



Small Screen: Big Debate' The future of Public Service Media'.

About us

1. Directors UK is the professional association of UK screen directors. It is a membership organisation representing the creative, economic and contractual interests of over 7,500 members — the majority of working TV and film directors in the UK.
2. Directors UK collects and distributes royalty payments and provides a range of services to members including campaigning, commercial negotiations, legal advice, events, training and career development. Directors UK works closely with fellow organisations around the world to represent directors' rights and concerns, promotes excellence in the craft of direction and champions change to the current landscape to create an equal opportunity industry for all.
3. We welcome the opportunity to respond to Ofcom's consultation '*Small Screen: Big Debate' The future of Public Service Media*.
4. Directors UK is pleased that the *Small Screen, Big Debate* consultation has found support for the important role of Public Service Broadcasting, and that the debate can now focus on what form 'Public Service Media (PSM)' should take for the future.
5. We support Ofcom's findings that the features of a strong PSM system going forwards are:
 - i. A broad range of high-quality content that meet the needs and interests of diverse audiences
 - ii. Content that is widely available, and which audiences can find easily
 - iii. Some companies with scale to compete and reach audiences
 - iv. Financial stability to allow for innovation

Question 1: Do you agree that a new regulatory framework for PSM delivery should support a more flexible 'service neutral' delivery approach that is more outcomes focused?

Question 2: Do you agree with our proposals for a clear accountability framework?

6. Directors UK has long argued that the concept of "Channels" was becoming outdated and that the future for PSB would be content driven commissioning, as opposed to channel driven commissioning. As such, we support the principle that a "service neutral" approach would better suit the current pattern of consumption, along with the broadening of the term to "Public Service Media (PSM)".
7. We also agree that there needs to be robust and transparent accountability measures for PSM providers, and that they should be required to set out their PSM delivery plans and outcome achievements publicly.
8. We would not want to see all specified requirements for PSM removed as these are what create the social and cultural responsibility to UK audiences, and ensures that programmes focusing on nations and regions, arts, religion, children, and local news are made. Consideration must

continue to be given to the sort of content that needs protecting i.e. what is unlikely to be provided in sufficient quantity/quality by the commercial market on its own.

9. When the regulatory obligations for children's programmes on ITV and Channel 4 were removed in 2003, it resulted in them no longer commissioning children's content. We anticipate the same would happen with other niche areas of programming if regulatory requirements were removed. This also reflects the finding in the Mediatique report:

*"as revenues decline, and broadcasters seek to shave costs in line, they will continue to be incentivised to spend disproportionately on popular genres (drama; entertainment; factual entertainment) to maintain audiences, reducing to a bare regulatory minimum their expenditure on specialist genres, regions programming and local/regional news – in the aggregate and on a per hour basis. There will be no incentive to make more than the regulatorily imposed number of hours in 'pure' PSB genres (where quotas exist) or to spend more than the bare minimum per hour."*¹

10. We do agree that the current measures of success, such as meeting quotas for set numbers of hours, is no longer a sufficient measure. In this new marketplace it is not just a case of putting PSM content out, but making sure it is received and seen by a variety of audiences who are watching in different ways. Going forwards accountability measures will need to draw on a combination of qualitative outcomes, alongside some quota requirements to support delivery of niche content. As was highlighted in the EY International Perspectives report:

*"Public service broadcasting is about the value that broadcasting can contribute to society. It's not about attracting the largest audiences but it's about what public value you deliver, how you raise awareness about issues, change people's values, and prompt them to act. The next step will be a move from quantitative metrics to qualitative, measuring how meaningful and valuable is public service content to society -Dr David Fernández Quijada, European Broadcasting Union (EBU)"*²

*"DR had to invent a new metric to measure its value, including metrics around relevance, time well spent for audiences and quality. DR changed its focus from being large to assessing whether its content really makes a difference for the people watching it. At the same time, frequency of use really matters –if you want to be part of people's lives and part of society, you need them to drop by -Media expert, Denmark"*³

11. We would support the introduction of robust and transparent accountability measures for all PSM providers, and agree that their plans and outcomes should be publicly reported. We would welcome the regulator, Government and industry developing an updated, appropriate and consistent approach to the metrics and the outcome measures that will be used. We also agree with the proposal that "Ofcom would monitor delivery and hold the PSM providers to account", with powers to step in as necessary.

