



## BBC CHARTER REVIEW

### Public Consultation

Submission from Creative England

October 2015

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## About Creative England

Creative England invests in and supports creative ideas, talent and businesses in film, TV, games and digital media. The focus of our activities is in the English regions outside the M25 (with staff based in Brighton, Bristol, Birmingham, Salford, Sheffield, Leeds, London, Pinewood Studios and Elstree Studios), in recognition of the comparative disadvantages suffered by individuals and businesses who do not have immediate access to the networks and opportunities that are associated with being located in London.

Our objective is to grow the Creative Economy by investing in talent and creative businesses, advancing the growth prospects for small and medium sized creative businesses by improving their access to finance, skills development and markets; issues which are often reported as hampering the growth of small and medium sized enterprises (SMEs). In essence, our purpose is to identify future opportunities to create innovative content, products and services that support the growth of an increasingly important sector of the UK economy. We also aim to represent the needs and interests of that sector to government at national and local level.

We welcome this opportunity to respond to the government's consultation on Charter Review. For further information about this submission or Creative England, please contact Creative England's Public Affairs Coordinator, Liam O'Shea, at [liam.oshea@creativeengland.co.uk](mailto:liam.oshea@creativeengland.co.uk) or call 0117 376 3317

## Executive Summary

We focus on two overriding themes in this response: – the **BBC's potential to provide more effective support for regional talent and voices within England**; and its **potential to act as a media platform for the greatly extended range of voices and content made possible by digital technology**. These themes can be broken down to:

### BBC AS AN EFFECTIVE PARTNER...

- **Diversity and Regional strategy**

The BBC needs to be doing more to support creativity in the English regions and giving more practical expression to the cultural identity and creative resources of a wider range of communities, cities and regions.

- **Partnerships**

If Partnerships are to be at the heart of what the BBC delivers it needs to create and apply mechanisms that simplify engagement and ensure that the day-to-day practice of BBC commissioners is fully aligned with the Corporation's stated strategic objectives.

- **Investor - Creative Clusters**

One very practical way in which the BBC could play a more effective role regionally would be in the support of creative clusters. This means something more sophisticated than spreading around one-off commissions. It means taking a more strategic approach to partner with, and invest resource into, independent creative businesses that are clustered across the country. The BBC is one of the most vital investors in the creative economy and has a role and responsibility that extends well beyond its direct programme interests.

## ... AND AS A NEW MEDIA PLATFORM

- **Audiences and New Talent**

The BBC should do more to promote new voices, new services and new companies across the country by commissioning content and people that feed the growth of the whole creative sector. Online and digital platforms could become hot-houses through which talent can be identified, nurtured, mentored and supported.

- **Digital innovation**

The BBC has talked a lot about 'digital public space' – using its collaboration with Arts Council England on 'The Space' project as the foremost example. The ubiquitous nature and take-up by the public of digital technologies should encourage the BBC to be far more imaginative, innovative and energetic in using the power of its public platforms for ideas and content generation from currently under-represented sections of the national community. We believe the move of BBC 3 on-line could pave the way for a more diverse approach to commissioning content from currently under-represented groups of creators and producers.

## Recommendations

1. Diversity in all its forms should be at the heart of BBC commissioning. As a point of both cultural and economic fairness, the BBC should commission and produce more network TV in the regions and more non-network (non-news, non-current affairs) content aimed specifically at audiences in England - giving voices in the regions an equal opportunity to have their distinct local, regional and national cultures and identities portrayed and consumed by a UK-wide audience – in line with Wales, Scotland and Northern Ireland
2. The BBC should introduce regional commissioning executives with a specific remit to improve, increase and broaden the range, value, and quantity of English regions' independent production company hours on network television

