Screen England Response Dec 2008

Ofcom's Public Service Broadcasting Review

Screen England Background

Screen England is the Network of the nine Regional Screen Agencies delivering across England. The RSA's are funded by the DCMS via the UK Film Council, with a combination of Regional Development Agency funding, European Regional Development Funding and other partnership sources.

The RSAs exist to promote and build a vibrant and sustainable moving image industry in the English Regions, which is rooted in an accessible and diverse screen culture. They aim to maximise the opportunities for the development of regional talent, celebrate cultural identity, encourage the sector's growing importance to a regional economy and promote world-class creativity within it.

We welcome OFCOM's Review as a timely and important driver in the PSB debate.

Our perspective

Summary

Most of the Regional Screen Agencies are converged agencies already, working with film, television, games, interactive media and multiple platforms.

To be successful the PSB provision must occupy a challenging and complex space requiring effective partnerships with National and Regional stakeholders.

RSAs have a range of experience that may be useful to the PSB landscape.

We feel we are in a strong position to comment as Screen England is already a country wide partnership commissioning content of equivalent Public Service value for a range of platforms and distribution models.

Each year Screen England invests over £30m in content production, training, locations, business development, archives, education, festivals and cinemas. Our investments are complex in form, ranging from straight grants, to soft loans to formal FSA regulated funds.

Uniquely our commissioning models sit in front of a whole set of complex aims and objectives, only some of which are commercial. This means we are better able to commission projects that meet the needs of people and communities not just markets.

Screen England work collectively with over 750 partners at regional, national and international levels from the Government, UKFC, RDAs, Broadcasters, Telecoms partners, Sector Skills Councils, Business Links, Local Authorities, Arts Council England, media trade bodies, other regional cultural and commercial agencies, communities and companies. In 2005 Screen England worked with 76 different language communities.

The Regional Screen Agency model successfully joins up the regional with the national, the cultural with the economic; regional delivery hits national strategy targets and the regional specificity translates national policy into successful local activity. In considering propositions which have the potential to extend public service content provision beyond the current supply model, for example through competitive funding, we would encourage Ofcom to exploit the opportunities offered by this existing public architecture rather than invent new structures.

The RSA were pleased to have played an active part on the consultation through the Screen South West partnership with Ofcom of “The View From Here”. Over the course of the day we explored the key issues within the Public Service Review from an out-of-London perspective, from the potential impacts of new models to the opportunities provided by new digital platforms, from the practical impact of quotas to the reduction of regional programming and news.

OVERVIEW RESPONSE

Screen England submitted a full response to Phase One of this consultation and feel that many of the items raised are still relevant so please also refer to that document.

The current funding model, predicated as it is on linear TV broadcast, does not appear to have the flexibility that is needed to take account of changing viewing habits and the impact of new platforms and technologies. Given the rapid and fundamental changes to patterns of communication and consumption of information and content, an evolution of the current position would represent a complacent response – perhaps a more radical approach to completive funding could be taken alongside ensuring the cornerstone of “UK TV” is supported. There is an opportunity for new stimuli to ensure that public sector content can meet the evidence of increased demand across a whole range of digital channels.

We agree with the proposition that the BBC is the “cornerstone of public service content” and should be highly valued as such. However we also agree with the proposition that plurality of supply, providing a competitive mechanism, is a vital component in delivering quality content to audiences. We would therefore conclude that any future model should at least support BBC and Channel 4 in the supply of public service remits. However It is important that Ofcom’ target its action to support those areas where strong demand for content, including in children’s and new media, is currently not met by current public sector provision. UK public service broadcasters in the digital age should also continue to play a vital part in investing in and acquiring UK films and continue making them available to broad audiences.

Most of the Regional Screen Agencies have a productive relationship with Channel 4 across Film, broadcast and online. In general we support the vision and ambitions set out by Channel 4 in their plan “Next on Four” and would endorse the role they are playing as a creative and cultural investor. Their commitment to the new and innovative, as well as their efforts as a creative catalyst, have done much both to open supply to PSB and to reflect regional and cultural diversity. Furthermore, we believe that the role of Channel 4 is central to the PSB landscape offering as it does a chance for new voices, new approaches and, in particular, an eagerness for experimentation and risk taking. We support a publicly owned Channel Four, however, it is clear from the evidence presented by both Ofcom and Channel 4 that a new funding model is required to underpin the channel. We would support some form of direct subsidy in return for further PSB commitments from Channel 4, particularly with regard to the development of talent outside London and a real commitment to developing regionally-based independent suppliers.

