



THE AUTHORITY FOR TELEVISION **ON DEMAND**

Minutes of the seventh meeting of the ATVOD/Industry Forum Fees Working Party held at the offices of NBC Universal, Thursday 5 December 2013, 10.00am - 11.00am.

Present:

ATVOD:

Pete Johnson (mins)

Industry Forum

Gidon Freeman – NBC Universal

Adam Minns – CoBA

Tony Ghee – SBS Broadcasting

Martin Stott – Channel 5

1. Apologies

1.1 Apologies were received from Derek Nelson (Classical TV) and Hayden Punter (Filmflex).

2. Minutes

2.1 Minutes of the last meeting had previously been approved by email and were noted.

3. Matters arising

3.1 The working party agreed that it had not been necessary to meet more than once during 2013.

4. Relevant Industry Developments

4.1 The 2013-14 fee structure

The working party noted that ATVOD had written to all service providers asking whether the changes to the fee structure made for 2013-14 had posed any particular problems which ATVOD should take into account when making proposals for the coming year. ATVOD had received just one reply and this had simply confirmed that the service provider had no comments. Working party members confirmed that they were unaware of any industry concerns over the changes and confirmed that, in their view, the changes had been a very positive development.

4.2 Technical developments / Alternative measurements of scale

The working party noted that during 2013 BARB had begun to measure viewing on desktop and laptop computers and that it was currently undertaking trials on measuring viewing on tablets and smartphones. These developments meant that a further consideration of audience size as a basis for the ATVOD fee structure may be appropriate for 2015-16, although measurement of small audience size was considered likely to remain a problem. In relation to smaller services, it was noted that concessionary rates could still apply to providers below relevant turnover thresholds even if the standard rates were based on audience size. Having considered the technical developments over the past year, the working party agreed that they were not sufficiently advanced to make audience measurement – or any other measurement of scale - a credible alternative to the revenue of the service provider for 2014-15.

5. Options for consultation on 2014-15 fees

5.1 The working party recommended that ATVOD should propose in its consultation that the existing fee structure be retained for 2014-15.

5.2 The working party noted the increase in regulatory activity during 2013-14 and the corresponding increase in breach determinations and within-remit complaints. As it was expected that the rising trend would continue, ATVOD may include within its estimate of costs for 2014-15 provision for an additional case officer, though the cost of this would be largely offset by savings in other areas.

5.3 The working party further noted that DCMS intended to legislate to prohibit on ODPS any material which went beyond R18 levels. Should such legislation come into force, a further increase in staffing levels is likely to be required to deal with the additional workload. It was considered appropriate to signal in the upcoming consultation the potential additional costs, though given the uncertainty over timing it was unlikely that specific provision would be made in ATVOD's budget for 2014-15

5.4 It was agreed that ATVOD should consider for inclusion in the consultation a proposal to introduce 'early payment' discounts to encourage prompt payment and reduce the cost associated with chasing late payment.

5.5 It was also agreed that the issue of making provision to remunerate a non-independent director (should this prove necessary in order to attract candidates from small scale providers) should be revisited. Working party members recommended that any such proposal should give a maximum figure for any such provision and should make clear that any remuneration would be to compensate the relevant small scale provider for the time spent by their employee on ATVOD work.

5.6 The size of ATVOD's reserves was also discussed and members considered the current provision in relation to the risks of legal challenge and being wound up to be appropriate.

6. Next steps

6.1 ATVOD would consider the views of the working party and would work towards launching a consultation on the 2014-15 fees by the end of January 2014.

7. AOB

7.1 The working party thanked Gidon Freeman and NBC Universal for hosting the meeting.