



Teledwyr Annibynnol Cymru  
Welsh Independent Producers

[www.tac-cymru.co.uk](http://www.tac-cymru.co.uk)

**Response to Ofcom Consultation:  
Holding the BBC to account for the delivery of its  
mission and public purposes**

**July 2017**

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## About TAC

1. TAC is the trade association which represents the independent TV production sector in Wales, which is comprised of over 40 companies making TV content for all the UK Public Service networks, plus BBC Wales and S4C, as well as being involved in international co-productions. Like all current content production companies, TAC's members work across online platforms and many also make radio, including for national BBC stations Radio Wales and Radio Cymru.
2. During the BBC Charter Review process, TAC supported the idea of Ofcom regulating the BBC and put the arguments for doing so directly to Sir David Clementi and the then Secretary of State for Culture, Media & Sport, as well as putting them in its written response to the Green Paper. We are therefore pleased that Charter Review decided that the BBC should be externally regulated by Ofcom, and look forward to working with Ofcom going forward.
3. Clearly, the operating licence and operating framework form an important part of Ofcom's regulation of the BBC, and contain key provisions relating to the BBC's relationship with the creative industries.

## Capacity of the production sector in Wales

4. On a general level, we would like to reiterate a point we have raised with Ofcom previously regarding its 2015 review of the TV production sector, which reproduced inaccurate figures from a research report claiming that Wales had only ten active TV production companies<sup>1</sup>. This figure was far from accurate – TAC alone has nearly 25 members, and overall, as stated above, there are at least 40 TV production companies active at any one time in Wales. This can be seen from S4C's annual reports<sup>2</sup>, which list those with which it works each year, also including companies in the wider creative sectors.
5. This clearly demonstrates the indie sector in Wales is far more extensive than Ofcom has previously been led to believe by other third parties. This is important to note in terms of Ofcom being aware of the true range and accurate depth of capacity to make programmes for the BBC by companies all across Wales, which in turn affects the overall policy and extent to which the BBC should be engaging with that sector during the course of this Charter and beyond.

## The BBC and Wales

6. Making greater use of production companies in the nations and regions in itself helps to achieve many of the BBC's public purposes, not just by relating to diversity but also to distinctiveness, and providing value for money to the licence fee payer.
7. Having seen the Ofcom consultation and heard the statements made by the Chief Executive at the Nations & Regions Media Conference earlier this year, we are encouraged that Ofcom is taking these purposes seriously, seeking to ensure the BBC is required to engage with them in a meaningful way that is not open to alteration in the event of changes of management or short-term expediency.
8. We note that the BBC has been subject to greater pressures due to the makeup of Parliament to deliver more in Scotland, and this has led to concern at a growing disparity between the extent to which that nation is granted additional services and funding compared to Wales. We hope this will not be the case going forward, and that Ofcom ensures that spend in each nation is attributed in a more systematic and evidence-based fashion.

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<sup>1</sup> Review of the operation of the television production sector: a report for the Secretary of State for Culture, Media & Sport. Ofcom, Dec 2015, p4, para 1.11

<sup>2</sup> See Appendix 1 detailing the independent TV production companies worked with by S4C in two consecutive years

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9. We welcome Ofcom's understanding, as expressed in this consultation, of the wider needs of the creative sector in terms of the BBC spreading the TV Licence Fee across all the UK nations and their diverse communities. We detail in our response several areas where we would like Ofcom to pay close attention. This includes the requirement for the BBC to commission a minimum numbers of hours of programming from the nations, as well as having minimum levels of spend. In addition, there is a need to fully identify the extent to which this spend equates to genuine growth in the creative sector, as specified in the BBC's public purposes.
  10. TAC greatly welcomes the measures in the BBC Charter to open up more BBC programmes to competition. As Ofcom is aware, for this to work, it must be the case that the BBC operates on a level playing-field in terms of the commissioning process and any requirements associated with it.
  11. In this respect, Ofcom needs to be particularly sensitive to the difference between the BBC supporting indigenous production companies and encouraging London-based companies to take part in 'brass-plating', namely establishing a small office in a nation but carrying out a degree of the production work elsewhere and in particular using talent brought in from outside Wales or another nation.