¹ https://www.smallscreenbigdebate.co.uk/data/assets/pdf_file/0025/208771/future-models-delivery-of-psb-mediatique.pdf (p36, para 4.32)

² https://www.smallscreenbigdebate.co.uk/data/assets/pdf_file/0026/204587/international-perspectives-on-psb.pdf (p23)

³ https://www.smallscreenbigdebate.co.uk/data/assets/pdf_file/0026/204587/international-perspectives-on-psb.pdf (p23)

12. One of the biggest challenges for stakeholders in the digital market is the lack of clear and transparent reporting, based on a consistent set of metrics. For rightsholders this lack of consistency and transparency of reporting data is a very real concern in terms of assessing the success or use of a work, and we would welcome support from Ofcom/Government to work with the industry to develop an agreed set of metrics, which will facilitate consistency of reporting data for these purposes.
13. Whilst recognising that the *'requirements designed for broadcast schedules do not necessarily translate well to the online world'* it is essential to still ensure that PSM continues to offer varied, distinctive and high quality content, *"offering a range of differing opinions and cultural experiences of life in the UK"*⁴. We believe this should include (n.b. this is not an exclusive list, there may be other content which is also relevant to include):
- i. **National and regional news, current affairs** - impartial, high quality and trusted journalism, along with dedicated regional reporting. Something which global providers are unlikely to be able, or willing, to provide.
 - ii. **Under-produced genres** (e.g. children's, religion, education, arts etc) which are currently not generally provided by commercially focused global platforms.
 - iii. **Nations and regional programming** - that reflects the lives of those living across the UK's nations and regions. As highlighted above, we firmly believe that without some form of public service obligation, the level of investment in content made in, and which reflects life in, the nations and regions would fall as PSM providers chase content which appeals to large volumes of global viewers.
 - iv. **Big event television** – it is important not to fall into the trap of deciding that PSM content only covers "market-failure" genres and does not include high profile drama, factual or entertainment shows. The value derived from creating content that brings communities together for a shared national experience is enormous and helps create a cohesive and connected society, as reflected in the *Small Screen, Big Debate* research. We would caution against excluding family entertainment shows, live event television, big drama or factual programmes, as these also have a role to play in creating British culture and community, particularly due to the collective, shared-viewing experience.
 - v. **Continuing drama (soaps)** - we also agree that continuing dramas, or soaps, have a role to play in PSM in the UK, through their ability to tackle difficult storylines and the collective experience of watching a drama that reflects the lives of UK audiences. These should also be considered valuable to the PSM offer.
14. As highlighted in the EY international perspectives research: *"It's very important to remember that we need a broad remit to get out to the whole of society, to build trust in every part of our society, then when the crisis hits, all parts of society can turn to us"* -Olav Nyhus, Norsk rikskringkasting (NRK)⁵.
15. We also believe that universality should remain one of the core tenets of Public Service Media. Ensuring people can freely and easily access PSM content in the way that they consume media is

⁴ Ofcom, Small Screen: Big Debate Consultation, p 22,

⁵ https://www.smallscreenbigdebate.co.uk/_data/assets/pdf_file/0026/204587/international-perspectives-on-psb.pdf (p23)

critical. With so many different access points, many falling outside current regulations, it is important that the current regime is updated to address this.

