

# Channel 4's Statement of Media Content Policy 2010 - Methodology

This document provides details of the methodology and data sources for the charts presented in Channel 4's Statement of Media Content Policy (SMCP), published as part of the 2010 Annual Report and Financial Statements. An independent limited assurance report on the charts presented in the SMCP has been provided by KPMG LLP and may be found on page 90 of the Annual Report.

Following the introduction of the Digital Economy Act in 2010, Channel 4's remit has been enhanced in scope and expanded across platforms to reflect Channel 4's delivery of public value across its portfolio of TV channels and digital media in addition to the main channel. This new remit, alongside the accompanying legislative requirement for Channel 4 to publish a Statement of Media Content Policy, has also meant a change in the way in which we report on Channel 4's activities.

In **Chapter 1** of this document, the new remit is discussed in more detail, along with the genesis and structure of the new requirement to publish a Statement of Media Content Policy. This chapter also outlines new measures which have been added to better reflect our new remit. It also lists a small selection of measures which have been removed from the 2010 report on the grounds that they were deemed to be less central to our assessment of delivery against the new remit. In the interests of completeness and transparency, we also present the results of the discontinued measures in this document (see Chapter 3). **Chapter 2** contains a methodological explanation of each measure in the SMCP. **Chapter 3** presents the results for the measures that were presented in the 2009 Annual Report but that were excluded from the revised framework (except where corresponding figures are included in replacement metrics). **Chapter 4** describes the data sources used, and **Chapter 5** contains a glossary of terms.

Comments and suggestions are welcome, and will be considered as we enhance the SMCP in future years. The full Annual Report is available online at [channel4.com/annualreport](http://channel4.com/annualreport). Printed copies are also available (please call 020 7306 8615).

## 1. Introduction

### Channel 4's accountability framework

As a publicly-owned broadcaster with a formal remit, it is important that Channel 4 is accountable to stakeholders and the general public for its performance. With the introduction of the Digital Economy Act (DEA) in 2010, Channel 4's remit was enhanced and expanded to take into account the various ways in which it delivers public value not only on the main channel but also across its full portfolio of services.

Channel 4's public service remit has traditionally related only to the main channel (its most recent articulation, before the DEA, was enshrined in the Communications Act 2003). Even with the new remit, the main channel remains the only channel in Channel 4's portfolio licensed by Ofcom as a public service channel, and is therefore the only channel to which specific public service obligations (in the form of quotas) apply.

The enhanced remit in the DEA takes a more forward-looking view. It recognises that, in a digital world, Channel 4 can and should deliver public value across its

digital channels and in other digital media. It also introduces, for the first time, a requirement for Channel 4 to invest in and show British films, reflecting the organisation's historic commitments in this area. It requires Channel 4 to provide content for older children and young adults. It also enshrines four purposes that underpin the remit as a whole, which articulate the outcomes that Channel 4 should seek to achieve. (These purposes correspond to those used in previous Annual Reports; more detail on this can be found in the methodology document accompanying the 2009 Annual Report).

### **Channel 4's remit in the Digital Economy Act**

1. C4C must participate in—
  - a) the making of a broad range of relevant media content of high quality that, taken as a whole, appeals to the tastes and interests of a culturally diverse society,
  - b) the making of high quality films intended to be shown to the general public at the cinema in the United Kingdom, and
  - c) the broadcasting and distribution of such content and films.
2. C4C must, in particular, participate in—
  - a) the making of relevant media content that consists of news and current affairs,
  - b) the making of relevant media content that appeals to the tastes and interests of older children and young adults,
  - c) the broadcasting or distribution by means of electronic communications networks of feature films that reflect cultural activity in the United Kingdom (including third party films), and
  - d) the broadcasting or distribution of relevant media content by means of a range of different types of electronic communications networks.
3. In performing their duties under subsections (1) and (2) C4C must—
  - a) promote measures intended to secure that people are well-informed and motivated to participate in society in a variety of ways, and
  - b) contribute towards the fulfillment of the public service objectives (as defined in section 264A).
4. In performing their duties under subsections (1) to (3) C4C must—
  - a) support the development of people with creative talent, in particular—
    - I. people at the beginning of their careers in relevant media content or films, and
    - II. people involved in the making of innovative content and films,
  - b) support and stimulate well-informed debate on a wide range of issues, including by providing access to information and views from around the world and by challenging established views,
  - c) promote alternative views and new perspectives, and
  - d) provide access to material that is intended to inspire people to make changes in their lives.
- 5) In performing those duties C4C must have regard to the desirability of—
  - a) working with cultural organisations,
  - b) encouraging innovation in the means by which relevant media content is broadcast or distributed, and
  - c) promoting access to and awareness of services provided in digital form

Source: *Digital Economy Act 2010 (s. 22)*

The DEA also introduced a new statutory requirement for Channel 4 to publish an annual Statement of Media Content Policy. This brings into a single framework the two documents in which Channel 4 reported on its output in previous years: the Statement of Programme Policy (an Ofcom requirement, which primarily covered the main channel) and the Public Value Reports that were included (on a voluntary basis) in the Annual Report.

### **Statement of Media Content Policy**

1. C4C must prepare a statement of media content policy—
  - a) at the same time as they prepare the first statement of programme policy that is prepared under section 266 after this section comes into force, and
  - b) subsequently at annual intervals.
2. C4C must monitor their performance in carrying out the proposals contained in their statements of media content policy.
3. A statement of media content policy must—
  - a) set out C4C's proposals for securing that, during the following year, they will discharge their duties under section 198A, and
  - b) include a report on their performance in carrying out the proposals contained in the previous statement.
4. In preparing the statement, C4C must—
  - a) have regard to guidance given by OFCOM, and
  - b) consult OFCOM.
5. C4C must publish each statement of media content policy—
  - a) as soon as practicable after its preparation is complete, and
  - b) in such manner as they consider appropriate, having regard to any guidance given by OFCOM.
6. OFCOM must—
  - a) from time to time review the guidance for the time being in force for the purposes of this section, and
  - b) revise that guidance as they think fit.

*Source: Digital Economy Act 2010 (s. 23)*

The Statement of Media Content Policy – which is published as part of the Annual Report – draws on extensive data and supporting evidence, building on the Public Value Reports that Channel 4 published as part of the 2008 and 2009 Annual Reports. As well as its review of Channel 4's performance in the previous year, the SMCP is also required to include a section providing a forward-looking content strategy for the following year.

Reflecting the nature of Channel 4's commissioning processes, the 2010 SMCP is structured around key genres, within which fulfilment of the remit across all services – whether the main channel, digital channels, online or film – is assessed. To ensure consistency with previous years, the retrospective part of the SCMP (pages 8-79 in the Annual Report), looking at Channel 4's performance in 2010, includes measures that were included in previous Public Value Reports, as well as introducing new measures that better reflect the enhanced remit and the new structure of the report. To aid navigation, the report includes a series of 'icons' that sit alongside the public

value measures and case studies that highlight the relevant parts of the remit that are being addressed. A list of these icons, and the aspects of the remit which each icon represents, can be found on the inside cover of the Annual Report.

The forward-looking section of the SMCP (pages 82-89 in the Annual Report) sets out Channel 4's content strategy for 2011 for different aspects of the remit. This section outlines broad strategies against which performance can be assessed in the following year. This forward-looking section is not assured by KPMG LLP.

The SMCP was prepared in accordance with Guidance issued by Ofcom (<http://stakeholders.ofcom.org.uk/consultations/draft-guidance-c4c>) and in consultation with Ofcom, as required by The Digital Economy Act.

## New Metrics

The SMCP contains a total of 61 measures of Channel 4's performance in 2010. 17 of these are new measures that were not reported in previous years' Public Value Reports. As noted above, the new metrics were chosen in order to fully capture the various elements of Channel 4's enhanced remit and to reflect the new genre-based structure of the report.