**Comments on specific aspects of the proposed approach**

Section 1: Executive summary	
Relevant paragraph	TAC comment
1.19.4	<p>There is concern regarding the statement: ‘Our proposals for strengthening delivery include increasing quota levels where appropriate, when the BBC has delivered above existing levels over a period. We propose introducing requirements that guarantee network content expenditure, <b>and for the number of hours made in each of the nations to be in proportion to population share.</b>’</p> <p>This requirement is then detailed in the Draft Operating licence in paragraphs 2.39 - 2.43.</p> <p>We would question the validity of such an approach, not least bearing in mind it has been reported<sup>3</sup> that such a calculation could lead to a reduction in spend in Wales.</p> <p>We believe the reasoning for this formula is fundamentally flawed. It is false reasoning to assume that any programme made in Wales is specifically <i>for</i> Wales. The point about increasing diversity in the nations and regions onscreen is for people all around the UK to better understand the lives of those living in other countries and areas.</p> <p>Therefore, if it is equally important for people to understand the lives of those living in Wales as it is in Scotland, it surely follows that an approximately equal amount of resources should be dedicated to ensuring this happens, and to provide an approximately equal number of hours of content for people across the UK to learn more about each nation.</p> <p>In addition, in order for there to be a competitive number of companies available pitching in ideas originating in Wales, ensuring that an equitable number of hours are commissioned will create a more thriving and vibrant sector from which the BBC can choose a range of programmes to commission.</p> <p>Ofcom should therefore require that a far more equitable number of hours are commissioned to be made in each nation to ensure that production companies in Wales are given an equal opportunity to represent that nation to the rest of the UK, as do those in Scotland.</p>
Section 2: Ofcom’s approach to holding the BBC to account for its performance	
Relevant paragraph	TAC comment
2.14.4	<p>We welcome Ofcom’s statement that ‘Our focus on first-run UK originations from the BBC is likely to benefit the UK production sector. These benefits might be felt by independent producers, or by the production arms of competing broadcasters (such as ITV Studios). There is a potential positive impact for production companies in the nations and regions, related to the regulatory conditions around minimum levels of programme-making expenditure in the nations, and outside of the M25 region.’</p>

<sup>3</sup> Ofcom to force BBC to spend more outside London. Guardian, 29 March 2017.

<https://www.theguardian.com/media/2017/mar/29/ofcom-to-force-bbc-to-spend-more-outside-london>. Accessed 23 June 2017

The recognition of this is crucial in understanding why the BBC must be required to commission a wide range of productions from each nation, rather than just focussing on a few genres as they would appear to wish to do. Whilst the BBC has made strategic decisions on where its production is located and then pointed to the benefits which that brings to the local area, this is less than clear cut in the extent to which it has created more and regular employment in Wales. For example, the production of *Holby City* has moved from Bristol to Cardiff, but TAC's understanding is that many of the production team still travel from Bristol to make the show.

Likewise, there are cases where filming might take place in Wales, but the special effects element of a programme might be completed outside Wales – i.e. that when producing a programme in-house, BBC Studios is not necessarily required to take a Wales-focussed view of where the production is made and making use of local facilities and expertise.

We have therefore yet to see an uplift of any significance in the wider Welsh creative sector as a result of the BBC investment.

We do welcome the BBC's commitment in its interim annual plan to 'deliver [in Wales] at least 130 hours of additional output each year for BBC One, BBC Two and BBC iPlayer, focused on comedy, drama and landmark factual', including 'three major drama series set in Wales broadcast on BBC television, and 'aim to ensure at least 50% of the additional hours produced are broadcast across the UK on the BBC's network channels'. The BBC also promises to 'work in close partnership with the creative sector'<sup>4</sup>. We would point out that, whilst this is encouraging, it does not necessarily point to being a long-term commitment.

There needs to be a step change in the BBC's commissioning approach to ensure a systematic process, through which a wide range of production companies based all around Wales are given the opportunity to engage in the commissioning processes for these series.

Central to this is an equitable approach to allowing producers to meet and discuss ideas with commissioners. These are currently irregular and all too rare, and when they do happen, it is assumed that 'Wales' means 'Cardiff' in terms of meeting-places and locations for briefings.

There must be a requirement for the BBC's annual plan to include a full commissioning timetable which sets out meetings with commissioners, across a wide range of genres, across Wales over a given year.

