

A Submission to the Independent Inquiry: *Public Service Television for the 21st Century*

Public Service Broadcasting and the Independent Sector: by Natasha Cox

When the Pilkington Committee met in 1960 to consider the future of broadcasting in Britain, there were only a handful of independent production companies in the UK. Now there are four hundred and fifty “indies” across the market, with many more set to come.

The independent sector has been thriving for years with impressive growth, both financially and as a source of creativity and innovation in the delivery of programming to broadcasters. Since the Broadcasting Act in 1990¹ - with the 25% independent television production quota - we’ve seen an increasing swathe of start-ups. Most recently well-known executives have begun branching out on their own, such as Plimsoll Productions and Znak and Jones²: one growing attraction being the sole ownership of projects and rights in a global market. Yet this influx has raised a conflict of values between broadcasters and independent producers. And it will be a test for the public service environment to assess which structures are necessary to increase the chances of establishing symbiotic partnerships with the independent sector as well as implementing its mission.

At the moment the independent sector is responding to commercial gain and global investment that encourages production in profitable formats, leaving gaps in other areas of provision. According to one study, UK independent TV producers have trebled international revenues to £625m in the past decade but are shying away from riskier programming and documentaries to focus on factual entertainment formats.³ This is a cause for alarm for public service content, as increased competition and a focus on international sales is arguably stunting creative freedoms.

It is therefore vital for the future of public service broadcasting that the independent sector is seen as a locus of creativity and innovation its own right. Independent producers can deliver additional value to the viewer, produce some stand-out programmes whilst evolving alongside digital channels. Such as the eight-part natural series *Our Planet* made by Sliverback Films for Netflix⁴. And we need to build on this dynamic broadcast landscape, with less fear of crowding out and more courage to shape and invest in new markets: ultimately benefiting viewers of all ages as well as companies.

But in the face of digital development, rising costs, commissioning delays and audience fragmentation, what condition is the independent sector in to nurture public service content?

1 Broadcasting Act, 1990 available from: <http://www.legislation.gov.uk/ukpga/1990/42/contents>

2 Natalka Znak and Simon Jones: <http://www.znakjones.com>

3 The Economic and Cultural Role of UK Digital and TV Independents. Arts and Humanities Research Council available from: <https://cowboysorindies.files.wordpress.com/2012/09/bennett-strange-kerr-medrado-2012-multiplatforming-psb-industry-report.pdf>

4 Netflix Media Centre Press Release: <https://pr.netflix.com/WebClient/getNewsSummary.do?newsId=2102>

Competition:

‘Competition in the supply of programmes will tend to provide a better product for audiences’⁵

“We’re always competing against everybody”, says Daisy Goodwin, ex BBC producer and founder of independent producer Silver River⁶. Yet many of the smaller and medium sized indies admit that the competitive nature of the industry is becoming difficult to manage⁷. Pact’s annual financial census of the independent sector reported that total revenues fell by 4.2% in 2014 to £2.9bn.⁸ And a recent report by Ofcom noted that investment in new UK content from public service broadcasters fell by around £440m in real terms: a decline of 15% between 2008 and 2014.⁹

Small and medium sized indies are being hit the hardest. The worry is that they haven’t got the financial resources or network of customers to be able to compete. Struggling to survive as small fish swimming with sharks, the creative ambition of UK television is suffering and is having a knock-on effect across the indie sector.

In many production executive teams there is a growing tension between the need for “attention grabbing” original content with tightening budgetary pressures. Creative Directors and Executive Producers have to often compromise their ideas and occasionally their belief in public service broadcasting, otherwise the company must accept that they’ll make little or no profit on some programmes.

There are a couple of encouraging initiatives propping up indies with experienced knowledge and investment. One is IndieLab¹⁰: a new accelerator programme where 15 indies can pitch for up to £2m in private equity. Another is Channel 4’s £20m Growth Fund¹¹: backing new and smaller indies in a bid to work with a wider number of producers.

These initiatives show a massive vote of confidence in the talent and content produced by independent producers but in the absence of such financial support in Britain an indie can find it difficult to work in the genres they’re passionate making or deliver the cutting-edge content they often want to produce and will look elsewhere for investment.