3. BBC commissioning executives, as part of their KPIs, should be tasked with meeting diversity development targets and spend at least one day a month in the English regions meeting with, and advising, independent production companies (outside of existing BBC hubs)
4. Providing training and mentoring for its programme supply chain should be made an explicit purpose of the BBC for the next Charter period
5. The BBC should develop regionally ring-fenced pots of funding which individuals and companies in the regions could bid for on a competitive basis
6. The BBC, either unilaterally or in partnership with others, should make small investments into emerging content companies so that they have the security to innovate and be more attractive to other external sources of finance. In addition to investment, the BBC should work closely with supported businesses to provide training, mentoring and business support
7. The BBC should undertake more collaboration with external partners on technology and the end product of BBC R&D should always be made available on an open source basis for the rest of the creative sector to use and develop
8. The BBC should do more to exploit licence-fee funded intellectual property and open it up for use by SMEs and cultural organisations
9. We would encourage the government to explore the feasibility of introducing a 'Terms of Trade' for the digital creative sector, similar in design to the provisions introduced for the independent production sector in the 2003 Communications Act
10. The move of BBC Three to an online channel should be used as an opportunity to actively showcase new content created by and for young people; under the professional guidance of experienced talent, programmers and commissioners. If the channel could be based in a regional city – Birmingham, for example, Europe's "youngest" city - it would address other inequalities such as providing the arguably under-served West Midlands with a more equitable allocation of licence fee resource
11. At a minimum, the BBC's current investment levels into UK film should be protected and the role of BBC Films in finding and developing the new voices and creative talent of the future should be made explicit as its core function

## Introduction

The BBC is a unique national institution that belongs to the British people. As well as creating some of the most loved television and radio programming in the country, it creates world-renowned formats and world-class digital services across a range of platforms. In the process it is the key driver of investment in original British content and its activities contribute an estimated £8 billion per annum to the British economy, making it one of the central pillars of the country's creative and cultural sectors. With creative industries now one of the most successful growth sectors in the UK and globally, the strategic role of the BBC in underpinning and sustaining UK success is already crucial and can only become more so in the years ahead.

In particular, the Corporation's long-standing commitment to finding and developing talent is hugely significant, as is its investment in independent production and the infrastructure of media distribution. As the cornerstone of the UK's Public Service Broadcasting system, the BBC also has a key role to play in promoting greater cultural understanding, reflecting creative diversity and empowering regional voices across our nations and regions.

Evidence, including that provided by our own activities at Creative England, suggests that while creative talent is widespread across the UK, the opportunities for that talent to find practical expression in the arts or creative businesses is massively imbalanced between London and the rest of the country. Added to that the nature of an industry which is inherently linked to personal networks and where the spending power is clustered in the capital, means that entry to that industry is increasingly difficult for those without established economic means or industry connections.

As the major publicly owned and accountable media organisation, and with its long history of promoting and nurturing talent, we believe a central purpose of the BBC during the next Charter period must be to play a role in ensuring that British creative talent, wherever located, has the best opportunity to flourish, both for the cultural enrichment of our uniquely diverse national community and for the future prosperity of our economy.

Earlier this year, Ofcom published its third review of Public Service Broadcasting; '*Public Service Broadcasting in the Internet Age*'. There were three particularly notable audience trends outlined in the consultation document. These were;

- The observation that only 46% of people across the UK are satisfied that the PSB system delivers programmes that show different kinds of cultures within the UK and that only 44% of audiences score the PSBs highly in terms of portraying their region; compared to an importance rating of 67%.<sup>1</sup>

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<sup>1</sup> <http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/summary/PSBR-3.pdf>

- The observation of a growing generation gap, with younger and older people's consumption habits increasingly differentiated across many communications media.
- The observation that audiences want to see original and innovative programming, but appear to feel that the PSBs (including the BBC) are duplicating successful programme ideas and formats, potentially at the expense of more original, innovative and challenging programming.

The future strategic direction of the BBC should be informed by and accommodate these observations. A criticism often directed at the BBC is that the distinction between itself and the commercial broadcasters should be far more pronounced. It is sometimes accused of chasing audience ratings at the expense of producing more innovative content and programming.<sup>2</sup> We fully support the BBC's response that, as the national public service broadcaster, it should be as strongly represented in all mainstream genres, including popular entertainment, as any other broadcaster.