The BBC should also demonstrate its spending in the independent sector in a nation is spread amongst indigenous production companies, independently established in Wales and using Wales-based talent and staff, rather than a company which has established a small presence through 'brass-plating' an office but in actual fact is temporarily bringing in production teams from outside Wales to work on a programme.

<sup>4</sup> Annual Plan for 2017/18. BBC, July 2017, p28

<b>Section 3: Ofcom's approach to holding the BBC to account for its performance</b>	
<b>Relevant paragraph</b>	<b>TAC comment</b>
3.2	<p>The consultation points out that Ofcom is currently required to pass any proceeds from financial penalties on to the Treasury. Whilst the principle is understood that a regulator should not gain financially from fining those it regulates, it is regrettable that, in effect, we could see TV Licence Fee funds go into the Treasury and therefore be used for purposes other than providing public service broadcasting.</p> <p>TAC would like to see the proceeds from any financial penalty imposed on the BBC be reinvested in public service content. One option that presents itself is the Government's proposed public service contestable fund, which has an initial fund of around £60m, but for which longer-term financing is not in place. Any proceeds from fining the BBC could be added to the fund on an annual basis, thereby providing additional revenue for bids for content and ensuring that the licence fee money will ultimately be used for its original purpose rather than by the UK Government for non-PSB purposes.</p> <p>We therefore call on Ofcom to request from Government the power to allocate money from BBC fines to fund PSB specifically.</p>
<b>Consultation Question 1: Do you agree with our overall approach to setting the operating licence?</b>	
<b>Relevant paragraph</b>	<b>TAC comment</b>
4.16	<p>We welcome Ofcom's decision to publish separate documents that summarise the requirements to serve audiences of each nation. Equally, however, it must always be remembered that part of requiring the BBC to work more with the creative economy in the nations is to project different parts of the UK across the UK as a whole. In other words, regulation of the BBC's requirements in this respect must always pay due attention to the BBC needing to allow each nation to speak to itself but also speak to the wider UK, not least through commissioning productions from a wide range of indigenous companies. Portraying audiences in one nation to another is a form of serving those audiences.</p>
4.21–4.24	<p>TAC welcomes Ofcom's recognition that, where the BBC has shown a quota to be easily met in terms of distinctiveness and underserved genres, these quotas should therefore be raised. As a publicly-funded broadcaster, it is the BBC's role always to be seeking to attain greater levels of public service, and Ofcom's role is setting minimum requirements and expecting the BBC to exceed them, as a key part of its role. It is important to point out that these genres such as children's, religion and made in the nations are 'under-served' not through any lack of production ability or capacity in the independent sector – indeed, in Wales, genres such as children's are a speciality, creating a wide range of content from S4C's television, online and mobile children's service <i>Cyw</i> (made by Boom Cymru), to programmes with wider reach beyond Wales, such as <i>Paw Patrol</i> (made by Cwmni Da). Ofcom is therefore correct to state that the BBC has the ability to attain greater levels of output for these genres, especially if it utilises the specialist abilities of the independent production sector around the UK.</p>

<b>Consultation Question 2:</b> <i>Do you agree with the approach we have proposed for public purpose 1 (to provide impartial news and information to help people understand and engage with the world around them), including the high-level objectives and regulatory conditions we are proposing?</i>	
Relevant paragraph	TAC comment
n/a	As news provision is reserved for BBC in-house production, we have no comment to offer on this purpose.
<b>Consultation Question 3:</b> <i>Do you agree with the approach we have proposed for public purpose 2 (to support learning for people of all ages), including the high-level objectives and regulatory conditions we are proposing?</i>	
Relevant paragraph	TAC comment
4.51	We greatly welcome Ofcom's raising of the requirements regarding factual and drama output in children's content, as well as music and arts. TAC hopes that this can dovetail with the BBC's nations and regions requirements to bring the BBC audience a wider range of events and music from around the UK, including Wales.
<b>Consultation Question 4:</b> <i>Do you agree with the approach we have proposed for public purpose 3 (to show the most creative, highest quality and distinctive output and services), including the high-level objectives and regulatory conditions we are proposing?</i>	
Relevant paragraph	TAC comment
4.66	Since TAC members work on productions featuring contemporary music by indigenous acts, we welcome the increased emphasis on UK talent – particularly new UK acts – placed on BBC Radio 1 and Radio 2. In tandem with the BBC opening more of its hours to competition from the independent sector (to a level of 60% by 2022), we hope this will allow companies in the nations to use their skills to find talent in their communities. One such example is the S4C programme <i>Ochr 1</i> (made by Antena), which features a weekly show plus short-form pieces online, and which highlights emerging new acts in Wales. In the past, rock acts such as Meic Stevens, The Alarm, Catatonia, Super Furry Animals, Gorky's Zygotic Mynci and also singers such as Charlotte Church, Katherine Jenkins and Rhydian Roberts (if you wanted to extend the field of genres) have shown that Welsh acts can have a wide appeal, but the BBC and others have not done enough to allow new acts to have enough exposure more recently.
<b>Consultation Question 5:</b> <i>Do you agree with the approach we have proposed for public purpose 4 (to reflect, represent and serve the diverse communities of all the UK's nations and regions), including the high-level objectives and regulatory conditions we are proposing?</i>	
Relevant paragraph	TAC comment
General comment	It is important for Ofcom to ensure that the BBC treats each nation on an equal basis. For this reason, TAC has been disappointed that the BBC has appointed a children's