16. Linear broadcast television continues to be an essential part of PSM. The fact that not everyone in the UK has broadband coverage, or can afford or chooses to take broadband, means that digital delivery alone is not sufficient to achieve universality.
17. PSB on-demand (VOD) delivery should be included as part of PSM to reflect the growing reality that many households are switching to on-demand/digital viewing, and the rise in on demand viewing via Smart TVs/other digital devices. It is right that established PSBs are updating and developing their on-demand offerings, in order to achieve their PSM mission of reaching audiences by addressing new viewing habits. The recent moves by the PSBs towards building their future content strategies around digital-first delivery is notable in recent months⁶. We support the need to update the PSB offering to remain relevant, provided that the rights holders who create the content are fairly remunerated for the changing use of their works via on-demand platforms. A key impact of the move to extended-use on-demand windows, and digital first strategies, is that it is significantly transforming the secondary rights market model, which is how freelance creative rights holders are traditionally compensated for the repeat use or onward sale of their works to other broadcasters or distribution platforms, both in the UK and internationally. As this extended use of content on the PSB VOD platforms is still relatively new (e.g. the recent move from 30-days to 12 months on the BBC iPlayer), we are only beginning to experience the impact of this on ensuring fair value for underlying rights. As PSBs increasingly follow their digital content strategies, their agreements with production companies and underlying rights holders must be adjusted accordingly and fairly re-negotiated to reflect this change in use.
18. We also recognise the value that other commercial pay-TV broadcasters (e.g. Sky, Discovery etc) provide in terms of content creation in and for the UK, which also delivers public service benefits.
19. In terms of Global SVODs and other new content/social media platforms (e.g. YouTube, Facebook etc), if content being created by global SVODs/new content platforms is to be included as part of a future PSM model then there needs to be clear obligations on these providers to meet the same regulatory requirements as other PSM providers. This should include a requirement for PSM qualifying programmes to reflect and promote UK culture and settings. There is a risk that the increasing globalisation of content will result in a loss of British characteristics and references, as highlighted in recent research by Enders, which found that *“shows on streaming platforms use far fewer British terms, expressions, cultural references or idioms than those aired by domestic broadcasters”*⁷. The creation of PSM qualifying content should support and benefit the UK production industry, and there should also be fair payment to rights holders for the use of their work.

⁶ <https://www.broadcastnow.co.uk/bbc/davie-sets-out-iplayer-focused-commissioning-plans/5153617.article>; <https://www.broadcastnow.co.uk/channel-4/mahon-ready-to-throw-off-linear-shackles/5155697.article>

⁷ <https://www.thetimes.co.uk/article/small-screen-loses-the-british-touch-as-streaming-giants-create-world-tv-8zdcj6vgl>

Question 3: What do you think should be included in the PSM 'offer'?

Question 4: What options do you think we should consider on the terms of PSM availability?

20. Prominence and discoverability are key to ensuring that PSM content is widely available, and audiences can easily find it. Without some form of digital prominence obligations for technology providers, it will be difficult to guarantee the availability and accessibility of PSM content in the face of competition from global platforms and rapid advances in distribution technologies.
21. We therefore agree that the rules regarding prominence must be updated to include on-demand and digital content provision. As Mediatique's report noted: *"to the extent that the creation and consumption of PSB content is a public policy objective, then such content should be discoverable by viewers even if this requires intervention"*.⁸ We encourage the Government to urgently move forwards with Ofcom's recommendations to update the prominence regime, and to consider as part of this the new proposal from PSBs to ensure that they are carried on the main TV platforms and user interfaces⁹.
22. We largely support the PSBs joint submission *'PSB prominence, inclusion and fair value: A new deal for the global online era'*¹⁰ and its proposal for ensuring access for audiences to PSB channels and qualifying VOD players on all major content distribution platforms, whilst ensuring fair value for the content on those platforms. Our support for this proposal is of course subject to the underlying rights value of any content provided, either as the core offer or via additional negotiations, being fairly compensated for and passed on to the underlying rights owners (e.g. writers, directors).
23. In terms of what content from PSB channels and 'Players' is considered as part of the core "regulated offer" and what is additional content up for negotiation, should be determined by the guidance on what constitutes PSM content. The PSBs proposal suggests that this should include *"programmes recently first broadcast on a public service channel"*. As the PSBs increasingly move to on-demand first commissioning, the guidance of what is in the "regulated offer" would need to be flexible enough to reflect this changing approach to where a programme is first 'shown'.
24. We are not best placed to advise on the form of delivery of the content - whether this is via an app, by programme title or other mechanism - other than to caution that any new regulation or guidance regarding this is future proofed for a rapidly changing digital environment, and that discoverability of a wide range of PSM content is considered. We also support the need to have access to usage data, as this is key to measuring, assessing and understanding how content is accessed and consumed and will also inform reporting obligations.
25. We agree that there is merit in having recognisable PSB brands that are trusted as Public Service Media content creators/providers. As such we understand why the PSBs are seeking to maintain their branded players within the "regulated offer" requirements as a way of ensuring this recognition, and to improve discoverability of other PSM content. The EY international