However, it could differentiate itself more effectively by focusing more of its energies and investment into **more original regional programming** and by using the power of **new digital platforms to produce and disseminate new content and new formats for traditionally underserved and underrepresented groups**. With its strong public remit and the continuing certainty of licence fee funding it should be doing more – and be seen to be doing more - to take risks, to innovate, to back new talent and to use its formidable resources to facilitate partnerships. In practice, this should mean;

- doing more to support creativity in the regions and giving more practical expression to the cultural identity and creative resources of a wider range of communities, cities and regions;
- being bolder in how, what and from where, the BBC commissions content and services - using the power of its public platforms for ideas and content generation and using online and cross-platform space to promote content by, with and from the rising generation of 'digital natives' whose interests are currently under-represented on BBC services and for whom the values and purposes of public service broadcasting, as traditionally articulated, are largely meaningless.
- using its multiplicity of platforms more strategically to give opportunities to new talent and take risks.

We present the rest of our submission in response to three of the specific questions posed by the Department for Culture, Media & Sport's consultation (Q.7, Q.10, and Q.12).

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<sup>2</sup> <http://www.dailymail.co.uk/news/article-3158037/BBC-scrap-ratings-chasers-like-Voice-report-suggests.html>

## The Representation of English Cultural Identity

### Q.7: How well is the BBC serving its national and international audiences?

The BBC Trust defines one of the Corporation's key public purposes – reflecting UK audiences – as being an obligation to 'represent the different nations, regions and communities to the rest of the UK' and to 'cater for the different nations, regions and communities of the UK'. We have concerns regarding the Corporation's success in fulfilling these crucial aspects of its remit.

The out-of-London English regions account for some **44.7 million** of England's population (83.72% of the total English population – and **69.73% of the total UK population**) - and therefore the bulk of the license fee. This compares to a population of 5.2 million in Scotland; 3 million in Wales and 1.8 million in Northern Ireland. Despite this vast population differential, there is a significant disparity between the number of non-network TV hours in the English regions and the number of non-network hours enjoyed by audiences in Scotland, Wales and Northern Ireland.

In 2012, total BBC **non-network** output in the whole of England (excluding news and current affairs programming) amounted to just 94 hours. This compares to 320 hours in Scotland, 250 hours in Wales and 170 hours in Northern Ireland.<sup>3</sup> Clearly, **audiences in England do not have the same access to BBC public service content that expresses and represents who they are in comparison to audiences in the home nations.**

## BBC Spend in the English Regions

### Q.10: How should the system of content production be improved through the reform of quotas or more radical options?

The BBC Trust has rightly noted that; "despite facing common challenges, any consideration of the BBC's provision for the nations and English regions must recognise that the picture is not uniform. Because of their separate political institutions, there is a clear distinction between the nations as a group and the regions of England".<sup>4</sup>

In short, the nations of the UK have enough political influence to have some impact on how the BBC deploys resources and reflects the life of each nation. They therefore enjoy a range of BBC programming that represents their distinct national and cultural identities and which benefits their own creative sectors.

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<sup>3</sup> [http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb2013/output\\_and\\_spend.pdf](http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb2013/output_and_spend.pdf)

<sup>4</sup> <http://www.bbc.co.uk/aboutthebbc/insidethebbc/howweare/publicpurposes/communities.html>

With devolution of powers to combined authority/city region level in England clearly back on the public policy agenda, one of the functions of public service broadcasting should be to provide content, and a platform, that facilitates the articulation of that local and regional identity.

Whilst the relocation of parts of the BBC to Salford has boosted out-of-London quota statistics, and led to a creative cluster of real scale and significance, other regions of England have been left relatively disadvantaged.

