardiff alone has the third largest film and TV cluster in the UK. There are around 50 production companies in Wales, ranging from sole traders to some of the leading players in the UK production industry, all providing economic, social and cultural benefits. Our members produce content for the BBC (including radio), ITV, Channel 4, Channel 5 and Sky as well as other commercial broadcasters and platforms. Our sector is responsible for almost all the content on S4C.

Question 1: Do you have any comments on our proposals and proposed draft Guidance for Original Productions and updates to the Regional Production Guidance?

Ofcom's proposals are acceptable in some areas

2. We have looked at Ofcom's proposals and welcome the fact that in general they appear to keep in place many of the current arrangements concerning the types of broadcast and content which do or do not fall within the quotas. For example, we agree with the proposal not to include in the quotas any programmes already broadcast on a linear channel and then added to catch-up or catalogue programming.
3. In particular we note Ofcom's proposal to factor in rising production costs, by building in an annual 2% increase in the regional production spend quota, in line with the Bank of England long run inflation target. We welcome this proposal and support its introduction as a way of seeking to ensure the amount required to be spent in the nations and regions does not diminish in real terms over time.

Has Ofcom chosen the most representative years for its quota calculations?

4. Our members have concerns regarding Ofcom's proposals for calculating the quota amounts. These concerns centre around the precise time period being proposed to calculate the required amounts of programme quota spend and hours.

5. We acknowledge that, to reflect that PSBs are not just operating on linear channels the UK Government, via the Media Act, changed the quotas from percentages to actual numbers of hours/spend.
6. We agree with Ofcom when it states that, in devising a method of setting those amounts, *“there is a risk that using a single year of data may be unrepresentative. To mitigate that risk, we propose using an average of qualifying hours and spend over a number of years”*.¹
7. Ofcom notes there have been developments which have altered the total number of hours and spend and states that it has *“considered that a sufficiently long timeframe is necessary to smooth out the impact of the Covid-19 pandemic on production and output”*² and that *“... this 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”*.³
8. In terms of the five-year period concerned, Ofcom proposes to use the most recent and complete five years of data available, which is 2019-2023, although it states that *“if final data is available for 2024 before the start of the formal licence variation process later this year, we propose to update our calculations to use the 2020-24 timeframe”*.⁴
9. While we accept Ofcom’s reason for using a five-year period, our analysis (see appendix) of the figures provided by Ofcom does raise questions concerning the extent to which the five-year period in question provides an accurate average. In particular the drop in commissioning during the Covid period raises particular concerns in terms of its effect on the overall calculations.
10. Elsewhere, we note Ofcom has also published proposed hours for regional productions, along with proposed ranges of spend.⁵ We have some queries over the actual levels of spend which have been set (see appendix).

Ofcom’s proposed regional spending ranges are set at too low a minimum

11. We also note in some cases the proposed spend brackets are very broad, for example the ‘Outside England’ bracket of £20m - £40m has a minimum level which is half the amount of the maximum. We are of course aware that different genres have significantly different budgets but nonetheless believe that if the aim of the quotas is to increase investment in production centres around the UK, then the floor needs to be raised in order to properly meet the requirement that *“not less than a significant amount”* is spent on production in the nations and regions.

¹ [Proposals to update the PSB quotas. Ofcom, May 2025, p12, para 3.9](#)

² [Proposals to update the PSB quotas. Ofcom, May 2025, p12, para 3.10](#)

³ [Proposals to update the PSB quotas. Ofcom, May 2025, p12, para 3.12](#)

⁴ [Proposals to update the PSB quotas. Ofcom, May 2025, p12, para 3.12](#)

⁵ [Proposals to update the PSB quotas. Ofcom, May 2025, p25, Fig. 3](#)

Ofcom must review the figures every five years

12. Ofcom is suggesting that its specified quota levels, in terms of hours and spend, will stay in place for the length of a PSB's licence period. However, given that new licences have only recently been agreed for broadcasters such as Channel 4, and that the licence period is for ten years, we believe this is too long a period for those figures to stay in place without review. We could find ourselves in a situation, in 3-4 years' time, when market conditions have changed and these numbers no longer represent the true conditions. Therefore a review every five years is essential.