	<p>commissioner for Northern Ireland and Scotland specifically, but has left out Wales. TAC has twice contacted the office of the BBC Director of Nations and Regions on this matter, and has yet to receive a reply. We have now contacted the Director of Children’s Content in the hope that they can provide reassurance that independent production companies in Wales will be afforded a specific executive in the same way.</p> <p>We remain hopeful of resolving this matter, but we ask Ofcom to note that this demonstrates an apparent blind spot in regulation, where the BBC has been able to take a strategic decision to treat one nation in an inferior manner to the others, as it falls outside any quotas or other stipulations in the Charter.</p>
4.3	<p>As this section states, one of the BBC public purposes is ‘to reflect, represent and serve the diverse communities of all of the UK’s nations and regions and, in doing so, support the creative economy across the UK.’</p> <p>Events over the last year have shown that Britain has deep-lying issues over the extent to which people in many parts of the UK feel that they are (or not) included, represented and portrayed in media output.</p> <p>Therefore, whilst Ofcom has a duty to regulate to the highest standards across all areas, TAC would argue that, in terms of interpreting and putting substance to the requirements under this purpose, Ofcom should be proactive in ensuring that the BBC is pushing its boundaries to ensure all TV Licence Fee payers feel that what they are paying for features their lives, stores and perspectives, as well as exposing them to others from elsewhere around the UK.</p>
4.105	<p>The consultation states: ‘We consider it important for there to be stable levels of production outside London and across the nations and regions, so that the full economic and wider benefits of commissioning can be realised across the UK.’</p> <p>Whilst quotas on spend in the nations are part of the answer, they will only really help to develop the creative economy if that spend is spread around the creative sector in all parts of Wales. The concern currently is that the BBC allocates much of that spend on productions made by its studios in Cardiff, and whilst these productions will be subject to the new competition process, any existing productions will be required to be made there, thereby reducing the opportunities for producers in North Wales, West Wales and elsewhere, especially in tandem with the BBC’s intention of removing requirements on hours (see our comments on paragraph 4.112.2 below).</p>
4.108– 4.109	<p>In paragraph 4.108, the consultation refers to the recent BBC announcements increasing its commitments to the nations. Clearly, a very important aspect for TAC’s members is the requirement under the BBC’s nations and regions public purpose that: ‘In commissioning and delivering output, the BBC should invest in the creative economies of <b>each of the nations</b> and contribute to their development.’</p> <p>We also note and welcome Ofcom’s statement in paragraph 4.109.2 of the consultation that the BBC should: ‘build sustainable growth for the creative industries across the UK’.</p> <p>Whilst TAC welcomes a commitment to greater spending, we also note that the BBC increased its spend in Scotland by a much larger percentage, announcing in February that: ‘we are also currently making major investments in Scottish programming across the BBC’s Network TV output, with a particular focus on the commissioning of drama and factual programmes. Compared to 2015/16, this means we will be spending around £20m extra, per year, over the three years to March 2019. This will support the delivery of our network</p>