As a per cent of eligible network TV spend by region (2013/14), Wales, Scotland and Northern Ireland collectively accounted for 19.9% of all BBC network spend. This compares to just 2.7% in the Midlands (West Midlands, East Midlands and East of England regions), which comprises 25.31% of the UK population.<sup>5</sup> In effect, the BBC spends £12.40 per licence fee in the Midlands while it invests £80.24 in the North, a £122.24 in Wales and £757.24 in London.<sup>6</sup> This is a wholly unfair distribution of resource, reflected across the regions, and one that the BBC should address as a matter of urgency.

Non-network spend on content aimed primarily for audiences in the nations [*for example; Lolo's Great Welsh Parks, produced by Aden Productions for BBC Cymru; Grand Tours of the Scottish Islands, produced by Timeline Films for BBC Scotland; Being James Galway, produced by Below The Radar TV for BBC Northern Ireland – all available to a UK-wide audience via the iPlayer at the time of writing*] also provides commercial benefits to independent production companies and local creative economies in the nations through the availability of guaranteed additional commissioning opportunities and national profile. Content creators in the English regions are not on a level playing field as they have less opportunities to win commissions than their counterparts in the other UK nations.

Too often BBC provision for its local and regional audiences is solely focused on news and current affairs. If there is to be a meaningful ecology that can actively support the development of strong creative clusters, then a more nuanced and inclusive approach needs to be adopted towards non-news programme commissioning from local suppliers.

Giving practical expression to the cultural identity and creative resources of a wider range of communities, cities and regions needs far more energy and imagination – and a more sophisticated approach than simply setting quotas for regional production. A more strategic, long-term commitment whereby the BBC exercises its considerable economic investment muscle is needed.

**1. Diversity in all its forms should be at the heart of BBC commissioning. As a point of both cultural and economic fairness, the BBC should commission and produce more network TV in the regions and more non-network (non-news, non-current affairs) content aimed specifically at audiences in England - giving voices in the regions an equal opportunity to have their distinct**

<sup>5</sup> <http://www.bbc.co.uk/annualreport/2014/executive/performance/nations-and-regions.html>

<sup>6</sup> <http://www.birminghammail.co.uk/news/midlands-news/outcry-bbc-spends-more-broadcasting-8718940>

local, regional and national cultures and identities portrayed and consumed by a UK-wide audience – in line with Wales, Scotland and Northern Ireland

## Commissioning Opportunities

One of the biggest flaws in the BBC's existing regional strategy is the absence of any regionally based commissioning editors or commissioning executives with a specific remit to improve, increase and broaden the range, value, and quantity of English regions' independent production company hours on network television. This has both cultural and economic consequences and is in contrast to the nations which each have dedicated commissioning executives.

While one of the BBC's responsibilities as a Public Service Broadcaster is to support the UK's creative industries, it is also charged with reflecting creative diversity and regional voices. Where is the representation for the English regions at a strategic, commissioning and channel controller level? When was the last time a channel controller or commissioning editor visited production companies in, for example, Leicester, Plymouth, Norwich or Newcastle? It seems evident that voices from a large expanse of the English regions are not being heard and although the occasional BBC drama may be set in regional areas, the people writing and making those dramas are rarely based there.

The BBC is not doing enough to reflect the creative and cultural diversity of England. This is ultimately an economic and creative loss for the whole of the UK.

**2. The BBC should introduce regional commissioning executives with a specific remit to improve, increase and broaden the range, value, and quantity of English regions independent production company hours on network television**

BBC commissioners and commissioning opportunities should be far more accessible and BBC executives should be encouraging and nurturing regional production companies so that regional voices can be heard - as they have been for a number of years in Scotland, Northern Ireland and Wales.

**3. BBC commissioning executives, as part of their KPIs, should be tasked with meeting diversity development targets and spend at least one day a month in the English regions meeting with, and advising, independent production companies (outside of existing BBC hubs)**

Much more could be done to mentor and support creative individuals and companies in the regions, for example by competitions, open-days, and collaboration with third party organisations. Given the extent to which, historically, the BBC has played a central role in establishing standards of technical and creative quality for the whole of UK media, we would go further and argue that **the BBC's training and mentoring role should be explicitly acknowledged as part of its remit**, and indeed its *raison d'être*

as a public service broadcaster in the next Charter period.