A rigorous process was used to select these new measures, involving extensive data analysis and lengthy discussions with key stakeholders across the organisation, including the Research & Insight, Finance and Commissioning teams. The selection of the metrics was based on several key criteria:

- Fit with the Channel 4 remit and core values
- Fit with the longer-term strategic aims for each genre
- Ability to capture relevant aspects of Channel 4's public value, focusing on particular points of difference in Channel 4's output

The majority of the measures that were added were ones that had already been tracked by Channel 4 for internal purposes over a number of years. In these instances, comparative data for 2009 and 2010 is published in the SMCP.

In order to be able to provide a broader set of measures for inclusion in the genre sections of the SMCP, Channel 4 tested additional tracking statements looking at audience perceptions of programmes in particular genres. These were trialled in an initial pilot wave, and candidates that best fulfilled the above criteria were added to the Offline Image Tracker for the final wave of 2010.

In addition to the main criteria listed above, potential new tracking statements were subject to a number of further criteria, which were used to make the final selection:

- **Clarity to respondents.** The results from the pilot exercise and initial waves of research were examined to assess whether new statements were clear to respondents and understood by them in the manner intended
- **Robustness.** The results were also examined to ensure that they were robust. Statements were excluded when, for example, there was substantial variability across waves that could not be justified by programming changes, or when the results showed unusually high proportions of respondents answering "Don't know" (rather than selecting one of the channels)
- **Distinctiveness.** When multiple statements addressed the same, or similar, elements of Channel 4's remit, only one such statement was included in the Report, determined by the key criteria listed above.

Candidate tracking statements that did not fulfil the criteria set out above were excluded.

The results for the new audience tracking statements that were included in the 2010 Report only include one wave of data, as no earlier data is available. As part of the Offline Image Tracker, these statements will henceforth be tracked across all waves, in 2011 and future years.

Channel 4 will continue to pilot new audience tracking statements in 2011 to further strengthen its reporting in areas where we were not able to include in the 2010 Report appropriate statements that satisfied all the criteria listed above.

The full list of new metrics included in the 2010 report is as follows (page references denote their appearance in the Annual Report):

1. Investment in content (*Page 9*)
2. Investment in programming by genre (*Page 10*)
3. First-run originations by genre (*Page 10*)
4. Channel reputations: Is best for modern independent film (*Page 33*)
5. Channel reputations: Is best for drama programmes that are different from other channels (*Page 33*)
6. Drama viewing by young audiences (*Page 33*)
7. Channel reputations: Is best for provocative documentaries (*Page 41*)
8. Channel reputations: Is best for documentaries that present alternative views (*Page 41*)
9. Inspiring change through factual programming (*Page 41*)
10. Most popular channels for young viewers (*Page 42*)
11. Channel reputations: Is best for cult comedy (*Page 51*)
12. Channel reputations: Is best for entertainment programmes you wouldn't see on other channels (*Page 51*)
13. Comedy and entertainment viewing by young audiences (*Page 51*)
14. Online engagement in comedy and entertainment (*Page 51*)
15. Viewing to National News (*Page 59*)
16. Reach of education content online (*Page 65*)
17. Engagement with education content online (*Page 65*)

## Discontinued Metrics

Following the restructure of the Public Value Report, the following 6 metrics that were reported in previous Annual Reports were excluded from the new framework (the 2010 results for each metric are presented in Chapter 3, in the interests of transparency):

- **Originations on E4.** This output metric has been replaced with an outcome measure that reflects E4's important role in reaching young audiences, namely E4's audience share for 16-34 year olds relative to other channels. E4's output continues to be discussed in some detail in the narrative on the *Spotlight on E4* spread (on *Page 42* of the Annual Report)
- **Commitment to documentary films.** This output measure has been replaced by two new audience tracker statements covering Factual

programmes (*'Is best for provocative documentaries'* and *'Is best for documentaries that present alternative views'*), reflecting our desire to present metrics on public value outcomes rather than outputs. The contribution of *True Stories*, which formed part of this metric, is discussed in the *Spotlight on International* spread (Page 67 of the Annual Report)

- **Number of UK & foreign language films.** This metric, the data for which was supplied by the UK Film Council, compared the number of UK and foreign-language films shown on Channel 4's main channel with the corresponding figures for the other main PSB channels. Given a desire to focus the metrics on public value outcomes rather than on outputs, we have replaced this with a measure of how audiences perceive the films shown by Channel 4 (it was also not clear whether this data would be available in future years, given the imminent closure of UK Film Council). We continue to report a metric showing the diversity of the Film4 channel schedule (Page 33 of the Annual Report)
- **Originations by genre on core channel.** This measure has been replaced by two new charts: *Investment in programming by genre* and *First-run originations by genre*. These new measures present the channel's output and spend on a genre basis across the portfolio. We believe that they provide a clearer visual representation of Channel 4's activity in each genre than the presentation in previous reports. (As the replacement charts present similar data to this measure, the full 2010 results for it are not included in Chapter 3)
- **Broadcasters' expenditure on UK originations.** As Channel 4 commissions all of its output from external suppliers, the Channel 4 figures for this metric – which is sourced from Ofcom – were identical to that for a related and more relevant Ofcom-sourced measure, *Broadcasters' investment in the production sector*, which we continue to report (Page 18 of the Annual Report). We have excluded *Broadcasters' expenditure on UK originations* as we felt that it did not provide additional useful information that was not already included in the other measure.

In the 2009 Annual Report, Channel 4 reported its impact on the creative economy – in terms of gross value added (GVA) and jobs supported – as key measures. Equivalent figures are reported in the 2010 Annual Report in the box on page 8.

For the 2010 Annual Report, we used a new supplier to estimate Channel 4's creative economy impact. Oxford Economics adopted a methodology that we felt offered improvements on the approach used in previous years. Oxford Economics' approach took into account separate multipliers for different kinds of inputs, and sourced the data on which its multipliers are based from the Office for National Statistics (ONS), the Government statistical service. As well as having the advantage of using data developed by the official public agency for statistics, the multipliers used in the new methodology are also more recent (they are from 2008) than those that underpinned the calculations of creative impact in previous years' Public Value Reports (which were from a paper published in 2005).

As the GVA and employment estimates for 2010 are based on a new methodology, the 2010 figures are not comparable to the ones presented in the 2009 Annual Report. For this reason, Oxford Economics also estimated Channel 4's creative economy impact for 2009. The restated 2009 figures

are also presented on page 8 of the 2010 Annual Report, and are the basis for the reported year-on-year changes.

In the 2009 Annual Report, we broke the GVA estimate down into two parts: the amount that was “directly and wholly attributable to Channel 4’s expenditure in the year” (around £1 billion in 2009, according to both Oxford Economics and the previous methodology) and a further amount representing “an estimate of wider benefits in the independent sector that have accrued over time”. For the 2010 Annual Report and henceforth, we felt it would be more appropriate to report only the direct benefits relating to Channel 4’s expenditure in the year. This explains why the “headline” GVA for 2010 differs significantly from that for 2009. The relevant comparison is between the 2009 and 2010 figures reported in the 2010 Annual Report.

Estimates of the employment impact of Channel 4’s activities from the two methodologies differ significantly: Oxford Economics estimates 27,000 jobs supported in 2009, while we reported 18,000 jobs in the 2009 Annual Report for that year. We believe the revised estimates from Oxford Economics to be more accurate

- **Contribution by Film4 to UK film production.** The removal of this chart reflects our desire to give greater focus in the key measures to outcome-based results, leading us to add new audience tracker statements covering film and drama. Given space constraints, the Film4 investment data was dropped to make way for these new key measures. However, we continue to report, as pull-out numbers alongside the narrative text, the two key elements of the Film4 investment chart: Film4’s own investment (on page 30 of the Annual Report) and the uplift from Film4 investment to total production budgets (on page 28)

## 2. Notes on individual measures

In this chapter, we provide detailed guidance on the charts set out in the SMCP in the 2010 Annual Report.