	<p>production targets and put a greater emphasis on portraying the Nation'<sup>5</sup>. In addition, the BBC announced investment of £19m in an extra Scottish TV channel and 'digital developments, plus an increase in funding for the Gaelic service BBC Alba.</p> <p>Contrasted with this was an announcement regarding £8.5m additional spend in Wales<sup>6</sup>, which, with interesting timing, was announced just prior to the extra spend in Scotland. Concern was voiced by many leading figures<sup>7</sup> that Wales is not being prioritised by the BBC in the same ways as other nations. We would question on what grounds the BBC justifies the current approach, and suggest that Ofcom monitor such developments and require an assurance from the BBC that it will move towards a more equitable balance of spend in each nation.</p>
4.112.2	<p>We note that Ofcom is planning to require a certain amount of hours to be produced in each nation. We further note that, in his appearance on 28 June before the Culture, Welsh Language and Communications Committee of the National Assembly for Wales, BBC Director General Lord Hall questioned Ofcom's approach in this regard, arguing that the BBC's aim was to focus on their Roath Lock drama production unit to fulfil the target of spend in Wales, but that these high-budget productions might involve fewer hours being commissioned<sup>8</sup>.</p> <p>TAC's concern here is that there is a concentration on the BBC focusing its production spend in Wales almost wholly on a few large productions. This will not serve to ensure a lively independent production market in Wales, with a good number of companies competing for a range of BBC commissions. Instead, it will focus on a few companies, with a strong possibility that those will be based in South Wales rather than elsewhere. In order to grow business, creative companies need a reasonable volume of production, rather than simply a few drama productions, which in many cases may be short-lived, one-off series.</p> <p>In addition, we do not follow the logic of genres such as factual, arts and music being considered less important in portraying and reflecting the nature of the UK nations.</p> <p>Rather, the strategic decision to focus on genres which can best make use of the BBC Studios facilities appears to be based more on the BBC's business needs rather than satisfying the needs of the licence fee payers in the nations, or increased fair and accurate portrayals of their lives and communities.</p>
4.115	<p>Leading on from the above point, TAC agrees with Ofcom that: 'the quota levels we have proposed for production and hours of programming will help ensure audiences in the nations and regions are well served.'</p> <p>We would ask Ofcom to keep its proposed stipulation on hours in place. If this means the BBC commits more spend to Wales in order both to satisfy this hours requirement and to ensure that there is a range of diverse commissions being made available for Welsh production companies to pitch for, this would seem to us to be a 'win-win' scenario in</p>

<sup>5</sup> Biggest BBC investment in Scotland in twenty years. BBC Press Release, 22 February 2017.

<http://www.bbc.co.uk/mediacentre/latestnews/2017/scotland-investment>. Accessed 23 June 2017

<sup>6</sup> BBC to increase investment in programming for Wales by 50 per cent.

<http://www.bbc.co.uk/mediacentre/latestnews/2017/wales-investment>. Accessed 23 June 2017

<sup>7</sup> BBC Scotland channel prompts 'insult' to Wales claim. <http://www.bbc.co.uk/news/uk-wales-politics-39052154>. Accessed 23 June 2017

<sup>8</sup> The Record of Proceedings. The Culture, Welsh Language and Communications Committee. 28/06/2017, para 41-42

	<p>terms of the BBC meeting its requirements to better serve the nations and to grow the UK creative economy.</p>
4.114	<p>This paragraph rightly states that: ‘Increased BBC investment in the creative industries of the UK should contribute to a more diverse production sector.’</p> <p>Referring again to Lord Hall’s appearance before the Culture, Welsh Language and Communications Committee of the National Assembly for Wales, TAC is concerned that Lord Hall stated that a requirement of independent producers winning existing commissions made at the Roath Lock facility was that they continued to do so:</p> <p><i>Jeremy Miles AM: Sorry, just to understand that point ... so if there’s a production currently in Roath Lock that becomes contested —</i></p> <p><i>Lord Hall: We’d be saying, ‘You have to base it in Roath Lock’.</i><sup>9</sup></p> <p>TAC would ask whether that policy is in the spirit of genuine competition.</p> <p>We welcome the creation of the Roath Lock facility, of course, and it is logical that, where an existing set has been constructed, for example, that of <i>Holby City</i> or <i>Doctor Who</i>, it would be a <b>questionable</b> decision to reconstruct it elsewhere.</p> <p>In most cases, the production company concerned would agree that the existing set made sense to use, but to make it a requirement surely inhibits the creative process. However, in principle, there should always be the option when pitching for a pre-existing programme for a producer to suggest a departure from its previous setting and location in order to pursue a new creative direction for the programme in question. There are examples of production moving from one location to another. It is worth noting at any rate that <i>Casualty</i> was moved from Bristol to Cardiff, adding to the amount the BBC was able to say it spends in Wales. Other series, such as <i>Waterloo Road</i>, have also changed location.</p> <p>If the BBC is allowed to work with BBC Studios to operate in any kind of monopolistic fashion, there is a danger that rates will become uncompetitive for facilities provided to production companies whilst they are required to make use of them.</p> <p>Lord Hall’s remarks at the committee suggest to TAC the presence of an underlying factor, namely that the BBC sees the offering of programmes to the independent production sector as less than a fully competitive process, and more of a distribution of funds according to an internal BBC strategy of what best suits their own investments and predetermined strategy.</p>
4.118	<p>We welcome Ofcom’s statement in this section that ‘we expect the BBC to set out in its annual plan how it intends to deliver a range of genres for the nations.’</p> <p>However, the current interim plan published by the BBC fails to do so, focussing instead on drama and comedy. We therefore ask Ofcom to require the BBC to demonstrate a wider commitment across a large range of genres than only drama and comedy in its final plan.</p>