⁸ https://www.smallscreenbigdebate.co.uk/__data/assets/pdf_file/0025/208771/future-models-delivery-of-psb-mediatique.pdf

⁹ https://www.smallscreenbigdebate.co.uk/__data/assets/pdf_file/0027/208818/psb-submission-broadcasters.pdf

¹⁰ https://www.smallscreenbigdebate.co.uk/__data/assets/pdf_file/0027/208818/psb-submission-broadcasters.pdf

perspectives report also demonstrated concern internationally that: *“breaking up PSBs’ services into different pockets of content can undermine the purpose of public service broadcasting.”*¹¹ Should the outcome of this consultation not support the use of branded PSB players, then we would advocate that clear branding or signposting of the original source of the content would be essential. Something that is also being discussed in other countries: *“At an EU-level, we are asking to establish specific rules on content attribution so that platforms are required to leave the branding and attribution of content creators intact.”* -Simona Martorelli, Rai¹²

26. With regards the opposing view from techUK, we acknowledge their concerns over some of the technical aspects of delivering PSB content on their services, however, we believe the technical suppliers and global tech platforms should be supporting a strong PSM system in the UK, as they too gain to benefit financially from audiences turning to their devices or platforms to view the vast array of content the PSBs provide. Platforms and tech manufacturers have a role to play in the ecology of the PSM system in the UK and should be held to account and included in PSM obligations if they wish to operate in the UK market. Audiences will be drawn to the tech and platforms that are able offer them the breadth of content they want, and that includes UK PSM content.
27. We would have concerns if the terms of making PSM available on digital platforms and devices had a significant cost implication for the PSMs that would reduce their ability to invest that money in creating original content.
28. We acknowledge that Ofcom is mindful of other debates surrounding competition and regulation in the wider digital marketplace (e.g. the CMA review) and will be considering this within their PSM review. It would be extremely distorting to make changes to regulation and legislation affecting PSMs without accounting for the regulatory imbalance that currently exists for these large global players who are operating within the same marketplace but are not currently subject to any of the regulations or obligations that the PSBs are.

Question 5: What are the options for future funding of PSM and are there lessons we can learn from other countries’ approaches?

29. We agree with the findings of EY that *“There is no one-size fits all’* approach to funding and that what is appropriate will be different for each country.
30. The recommendations from the European Broadcasting Union regarding features that matter for PSM funding seem a sensible set of guidance to draw upon:
 - a) Stable and adequate
 - b) Independent from political interference
 - c) Fair and justifiable
 - d) Transparent and accountable
31. We do believe some form of public funding is essential to provide stability if the UK wishes to retain its highly regarded international status: *“The UK PSBs’ content is recognised globally for*

¹¹ https://www.smallscreenbigdebate.co.uk/_data/assets/pdf_file/0026/204587/international-perspectives-on-psb.pdf

¹² https://www.smallscreenbigdebate.co.uk/_data/assets/pdf_file/0026/204587/international-perspectives-on-psb.pdf

*being the best in the world in terms of quality*¹³. It is also notable that the Mediatique report found that *“licence fees remain a primary source of funding for PSB in other major media markets”*¹⁴. Even where they have been abolished, they have largely been replaced by direct taxpayer funding and grants from government rather than by fully commercial models. Directors UK would urge the Government to consider the wider impacts of removing or significantly reducing public funding support for the BBC/PSBs. This comment from the EY report is particularly telling:

“The UK’s global strength is rooted in its PSBs’ track record of producing distinctly British content that is loved by audiences around the world. If the support for PSBs producing this kind of content isn’t there, the UK industry risks becoming commoditised and production will simply move to the most cost-effective locations, and that’s probably not the UK –Heaton Dyer, CBC/Radio-Canada” (EY report)

