



**REVIEW OF REGIONAL TV PRODUCTION AND PROGRAMMING
GUIDANCE**

CONSULTATION SUBMISSION

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A submission from STV Group plc

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STV Response

Executive Summary

1. STV is the commercial public service broadcaster for Scotland. Within its group, STV owns the two Channel 3 licences broadcasting across central and north Scotland. Our related production business is STV Productions.
2. With its base in Scotland, STV Productions is Scotland's largest indigenous television production company. With STV investment it has grown over the past decade into a multi-genre production business with a portfolio of national and international customers. It has a track record of producing high quality regional productions in the following genres:-
 - **Factual:** Ratings winner *Antiques Road Trip* (currently in production on Series 19 & 20) and sister programme *Celebrity Antiques Road Trip* (now in its ninth series) for **BBC One**; recent documentaries include *The Force, Yes/No* and *Inside Central Station* for **BBC**; *Ross Kemp Behind Bars – Inside Barlinnie* for **ITV1** and *Britain's Polar Bear Cub* and *Richard Wilson's Highland Fling* for **Channel 4**;
 - **Dramas:** New commissions *The Victim (2018)* and *Elizabeth is Missing (2019)*, both regional productions for **BBC One**. Previous dramas include long running series *Taggart* and *Rebus*, both regional productions for **ITV1**;
 - **Entertainment:** *Catchphrase Celebrity Special (2019)* for **ITV1**; previous entertainment shows include two series of popular quiz show *The Link* for **BBC One** and game show *And They're Off...for Sport Relief* for **BBC One**.
3. Headquartered in Scotland, STV Productions is well placed to deliver the surge of commissioning in the nations and regions and thereby contribute to the growth of Scotland's television production sector and creative industries. Its base in Scotland is both substantive and substantial, currently employing 18 permanent staff in its Glasgow office, in senior roles ranging from Chief Operating Officer, Executive Producer, Production Executive, Post Production Supervisor, Legal and Business Affairs and Finance.
4. As a regional broadcaster, STV has no influence over network spend and hours in its broadcast regions. We look to Ofcom to ensure that the new guidance and definitions are interpreted consistently by network broadcasters to deliver the policy ambitions to support long term economic growth in Scotland and stimulate the indigenous creative industries.
5. We broadly agree with Ofcom's proposed changes to the Guidance and definitions, in particular the requirement that the substantive base should already be operational prior to the point of commission.
6. We also note that the new Guidance does not list specific job titles which can be counted as "executives" and "senior personnel".
7. STV welcomes this opportunity to respond to Ofcom's "Review of Regional TV Production and Programming Guidance". Please see our specific Answers to Ofcom's published Questions below.

Consultation Questions

Questions about the TV production sector landscape [Please provide reasons and evidence in support of your response(s)]

Q1. Do you agree with our proposed change to articulate the intention of the regional production obligations at the start of the Guidance? (See wording at Annex 7).

A1: STV agrees that the policy objective should be articulated through the guidance, and that broadcasters must keep in mind the policy objective when they seek to apply the definitions.

However, we are concerned that Ofcom has introduced an additional layer of “localness” in its articulation of the policy objective of the regional programming obligations. In our view, this is unhelpful and unjustified specificity.

As a Scottish broadcaster we believe that regional programmes do not have to be “*about local communities*” in order to be relevant to the audiences they are intended to serve. We consider that weighting the policy objective towards topics of “local” interest would narrow the range and diversity of programmes commissioned by regional broadcasters. We would ask Ofcom to replace the term “*local communities*” with “*regional or national interests*”.

Q2. Do you agree with our proposed changes to the substantive base criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A2: STV welcomes the introduction of a requirement for the substantive base to be operational prior to point of commission. However, we are concerned that the application of this criterion may still be open to inconsistent interpretation by broadcasters.

We refer to p.4 of the Joint Broadcaster Guidance (issued 14 December 2018) which states:

“It is entirely legitimate for a production company to establish a new base for the purposes of a specific commission, with a view to it remaining substantive after the production is finished. However, in the spirit of the definition, broadcasters need to differentiate between genuine long term intent to maintain a substantive base, versus a temporary production office. This should be done through conversations with production companies at the point of commission.”

Whilst we recognise the importance of flexibility for start ups, in our view the absence of objective criteria (such as the lack of requirement for the substantive base to be legally incorporated, the length of time that the base should be operational prior to the point of commission, or the number of executives who are employed to manage the regional business) creates scope for ambiguity and is likely to result in inconsistent interpretation by broadcasters.

Q3. Do you agree with the suggested explanatory notes for the substantive base criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A3: Our experience is that the application of the second sub-criterion “(ii) senior personnel involved in the production in question” is subject to varying interpretation by broadcasters, regardless of the scale or type of production. While we understand the requirement for flexibility, given that job titles and responsibilities vary between production companies and across genres, we think that adopting the direction given in the Joint Broadcaster Guidance that “*in all genres this includes senior business roles (e.g. Production Executive, Line Producer, Head of Production)*” would deliver consistency and certainty.

Q4. Do you agree with our proposed changes to the production budget criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A4: We note Ofcom’s proposed change that the production fee should be excluded from the calculation of the production budget criterion. In practice, STV Productions has always excluded the production fee from its calculation. However, we consider that where the production satisfies the substantive base criterion, it would be appropriate to classify the production fee as national or regional spend and therefore **include** the production fee in the calculation of the production spend criterion, contributing as it would to the sustainability of the production company and the wider growth of the sector within that nation or region.

Q5. Do you agree with the suggested explanatory notes for the production budget criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A5: Yes, subject to our comment above in respect of the allocation of the production fee.

Q6. Do you agree that the off-screen talent criterion should remain the same? If not, please explain why, providing appropriate supporting evidence where possible.

A6: We agree that the off-screen talent criterion should remain the same.

Q7. Do you agree with the suggested explanatory notes for the off-screen talent criterion (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A7: We agree with Ofcom’s explanatory notes that only creative roles should be counted towards the off-screen talent criterion.

Q8. Do you agree with our proposed change to exclude self-promotional content from the calculations? If not, please explain why, providing appropriate supporting evidence where possible.

A8: No comment.

Q9. Do you agree with our proposed changes to the allocation categories (see wording at Annex 7)? If not, please explain why, providing appropriate supporting evidence where possible.

A9: No comment.

Q10. While we are not obliged to consult on our internal processes, we would welcome stakeholders' views on any adverse consequences we have not identified that may occur as a result of our planned changes in relation to our compliance and enforcement processes, namely:

- a) data gathering and reporting by the broadcasters;
- b) more comprehensive data publications;
- c) proactive monitoring by Ofcom; and
- d) a clear articulation of the complaints process.

A10: No comment.

Q11. Do you agree with our proposal for the new Guidance and majority of changes to take effect from January 2020?

A11: Yes.

end