<sup>9</sup> The Record of Proceedings. The Culture, Welsh Language and Communications Committee. 28/06/2017, para 66-67

<b>Consultation Question 6: Do you agree with Ofcom's approach to how we will set and amend the operating licence, as set out in Annex 5?</b>	
<b>Relevant paragraph</b>	<b>TAC comment</b>
A5.5	<p>This states that: 'Where Ofcom is considering an amendment to a Licence, Ofcom will consult the BBC, and Ofcom will decide on a case by case basis which other persons (if any) it is appropriate to consult, having regard to the nature and significance of the proposed amendment.'</p> <p>There is concern here that a licence change which could affect the creative industries would not be able to be commented on by key players in the wider industry. As stated above, encouraging the growth of these creative industries is one of the BBC's public purposes.</p> <p>At the very least, Ofcom needs to publish the criteria used to determine whom it might choose to consult and on what grounds. Otherwise, this appears to be an opaque process which lacks the appropriate level of scrutiny.</p> <p>Ofcom should also publish any proposed change to a licence in order to allow any other persons who felt that they should be consulted to make the case to Ofcom that this is the case.</p>
5.19.3	We clearly welcome the commitment that Ofcom 'may impose such further regulatory conditions as we consider appropriate for requiring the BBC to secure that the audiences in Scotland, Wales, Northern Ireland and England are well served.'
<p><b>Consultation Question 7: Do you agree with our proposed overall approach to performance measurement?</b></p> <p><b>Consultation Question 8: Do you agree with the proposed framework of: availability; consumption; impact; contextual factors?</b></p> <p><b>Consultation Question 9: Do you agree with Ofcom's approach to how we will set and amend the performance measures?</b></p>	
<b>Relevant paragraph</b>	<b>TAC comment</b>
General Comment	In general, we agree with the overall proposed approach but have some specific points below which we ask Ofcom to address.
A6.6	<p>With regard to the proposed 'Availability' measure for Purpose 3, we welcome the proposed metric: 'Commissioning analysis: types and range of production companies used by the BBC'.</p> <p>We agree that this is an important criterion to consider. We would welcome more detail from Ofcom on how it defines 'range' and 'type', and how it would assess whether the range and type of company used by the BBC was adequately meeting its purposes.</p>
A6.7	With regard to the measurement of Purpose 4, relating to the nations and regions and creative economy, we believe the above criterion should also be specifically applied.