Across all the charts in the SCMP, source data has been analysed to a high degree of precision (typically using several decimal places). Our approach for presentational purposes has been to round individual data points (i.e., individual figures in charts, and trends and differences referred to in the narrative text) either to whole numbers or to one decimal point. Rounding is performed only on the final figures presented in the report, to ensure that individual data points are calculated and presented accurately. In some instances, this has led to minor rounding differences in the report. Where these exist they have been flagged in a footnote to the relevant chart.

Several measures in the SCMP draw on sub-sets of Channel 4's output as defined by programme genres (news, drama, etc) or "tags" (e.g. multicultural, international). While any given TV programme will always be assigned a single genre, it may also have a number of tags associated with it. For measures defined with reference to tags, we have not double-counted programmes with multiple tags. So, by way of example, when we report diversity output (in the "Doing Things The Channel 4 Way" section), a programme that is tagged both as being multicultural and as covering disability issues will only be counted once even though it has more than one relevant tag associated with it.

Underlined text below refers to sources listed in Chapter 4 of this document.

The charts in the SCMP are numbered in this chapter in the order in which they appear in the main document. These numbers do not correspond directly to those in the 2009 Annual Report.

## Investing in Creativity

<b>1.1 / Investment in content (new)</b>	This measure shows Channel 4's total expenditure on content across the portfolio. It combines total TV programming spend (presented in more detail in Measure 1.4) with spend on digital content (Measure 1.2).
<b>1.2 / Expenditure on originated content</b>	<p><b>a)</b> Channel 4's total expenditure on digital media comprises a combination of investment made outside the main channel budget (e.g. on channel4.com and 4iP), alongside a small proportion of the main channel budget (primarily investment in new online content for 14-19 year-olds through the Schools budget).</p> <p><b>b)</b> Channel 4's expenditure on originated content on the digital channels in 2009 has been restated, from £23.8m to £23.7m to correct a rounding issue in the 2009 report. Total expenditure on originated content across the network remained at £373.0m in 2009.</p>
<b>1.3 / Volume of first-run originations</b>	<p>Average daily hours is calculated with reference to slot duration. For any given programme, slot duration is defined as the difference between the programme's start time and the start time of the following programme. It therefore includes advertising minutage around the relevant programmes on advertising-funded TV channels, as well as promotional airtime.</p> <p>This approach is consistent with the volume data presented in the "Programme transmissions" table on page 154 of the Annual Report. By accounting for all broadcast time, total slot duration for all programmes shown in 2010 sums to 8,760 hours (24 hours x 365 days).</p>
<b>1.4 Investment in programming by genre (new)</b>	<p><b>a)</b> Reflecting the nature of Channel 4's commissioning processes, the 2010 SMCP is structured around key genres. Building on existing internal classification systems, programmes have been categorised into one of the following Public Value genres:</p> <ul style="list-style-type: none"> <li>• Film</li> <li>• Drama</li> <li>• Factual</li> <li>• Comedy</li> <li>• Entertainment</li> <li>• News</li> <li>• Current Affairs</li> <li>• Education and Older Children</li> <li>• Sport</li> </ul> <p>This measure represents total spend on programming on Channel 4, E4, More4 and Film4 across these genres.</p>
<b>1.5 / Volume of first-run originations by genre</b>	This measure represents the volume of first-run originated hours of programming on Channel 4, E4, More4 and Film4, across the Public Value genres listed in 1.4.
<b>1.6 / Programming mix on the main channel</b>	<b>a)</b> The information that Channel 4 routinely reports to Ofcom includes the proportion of first-run programming in the main channel schedule. Ofcom defines this as first-run hours divided by total hours excluding schools programming. This ratio differs slightly from the corresponding figures in the pie charts presented here, which cover all hours. The 2009 and 2010 first-run figures, as per the definition used by Ofcom in its 2010 Communications Market report, are as follows:

	2009	2010
In peak	77%	81%
All day	47%	49%

**b)** Prior to publication of the first Public Value Report for 2008, Channel 4 had not previously measured or reported “network originations” on a systematic basis. We believe this to be a more appropriate measure of output than the current definition of originations used by Ofcom, which forms the basis of Channel 4’s formal licence quotas on the main channel (reported on page 11 of the Annual Report). In a multichannel world, broadcasters should be free to schedule content that they have commissioned across their portfolio of channels in order to maximise viewing and impact, regardless of which channel within the portfolio initially commissioned the programme. From a regulatory perspective, measures of originated output should not be affected by such scheduling decisions, as they are now (e.g. an E4 commission such as *Skins* does not count as an origination when it airs on Channel 4).

“Network originations” are defined in the Glossary of this document and discussed further in Note 11.5.

## Making an impact

Section / Title	Channel 4's measurement approach
<p><b>2.1-2.8 / Channel reputations</b></p>	<p><b>a)</b> Channel 4 has been tracking audience perceptions of the main PSB channels against key reputational statements, through an offline survey of c.5,000 respondents, since 2003. Channel 4 piloted a list of new statements in 2008, which were designed to complement the existing ones, and were selected to reflect the four public purposes. These new statements are now tracked on an ongoing basis, with three full waves of research conducted in both 2009 and 2010 surveying the views of more than 6,000 respondents.</p> <p>While the form of the new statements was identical to that in the existing tracking survey, the research for the new statements was conducted in a separate survey. It was felt that it was important to preserve the integrity of the existing long-standing survey, for which over five years' worth of data had been collected. And adding the new statements would have made the survey too long – it was important to avoid respondent fatigue.</p> <p>An online panel was used for the second survey; compared to face-to-face interviews, an online panel enabled a larger sample to be used, allowing Channel 4 to examine responses to the new statements by different demographic groups. The sample in the online survey is weighted to be demographically representative of the UK population, and ensured a robust sample of <u>BAME</u> audiences (315 people), gays and lesbians (116 people), and those with a health problem/disability (1,186 people). The corresponding sample numbers in 2009 were 313, 135 and 1,255 respectively. Ipsos MORI, who conducted the research, noted that participants of online samples are more likely to be willing to respond to potentially sensitive issues, e.g. on disability or sexuality, than respondents to face-to-face interviews (which were used for the established tracking survey).</p> <p><b>b)</b> The statements in the surveys cover a wide range of programming on the main PSB channels, to ensure respondents were not aware that they were being undertaken for Channel 4. The SMCP shows the statements that are most relevant to Channel 4's remit, core values and aims for each genre, with viewer-friendly language (e.g., "Always trying something new" for innovation,) used to capture the salient components of these aims and values.</p> <p><b>c)</b> Both the face-to-face and online surveys permit respondents to give other channels as their response, or to say "Don't know". These responses are not relevant to the analysis, which focuses on perceptions towards Channel 4 and the other main PSB channels</p> <p><b>d)</b> Both surveys are conducted using a nationally representative sample. (as determined by Ipsos MORI) The number of interviews completed within each survey allows us to ensure that our analysis of the responses of different socio-demographic groups is statistically robust. In line with market research best practice, the order in which the statements are asked in each wave is kept consistent, but the order of specific statements within these questions is randomised. This avoids the possibility of introducing bias through having statements in any fixed order.</p> <p><b>e)</b> The graphical representation of the Channel Reputations statements has been simplified in the 2010 report with only two years of data now shown, to help highlight the main channel's most recent year-on-year performance.</p> <p><b>f)</b> The statements in this section are drawn from a mix of the offline survey (the 'Offline Image Tracker') and the newer online survey (the 'Online Public Value Tracker'):</p>