5 BBC Green Paper, published 2005: http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/02_03_05_bbcgreen.pdf

6 The Guardian published 13 July 2014: <http://www.theguardian.com/media/2014/jul/13/bbc-television-production-shake-up-quotas>

7 Where next for the indie sector, Tim Dams, Televisual, published 18 August 2015:

<http://www.televisual.com/?nstart=1&start=2&stat=&page=c->

[blog_author_detail&iBlogAuthorId=28&vAuthorName=Tim-Dams](http://www.televisual.com/blog-author_detail&iBlogAuthorId=28&vAuthorName=Tim-Dams)

8 http://www.televisual.com/blog-detail/Where-next-for-the-indie-sector_bid-800.html

9 Ofcom: Public Service Broadcasting in the Internet Age, published 2 July 2015:

http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSB_Review_3_Statement.pdf

10 <http://www.weareindielab.co.uk>

11 Channel 4 announces Growth Fund Investments 21 August 2014:

<http://www.channel4.com/info/press/news/channel-4-announces-first-growth-fund-investments>

Over the last five years or so, independent companies have viewed the international market as a major opportunity. International production revenues now account for an average 18.5% of indie turnovers.

Blast! for example, have been making three series for US broadcasters, including two for Discovery: the company has tripled in size in the last three years and the indie has just picked up its first two rig show commissions from Channel 4¹².

Despite the new international focus, the UK remains to be a market with great opportunities for independent producers, with the average indie generating 62.6% of its turnover from UK broadcasting commissions.

New start-ups also say it's a good time to branch out because of the options open to them. As Simon Jones co-founder of Znak and Jones said in an interview with Televisual: "If I was a buyer I wouldn't want to be only able to buy from Endemol/Shine, All3Media and Fremantle. Do I want to hear three ideas or thirty ideas?"¹³

Yet getting the commission is half the battle.

Commissioning:

Good ideas are continually being missed in a punishing process that can be risk averse and arrogant. A survey conducted by Broadcast and Edinburgh International Television Festival last year found that 83 top UK indies thought commissioning standards had deteriorated over the past 12 months. With 44% claiming that their dealings with the BBC had worsened.¹⁴

Complaints about the commissioning process made by the independent sector argued that it is often slow: lead times from pitch to production sometimes taking up to 18 months. Meetings are "unreasonably rescheduled" and commissioners are typically branded as "patronising and high-handed". Many producers working in development have been left demoralised as a result as well as companies having to overspend on research and development because of poor editorial guidelines.

Following internal research at the BBC last year, the then BBC director of television, Danny Cohen agreed to make five "promises to producers" aimed at simplifying procedures and improving clarity for indies. These included a pledge to reply to pitches with meaningful feedback within 2 weeks and a promise to provide monthly updates on "all ideas in active development" with a producer.

"What I've said to those teams and people involved is: you can be the most creative people alive, but if you can't manage your supplier relationships well enough, we won't get the best ideas and I don't want to be working with you. You're not

12 <http://www.televisual.com/blogs/28/Tim-Dams/archive/2015/01.html>

13 http://www.televisual.com/blog-detail/The-great-indie-start-up-craze_bid-683.html

14 TV, a ruder place to work, Broadcast, published 21 August 2014: <http://www.broadcastnow.co.uk/broadcasters/tv-a-ruder-place-to-work/5076417.article>)

representing the BBC in the way I want you to", said Cohen in Edinburgh.¹⁵

It remains to be seen if his successor will share Cohen's vision. Or if Peter Salmon, the new boss of BBC Studios will be responsible for shaping the future relationship between production companies and the Corporation.

Under the current plans for BBC Studios, director-general Tony Hall wants independent producers to be able to pitch for virtually all of the BBC's output, in turn 'liberating' the Corporation's 2,000-strong production base to pitch ideas to other broadcasters. Almost as a continuation of John Birt's "Producer Choice",¹⁶ that was reversed by Greg Dyke - BBC Production could once again move into becoming a commercial entity. This is disconcerting to some independent production companies and Pact have raised the issue urging for "full transparency and regulatory oversight" of the relationship between the BBC commissioning teams, BBC Studios and BBC Worldwide.

"The potential for market distorting behaviours to develop should concern everyone",¹⁷ Pact said in its submission to the government's green paper on BBC charter renewal.

However it does mean that more people in the BBC will have an awareness of how businesses are run and it will open up the BBC to everyone. This is perhaps not such a bad idea - with BBC commissioners freed up to choose the best pitches from suppliers.

"Scrapping quotas will remove complexity, reducing cost and speed up the commissioning process", says Pat Younge, former chief creative officer, BBC production.

To be successful in its mission, it is of huge importance that BBC Studios helps the BBC become more of an enabling, commissioning and collaborating body. Lately we have seen the same brands and copy-cat formats, (i.e The Voice) dominating the schedules year after year and a strong argument to suggest that British TV has become less distinctive in the process. Broadcasters have been overly cautious in the amount of episodes they commission and there have been fewer slots for indies to pitch to. But by opening up the BBC to everyone there is a chance that the corporation will attract new talent. And it will need to seriously focus on nurturing this talent and not expand into areas already well served and stifle existing creativity.