	<p>Currently Ofcom proposes as one of the measures:</p> <table border="1" data-bbox="376 241 1449 320"> <tr> <td data-bbox="376 241 951 320"> <b>Spend on first-run UK originated network programming produced in each nation/region</b>  <i>e.g. proportion of network spend in Scotland</i> </td> <td data-bbox="951 241 1449 320">                     The investment by the BBC in a broad range of production centres outside of London.                 </td> </tr> </table> <p>However this meaning of ‘production centres’ could be interpreted as the BBC’s own, for example, Roath Lock in Cardiff, as opposed to production centres which are creative clusters of independent production companies, as exist in locations such as Caernarfon or Swansea, not just Cardiff.</p> <p>This is an important distinction, as too narrow a definition of ‘production centre’ undermines the BBC’s requirement to ensure it is helping to grow the wider creative economy.</p> <p>Elsewhere in this section, Ofcom state that a ‘contextual factor’ would be:</p> <table border="1" data-bbox="376 667 1449 723"> <tr> <td data-bbox="376 667 951 723"> <b>Assessment of the BBC’s impact on the creative economy</b> </td> <td data-bbox="951 667 1449 723">                     Information on the BBC’s impact on the creative economy.                 </td> </tr> </table> <p>However it does not specify what type of information this would be.</p> <p>This is of concern bearing in mind that the BBC needs to properly satisfy its requirement to grow the creative sector. As stated elsewhere in this response, to do so, to satisfy this requirement, BBC spend must be with indigenous production companies in the nations, rather than with companies based elsewhere but with a small outlying office through which they can process payment, whilst bringing in production teams from outside Wales to work on a programme.</p> <p>We would therefore ask that Ofcom includes within these measure the ‘range and type of companies’ criterion that it applies to Purpose 3 above.</p>	<b>Spend on first-run UK originated network programming produced in each nation/region</b> <i>e.g. proportion of network spend in Scotland</i>	The investment by the BBC in a broad range of production centres outside of London.	<b>Assessment of the BBC’s impact on the creative economy</b>	Information on the BBC’s impact on the creative economy.
<b>Spend on first-run UK originated network programming produced in each nation/region</b> <i>e.g. proportion of network spend in Scotland</i>	The investment by the BBC in a broad range of production centres outside of London.				
<b>Assessment of the BBC’s impact on the creative economy</b>	Information on the BBC’s impact on the creative economy.				

## Appendix 1

### Welsh-based independent production companies commissioned by S4C in 2014-15 and 2015-16

Wales-based Independent TV production companies commissioned by S4C * [company affiliated to]	
2015-16	
Aden Productions Ltd	Joio
Antena Cyf	Kimberley Warner
Avanti Media Ltd	Lefel Dau Cyf
Awen Media	Made In Wales & Co Ltd
Barefoot Rascals Cyf	Optimwm
Bloom Street Productions Ltd	POP 1 Ltd [Tinopolis]
Boom Pictures Productions Ltd	Rondo Media Cyf
Ceidiog Cyf	Silin Cyfyngedig
Chwarel Cyf	Slam Media
Cwmni Da	Sports Media Services [Tinopolis]
Cynyrchiadau Alpha	Sunset & Vine Productions Ltd [Tinopolis]
Damage Un Limited	Tarian Cyf
Darlun Cyf	Telesgop
Dream Team	Tifini Ltd
Eisteddfod Genedlaethol	Tile Films Ltd
Ffatti Ffilms [Tinopolis]	Tinopolis
Ffilm Ffolyn Ltd	Trisgell Ltd
Ffranc Ltd	Unigryw
Fiction Factory [Tinopolis]	Vox Pictures
Freewheeling Flms Ltd	Wes Glei Cyf
Goriad Cyf	Zeitgeist Entertainment Ltd
Green Bay Media Ltd	Zipline Creative Ltd

*[\* information extrapolated by TAC from S4C Annual report for 2014-15]*

<b>Wales-based Independent TV production companies commissioned by S4C *</b>	
<b>[company affiliated to]</b>	
<b>2014-15</b>	
Acapela	Goriad
Acme Productions	Greenbay Media Hay
Aden	Hinterland Films [Tinopolis]
Antena	le le Productions
Ap Bwcibo	Joio
Apollo [Boom Cymru]	K2IL
Avanti	Lefel Dau
Awen Media	Optimwm
Boom Pictures	Orchard
Captain Cat [Tinopolis]	Oysterworld
Captain Jac	Pedol Media
Ceidiog	Pioneer [Tinopolis]
Chwarel	Rondo Media
Cwmni Da	Sain
Cube Interactive	Slam
Damage	Sports Media Services [Tinopolis]
Eisteddfod Genedlaethol Cymru	Sunset & Vine [Tinopolis]
Ffattif Films [Tinopolis]	Telesgop
Fflic [Boom Cymru]	Tinopolis
Ffranc	Toot
Fiction Factory [Tinopolis]	Thud Media [Boom Cymru]
Freewheeling Films	Trisgell
Glasshead	Truth Dept

*[\* information extrapolated by TAC from S4C Annual report for 2015-16]*