The RSAs are supportive of the proposal to create an element of competitive funding within PSB provision. We believe that competitive funding could provide a new dynamic to public service content, especially where aligned to digital technologies or platforms. For example, an investment fund could be structured in order to address supply chain issues out of London, creating commissioning hubs in key production centres. In addition a competitive fund could look to source content, across platforms, which would bring in non-traditional production partners, including smaller producers and community media.

In addition we support the notion that the opportunities for highly localised content services, enabled by new technologies, represent significant potential. Whilst agreeing with the proposition that business models are still immature, services of this kind are an inevitable consequence of increased access to information and personal technology and, as such, should be encouraged by the regulator. We do not believe that this segment of the market should be protected in order to underpin the local newspaper industry. Indeed we would maintain that, central to the new PSB settlement, should be a commitment to ensuring that high speed broadband underpins any new strategy. Improving and strengthening the national broadband infrastructure is core to the key principles of delivering public access and market competitiveness.

We welcome the proposed increase in quotas for out of London production, believing that a more effective distribution of investment has both economic and cultural benefits for the UK. We would however flag a concern that a focus on generating increased production in the Nations should not be achieved at the expense of the Regions.

RESPONSE TO QUESTIONS

Section 4: Models

Question 1: Do you agree that public service provision and funding beyond the BBC is an important part of any future system

Yes. We agree that public service provision and funding beyond the BBC is important in order to guarantee plurality of supply and to improve service through competition. It is clear from the continued OFCOM research that television plays a valuable role in delivering the purposes of PSB as defined by OFCOM relating to 'understanding' 'knowledge' 'cultural identity' and 'cultural awareness'.

Nothing else presently matches the medium of TV in terms of penetration and coverage, accessibility and as a long-trusted source of information and entertainment, but this is not an exclusive preserve of the medium and it is essential that continued efforts are made to ensure funding and legislation is put in place to smooth the migration from Television to digital platforms and convergent technologies.

We agree that public service provision and funding beyond the BBC is important in order to guarantee plurality of supply and to improve service through competition

Question 2: Which of the three refined models do you think is most appropriate?

In our opinion public service provision should be supplied by, at least, the BBC and Channel 4. The RSAs also believe that the concept of competitive funding is a priority and offers real potential which would support some of the early thinking emanating from initial proposals circulated by Ofcom regarding a Public Service Publisher. Any solution needs to be "future proofed" rather than a re-arrangement of existing parties and would hope that the solution arrived at contain the flexibility to respond to future changes and developments. This option would be most likely to deliver the required public purposes, including those in relation to UK film and future new digital developments. We note that Channel 4 has been a huge champion of independently produced content from a variety of different producers in the UK and have traditionally played a key role as a creative and cultural investor – perhaps more than the BBC. There is particular support for the role of C4 as catalyst. We welcome and would like to see more initiatives like the 4IP fund and the opportunity for Regional Agency and PSB providers to work on partnership across all Digital platforms. These endeavours will enhance regional and national partnerships thereby increasing opportunities for regional content and companies. We hope that the BBC will substantially increase the share of its online and multi platform content from independent producers.

Question 3: Do you agree that in any future model Channel 4 should have an extended remit to innovate and provide distinctive UK content across platforms? If so, should it receive additional funding directly, or should it have to compete for funding

Channel 4 has played a significant role in the development of the production base in the regions and the provision of opportunity for innovative content and voices. We see them as integral to the PSB provision. We would comment that a simple evolution of the current landscape would be complacent, a more radical approach is imperative. We support their commitment to the development of new digital content as exemplified by their investment initiative 4IP. We understand that of C4 will struggle to maintain its commitment to high quality content - including productions from the nations and regions without a commitment to finding a funding solution in the near future. We would repeat our comment that a key challenge remains ensuring that the right architecture is in place to ensure access to fast broadband and good signposting to public service content.

Question 4: Do you think ITV1, Five and Teletext should continue to have public service obligations after 2014? Where ITV1 has an ongoing role, do you agree that the Channel 3 licensing structure should be simplified, if so what form of licensing would be most appropriate?

