

## **Information supplied by PACT**

### **DPRS – Recharges of fees to Independent Producers**

This article sets out the new agreement on recharging DPRS fees to independent producers. The new deal will take effect for all commissions from 1 January 2005.

Pact is a party with the leading UK broadcasters to an agreement with the DPRS – the collecting society set up by UK TV directors. The broadcasters make annual lump sum payments to directors for secondary uses of their programmes, including terrestrial repeats. DPRS divides the lump sum payments among its members using a rate card that gives different values to the various secondary uses. DPRS receives reports from producers and broadcasters on secondary uses of programmes.

ITV has been recharging its independent suppliers a fee representing what it thinks is their share of ITV's DPRS payment. Prior to 6 January 2004, no other broadcaster sought to recharge, since they all retained secondary rights.

Two issues have arisen since 6 January. Firstly, other broadcasters are now in the same position as ITV and intend to make recharges. There has therefore been a need to agree a common recharging system across the industry. Secondly, ITV's method of recharging was based on a percentage of the primary licence fee. Although this is a simple concept, it means that the charge does not relate to the rights being granted. Pact has objected to this, and we have been trying to find a new method that is simple but fairer.

After discussions with the broadcasters, Pact has now agreed a formula for recharges to be adopted by all the UK terrestrial broadcasters (Sky has decided for the time being not to recharge). The new method (see table) attributes a total DPRS value for each programme genre, based upon its likely value as a repeat and its value for sales and video/DVD. Out of that total DPRS value, the table shows the amount of the DPRS value that can be recharged to an independent producer. The DPRS values and recharge figures are expressed as per £1m of licence fee.

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This new formula will come into operation from 1 January 2005 to allow sufficient time to plan and budget.

Genre		DPRS Value per £1m of Licence Fee	Recharge per £1m of Licence Fee
Arts		0	0
Childrens		1,650	550
	Animation	1,650	1,100
	Drama	2,200	1,100
	Factual	1,100	550
	Sat AM Ent	0	0
	Pre-School	2,200	1,100
Classical Music		0	0
Contemporary Music		0	0
Current Affairs		0	0
Drama		2,200	1,100
	Soaps	1,100	550
Education		550	0
Entertainment		1,650	550
	Quizzes/Games	550	0
	Comedy	1,100	550
	Reality/Factual Ent	550	0
Factual		1,100	550
	Documentaries	1,650	550
	Leisure/Daytime	1,650	550
	Daily Topical Magazine	0	0
Religion/Beliefs		550	0
Films		1,650	1,100
Multi-Cultural		550	0

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