This is an important undertaking in the interests of public service broadcasting as British producers are being bought by US companies, such as Discovery and Liberty and there is a real threat to the future of PSB posed by the consolidation of the independent sector.

"The creative culture of UK production would be snuffed out by foreign owners who put profits ahead of risk taking" warned Channel 4 boss David Abraham last year. And as he predicted, the seven biggest super-indies are now all foreign-owned and dominating the market.

15 <http://www.broadcastnow.co.uk/broadcasters/bbc-boost-for-indie-relations/5078683.article>

16 <http://www.theguardian.com/media/organgrinder/2006/mar/22/belltollsforbbcproducerc>)

17 Pact's response to the Government's Green Paper, published 20 October 2015:

<http://www.pact.co.uk/news/news-detail.html?id=pact-questions-bbc>

It now rests with the broadcasters to collaborate with independent suppliers in a rapidly growing globalised and digital market to ensure that the principles of PSB are upheld. According to opinion polls, although people in their millions are embracing the expanding choices offered by digital broadcasting they still see the BBC and Channel 4 channels as having a key role in the multi-channel future.¹⁸

Digital

“Viewing to PSB services remains high. Despite continued growth in the range of channels and internet services on offer, the main five PSB channels still account for over half of total TV viewing.”¹⁹

Digital is a growth area for many indies, although revenues remain small: accounting for only 1.6% of the average indie²⁰. Yet the announcement of BBC Three’s closure and its move online, the iplayer and online channels seem like a real place of opportunity for new programmes.

BBC Three commissioning editor for features and documentaries, Elliot Read says there is still a lot to decide about the channel but has confirmed that around 80% of commissioning will be long form with a chunk left for web discussions, blogs and short doc series²¹. Jody Smith, online video commissioning editor for Channel 4 wants to make films that run for five minutes, so that viewers can watch them on their mobile phones. So far the suppliers are a mix of established indies, including Firecracker, Watershed and Twenty Twenty.

Contracting out more content and services is one recommendation for the future of public service broadcasting to be more open and pluralistic. Specifically, I think the BBC should be shifting towards becoming **a curator and away from a cultural monolithic institution**. This would ensure diversity of perspectives, services and choice. As Richard Hoggart put it in the Pilkington report:

*No one can say he is giving the public what it wants, unless the public knows the whole range of possibilities which television can offer and, from this range, chooses what it wants to see. For a choice is only free if the field of choice is not unnecessarily restricted.*²²

18 BBC Green Paper, published 2005: http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/02_03_05_bbcgreen.pdf

19 Ofcom: Public Service Broadcasting in the Internet Age, published 2 July 2015:

http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSB_Review_3_Statement.pdf

20 http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSB_Review_3_Statement.pdf

21 <http://www.bbc.co.uk/blogs/aboutthebbc/entries/fa632091-9a8c-304e-a479-e054dc368c47>

22 Richard Hoggart and Pilkington, published 1 April 2015:

<http://www.communicationethics.net/journal/v12n1/feat1.pdf>

Television is no longer simply the omnipresent ‘box in the corner’ but experienced and produced across a range of screens, websites and technological platforms. And established public service broadcasters need to reconfigure and reimagine what PSB can offer in the new media scene. Working with the independent sector on this mission would see indies move away from producing profitable, commercial formats and reintroduce risk-taking at the BBC at the same time.

Another recommendation would be a new system of **employing freelance workers at the BBC** as this is an astounding source of variety. A strong talent pool and relationship with independent producers would undoubtedly breathe fresh air into the Corporation. I have worked as a freelance producer for the BBC both in-house and with independent production companies for 5 years and freelancers bring a colossal amount of talent to British programme-making. It is the BBC’s job to support them in creating great original work.

It now seems a long time ago that the BBC enforced a discreet and enabling management: where artists were free to experiment; commissioning was not mired by lengthy bureaucracy and the stakes were relatively low and ambition high.²³ Perhaps most importantly and my final point, **failure was an option.**

We need to see a return to that approach: “*management is an art, management is about giving confidence, management is about making sure people are doing the best work of their lives*”, says Tony Hall. “No one but the BBC could have made *Blackadder*, especially after the expense and failure of the first series”.²⁴

It is not something that will happen overnight – it is a work in progress – but ultimately by building new structures between public service broadcasters and the independent sector, good ideas could become a reality no matter where or who they originate from.

23 This New Noise: The Extraordinary Birth and Troubled Life of the BBC, Charlotte Higgins. Published May 2015: <http://www.faber.co.uk/shop/history/9781783350728-this-new-noise.html>

24 Is the BBC losing the PSB battle? Broadcast article published 21 May 2008: <http://www.broadcastnow.co.uk/is-the-bbc-losing-the-psb-battle/1396168.article>