Section / Title	Channel 4's measurement approach
	<ul style="list-style-type: none"> <li>• 2.1 <i>'Shows programmes that make me stop and think'</i> – Online Public Value Tracker</li> <li>• 2.2 <i>'Is provocative'</i> – Offline Image Tracker</li> <li>• 2.3 <i>'Allows people an alternative point of view'</i> – Offline Image Tracker</li> <li>• 2.4 <i>'Gives me new ideas'</i> – Online Public Value Tracker</li> <li>• 2.5 <i>'Makes me think about things in new and different ways'</i> – Online Public Value Tracker</li> <li>• 2.6 <i>'Takes a different approach to subjects compared to other channels'</i> – Offline Image Tracker</li> <li>• 2.7 <i>'Covers ground other channels wouldn't'</i> – Offline Image Tracker</li> <li>• 2.8 <i>'Is youthful'</i> – Online Public Value Tracker</li> </ul>

## Doing Things the Channel 4 Way

### Diversity of Supply

Section / Title	Channel 4's measurement approach
<p><b>3.1 / Broadcasters' investment in the production sector</b></p>	<p><b>a)</b> Ofcom data for 2008 is sourced from its 2009 Communications Market Report. The equivalent 2009 data did not appear in Ofcom's 2010 Communications Market Report, but was published on 14<sup>th</sup> December 2010 as an additional statistical release (<a href="http://stakeholders.ofcom.org.uk/binaries/research/statistics/stats10">stakeholders.ofcom.org.uk/binaries/research/statistics/stats10</a>). 2009 and 2008 data is reported, as equivalent data for 2010 has not been published by Ofcom in time for inclusion in this report.</p> <p><b>b)</b> As Ofcom does not report expenditure by ITV or Five on external commissions on their digital channels, these channels are excluded from the chart.</p>
<p><b>3.2 / Diversity of supply base</b></p>	<p>Independent productions are defined in legislation in The Broadcasting (Independent Productions) Order 1991, amended in a 1995 Order and again in a 2003 Order. Qualifying independent producers exclude production businesses that share significant common ownership (a 25% or greater shareholding) with broadcasters.</p> <p>The quoted figures are obtained from Broadcast's Annual Survey of the UK's Independent TV Producers. Figures for Channel 4 have been taken from Channel 4's own internal data systems, as the figures published in the Broadcast Survey only represent the number of suppliers Channel 4 has worked with on main channel commissions, and do not include commissions on the digital channels e.g. <i>Misfits</i>. Prior year data has been restated to include all channels in the portfolio (Channel 4, E4, More4, Film4), and to make the figures comparable to those of other broadcasters in the chart.</p>
<p><b>3.3/ Channel 4's investment in the nations and regions</b></p>	<p>The Communications Act 2003 requires broadcasters to make a "suitable" proportion of programmes outside the M25. The regional quotas are monitored by Ofcom. Relevant productions must meet two out of three criteria (see <a href="http://www.ofcom.org.uk/tv/ifi/guidance/reg_prod">www.ofcom.org.uk/tv/ifi/guidance/reg_prod</a>):</p> <ul style="list-style-type: none"> <li>▪ The production company must have a substantive business and production based in the UK outside the M25</li> <li>▪ At least 70% of the production budget must be spent in the UK outside the M25</li> <li>▪ At least 50% of the (off-screen) production talent by cost must have their usual place of employment in the UK outside the M25.</li> </ul> <p>The quotas apply to first-run originated content excluding news.</p> <p>The figures reported here on Channel 4's investment are based on this definition. The quota for both output and spend increased from 30% to 35% in 2010.</p>
<p><b>3.4/ Channel 4's investment in the production sector outside London</b></p>	<p><b>a)</b> Channel 4's expenditure in the nations and regions feeds into the regional spend licence quota (see Note 3.3).</p> <p><b>b)</b> In previous years, this measure represented spend on the main channel only. In line with our new remit requirements, this chart now shows our investment in the nations and regions across the portfolio of channels (Channel 4, E4, More4 and Film4). As a result, 2009 data has been restated to include spend on first-run originations for E4, More4 and Film4.</p>

*Diverse voices*

Section / Title	Channel 4's measurement approach
<p><b>3.5/ Diversity output on the main channel</b></p>	<p><b>a)</b> For the purposes of this analysis, the programmes that cover “diversity issues” are programmes in the Religion genres (in Channel 4’s internal data systems) along with those programmes in any genre which are tagged as covering multicultural, disability or sexuality issues. The latter three tags are created as part of the public service broadcasters’ reports for Ofcom, which defines them as covering programmes that were created for audiences from particular groups, alongside programmes that deal with multicultural themes, or with issues relevant to people of a particular sexual orientation or to people with disabilities. The analysis focuses on originations on the main channel.</p> <p><i>Big Brother</i> and its spin-offs make an important contribution towards the range of voices and perspectives shown on Channel 4. As it accounts for a large volume of output each year, we have excluded the hours of <i>Big Brother</i>- and <i>Celebrity Big Brother</i>-related programming from the analysis. This ensures that year-on-year trends reported here are not affected by changes in the number of hours of <i>Big Brother</i>-related programming.</p> <p><b>b)</b> Hours of programming is based on slot duration. See Note 1.3.</p>
<p><b>3.6-3.10/ Channel reputations</b></p>	<p><b>a)</b> See note 2.1-2.8</p> <p><b>b)</b> The statements in this section are all drawn from the Online Public Value Tracker:</p> <ul style="list-style-type: none"> <li>• 3.6 ‘Shows different kinds of cultures and opinions’</li> <li>• 3.7 ‘Challenges prejudice’</li> <li>• 3.8 ‘Shows the viewpoints of different ethnic groups’</li> <li>• 3.9 ‘Shows the viewpoints of disabled people’</li> <li>• 3.10 ‘Shows the viewpoints of gays and lesbians’</li> </ul>

Section / Title	Channel 4's measurement approach
<p><b>3.11 / New and one-off programmes</b></p>	<p>Channel 4 commissioned <u>Attentional</u> to record the number of new and one-off programmes on the main PSB channels with a start time between 6pm and midnight in 2010. Attentional compared the list of programmes transmitted in 2010 with a database of transmissions up to and including 2009, and eliminated titles that had appeared in previous years.</p> <p>The following were included as new and one-off programmes:</p> <ul style="list-style-type: none"> <li>▪ Individual episodes of “non-continuous series”. These are series (e.g. <i>Panorama</i> on BBC One, <i>Horizon</i> on BBC Two, <i>The South Bank Show</i> on ITV1 or <i>Dispatches</i> on Channel 4’s main channel) that cover different subjects in each episode, or adopt different formats, and are made by a variety of production companies.</li> <li>▪ Feature films for which the broadcaster was a co-investor. Premieres of films that were co-financed by the broadcaster were included (just as they are included in Channel 4’s definition of network originations).</li> <li>▪ <i>3 Minute Wonder</i> (on Channel 4). These were typically shown on the main channel at 7.55pm between Monday and Thursday each week. As each week’s <i>3 Minute Wonders</i> usually follow a single theme, the number of “new” programmes was reduced from 28 individual episodes across the year to 7 unique titles (one for each distinct theme) for the purpose of the analysis. This is substantially lower than the number of unique titles in 2009 (40), as Channel 4 replaced <i>3 Minute Wonder</i> with <i>4thought.tv</i> in the latter half of the year.</li> <li>▪ <i>4thought.tv</i> (on Channel 4). This was a new strand launched in July 2010. There were a total of 177 transmissions each of them 2 minutes in length. This is treated as a single new programme for the purposes of this analysis.</li> </ul> <p>The following types of programmes were excluded:</p> <ul style="list-style-type: none"> <li>▪ Series such as <i>Tonight</i> on ITV1 or <i>Unreported World</i> on Channel 4, which tend to adopt a common format and to be made by the same production company.</li> <li>▪ Charity appeals and theme night introductions. These were not regarded as being programmes in a normal sense.</li> <li>▪ Sports programmes. There were only a small number of sports programmes with new titles, and they generally represented 2008 editions of long-running sports events.</li> <li>▪ Acquired feature films. Films that involved no participation by the broadcaster in their production were excluded.</li> <li>▪ Regional programming. The analysis focused on programming shown across the UK, rather than programmes made for, and shown in, the nations and regions.</li> <li>▪ Programmes which had a start time of 23:58 or 23:59.</li> </ul>
<p><b>3.12-3.15 / Channel reputations</b></p>	<p>a) See note 2.1-2.8</p> <p>b) The statements in this section are drawn from a mix of the Offline Image Tracker and the Online Public Value Tracker:</p> <ul style="list-style-type: none"> <li>• 3.12 ‘<i>Takes risks with programmes that others wouldn’t</i>’ – Online Public Value Tracker</li> <li>• 3.13 ‘<i>Is experimental</i>’ – Online Public Value Tracker</li> </ul>