**4. Providing training and mentoring for its programme supply chain should be made an explicit purpose of the BBC for the next Charter period**

## Supporting Creativity in the Long-term

In meeting its out-of-London quota obligations, the BBC should take an approach that promotes the long-term development and sustainability of the regional SMEs it commissions. This is one of the fundamental purposes of having regional quotas.

The value of mutually supportive clusters of creative businesses is now recognised as a vital component in building successful and sustainable creative economies at local and regional level. However, the BBC's commitment to regional investment has largely been on a project-by-project basis, creating a fundamental lack of security for small businesses that must rely on one-off commissions to earn a living.

This has the knock-on effect of diminishing their ability to access finance, jeopardising their long term durability which, in turn, gives a superficially attractive picture of dozens of new entrants but fails to produce stable businesses that are able to consistently attract talent and reflect stories from their own immediate city or region. A more sensitive and sustained strategic approach would produce long-term benefits in the form of clusters of specialist skills and businesses - the location of the BBC's Natural History Unit in Bristol being an obvious example.

We recognise that resources are limited and that dividing funds on too equitable a basis geographically could dilute funding to such an extent that it would militate against the ability to build critical mass. We also appreciate the need to assess commissioning on a project by project basis; however, if the BBC is to truly support the growth and diversity of the British creative economy, it could and should do more to provide stable foundations upon which small creative businesses can be built.

**5. The BBC should develop regionally ring-fenced pots of funding which individuals and companies in the regions could bid for on a competitive basis**

As Channel 4 is currently doing through its growth fund, the BBC, either unilaterally or in partnership, should also start making small strategic investments in emerging content companies so that they have the security to innovate and be more attractive to other external sources of finance. This approach could help to encourage the production of more regionally representative content; support the development of particular regional strengths and sub-sector specialisms, help establish critical

mass and ensure each region gets a fair share of the cultural and economic benefit that the licence fee-backed BBC can deliver.

6. The BBC, either unilaterally or in partnership with others, should make small investments into emerging content companies so that they have the security to innovate and be more attractive to other external sources of finance. In addition to investment, the BBC should work closely with supported businesses to provide training, mentoring and business support

## A Risk Taking BBC

The BBC wields enormous economic power which helps shape the overall creative economy of the UK. In the months preceding the last BBC Charter Review, the then Culture Secretary, Dame Tessa Jowell, remarked that; "*The money that goes to the BBC through the licence fee is venture capital for the nation's creativity and that's how it should be spent.*"<sup>7</sup>

We wholly support Dame Tessa's assertion. The BBC should use the licence fee to promote new voices, new services and new companies by commissioning content and people that feed the growth of the whole creative sector. We recognise that this is more likely to happen if **the new Charter encourages and rewards risk-taking as part of the Corporation's function**, rather than obliging it to retreat into safe and traditionally-defined corners of 'market failure'. Part of the BBC's success in the past has been due to its power to stimulate competition and innovation throughout the creative sector. That role should be enhanced and shaped in such a way that it continues to provide a beneficial spur to British creativity.

The BBC refers to itself as "a uniquely 'open' media organisation that collaboratively innovates and shares its knowledge and expertise with the creative sector".<sup>8</sup> According to the BBC's own analysis of its economic impact, in 2011/12, approximately £12 million of benefits flowed to other broadcasters and firms as a direct result of the work of BBC R&D.

If all BBC technical innovations are genuinely open-source, then the BBC becomes a driver and supporter of innovation across the whole creative sector. The Corporation has made positive steps placing some of the outputs of its R&D investment - particularly around digital services - on new open-source platforms like GitHub. Clearly, other broadcasters and creative companies can derive value from such outputs which can support the wider creative economy.

The Corporation should do more to put the outputs of licence-fee backed intellectual property and R&D investment into the public domain for use by other bodies - and be seen to actively disseminate it as a way of supporting the wider creative sector.