If ITV is to play a continuing public service role, we would express concern at its gradual exit from regional programming and news. We would also ask Ofcom to thoroughly investigate the impact of the decline of ITV commissioning from regional independents which, we believe, will have a significant long term impact on the sustainability of the regional television sector. This has consequences in turn for other parts of the creative industries outside London and is leaving a gap that to date has not been filled by either BBC or Channel 4. This scenario is in direct contradiction to the broad thrust of current public policy which encourages the development of creative, dynamic and diverse regions and nations. ITV. We would like to see a stronger emphasis from Ofcom on protecting the PSB responsibilities of ITV2, channel 3 and other commercial broadcasters in order to ensure that what has happened to Children's programming does not occur in other genres.

Question 5: What role should competition for funding play in future? In which areas of content? What comments do you have on our description of how this might work in practice?

The RSAs generally believes that competitive funding could provide a new dynamic to public service content provision. Any investment fund could be structured in order to address supply chain issues out of London, creating commissioning hubs in key production centres. In addition a competitive fund could look to source content, across platforms, which would bring in non-traditional production partners, including smaller producers and community media, and address key issues. Competitive funding has a role to play in the provision of cultural content, including film, as well as content for children, regional news and diversity across all areas.

This approach provides an opportunity to explore an intervention which would expand and enrich the cultural choices available to UK audiences. The knowledge and expertise that exists within the Regional Screen Agencies and other National and Regional cultural organisations could be at the heart of such an intervention. Such funding could be used to build on existing Regional Screen Agency expertise to expand the range and diversity of indigenous content available to the public, as well to meet other specifically identified deficits in public service content. Such support could also act as an incentive to greater cultural and creative partnerships, ensuring that Cultural Agencies working close to the communities and wider cultural sector enhance their work with creative talent, broadcasters, digital and independent producers. This would help drive the development of the UK's creative economy, while adding significant public value to existing levels of public investment in regional based cultural organisations.

Section 5: Long-term: nations and regions

Question 6: Do you agree with our findings that nations and regions news continues to have an important role and that additional funding should be provided to sustain it?

We agree that Nations & Regions news continues to have an important role and is highly valued by its audience. We are concerned at the erosion of the service and would urge Ofcom to act in support. An alternative provision, including local TV and online services, should be encouraged; we do not believe that these services will be provided solely by the adaptation of current local newspapers to a new reality, although the local and regional press, with its access to content and advertisers, will have a part to play.

Out-of-London production quotas have not necessarily delivered the desired investment from a Regions, and especially Nations, perspective and should not just rely on new output – but this is an important element. The diversity of cultures portrayed is an important priority, audiences believe that TV is an important way of communicating local culture but this is not being reflected on screen. Conversely Radio is extremely adept at communicating to a local audience and a strong driver of representation and regionality.

It is essential that all nations and regions within the UK have fair and proportionate representation across PSB content. Public service content in this country must reflect the issues and culture and represent the diversity of voices and opinions in the *whole* of the UK. Could some of the BBC license fee be allocated to alternative, non-commercial providers of regional news in order to ensure plurality? Is there a role for the geographic spectrum which will be auctioned post-switchover to be used to sustain more locally-focussed news services?

Question 7: Which of the three refined models do you think is most appropriate in the devolved nations?

Ofcom should be wary of a structural focus on the Nations at the expense of the Regions. We would re-iterate that we feel the regions would best benefit from a strong element of competitive funding combined with supporting the PSB broadcast cornerstone with provision for future digital online growth. We would obviously be supportive of a more regionally devolved funding approach.

Question 8: Do you agree with our analysis of the future potential for local content services?

An alternative provision, including local TV and online services, should be encouraged, but we do not believe that these services will be provided solely by the adaptation of current local newspapers to a new reality. ITV Local has produced some very good community driven news and local programming which has been excellent. The potential for such local content services is certainly worth further analysis, especially now that the BBC Trust has stated that the BBC's proposals for local video services should not proceed. More needs to be done to encourage independent online production and ensure it is produced to an appropriate quality.

Section 6: Funding

Question 9: Do you agree with our assessment of each possible funding source, in terms of its scale, advantages and disadvantages

On the whole Ofcom has provided a clear analysis. However we do not support the idea of using National Lottery money to support public service content.

Question 10: What source or sources of funding do you think are most appropriate for the future provision of public service content beyond the BBC?

As advised by Ofcom research

Question 11: Which of the potential approaches to funding for Channel 4 do you favour?

Although we believe C4 should have a preferred status alongside the BBC – e support an approach which seeks a combination of service level agreement with public funds and enterprising partnerships.