Section / Title	Channel 4's measurement approach
	<ul style="list-style-type: none"> <li>• 3.14 'Always trying something new' – Offline Image Tracker</li> <li>• 3.15 'Trend-setting' – Offline Image Tracker</li> </ul>

*New generation of creative talent*

Section / Title	Channel 4's measurement approach
<p><b>3.16 / New talent strands on Channel 4</b></p>	<p><b>a)</b> The table lists the main strands dedicated to new talent on Channel 4's main channel (as in 2009, there were no new talent strands on the digital channels in 2010). These strands showcase a range of new on-screen talent (e.g. presenters and actors) and off-screen talent (e.g. writers and directors).</p> <p><b>b)</b> Hours of programming is based on slot duration. See Note 1.3.</p> <p><b>c)</b> The decline in hours of new talent strands in 2010 is largely explained by one particular programme. In 2010, the number of hours of <i>3 Minute Wonder</i> (3) were substantially lower than in 2009 (15); the <i>3 Minute Wonder</i> slot has been replaced by <i>4thought.tv</i>, a strand that showcases diverse opinions on religious and ethnical issues, but which is not a new talent strand. <i>4thought.tv</i> is discussed in more detail on page 21 of the Annual Report.</p>

## Film and Drama

Section / Title	Channel 4's measurement approach
4.1 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 4.1 <i>'Is best for modern independent film'</i> is from the Offline Image Tracker.</p>
4.2 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 4.2 <i>'Is best for drama programmes that are different from other channels'</i> is from the Offline Image Tracker.</p> <p>This statement is a new addition to the Offline Image Tracker in 2010. It was tested in a pilot wave with other new statements included in this report, and then added to the offline image tracker for the final wave of the survey in November 2010. The data in this chart therefore represents only one wave of data in 2010, and no comparable data is available for the prior year (2009).</p>
4.3 / Diversity of Film4 channel schedule	<p><b>a)</b> The region of origin of films is flagged in Channel 4's internal commissioning management system. Film origin is defined by Channel 4, based on a number of factors including physical location of producer(s) and location of filming, as well as the presence of a majority of British talent (cast and crew). A number of sources are used to determine film origin, including the UK Film Council and the Internet Movie Database. Channel 4's criteria for eligibility of UK films focus on cultural criteria. In some instances, they are stricter than the official Department for Culture, Media and Sport (DCMS) definition of a UK film (used to determine which films are eligible for UK tax breaks, and defined in part to encourage inward investment in film).</p> <p>The region of origin flags within our internal commissioning management system are constantly reviewed and checked when films are broadcast – amendments may be made to archive films to improve accuracy and, at times, to reflect changes in the geopolitical landscape (e.g. when new countries join the EU).</p> <p><b>b)</b> Output is calculated with reference to programme duration, defined as the difference between the programme's start time and the start time of the following programme, but excluding advertising minutage around the relevant programmes on advertising-funded TV channels.</p>
4.4 / Drama viewing by young audiences (new)	<p><b>a)</b> This new metric assesses Channel 4's ability to attract a young audience to its originated drama programmes, compared to the other main PSB channels.</p> <p><b>b)</b> Profiles are based on viewing to all originated programmes with a start time between 6pm and midnight, in the BARB genres of "Drama: Series/Serials", "Drama: Single Plays" and "Drama: Soaps".</p>

## Factual

Section / Title	Channel 4's measurement approach
5.1 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 5.1 '<i>Is best for provocative documentaries</i>' is from the Offline Image Tracker.</p>
5.2 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 5.2 '<i>Is best for documentaries that present alternative views</i>' is from the Offline Image Tracker. This statement is a new addition to the Offline Image Tracker in 2010. It was tested in a pilot wave with other new statements included in this report, and then added to the offline image tracker for the final wave of the survey in November 2010. The data in this chart therefore represents only one wave of data in 2010, and has no comparable data for the prior year (2009).</p>
5.3 / Programmes covering leisure, life-skills and hobbies	<p><b>a)</b> The chart shows all programmes in the BARB "Hobbies and Leisure" genre categories with a start time between 6pm and midnight.</p> <p><b>b)</b> Data on "hours of programmes" is based on slot duration. See Note 1.5.</p> <p><b>c)</b> The age of each programme is defined with reference to the year in which its first ever series was broadcast. So, for example, <i>How To Look Good Naked</i>, which first aired in 2006, was counted as four years old.</p> <p>This information was provided by <u>Attentional</u>, and drew on their expertise in adding "meta-tags" that allow BARB programme data to be analysed in greater depth.</p>
5.4 / Inspiring change through factual programming (new)	<p><b>a)</b> In addition to the tracker statements included elsewhere in this report, Channel 4's Online Public Value Tracker (See note 2.1-2.8) measures how a selection of Channel 4 programmes have inspired viewers in different ways, as captured by a selection of statements.</p> <p><b>b)</b> Research is conducted in each of the three waves of the Online Public Value Tracker. The research covers all programmes which achieved an average of over 1 million viewers for the highest rating episode of the series, and whose subject matter meant that they were expected to provide some kind of public value in terms of inspiring people to think or act differently.</p> <p><b>c)</b> For the purposes of this measure, the programme list has been filtered after fieldwork to include only those programmes in the Public Value genre category of 'Factual'.</p>

## Spotlight on: E4

Section / Title	Channel 4's measurement approach
<p><b>6.1 / Most popular channels for young viewers (new)</b></p>	<p><b>a)</b> Programming shown on digital channel E4 aims to attract a younger audience to the Channel 4 portfolio. This new metric looks at E4's share of 16-34 viewing compared to the main PSB channels and its closest digital competitors.</p> <p><b>b)</b> Viewing and reach data throughout this report is sourced from <u>BARB</u>. Channel 4 (main channel) includes Channel 4 +1 and Channel 4 HD, (S4C, included in previous reports, is now excluded)</p> <ul style="list-style-type: none"> <li>▪ Channel 4 +1 is the one-hour time-shifted variant of the main channel. No fixed industry practice has emerged for the reporting of viewing to such channels. As the content of Channel 4 +1 is identical to that of the main channel (played out one hour later), Channel 4 includes viewing to it as an integral part of main channel viewing.</li> <li>▪ Channel 4 HD replicates the full main channel schedule, with some programmes shown in high-definition. Viewing to it is included in main channel viewing (separate viewing data does not exist).</li> <li>▪ S4C occupies the fourth slot in Wales. Historically, S4C has always been included in Channel 4's main channel viewing figures, and it has been standard industry practice to do so. However, since we no longer share any programming with S4C it was decided it would be excluded from Channel 4 viewing share from 2010. In order to allow accurate year-on-year comparisons, S4C has also been removed from Channel 4's main channel viewing share in prior years. Therefore, all share and reach data prior to 2010 has been restated.</li> </ul> <p><b>c)</b> The Channel 4 portfolio comprises the main channel (see note (a)) and its digital channels. The digital channels include wholly-owned channels E4, More4 and Film4, along with relevant Box TV channels (see below). Just as with the main channel, viewing to time-shifted ("+1") and HD variants of the digital channels is included as part of each corresponding digital channel's viewing share. So, for example, viewing to E4 includes also viewing to E4+1 and E4HD.</p> <p>Channel 4's digital channels are available free-to-air on all digital platforms. E4 was launched as a basic-tier subscription service, and was taken free-to-air in May 2005. More4 launched as a free-to-air service in October 2005. Film4 was relaunched as a free-to-air channel in July 2006; previously, FilmFour was a suite of premium subscription channels.</p> <p>Channel 4 acquired a 50% stake in the Box TV music channels in July 2007. These channels are treated differently in terms of their inclusion in Channel 4's portfolio in 2007 and subsequent years. 50% of viewing to all Box TV channels (The Hits, The Box, Smash Hits, Magic, Q Channel, Kerrang, Kiss TV) from July-December 2007 was included in Channel 4's portfolio share in 2007, reflecting Channel 4's stake in the joint venture. In 2008, with the decision to re-launch The Hits and integrate it (as 4Music) more closely in the portfolio of branded 4-channels, it was deemed more appropriate to include all viewing to The Hits/4Music in Channel 4's portfolio in 2008 and beyond (and to exclude viewing to other Box TV channels).</p> <p><b>d)</b> Share of viewing for any particular programme is calculated by taking the number of viewers to the programme and dividing this by the total number of people watching TV at that time. For channels with staggercast (+1) variants, viewing share is calculated by adding viewing to each programme on the staggercast channel back into viewing to that programme on the main channel, and then dividing by the total number of</p>

