

**Ofcom's Second Review of
Public Service Broadcasting**

Comments on Terms of Reference

September 2007

UK Film Council

Background

- 1.1 The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of British film are represented effectively at home and abroad. The UK Film Council's goal is to "help make the UK a global hub for film in the digital age, with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing, competitive film industry."

General remarks

- 1.2 The UK Film Council welcomes the publication of the terms of reference for Ofcom's Second Review of Public Service Broadcasting. We broadly support the direction of travel set out in these Terms of Reference and will confine ourselves to five key points.
- 1.3 First, we note that film is specifically referenced at paragraph 1.26, reflecting the directions of the Communication Act at Clause 264 for Ofcom to have regard to the way in which broadcasters reflect cultural activity in the UK in its diversity. We believe that the definition of film which is used in the Review must be focused on British and specialised film, thereby acknowledging the diversity of film and the particular role British and specialised films in promoting cultural activity in the UK in all its variety. With regard to specialised film we suggest that Ofcom should use our definition as set out at:
<http://www.ukfilmcouncil.org.uk/cinemagoing/distributionandexhibition/dsn/specialisedfilms/definition/>
- 1.4 Second, it is widely recognised that the 2003 Communications Act had a catalyzing impact on the growth

of the independent television sector, since it led to a formal review of the terms of trade between broadcasters and independent producers, which led to proposals which resulted in independent producers being able to retain a much greater level of control over rights to the programmes that they make. In a digital age, the issue of rights retention is also becoming increasingly critical for companies operating in the film sector. The ability to retain and exploit rights across a range of platforms is a key driver to creating value and thereby to enhancing the range of cultural content on offer to audiences. At present, film companies are not able to retain and exploit rights in an optimal way in relation to broadcasters/ digital platforms. We would like to see Ofcom give detailed consideration to this matter in the run-up to any proposed new Communications Act, and we would suggest such consideration could begin within the Scope of this Review.

- 1.5 Third, we welcome the work which will build on the existing Financial Review of Channel 4 and the issue of Public Service Content in the digital age. In our submission to Ofcom's consultation on its Financial Review of Channel 4, we said that these matters needed to be considered in the round to ensure the best possible outcome for the creative industries and for audiences. We look forward to playing an active role in discussions around these inter-linked issues.
- 1.6 Fourth, as the Government's lead agency for film, we note with interest Ofcom's statement that the Review "will also consider what role different institutions should play in the future, potentially *including institutions that are not currently public service broadcasters.*" [our italics]. We look forward to contributing to discussions on this issue.
- 1.7 Finally, in relation to broader issues around cultural content in the context of this Review, the UK Film Council intends to work closely with Arts Council England and other public

agencies to ensure that the Review takes account of critical issues which arise in relation to cultural content and PSB in the digital era.