<sup>7</sup> <http://news.bbc.co.uk/1/hi/entertainment/1800125.stm>

<sup>8</sup> [http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbc\\_economic\\_impact\\_2013.pdf](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbc_economic_impact_2013.pdf)

As national innovation charity NESTA recently commented; “One might expect that much of the software developed by the BBC would also be of value to other media and digital organisations. Such beneficial “spill-overs” are encouraged by the BBC’s use of open source licensing, which enables other organisations to download its software for free, change it as they see fit, and share the results”.<sup>9</sup>

**7. The BBC should undertake more collaboration with external partners on technology and the end product of BBC R&D should always be made available on an open source basis for the rest of the creative sector to use and develop**

Whilst the BBC has a good track-record in positively impacting upon wider markets, more could be done to harness public value from the licence fee to benefit the UK’s creative sectors. For example, the BBC sits on a huge back-catalogue of licence fee-backed intellectual property that could be opened up to creative SMEs to find new ways to commercialise those assets.

**8. The BBC should do more to exploit licence-fee funded intellectual property and open it up for use by SMEs and cultural organisations**

## New Opportunities

The BBC Trust has stated that “BBC viewers, listeners and users can expect the BBC to help everyone in the UK to get the best out of emerging media technologies now and in the future.” Key to the delivery of this priority will be making “engaging digital content and services available on a wide range of digital platforms and devices”.<sup>10</sup>

Over the course of the current Charter period, the up-take of digital technology has transformed the way we consume media and Ofcom has noted a growing generation gap, with younger and older people’s consumption habits increasingly differentiated across different communications media.

This trend is only likely to become more pronounced over time. Childwise Monitor’s 2015 annual report into children’s and young people’s media consumption found that tablet ownership among younger children has doubled in the last 12 months, with 1 in 3 children aged 5 to 7 having their own tablet.<sup>11</sup>

As competition for our attention intensifies, and with the emergence of a digitally literate young audience, the BBC must find new ways to remain relevant and cater for diverse audience tastes –

<sup>9</sup> <http://www.nesta.org.uk/blog/public-service-coding-bbc-open-software-developer>

<sup>10</sup> <http://www.bbc.co.uk/aboutthebbc/insidethebbc/whoweare/publicpurposes/communication.html>

<sup>11</sup> <http://www.prolificnorth.co.uk/2015/01/tablet-use-surges-as-youtube-and-minecraft-dominate-childrens-media-habits/>

particularly as one of its main outlets for content aimed at the 16-25 demographic – BBC 3 – moves online.

Ofcom has also noted that audiences want to see more original and innovative programming, but appear to feel that the PSBs – including the BBC - are “duplicating successful programme ideas and formats, potentially at the expense of more original, innovative and challenging programming.”

The increasing uptake of digital technology to access content should be viewed as an unprecedented new opportunity for the BBC to deliver its core public purpose remit. As technology is changing, so are the opportunities and means available to tell new stories and produce, distribute and consume content in new ways.

Digital content should be at the forefront of the BBC’s strategic thinking in the next charter period. In practice, this means increasing investment, developing new and diverse strategic partnerships, exploiting new technologies and being braver and bolder in commissioning activity. The Digital Fiction Factory (DFF), which launched in April 2011 in partnership with the BBC, Channel 4, Northern Content Limited and Creative England, represented an attempt to do just that. Although a valuable initiative, it failed to realise the ambitions of all its partners, for reasons we suggest in the boxed section below.

## A Promising Partnership That Failed to Realise its Full Potential

The Digital Fiction Factory was a pioneering project that looked to develop a new partnership approach to facilitate broadcaster engagement with small creative and digital suppliers; diversify the supply chain in the North of England and help support the growth of creative and digital SME’s by laying the foundations for the establishment of a sustainable production model and pipeline for the development and delivery of digital fiction. The DFF was delivered by a NW production company in partnership with the BBC, Channel 4 and a number of regional and national funding partners.