Section / Title	Channel 4's measurement approach
	<p>people watching TV at the time the programme aired on the main channel. Viewing share for entire channels is derived by aggregating hourly viewing shares for that channel across the year, weighted by each hour's share of total TV viewing. Viewing to staggercast channels is included in each hour's viewing total in the same way as for individual programmes.</p> <p>When reporting portfolio share figures, the viewing share for each channel is calculated individually, treating staggercast channels separately, i.e. without first reallocating +1 viewing back to the main channels. For this reason, minor differences may occur between the sum of individual channel shares and portfolio share.</p> <p><b>e)</b> <u>BARB</u> data includes recorded viewing for 7 days post transmission (recordings are made via personal video recorders such as Sky+). While <u>BARB</u> did not measure on-demand viewing in 2008 or earlier years, in 2009 it began to enhance its panel to include 7-day catch-up VOD viewing on TV platforms (such as Virgin Media) in some homes. From 2010, it has captured all 7-day catch-up VOD viewing on TV platforms.</p> <p>There will therefore be a small degree of overlap between the metric for total full length-video views (11.6), which includes all TV-VOD and PC-VOD platforms, and TV viewing share. <u>BARB</u> does not provide broadcasters with specific data on VOD viewing – it is included as part of recorded viewing.</p>

## Comedy and Entertainment

Section / Title	Channel 4's measurement approach
7.1 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 7.1 '<i>Is best for cult comedy</i>' is from the Offline Image Tracker.</p>
7.2 / Channel reputations (new)	<p><b>a)</b> See note 2.1-2.8.</p> <p><b>b)</b> Statement 7.2 '<i>Is best for entertainment programmes you wouldn't see on other channels</i>' is from the Offline Image Tracker. This statement is a new addition to the Offline Image Tracker in 2010. It was tested in a pilot wave with other new statements included in this report, and then added to the offline image tracker for the final wave of the survey in November 2010. The data in this chart therefore represents only one wave of data in 2010, and no comparable data is available for the prior year (2009).</p>
7.3 / Comedy and entertainment viewing by young audiences (new)	<p><b>a)</b> This new metric assesses Channel 4's ability to attract a young audience to its originated comedy and entertainment programmes, compared to the other main PSB channels.</p> <p><b>b)</b> Profiles are based on viewing to all originated programmes with a start time between 6pm and midnight, in the BARB genre of "Entertainment".</p>
7.4 / Online engagement with Channel 4's comedy and entertainment content (new)	<p><b>a)</b> In looking at the conversion rate from TV audience to website visits for Channel 4's programmes, we have drawn on data from BARB (TV audiences) and Omniture (online visits to Channel 4 sites).</p> <p><b>b)</b> For the purposes of this analysis, all Channel 4's websites (in line with the genres allocated to their corresponding programmes) were categorised into one of the Public Value genres listed in Note 1.4.</p> <p><b>c)</b> Channel 4's analysis of conversion rates focused on first-run programmes shown on Channel 4's main channel or on E4 between 5.30pm and midnight. Repeats, any shows that do not have their own programme support site (e.g. feature films) and programmes with an average TV audience of less than 500,000 viewers across the series were excluded.</p> <p>For the purposes of the analysis we captured the total number of online visits to each programme-related website. TV audience figures are based on the main channel and E4 consolidated figures, and represent average audience per first-run episode (not per transmission). For the few instances when a programme was shown on the main channel and E4 (such as <i>Misfits</i>), aggregated audience figures were used. It is assumed, for the purpose of the calculation of conversion rates, that all online users also watched the corresponding TV programmes.</p>

## News and Current Affairs

Section / Title	Channel 4's measurement approach
<p><b>8.1 / Audience reach of <i>Channel 4 News</i></b></p>	<p>Reach is defined here as the number of people each month on average who watched <i>Channel 4 News</i> for at least 15 consecutive minutes, as a percentage of the total number of people in TV households who watch the news on any of the main PSB channels.</p> <p>The chart relies on BARB sub-samples to identify BAME (Black, Asian and Minority Ethnic) news viewers and news viewers aged 16-34. The "BAME" category comprises people who identify themselves as being "Black Caribbean", "Black African", "Black Other", "Indian", "Pakistani", "Bangladeshi", "Chinese", "Other Asian", "Mixed race" or any other category.</p> <p>A 15-minute reach definition was chosen (rather than 3-minute reach, the other industry standard length) to measure people who watch the news for significant amounts of time.</p>
<p><b>8.2 Viewing to National News (new)</b></p>	<p>The BARB panel allows us to analyse viewing to TV programmes and channels among different audiences, using demographic data about BARB panellists. The measure 'Viewing to National News' calculates the proportion of total viewing to News programmes on each of the main PSB channels which is accounted for by certain demographic groups – in this case 16-34 year olds and BAME viewers. The results show that a greater proportion of Channel 4's News audience are BAME, or aged 16-34, compared with other channels.</p>
<p><b>8.3 / Independence of TV news</b></p>	<p><b>a)</b> In 2009, Channel 4 incorporated a survey of TV viewers' perceptions of news programmes on British television into the Online Public Value Tracker survey conducted by Ipsos MORI for the first time. Respondents were asked which news programmes – out of <i>BBC News</i>, <i>ITV News</i>, <i>Channel 4 News</i>, <i>Five News</i> and <i>Sky News</i> – they watch regularly, and to what extent they thought each news programme was independent from the Government and independent from the influence of big businesses.</p> <p><b>b)</b> Prior to 2009, this survey was conducted by YouGov. As the sources were different, we did not compare the results between the two years due to some subtle differences between the surveys. Since these measures are now tracked on an ongoing basis by the same supplier, we are now able to look at year-on-year trends.</p>
<p><b>8.4 / Commitment to long-form journalism</b></p>	<p><b>a)</b> News and current affairs programmes on the main PSB channels typically run for up to 30 minutes. Longer programmes enable issues to be covered in greater depth. In the case of news, longer running times also allow a wider range of stories to be featured.</p> <p>The chart shows the number of national (non-regional) news and current affairs programmes of duration 45 minutes or longer. The 45-minute threshold was selected to exclude half-hour programmes whilst including <i>Channel 4 News</i> and <i>Newsnight</i> (which run for 55 and 50 minutes respectively), both of which are generally regarded as programmes that cover issues in depth.</p> <p><b>b)</b> For the BBC, ITV and Five, the chart draws on the number of programmes in the BARB genre categories of "News: National" and "Current Affairs". Due to some discrepancies in the programmes classified as being current affairs between BARB and Channel 4's own internal data systems, in the 2009 report we elected to source the list of current affairs programmes for Channel 4 from Channel 4's own internal data systems. This revised approach ensures that year-on-year trends for Channel 4 are reported accurately and consistently. The same approach has been used for the 2010 report.</p> <p><b>c)</b> In 2010, BARB counted 44 long-form programmes shown on Channel 4 between 6pm-midnight in its "Current Affairs" genre, compared to 73</p>