32. The EY report also demonstrates the reputation the BBC holds internationally: *“...other countries hold the BBC in such high regard, and others seek to emulate this”*. *“The BBC is one of the greatest disseminators of British culture there is”* Keir Menzies, Creative Manager Disney.
33. Directors UK agrees that the stability of the BBC licence fee funding has enabled the BBC to deliver on its core PSM obligations and maintain its global position. We do have concerns that the licence fee has been used to fund more activities than ever before (e.g. the BBC World Service, over-75 Licence fee concessions) as well as delivering a broader range of services (e.g. iPlayer and other digital output), putting this funding under great pressure and affecting what services are affordable and what appears on our screens. In the immediate term we would strongly advise against any further changes now (such as decriminalisation or top slicing) that would impact current funding. Any such changes should wait until the licence fee is considered in full as part of the next Charter Review, in 2027.
34. We note that the Mediatique report states that *“the debate over the future of the BBC among policy makers is focussed on reducing the licence fee income or sharing it among others.”* In an increasingly competitive global market, we would be concerned by substantial reductions in the funding of the BBC that would undermine or diminish its unique global position and influence. It is important that the Government considers the international impact of a strong and stable BBC for the UK, and the UK production industry, when reviewing its funding options. We acknowledge that, through BBC Studios, the BBC is seeking to return value to the licence fee payer by commercially exploiting its content, but this in itself could not replace the licence fee model, and may also have an impact on the commercial PSBs.
35. With regards moving to a general taxation model as an alternative means of public funding, as has been introduced in some other EU countries (Finland, Denmark, Norway, Sweden), we expect there would be similar political and public objection to a taxation model as there is to a licence fee model. If the UK were to move to a model of PSM funding via taxation, we agree with EY that it is vitally important that this is free from political interference – as independence is key to public trust in PSM. The funds would also need to be clearly ring-fenced solely for PSM funding, and the

¹³ https://www.smallscreenbigdebate.co.uk/_data/assets/pdf_file/0025/208771/future-models-delivery-of-psb-mediatique.pdf (p50, para 6.16)

¹⁴ https://www.smallscreenbigdebate.co.uk/_data/assets/pdf_file/0025/208771/future-models-delivery-of-psb-mediatique.pdf (p53)

taxation level and amount available be agreed for a long-term period, as EY found that this is essential to give the stability needed to enable business planning and encourage risk-taking.

36. We do not support the BBC moving to an advertising model. It is very likely that this approach would simply take revenue away from other channels rather than generating more, ultimately causing reductions in content creation and impacting other PSBs. As has also been shown this is a very volatile income source with no stability/guarantee. Mediatique's report modelling suggests that the BBC would lose over £1bn in revenue in an advertising model compared to the licence fee. It also risks leading to more commercially driven content generation, focusing less on PSM for the public purpose.
37. We also do not believe that a fully subscription-based model would work in the UK as it does not deliver on the core PSM purpose of access for all/universality. We share concerns that the BBC would not retain the current level of licence fee revenue through the subscription model. As shown by Mediatique, this would lead to a shortfall £1.62 or more, which would have a very real impact on what appears on screen, the quality of what is made, and the range of content produced. If we undermine the quality of what we produce, we risk losing the global recognition highlighted above for "best in the world". It is this which attracts the sales of works and inward investment to our production industry from overseas producers. It is important to note the findings in the EY report that "*currently, no PSBs are funded through a subscription model*".
38. Although there are already moves towards some form of "hybrid" subscription model, where some programmes/services are available to all, and others are behind a paywall (e.g. Britbox). We agree with Ofcom regarding the difficulties over more substantial moves to a hybrid model. Any form of subscription income still leaves PSBs open to revenue fluctuations, and there are likely to be different views as to what constitutes a 'core package' available for free universal access; and what is the premium content to be charged for. This issue can already be seen in the "regulated core offer" discussion surrounding the *PSB prominence, inclusion and fair value* proposal. Mediatique's report also highlighted that a hybrid model could have greater costs for running two models and reduce the PSM influence if its offering is fragmented into a tiered service.
39. Regarding the options for alternative sources of funding for PSM, we would support the introduction of industry levies on global digital services/companies operating in the UK. The model used in France and Germany to apply levies on streaming services, on the basis that they are part of the national broadcasting system but not required to support wider broadcasting or PSM objectives, would seem an appropriate way of generating additional PSM content funds. There is arguably justification in creating obligations on these global giants to contribute to the UK's PSM economy, which they operate in and benefit from being part of. We recognise that the introduction of a similar levy in the UK would need to be part of the wider Government (CMA) review regarding competition, taxes, and regulations for digital global services operating in the UK and how this links to the Digital Services Tax introduced in April 2020.
40. In principle we support the idea of contestable funding, provided that it is additional funding (such as via industry levies) and is not top-sliced from the current licence fee. If it is taken from the current funding pot it does not lead to more money being spent on content production for audiences, it just moves money around among other players. This would have the negative effect