At its core, the DFF sought new broadcast industry opportunities for multi-platform, multi-screen storytelling formats by creating collaborative opportunities for writing talent (including Frank Cottrell Boyce, Malorie Blackman, Michael Rosen, Narinda Dharmi, Jeanette Winterson, Eoin Colfer and Melvin Burgess), directing/production talent and experts in digital content outside of TV to use programme assets – in effect, integrating digital into the beginning, rather than the end of the creative process.

As the BBC’s Peter Salmon commented; “It is one of BBC North’s key objectives to support local companies and find new ways of working with them. And to break down the traditional barriers between content and technology. As parts of the BBC’s Future Media & Technology division will be

based at MediaCityUK it is only natural that a key focus is exploiting the latest technology to create new content for all our audiences in partnership with these local companies”.<sup>1</sup>

Thus, audience and talent development went hand-in-hand - creating new content for children and young people and giving writers, directors and the emerging digital media industry across the North of England a chance to collaborate and produce truly innovative content. In the process, the DFF established a creative network in the north with over 300 creative and digital SME's. Over an 18 month period, it resulted in the development 276 original digital proposals, of which 58 were supported as paid-for proof of concept (POC's) developments. Of these 58 POC's, 3 went on to be supported as full pilots. In total DFF raised £2.5M.

Despite great enthusiasm and support from the BBC and all the partners unfortunately not one of these pilots went on to be commissioned by either of the broadcasters. What seems clear is that individual commissioner spending and decision-making was not aligned with the BBC's larger strategic corporate objectives and the “bigger picture” of growing the local supply chain did not make a sufficient impact at the level of commissioning editors.

The BBC's procurement structures, particularly around digital, should to be examined and the DFF model should be seriously looked at again with more energy, more resource and wider scope - there is undoubtedly opportunities for the DFF model to be rolled out beyond fiction into factual and entertainment genres as well as BBC Film. In the meantime, there is a clear need to ensure that BBC commissioner spending is fully aligned with the BBC's strategic corporate objectives – particularly around partnership.

## *A 'Terms of Trade' for the Digital Sector?*

The BBC could play a key role in stimulating the ability of creative and digital SMEs to build IP assets and scale their businesses. This can be achieved by providing finance, a national platform, profile and access to an international market.

With hundreds of digital and creative SME's competing for a limited number of commissioning opportunities from a handful of broadcasters (some of whom, such as BBC and ITV, also have their own established in-house production teams); the commissioning broadcasters can largely dictate whatever commercial terms they like. This could be harmful to the growth and dynamism of our creative and digital sectors.

The introduction of new rules governing the commercial relationship between the public service broadcasters (BBC; ITV; Channel 4; Channel 5) and the independent production sector, known as the “Terms of Trade”, is widely credited as having been the vital spur to the phenomenal growth of our now world-class independent production sector; and for making the UK one of the best places in the

world to be a TV producer.

9. We would encourage the government to explore the feasibility of introducing a 'Terms of Trade' for the digital creative sector, similar in scope to that introduced for the independent production sector in the 2003 Communications Act

## A Proposal for How the Resources of the BBC Could Engage the Public in a Completely New, 21st Century Approach to Public Service Broadcasting

Recent changes proposed to BBC Three could present a high-impact opportunity to reach and build a new, young audience through a dedicated online channel – one which embraces the potential to nurture upcoming and diverse talent through development of content to target a 'Radio 1 audience'.

Taking inspiration from such models as Jamal Edwards' highly successful SB.TV and a variety of Vimeo and YouTube channels, BBC Three could provide an accessible 24/7 platform on which to showcase short-form content of mixed genres, created by and for young people. Unlike existing commercial models, the BBC would add value by providing the professional guidance of experienced talent, programmers and commissioners and supporting the attraction and recruitment of a more socially diverse group of creators and producers.

Based in one of the UK's cities – our suggestion is Birmingham, a young, diverse and entrepreneurial city - the channel could maximise the combined expertise of existing and new BBC resources, particularly the established Writers' Room and expanding Digital operations as its foundation. Content could be sourced and curated from audience submissions, commissioned in a more traditional way, or developed and produced through managed new entrant/new voice programmes in collaboration with key partners.