Section / Title	Channel 4's measurement approach
	<p>using Channel 4's own internal data systems.</p> <p>In peak, the following titles were categorised by Channel 4 but not BARB as being current affairs:</p> <ul style="list-style-type: none"> <li>• <i>Coppers (5 episodes)</i></li> <li>• <i>Dispatches (5 episodes)</i></li> <li>• <i>The Hospital (5 episodes)</i></li> <li>• <i>Our Drugs War (3 episodes)</i></li> <li>• <i>The Hunt for Britain's Sex Traffickers (3 episodes)</i></li> <li>• <i>Britain's Big Freeze (2 episodes)</i></li> <li>• <i>Capitalism: A Love Story</i></li> <li>• <i>The Miracle Baby of Haiti</i></li> <li>• <i>The Taking of Prince Harry</i></li> <li>• <i>Cutting Edge: The Raoul Moat Tapes</i></li> <li>• <i>The Volcano that Stopped Britain</i></li> <li>• <i>True Stories: The End of the Line</i></li> </ul> <p>In addition, one programme (<i>Cutting Edge: Compensation Games</i>) was counted by BARB but not Channel 4 as being current affairs.</p> <p>In the post-peak period, one title (<i>Cutting Edge: The Raoul Moat Tapes</i>) was categorised by Channel 4 but not BARB as being current affairs.</p> <p>c) Due to incorrect coding, some long-form news programmes in 2010 have been classified as occupying two separate slots by BARB, and therefore erroneously do not meet the criteria for 'long-form'. For this reason, BARB counted 201 long-form News programmes shown on Channel 4 between 6pm and midnight in 2010, compared to 207 using Channel 4's own internal data systems. To enhance accuracy, we have therefore also elected to source the list of long-form News programmes (as well as Current Affairs programmes) for Channel 4 from our internal data systems in the 2010 report.</p> <p>d) For the time periods under analysis (peak-time, i.e. 6-10.30pm, and the post-peak period running through to midnight), programmes were included if (a) their was no less than 45 minutes and (b) their start time fell within the relevant time period (the full duration of some programmes may have run beyond the end of the relevant time period).</p> <p>e) Programme lengths are based on slot duration. See Note 1.3.</p>

## Education and Older Children

Section / Title	Channel 4's measurement approach
<p><b>9.1 / Reach of education content online (new)</b></p>	<p>a) Total UK visitors to Channel 4's online <u>education</u> projects is calculated by taking the numbers of unique UK visitors to each active project in that year and summing the visitor numbers across all projects. This is different from the number of unique visitors across all Channel 4 education projects, data for which is not available, as some visitors may access two or more projects.</p> <p>b) Active education projects in 2010 were:</p> <ul style="list-style-type: none"> <li>• <i>Bow Street Runner</i></li> <li>• <i>Yeardot</i></li> <li>• <i>The Insiders</i></li> <li>• <i>Battlefront</i></li> <li>• <i>Routes</i></li> <li>• <i>Science of Scams</i></li> <li>• <i>1066</i></li> <li>• <i>Smokescreen</i></li> <li>• <i>Bookstash</i></li> <li>• <i>Trafalgar Origins</i></li> <li>• <i>Pressure Comics</i></li> <li>• <i>303 Squadron</i></li> <li>• <i>SuperMe</i></li> <li>• <i>Curfew</i></li> <li>• <i>Privates</i></li> </ul> <p>Active education projects in 2009 were:</p> <ul style="list-style-type: none"> <li>• <i>Bow Street Runner</i></li> <li>• <i>Yeardot</i></li> <li>• <i>The Insiders</i></li> <li>• <i>Battlefront</i></li> <li>• <i>Routes</i></li> <li>• <i>Science of Scams</i></li> <li>• <i>1066</i></li> <li>• <i>Smokescreen</i></li> </ul> <p>c) One project (Bow Street Runner) is excluded from the analysis as reliable data is not available. This project was not tracked alongside others in <u>Google Analytics</u>.</p> <p>d) Privates is a download-to-play game. This is included in the analysis, with number of UK downloads used as a proxy for unique visitors.</p>

Section / Title	Channel 4's measurement approach
<b>9.2 / Engagement with education content online (new)</b>	<p>a) Average time spent on Channel 4's online education projects is calculated as a weighted average of dwell time per UK visit across all active projects in that year.</p> <p>b) See note 9.1b for a list of active education projects in 2009 and 2010.</p> <p>c) Bow Street Runner is excluded from this analysis. See Note 9.1c.</p> <p>d) Privates is excluded from the analysis. As this is a download-to-play game, it is not possible to track dwell time for this project.</p>

## Spotlight on: International

Section / Title	Channel 4's measurement approach
10.1 / Range of international programming	<p><b>a)</b> Programmes shown on the main channel are tagged for their international content as part of the public service broadcasters' reports for Ofcom. "International" programmes are defined by Ofcom as being programmes involving major topical international issues or themes.</p> <p>The pie chart shows the spread of genres across first-run originated "international" programming, based upon the genre categorisations used in Channel 4's internal data systems.</p> <p><b>b)</b> Hours of programming is based on slot duration. See Note 1.3.</p>

## Engaging the Audience

### Television

Section / Title	Channel 4's measurement approach
<p><b>11.1 / Audience reach</b></p>	<p><b>a)</b> Reach is defined here as the number of people each month on average who watched the relevant channel(s) for at least 15 consecutive minutes, as a percentage of the total number of TV households (the "BARB universe").</p> <p><b>b)</b> See Note 6.1 for details of the Channel 4 portfolio. The BBC, ITV and Five portfolios contain, respectively, all BBC-, ITV- and Five-branded channels and their time-shifted and HD variants. In 2010, the BBC channels were: BBC One, BBC Two, BBCHD, BBC Three, BBC Four, BBC Parliament, BBC News, CBBC and CBeebies (BBC Alba is not covered by BARB). The ITV channels were: ITV1, ITV2, ITV3, ITV4 and CITV. The Five channels were: Five, Five US and Fiver. BBCHD was the only new (non-timeshift, non-simulcast) addition to the PSB portfolios in 2010.</p> <p><b>c)</b> Reach for the Box TV channels was not included in the calculation of Channel 4 portfolio reach in 2007, as it is unfeasible to calculate reach in a manner that accurately reflects Channel 4's ownership of 50% of the Box TV Channels for part of the year (i.e. August-December 2007, the period of Channel 4's investment in the Box TV channels). From 2008, The Hits/4Music is included in the portfolio for the calculation of reach.</p> <p><b>d)</b> The establishment of a new BARB panel on 1<sup>st</sup> January 2010 has contributed to an increase in reach across all of the PSB portfolios. BARB awarded new research contracts to suppliers in 2010, which has led to some improvements in measurement, including better coverage of viewing to secondary sets. This additional monitoring of secondary set viewing is thought to be the main driver of the increase in reach.</p>
<p><b>11.2 / TV viewing share</b></p>	<p>See Note 6.1 for details of the Channel 4 portfolio and 11.1 for details of the competitor channel portfolios.</p>
<p><b>11.3 / Average daily television viewing</b></p>	<p><b>a)</b> Average daily minutes of TV viewing are calculated using BARB viewing data. For each broadcaster, the chart presents viewing data for all TV viewers and for viewers aged 16-34.</p> <p><b>b)</b> See Note 6.1 for details of the Channel 4 portfolio and 11.1 for details of the competitor channel portfolios.</p> <p><b>c)</b> Across 2010, total TV viewing increased substantially, with the average person watching 28 hours of TV a week, compared to 26 hours a week in 2009. This is largely down to the establishment of a new BARB panel on 1<sup>st</sup> January 2010, which better represents viewing to secondary sets (see note 11.1).</p>
<p><b>11.4 / Medium-term viewing trends</b></p>	<p>This measure looks at viewing trends over a five-year period.</p> <p>See Note 6.1 for details of the Channel 4 portfolio and 11.1 for details of the competitor channel portfolios.</p>
<p><b>11.5 / Viewing to network originations</b></p>	<p>This measure was developed by Channel 4 in 2008 for its first Public Value Report. It assesses the extent to which Channel 4's viewing share – on the main channel and digital channels – is accounted for by programmes that it commissioned (network originations) and those that it acquired from other broadcasters/distributors (primarily feature films and US series).</p> <p>Prior to the development of new data systems used to underpin the first Public Value Report, it had not been possible for Channel 4 to calculate this, as its long-established internal data systems (which provide information on whether each programme is originated, etc.) do not contain BARB viewing data, while BARB does not reliably record whether</p>