Section 7 and annex 1: Matters for short-term regulatory decision

Question 12: Do you agree that our proposals for 'tier 2' quotas affecting ITV plc, stv, UTV, Channel TV, Channel 4, Five and Teletext are appropriate, in the light of our analysis of the growing pressure on funding and audiences' priorities? If not, how should we amend them, and what evidence can you provide to support your alternative?

The RSAs are generally not supportive of ITV's changes to regional provision. The significant reduction in both news and regional programming has removed a valued service from regional audiences and also, whilst a small component, nonetheless a significant transition point for regional talent. Limitations on the ability of audiences to understand the news and voices of their own locality merely exacerbate a cultural homogeneity and the London-centricity of news services in particular.

According to Ofcom's Nations and Regions Communications Market Report 2008, ITV1 and the BBC invested a total of £199m in originated hours of output for viewers in England in 2007 - accounting for 61% of their UK-wide spend on national and regional output. This represents a real-terms reduction of 4% on 2006, compared to the UK-wide reduction of 3%; the fall was driven mainly by ITV1's declining spend on English regional news. Although ITV1 met its 50% volume Out of London quota, achieving 53%, the proportion of ITV1 spend outside London in 2007 was 44% - significantly below the 50% minimum

The consultation reinforces the fact that the public value both regional news and importantly regional programming – and that this public value must be protected within any new model. It does however note that the financial sustainability of regional programming is an issue, especially for ITV.

Ofcom recognises that the out-of-London production quotas have not necessarily delivered the desired investment from a Regions, and especially Nations, perspective. Also clearly lacking is a diversity of cultures portrayed, audiences believe that TV is an important way of communicating local culture but this is not being reflected on screen. Conversely Radio is extremely adept at communicating to a local audience and a strong driver of representation and regionality.
It is clear from all the research that audiences greatly value UK-originated programming.
UK originated output is an absolute necessity if PSB standards and aims are to be maintained and improved upon. More specifically, it is essential that all nations and regions within the UK have fair and proportionate representation across PSB content. Public service content in this country must reflect the issues and culture and represent the diversity of voices and opinions in the *whole* of the UK.

Whilst we accept the Ofcom assertion that "in some genres….overseas programming has contributed substantially to competition for quality", there appears to be a growing inequity between the spiraling costs-per-episode of importing top US series and declining budgets for indigenous production – particularly in drama and comedy. Greater levels of investment in UK talent and indigenous production must be a priority if we are truly going to compete with overseas programming on quality of output

In particular we note the high level of dissatisfaction from audiences with the "delivery of non news programmes in the nations and regions" and "portrayal of the nations and regions to the rest of the UK in network programming."

While Ofcom research indicates the value of indigenous language to the nations audience, specific English regions research also illustrates that the English Regions audiences want to see more local regional stories - both drama and documentary. Though this may be challenging to achieve in practice it demonstrates the desire from regional audiences for programming with more relevance to their own lives and communities. There are serious concerns that Broadcaster involvement in the regions has dropped radically in the last few years and is some regions there is deep dissatisfaction from regional audiences with regional delivery and portrayal. This is supported by research and commissioning levels.

There is concern from Regional Screen Agencies s on the retreat of ITV from the regions and therefore an increasing need for the BBC to step up on regional distinctiveness and as an investor in regional Creative Industries infrastructure

The English regions do not want to see the only significant output from the regions being carried by local news alone, however Ofcom's need to look to the future is underlined by the extent to which there has already been substantial falls in non-news regional output which Ofcom has allowed ITV1 to undertake.   Overall hours of regional output fell by 8% between 2003 and 2007. Hours of regional non-news/non current affairs output fell by 44% in this period.   ITV1's regional news and current affairs fell by 9% and 10% respectively in the same period, under license variations agreed by Ofcom. The fall in spend by ITV1 of 28% and BBC of 12% between 2003 and 2007 is a substantial reduction to an area of the output which is valued by viewers.

We are also concerned about the scale and speed of decline in Children's television production. Many regions have companies involved in Children's production have been hit hard by ITV's reduced commitment in this area. We would support special funding for Children's being set aside – perhaps under a completive funding structure – rather than focused on one lead provider as outlined. We feel that the decline in Children's production is likely to be replicated in other areas which Ofcom indicates will come under pressure and these areas of activity could be linked to revised regional quotas.