Rooting itself in a region such as the West Midlands, it could establish a hot-house through which talent could be identified, nurtured, mentored and supported. Drawing on national support from organisations such as Creative England, Arts Council England, the BFI, Creative and Cultural Skills and Creative Skillset, and local input from innovative education and arts providers such as Birmingham Ormiston Academy, Birmingham City University and the Birmingham Rep Youth Theatre – it could even present exciting, practical ways to create valuable outreach and work experience.

Exploratory conversations through the Birmingham Creative City Partnership indicate that partner buy-in would be strong and between them, they offer a wealth of resources and experience,

including access to young people, new and emerging talent networks, mentors, facilities and independent sector contacts.

In summary the pilot would enable the opportunity and potential to:

- Put talent development and audience development side-by-side: young people in control.
- Position a BBC niche firmly alongside popular 'young brand' channels such as SB:TV.
- Attract new, diverse writing/producing/directing talent;
- Generate content for an audience in the 'gap' between children's and mainstream;
- Provide training and work experience opportunities for new entrants;
- Combine and maximise resources from strategic relationships and partnerships;
- Work to a scalable model: local, national and global.

We would welcome the opportunity to work with the BBC to take this proposal forwards

**10. The move of BBC Three to an online channel should be used as an opportunity to actively showcase new content created by and for young people; under the professional guidance of experienced talent, programmers and commissioners. The channel could be based in Birmingham, Europe's "youngest" city, thus providing the arguably under-served West Midlands with a more equitable allocation of Licence fee resource**

#### **Q12. Should the level of funding for certain services or programmes be protected?**

### **BBC Films**

We note that no reference to BBC Films is made in the Green Paper. The BBC plays a hugely important role in the UK's film industry ecology through BBC Films. Celebrating its 25th anniversary earlier this year, BBC Films has developed and produced over 250 films.

On an extremely modest annual budget, BBC Films co-produces around eight films a year and for every £1 BBC Films spends, around £5 of additional investment is attracted. This investment is helping play a crucial role in finding and nurturing the next generation of British filmmaking talent and enabling some of the best British films of the last two decades see the light of day.<sup>12</sup>

BBC Films is also a key partner alongside the BFI Film Fund and Creative Skillset on iFeatures, Creative England's low budget filmmaking initiative. iFeatures is committed to developing excellence in micro/low budget production and to ensuring that the most dynamic ideas and voices reach their fullest potential. Throughout its three iterations, iFeatures has supported over 126 writers, directors and producers; developed 46 projects and produced 6 features (including the BIFA and Dinard Film Festival winning ' *The Goob* ), with 3 more features currently in production.

<sup>12</sup> <http://www.bbc.co.uk/mediacentre/latestnews/2015/bbc-films-25-years>

BBC Films has been a crucial supporter from the very beginning of the iFeatures mission of helping to forge a stronger, more confident on-screen identity for cities, regions and communities across the English regions. It's this work, supporting and developing creative talent, feeding the whole British film and television industries with an astonishing flow of talent, stories, and locations; as well as empowering and representing a diversity of voices and cultures that should be at the very heart of the BBC's public purposes.

**11. At a minimum, the BBC's current investment levels into UK film should be protected and the role of BBC Films in finding and developing the new voices and creative talent of the future should be made its explicit core function.**

## Should Some Funding be Made Available to Other Providers to Deliver Public Service Content?

Creative England takes the view that, if the BBC forges genuine partnerships with external organisations and businesses, there is no need to top-slice the licence fee and introduce contestable funding. To do so would be likely to diminish the impact of whatever resources were so diverted. Far better for the BBC itself to use its resources strategically to build substantial collaborations and joint enterprises with external partners, large and small.

Stronger management and the development of mechanisms that incentivise commissioners and middle managers to give practical expression to the declared corporate ambition for more meaningful partnerships would be welcomed – and should be achievable.