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2 May 2013

By email

Dear Oli

Channel 3 and Channel 5: proposed programming obligations

Equity is the trade union representing 36,800 performers and creative workers. Our membership includes actors and other performers working in television drama, comedy and entertainment throughout the UK. We are pleased to provide some brief comments relevant to the renewal of Channel 3 and Channel 5 licences and Ofcom's recommendations in relation to programming obligations. The main public service broadcasters (PSBs) remain the most important source of UK-originated production and as such provide a substantial proportion of employment opportunities to Equity members.

Renewal of licences and obligations on Channel 3 and Channel 5 licensees

Our members are very strongly in favour of a regulatory approach to public service broadcasting that can facilitate the continuation and an expansion in the production of original drama, comedy, entertainment and children's programmes made in and about the UK.

Without regulation which aims to support UK original content production, we fear that certain genres, particularly those for niche audiences, could disappear from our screens at an increasing rate. Ofcom's objective must therefore be to seek to maintain and strengthen existing public service broadcasting commitments, so that UK audiences can continue to get high-quality original TV from a range of providers.

While Channel 3 licensees have consistently exceeded the original productions quota, we note that the consultation does not recommend that original production quotas should be revised upwards. Given the 6% rise in ITV's pre tax profits in 2012 to £348m we hope that, in the absence of increased targets for original production, ITV commit to investing in further new highly quality content across those genres that fulfil audience expectations and create

opportunities for UK talent. Recent productions such as *Mr Selfridge*, which has been sold to 35 countries, demonstrate that such investments can reap significant returns

We agree with Ofcom's assessment that Channel 5's network programme and production obligations should be maintained, despite the representations from Channel 5 arguing for an exemption from the Out of London productions obligation. As the consultation states, the requirements currently placed on Channel 5 are relatively modest and significantly lower than those faced by the other PSBs.

We would challenge Channel 5's argument that their Out of London requirement is no longer necessary because there are a number of well-established production hubs across the UK and given the investments made by the BBC and Channel 4 in recent years. Given the pressures faced by the BBC following the 2010 licence fee settlement, our members report that original content production is under threat in a number of regions, in particular the Midlands, where Equity members and members of the general public have been calling for much needed investment through the Campaign for Regional Broadcasting Midlands <http://www.crbmidlands.org.uk/>.

Nations and regions programme and production obligations for the Channel 3 licensees

While the issues under discussion in this consultation document are largely focussed on regional news services in the nations and regions, you will be aware that for some time Equity has been calling on broadcasters to produce more content in the Nations and Regions in order to draw on the skills and talents in these areas.

We believe that it is only fair that broadcasters spread their operations so that a greater proportion of production employment is spread across the UK. Through its *Delivering Quality First* process, the BBC has made a positive commitment to increase its investment in content produced in Scotland, Wales and Northern Ireland in the coming years and we believe that Channel 3 licensees should mirror this aspiration.

Ofcom's Out of London definition of production origin is also central to this issue. According to figures from Ofcom, 61.8% of spending by public service broadcasting channels in 2010 went to productions made within the M25. Productions in Scotland received 4.6% of spending, Wales 2.6% and Northern Ireland 0.4%. Currently the Out of London criteria define production origin by a proportion of the budget excluding the front of camera talent and by which side of the M25 the majority of that spend takes place.

Currently many productions which are regionally badged according to the Ofcom definition do not make use of local performers. In our view, local casting should be a key component of regional production and this must be reflected in the Out of London definition. To this end our members and a number of MPs have written to Ofcom and proposed that a consultation with broadcasters and other stakeholders should be launched on the viability of including front of camera talent and cultural relevance in the consideration of where a programme comes from.

In response to the campaign Ofcom have articulated the concern that a well paid performer may 'skew' the balance between an In or Out of London production however in reality

productions which come to the Nations seldom, if ever, offer the opportunity to performers based in those areas to earn the kind of fees that would alter the balance of where the production comes from.

Northern Ireland & UTV proposals on non news programming

It is difficult for Equity to agree with the UTV proposal to reduce its level to non news programming to the equivalent level required of STV and Wales licensees given their historical lack of investment in original drama production. UTV have failed to invest in original drama production for over 15 years which in turn means that they have not been investing in Northern Ireland's local talent base, despite being in a monopoly position in terms of holding the Channel 3 licence.

UTV has been making significant profits for some time, but has failed to re-invest these profits in the local creative economy. Meanwhile, the Home Box Office production of Game of Thrones has been the biggest single boost to television production in Northern Ireland for decades. In line with industry best practice, it is produced on an Equity contract and Equity members living locally have benefitted from an increase in opportunities to gain work. Thousands of jobs have also been created in Northern Ireland economy in technical and other areas supporting this production.

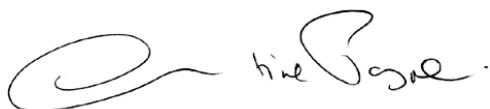
As stated in the consultation document, commercial PSB channels, including Channel 3 and Channel 5 must contribute to the public broadcasting purposes set out in the 2003 Communications Act. We do not believe that UTV's current investments in terms of drama production properly meet the intention of the Act. We believe that one possible solution would be to require UTV to produce or commission a drama production at least every three years.

Extension of Peak time to 11pm

Equity's Agreements stipulate various different provisions relating to the definitions of peak time used by each of the main broadcasters. We do not anticipate that allowing UTV and STV to expand their definition of peak time viewing in order to fulfil their obligations would cause significant problems, but we will monitor the impact of any change for any unintended consequences.

If you require any further information or clarification of any points in this submission please contact Louise McMullan, Head of the General Secretary's Department on 02076700260 or by email at lmcmullan@equity.org.uk.

With best wishes

A handwritten signature in black ink, appearing to read 'Christine Payne', written in a cursive style.

Christine Payne
General Secretary