

Notes from PSB vs SVOD Panel session VLV Conference April 27 2022

Claire Enders, founder of Enders Analysis, opened the debate with a presentation, setting out the landscape of public service broadcasting in the UK. She was very optimistic that the PSBs will thrive for a number of reasons. She said that traditional television viewing has not declined as quickly as predicted and is still popular among audiences; audiences like UK content which reflects their lives and this is not a mainstay of the global streaming platforms such as Netflix and Amazon; advertising on television has bounced back although it is likely that during the predicted period of recession we are facing the only area of growth in advertising income will be on online platforms. She finished by predicting that the streaming platforms will find the coming years increasingly challenging because their funding models are dependent on funding from capital markets; interest rates are likely to rise and this will increase the cost to the SVoDs. Alongside this, consumers are likely to limit the number of SVoDs they subscribe to as household budgets are squeezed.

Khalid Hayat, Director of Strategy & Consumer Insight at Channel 4, agreed with Claire that the PSBs will survive because they are popular and provide an important service. He stressed that one of the benefits of the UK's PSB system is that we have a plurality of business models – ITV and Five are commercially owned and advertiser funded, Channel 4 is publicly owned and advertiser funded and the BBC is publicly funded, not reliant on advertising income. Any change to one of these elements, such as the BBC being forced to take advertising funding or the privatisation of Channel 4, will be detrimental for audiences because this system has worked well. It drives competition for quality and innovation between the four broadcasters and this benefits audiences because it guarantees a wider range of content. He highlighted that Channel 4 is diversifying its income streams so that in the coming years it will be increasingly less dependent on advertising income from its traditional TV channels.

Gareth Barr, Controller of Policy & Regulatory Strategy at ITV, predicted that the PSBs will survive and thrive as long as broadcasting regulation is updated so that the PSB channels are easier to find on all platforms and devices. ITV is also calling for fair terms when they negotiate with platforms and devices so that they can continue to make a return on their investment in productions. ITV's view is that the PSBs will continue to do well because British audiences want the best of culturally specific British content while also being allowed to watch the best of global content on streaming platforms. He highlighted that the traditional PSB channels are the only platforms which can attract audiences of millions of people at the same time, with more than 5 million viewers regularly tuning in live to ITV in 2021. ITV has a strategy to provide 'must watch, must see' content which brings the population together, from soap operas to sports to news. He said that ITV regional news is often in the top ten of ITV's programmes in popularity each day. He explained that ITV's new streaming service, ITVX, which is due to launch later in 2022 will be an advertiser funded online streaming platform with an optional paid-for service with additional benefits.

Sian Doyle, CEO of S4C, talked about how S4C plays a different role from the other PSBs with its unique purpose to serve audiences who speak Welsh while also supporting the creative industries in Wales. S4C provides Welsh language content for audiences across all age groups and one third of its reach is outside Wales. Sian said she was pleased with the recent funding settlement from the DCMS, but providing a range of content for all audiences is quite challenging on a limited budget so S4C's future depends partly on it collaborating with other broadcasters. She cited recent projects, such as the drama *Keeping Faith*, as very successful examples of collaborative projects which provide both English language and Welsh language versions of the same programme. They have similar projects in the pipeline with ITV and Channel 4 due to be broadcast later this year.