

# Brit webs cut back on commissions

By **STEVE CLARKE**  
LONDON

The Brit indie production sector is one of the great success stories in the U.K. Shows made by these entrepreneurial shingles dominate kudos lists and ratings charts.

Take TalkbackThames, whose portfolio ranges from simple talent shows to high-end drama scripted by playwright-director Stephen Poliakoff.

The company is riding high thanks to ratings triumphs like the U.K. version of "The Apprentice," "Britain's Got Talent" — responsible for unlikely singing sensation Susan Boyle — and "X Factor."

But to remain in business, indies need broadcasters' coin — and as the downturn continues, that's

increasingly hard to find.

Though it's owned by global production giant FremantleMedia, Talkback Thames was recently forced to pinkslip about a quarter of its workforce when cash-strapped ITV reduced the commitment to vet cop series "The Bill" from 96 episodes a year to 52.

The impact of this loss of business on the company's bottom line is reckoned to be roughly \$14.5 million a year.

"Because the overall amount spent on original TV content in the U.K. is heading south quite fast — from around £3 billion to £3.5 billion (\$4.4 billion to \$5.5 billion) at its peak to somewhere in the region of £2.5 billion (\$3.6 billion) today — there are far fewer commissions being made," says former Endemol chief creative officer Peter Bazalgette, who once ran his own U.K. shingle, Bazal.

"If this decline continues, I won't be surprised if at least 20 small- to medium-sized indies go out of business this summer."

It should be remembered that according to Pact, the lobby group that represents British independents, there are at least 600 shingles operating in the U.K. These range from mom-and-pop operations, quite literally living from one commission to the next, through midranked shingles like public affairs specialist October Films, whose revenues last year were a mere \$7 million, through to the super-indies. In the latter category can be found the aforementioned Talkback Thames and the fast-expanding Shine Group, run by Elisabeth Murdoch and now expanding into Germany and Oz.

Indies are also troubled by a call by the majors for a change to the Broadcasting Act that allows independents, since 2003, to own the intellectual property on the shows they make for the BBC, ITV, Channel 4 and Five.

This has helped to transform the shingles' business, as companies like RDF Media and Shed went public. It encouraged private equity investment when



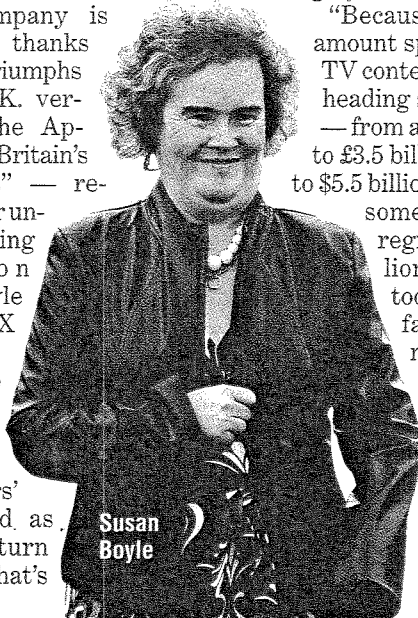
TalkbackThames makes "The Bill" for ITV, which wants to

credit lines were easily available. Other investors just onboard as well; Sony, for instance, owns a stake in Shine.

The upshot was that independents have been able to grow their businesses, spend more coin on development pilots, as revenue for the sector grew to \$3.1 billion a year, according to Pact.

In March, ITV executive Michael Grade warned: "The independents are underpinned by a statutory quota of much we have to commit from them, by regulated trade. Why should we not be able to have the same negotiations as we do with talent?"

Another threat to the indie idea that Channel 4, w



Susan Boyle

## Dual peril for Poland's pubcaster

By **NICK HOLDSWORTH**

**MOSCOW** Crisis — both political and budgetary — at top pubcaster Telewizja Polska Spolka (TVP) is dominating the Polish television landscape.

Leading local filmmakers including Andrzej Wajda and Agnieszka Holland have called for viewers to boycott TVP as a dispute intensifies over the appointment of Piotr Farfal as the station's acting president.

The 30-year-old's elevation to the top job at the two-channel pubcaster — following December's boardroom coup — reignited anger over his alleged links as a teenager to extreme right-wing and neo-Nazi politics.

Farfal, who for the previous 18 months had been deputy chairman of TVP — a political appointment made by Poland's earlier right-wing administration — has admitted that as a teenager he edited skinhead magazine Front, known for its anti-Semitic stance.

Farfal dismissed a media storm at the time as "absurd,"

saying he was "a snotty-nosed kid who let his name be used." But the stink is not going away.

Earlier this year, highbrow French-German station Arte suspended cooperation with TVP as a result of the scandal, stating

in a letter to Poland's National Broadcasting Council, extracts of which were published in the local media, that "the party that TVP's chairman is presently connected with does not share European values."

Arte added it would resume cooperation with TVP once another chairman is chosen.

The crisis has been fueled by Poland's center-right coalition government, which plans to radically reform how public television is funded. TVP's budget relies on license fee payments. Polish media reports put license fee collection at around 70% of tele-

vision-owning households in 2007; last year, that figure had slumped to 30%, aided by the country's lax system of policing scofflaws and after a media bill was announced with radical plans to scrap the license fee and replace it with a cultural production fund worth an annual 800 million zloty (\$230 million).

Farfal, who is presiding over across-the-board cuts in programming and acquisition budgets of up to 30%, is due to step down in the summer following a parliamentary vote on the new fund.

That may not end TVP's woes. The new fund would be open to any channel — public or commercial — that successfully bids for production money, in keeping with the fund's public broadcasting mission statement.

"We are in a time of very difficult transition," says a TVP rep. "The new media law will change everything for film and television programming production. ... There is a clear possibility of more changes before it is voted on in the summer."



FARFAL

## Live view

By **RICK KISSELL**

Digital video recorder network programmers, aiming to watch their favorite

Nielsen says DVR penetration is up to 31% of U.S. households (vs. 24% at the time a year ago), and it's an even higher 36% among adults 18-49 (up from 29% last year). As a result, shows that skew younger tend to be recorded and played back a higher percentage basis.

A look at seasonlong averages for all primetime programs on the broadcast networks reveals that DVR playback is most popular among those adults who watch the least amount of television (those under 35). At the same time, those who watch more TV than anyone (the 50-plus crowd) generally watch more live television.

CW's modestly performing 30 is the most recorded series audience for original episodes to 3.35 million when all said

And among the higher