The regional production quota framework

13. A final point we would make is that the regional production quota can only be effective if those productions included are sufficiently within the spirit of the legislation to have the effects of boosting sustainable production centres in the nations and regions.
14. We fully understand that it is the regional production quota, rather than rules on the qualifying the criteria, which is being consulted on within this particular process. Notwithstanding that, Ofcom will be aware that TV producers in the nations continue to have concerns regarding the extent to which commissions which technically qualify as made in a particular nation, in our case Wales, is not in the spirit of the legislation, in that it does not bring any substantial benefits.
15. The aim of the legislation in this area is to encourage the establishment and growth of creative production sectors in areas all around the UK, both for economic reasons but also to provide an authentic portrayal of the entire UK, including in the nations. However, there is a concern in the production sector in Wales that some production companies from outside Wales are encouraged to be commissioned and set up a temporary minimal presence in Wales (a practice often referred to as 'brass-plating').
16. There are significant 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 development of both skills and infrastructure of 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 benefit the Welsh creative economy
 - In some cases the productions made by companies from outside Wales do not authentically portray Welsh identity, or make factual errors relating to Wales
17. Even some PSBs are now questioning whether Ofcom's requirements go far enough. We note that the BBC's director of Nations and Regions Rhodri Talfan Davies stated in May that the BBC planned to *"go beyond Ofcom's industry-wide standard. In future, we will not typically commission a new network production regionally unless we are confident it*

will invest at least 70% of its production budget locally and/or draw significantly on local programme-makers and crew to produce the show”.⁶

18. Given the 70% requirement is one of Ofcom’s three criteria, this is a relatively modest commitment which in any case does not fully commit the BBC to any minimum above a production needing to ‘draw significantly’ on local programme-makers and crew. While we understand that there has been controversy, for example around the programme Chess Masters, made in Wales, and The Traitors, based in Scotland, that they have not used sufficient locally-based staff, the BBC’s commitment does not address the issue caused by productions made in the nations being allowed to qualify without using companies with a substantive base in the nation concerned. It is only such companies which fully invest in skills and training in Wales and provide regular employment and opportunity for Wales-based production staff.
19. Notwithstanding that, the BBC’s overall decision to ‘go beyond’ Ofcom’s requirements would appear to indicate that Ofcom’s MoL requirements are no longer viewed, even by some PSBs, as sufficiently robust to achieve their objective. In the light of this, and ongoing concerns for the sector, Ofcom should as a next step consider reviewing the criteria for MoL productions and in particular consider whether either all three criteria should be required for a programme to qualify. Failing this Ofcom should at least state that the ‘substantive base’ option is mandatory, along with the need to meet one of the other two quota criteria.
20. We have made similar points in response to Ofcom’s PSM review and would reiterate here that, with the last review having taken place six years ago in 2019 and many new developments such as the BBC’s ‘All Across the UK’ programme and Channel 4’s ‘4 All the UK’, plus now the Media Act and redesigning of the quotas, this is an optimum time to review the criteria.

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

Welsh language

21. Ofcom states in its Impact Assessment that *“We also do not think that there are ways in which our proposals could have been formulated so as to have, or increase, a positive impact, or not have adverse effects or decrease any adverse effects on the use of the Welsh language.”⁷*
22. We do not agree.

⁶ [Strengthening the impact of BBC network television investment across the UK: A blog from Rhodri Talfan Davies, Director of Nations at the BBC. 23 May 2025](#)

⁷ [Proposals to update the PSB quotas. Ofcom, May 2025, p47, para A3.33](#)

23. The indigenous independent production sector in Wales is crucial to the maintaining and growth of the Welsh language, not least as the provider of almost all of S4C's commissioned content. Furthermore, Welsh production companies, based all around the nation, are embedded in their communities and therefore help to propagate the language and to support others working in the creative industries. This includes performers, writers, artists, designers, composers and musicians, being able to make a living through the Welsh language.
24. Introducing measures which do not allot the appropriate amount of investment into production in the nations and regions will have a detrimental effect on the independent TV production sector in Wales and the other nations. This investment is important in order to sustain the production base and ensure there is a healthy amount of suppliers available to S4C. Reducing that investment will have the opposite effect, having a detrimental impact on S4C's purpose of maintaining and strengthening the Welsh language and culture.