

DCMS Green Paper on  
**The Future UK Media Framework.**

Summary of Pact's Recommendations to Government  
September 2026

## Introduction.

In June 2026, the Government launched a review of public service media (PSM), Watch This Space, including an assessment of how the framework should evolve as audiences increasingly move away from traditional television and towards streaming and digital platforms. For Pact, it is vital that any changes strengthen the UK's world-leading independent production sector and ensure producers continue to benefit from a fair and sustainable commissioning environment.

Pact has submitted a detailed response to the Government's review, setting out how the PSM framework (which includes the public service broadcasters) can evolve while protecting the principles that have underpinned the success of the UK's independent production sector. Below is a summary of Pact's key recommendations.

### Key

## Recommendations.

The overall thrust of Pact's response is to preserve the existing PSM and Terms of Trade framework, introduce a tiered public service media model that can include digital services, and use targeted funding and tax interventions to address emerging market failures, particularly in children's, scripted and unscripted content.

### **1. Preserve and Strengthen the Core Foundations of the UK's Independent Production Sector**

- Retain the statutory Terms of Trade, independent production quota and nations and regions production quotas.
- Rule out any dilution of the Terms of Trade and protect producer ownership of IP and the bargaining position of independent producers, including maintaining the current definition of a qualifying independent producer.
- Retain existing regional production quotas and avoid weakening nations and regions obligations.

### **2. Develop a Modern, Flexible Future Public Service Media (PSM) Framework**

- Continue to support principles of universality and high standards.
- Move towards a blended institution and services model, recognising that public service content will increasingly be delivered across a wider range of platforms and services.

- Establish a tiered PSM framework:
  - **Tier 1**  
Existing PSM institutions such as the BBC and Channel 4 with stronger public service obligations.
  - **Tier 2**  
Digital services, streamers, video-sharing platforms and digital-first providers able to take on proportionate public service obligations.
- Link access to policy benefits (contestable funding, enhanced tax credits, content incentives and prominence and discoverability benefits) to the delivery of public service outcomes along with accountability and enforceable obligations.
- Ensure any future PSM framework maintains:
  - investment in UK-originated content
  - production across the nations and regions
  - a diverse supply base
  - the ability for producer to exploit their IP

### **3. Targeted Contestable Funding and Public Support to Address Market Failures**

- Establish targeted contestable funding for areas where the market is not delivering sufficient public service content, including children's content, underserved audiences, local journalism, skills and talent development, and innovation in public service media. This should be developed in partnership with the market to address the specific challenges.
- Simplify and better align existing UK screen agency funding schemes and application processes.

### **4. Establish a Cross-Industry Strategy to Support the Long-Term Sustainability of the UK Production Sector**

- Convene Government and industry to develop a coordinated response to the production sector's financing and sustainability challenges including the tax and fiscal framework and contestable funding.

- Explore measures to increase private investment and access to finance, including encouraging the British Business Bank to explore partnerships with commercial financiers and producers, as well as exploring whether the current tax and fiscal framework is being optimised for growth.

## **5. AI and Public Service Media**

- Develop governance rules for AI within public service media, including:
    - practical human editorial oversight
    - viewer-driven transparency requirements
    - accountability for AI-generated content
    - agreed safeguards against fully AI-generated services qualifying as PSM providers
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