of diminishing the BBC's resource and output and increasing fragmentation of output among other players. Additional finances for an additional contestable fund for PSM could be generated via the introduction of a digital levy, as outlined above. If more contestable funding is to be introduced and was open to a wider variety of PSM participants, there would need to be very clear rules, obligations and accountability to ensure that this is used for UK focused content and that there is clear support for the UK production industry within the funding, production and delivery of this content. As highlighted earlier, the growth in global distribution is at risk of creating increasingly homogenised content which loses its distinctive British context and appeal¹⁵.

41. Industry related Tax Reliefs have already been proven to be very successful in the UK production industry, encouraging investment in content which may not otherwise be funded. The High End Tax relief, in particular, has resulted in significant inward investment to the UK. We agree with suggestions to reduce the spend threshold for this relief to support more mid-level drama productions, which are key to training and developing UK talent. Tax relief could also be extended to other key content that supports the PSM objectives such as underserved genres, or content for the Nations and regions. We support proposals for further tax reliefs as a way of achieving increased investment in content and in growing and maintaining a flourishing UK production sector.
42. Whilst Directors UK is not best placed to advise which funding models the Government should move forwards with, we have offered our views on the models that have been explored in the consultation research.
43. An additional point we wanted to make with regards funding, on behalf of our membership, is to note that funding not only affects what services are affordable and what appears on our screens, it also has a significant impact on the creative workforce. As money on screen becomes more stretched, production budgets and delivery schedules are becoming increasingly squeezed, and programme makers are often being asked to do more for less. This is having a considerable negative, and unsustainable impact on the health, well-being and stamina of the production workforce. Stable and adequate funding is essential to ensure that we have a thriving production industry and are able to retain a talented workforce, who are key to the successful delivery of high quality PSM content.

Question 6: What do you think about the opportunities for collaboration we have referred to? Are there other opportunities or barriers we haven't identified?

44. Directors UK agree that there are opportunities for greater collaboration which could strengthen UK PSM provision and reduce costs. Scale is going to be important in competing with the large global companies and greater collaboration could help bring economies of scale and improve bargaining power.
45. We would be in support of joint initiatives where there is potential to reduce technical costs, support infrastructure developments or avoid unnecessary duplication of costs. The less duplication of costs there is, the more that can be spent on creating programmes and content to go on screen.

¹⁵ <https://www.thetimes.co.uk/article/small-screen-loses-the-british-touch-as-streaming-giants-create-world-tv-8zdcj6vgl>

46. We can also see the benefits to audiences (and in reducing duplication of efforts), of having one VOD “player” or entry point to access content from all of the PSBs. This would make finding PSM content in one place easier for audiences and would help move audience perceptions on from viewing these as individual “catch up” destinations, to a “viewing” destination where they will find a vast array of content in all genres, from all PSBs. The core challenges in pursuing this will be in managing the commercial sensitivities between the channels regarding data sharing; competition restrictions; and the conflicting programming and commercial aspirations, digital strategy and PSM obligations of each of the PSBs. There may also be some blurring of IP ownership in relation to content creation which would also need to be managed and agreed. Addressing these issues will require willingness and open discussion between the PSBs; and a sensitive review and updating of legislation and regulations by Ofcom and the Government, in order to enable closer collaboration in some areas.
47. It will also be important to fully consider any risk to plurality and diversity caused by greater collaboration. A strength of our current system is having a spread of PSB channels offering different voices/ perspectives/ opinions addressing the needs of different audiences. It is important that this diversity is not lost. However, there should be no reason why a joint VOD viewing destination shouldn’t be able to retain many of these features, in much the same way a viewer turning on a TV can see all the linear channels in one place and makes choices about which programmes and channels they head to. It will be important to ensure that whatever platform and regulation is developed, that it is future proofed so that it does not become quickly obsolete by other technology or digital developments.
48. Exploring how PSBs can ensure that their content is carried by content aggregators is also vitally important. By working together, the PSBs may be in a stronger position to secure space for UK PSM content. For this reason, we support the PSBs joining together to put forward a joint proposition on PSB prominence and inclusion, subject to the underlying rights value of the content being fairly compensated for.
49. As highlighted earlier, a key concern for Directors UK members in relation to the proposals for greater collaboration on distribution methods, is the impact this may have on the onward value of their work in the global marketplace. We want to ensure that our members are protected, and the value of their work is not given away to secure position. This will require striking the balance between PSBs gaining additional audience reach via their work being accessible on other platforms, (thus achieving one PSM purpose); and those platforms directly/indirectly getting value from having the content on their platforms which reduces any future revenue that can be generated from that work. In an increasingly digital world, the value from the ongoing use of works on digital platforms is often not passed onto the creators.

Question 7: What are your views on the opportunities for new providers of PSM?

50. We agree that, if one of the aims for PSM is to create content which audiences can find easily, then it is right to consider new ways of getting PSM content in front of audiences (e.g. younger or more diverse audiences who are no longer engaging in PSM via traditional means) and exploring ways to integrate PSM into the emerging platforms they engage with.

51. Directors UK has no objections, in principle, to new providers creating and delivering PSM content - provided that any PSM funding awarded for content creation is used primarily for the benefit of UK audiences; that there is clear support for the UK production industry within the funding, production and delivery of this content and appropriate accountability measures for assessing this; and that there is fair remuneration for rights holders for creating that content and its onward use.
52. There are currently very real issues regarding the use of copyright content on user-generated and emerging platforms, which means that creators are not being compensated for the use of their work. For example, clips of audio-visual work are increasingly being used on platforms such as YouTube, but the content creators are often not compensated for the use of their work. Existing copyright laws were made before online platforms such as YouTube, Google and Facebook existed and became major influences over audience interaction with culture and media. If the Government is looking to achieve sustainability in the media sector it is important that while considering the future structure of PSM, the Government also consider any necessary updates to the UK's copyright regime to ensure it is protecting UK IP and enhancing its value in the digital environment. If we want to encourage creators to make content for new PSM outlets, we need to recognise the value of creative IP on emerging platforms and ensure that the creators are fairly compensated. Safeguarding creators' rights and protecting their livelihoods, so that they may continue to create, will be key to retaining and building the next generation of creators and in doing so bring lasting benefits to the whole of society.
53. Opening up opportunities to new content providers should also help expand our vibrant, independent production sector, by encouraging new providers, new talent, new ideas to come forward, opening out the commissioning process and the range of voices and ideas that are heard, beyond the traditional or dominant players in the industry.
54. Identifying means of funding new PSM provision is also going to be key. As highlighted, the current funding resources are already under pressure and at risk of declining. To prevent current funds being diluted further, new providers of PSM may need to be separately funded. With regards contestable funding, whilst we support the idea as a way of opening up and encouraging new applicants to deliver certain types of content, this should be funded separately to other core PSM funding, with a clear remit for its purpose and accountability.
55. As highlighted in our response to Question 5, we can see the benefits in additional funding being drawn as a levy from new global platforms and services operating in the UK. There are clear examples of this working successfully in practice in other countries and seems a sensible way of ensuring that global operators are contributing to UK generated-PSM content and the UK creative industry, either by committing to creating content themselves or paying a levy for others to access in order to create it.
56. We also believe that if this opens up funding opportunities for new PSM creators and providers, then it is essential that they should be accountable to the same regulation and assessment metrics and accountability measures as other, more traditional PSM providers. The issue of lack of transparency and reporting on the use of a work on these new platforms, means content

creators are unable to assess or draw insights from the success of their work in terms of audience reach and appreciation; and it is also significantly impacting UK creatives from extracting the value from their work for remuneration purposes. Accountability and reporting should be an essential requirement for any new PSM provision. The lack of an agreed metric for digital use, and the lack of transparency is a real concern to us.

Directors UK
www.directors.uk.com
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