Section / Title	Channel 4's measurement approach
	<p>programmes are originated or acquired by broadcasters. The new system implemented by Channel 4 in 2008 established a "bridge" between its existing internal data systems and BARB data.</p> <p>For each channel (the main channel, E4, More4 and Film4), we calculated the proportion of total viewing to that channel accounted for by network originations, and the proportion accounted for by acquisitions (non-commissioned programmes). Total viewing across the portfolio to network originations was then calculated by aggregating this information across the channels. All programming on 4Music was treated as "acquired".</p> <p>The headline 66% figure that is reported excludes viewing to Film4 and 4Music/The Hits. The nature of these channels means that they rely predominantly on acquired content (films and music), and tend not to showcase content originated by Channel 4.</p>

## Digital media

Section / Title	Channel 4's measurement approach
<p><b>11.6 / Making Channel 4 programmes available on demand</b></p>	<p><b>a)</b> Full-length Channel 4 programmes are available on-demand via a number of platforms. Channel 4's own 4oD service offers video content on channel4.com (for 30-day catch up and archive programming). Channel 4 programmes can also be accessed on some third-party platforms: Virgin Media, Tiscali, BT Vision, Apple iTunes, YouTube, SeeSaw (on which Channel 4 content became available in February 2010) and Playstation 3 (on which Channel 4 content became available in December 2010).</p> <p><b>b)</b> For video views of full-length programmes, individual platform operators provide data on on-demand viewing (streaming and downloads) separately. This information is collated and analysed by Channel 4.</p> <p>Video views are recorded from the point at which a unique user initiates the streaming or downloading process. This is the most consistent measure available, as it is not always possible to capture whether programmes are viewed in their entirety.</p> <p><b>c)</b> There will be a small degree of overlap between total full-length video views and TV viewing share, which incorporates some TV-VOD viewing (see Note 6.1).</p> <p><b>d)</b> While we have conducted internal checks to verify streaming and download data generated from internal Channel 4 systems, this measure is vulnerable to the inclusion of data from third-party sources, the reliability of which we have been unable to obtain timely assurance on for the 2010 report. We are continuing to work with third-party on-demand platform providers to develop additional processes to verify the accuracy and completeness of viewing data from those sources.</p>
<p><b>11.7 / Engagement with Channel 4 content online</b></p>	<p>We obtain data on visits and page views to channel4.com and E4.com from our online third party data service provider, <u>Omniture</u>. All channel4.com and e4.com pages are tagged, allowing <u>Omniture</u> to track user activity on our behalf.</p> <p>All <i>Big Brother</i>-related sites are tagged to allow visits and page views to those sites to be separately identified.</p> <p>4music.com was launched in September 2009, but was not included in the figures reported in the 2009 Annual Report. 2009 figures have therefore been restated to include 4music.com. Data for 2010 includes channel4.com, e4.com, 4music.com and film4.com.</p> <p>In 2011, we will continue work to develop processes which provide further comfort over the accuracy and completeness of page view and visits data.</p>
<p><b>11.8 / Engaging Channel 4 viewers online</b></p>	<p><b>a)</b> Most programmes on Channel 4's websites have their own dedicated sites, on which users can post comments and interact with content in other ways. Comments on these sites have been tracked since the re-launch of channel4.com in 2009. Comments were monitored for the period from April to December in 2009, and for the full year in 2010.</p> <p><b>b)</b> Comments for most sites on channel4.com, and for all sites on e4.com, are tracked by Omniture. Data on comments for other programmes was obtained directly from the developers or other tracking systems. In 2010, these were <i>Embarrassing Bodies</i> (Maverick), <i>The Sex Education Show</i> (Mint Digital), <i>Big Brother</i> (Disqus), <i>One Born Every Minute</i> (Symphony) and <i>4Thought.tv</i> (Tempero). The <i>Channel 4 News</i> blog was tracked by the Wordpress tool in 2009 but was available through Omniture in 2010.</p> <p>While Omniture, Mint Digital, Disqus, Symphony and Tempero track all submitted comments, Maverick only monitors comments accepted by the moderator (they do not keep records of deleted comments). Therefore, the reported number of comments for <i>Embarrassing Bodies</i> understates the total comments for these sites.</p>

Section / Title	Channel 4's measurement approach
	<p><b>c)</b> Channel 4's websites are organised according to "verticals" (e.g. channel4.com/food), "sub-sections" (e.g. channel4.com/entertainment/T4) and "microsites" (e.g. channel4embarrassingillnesses.com). Where comments on programmes can be extracted in different ways (e.g. by vertical or by microsite), the reported data for each programme adopts the approach that maximises accuracy and completeness in each case.</p> <p><b>d)</b> See note 7.4 for details of the data sources and methodology used for highest conversion rate from TV audience to website visits. An improvement in internal data systems has resulted in conversion rate analysis for 2010 being more accurate than in prior years. These figures are therefore not directly comparable to those published in the 2009 Annual Report, and as such no year-on-year comparisons should be made. The year-on-year comparison for the average conversion rate from TV to online across the Top 10 programmes is based on a recalculated figure for 2009, consistent with the more accurate approach used in 2010.</p>

*Catering to diverse audiences*

Section / Title	Channel 4's measurement approach
<p><b>11.9 / Viewing by ethnicity</b></p>	<p>This chart shows the amount of viewing to the public service broadcasters' channel portfolios by white and BAME (Black, Asian and Minority Ethnic) audiences, as a proportion of total TV viewing by people in those demographic groups. The category of "white" audiences comprises people on the BARB panel who identify themselves as being "White British" or "White Other". See Note 8.1 for a definition of the BAME category.</p> <p>See Note 6.1 for details of the Channel 4 portfolio and 11.1 for details of the competitor channel portfolios. We report the viewing share of other broadcasters, as they account for a substantial proportion of viewing amongst BAME audiences.</p>
<p><b>11.10 / Medium-term trends in viewing amongst young audiences</b></p>	<p>This chart shows the amount of viewing to the public service broadcasters' channel portfolios by 16-34 year-olds as a proportion of total TV viewing by people in that age group in 2005 and 2010.</p> <p>See Note 6.1 for details of the Channel 4 portfolio and 11.1 for details of the competitor channel portfolios.</p>
<p><b>11.11 / Channel reputations</b></p>	<p>a) See note 2.1-2.8.</p> <p>b) Statement 11.11 '<i>Caters for audiences other channels don't cater for</i>' is from the offline survey (the 'Offline Image Tracker').</p>

### 3. Discontinued Metrics

Section / Title	Channel 4's measurement approach																																																									
Originations on E4	<p data-bbox="539 338 1027 371"><b>First-run originations on E4 (2010)</b></p> <p data-bbox="539 389 596 416"><i>Data</i></p> <table border="1" data-bbox="539 432 1289 1375"> <thead> <tr> <th data-bbox="539 432 916 539">Programmes</th> <th data-bbox="916 432 1102 539">Number of Hours</th> <th data-bbox="1102 432 1289 539">Average Viewing (000s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 539 916 584">Main channel spin-offs:</td> <td data-bbox="916 539 1102 584"></td> <td data-bbox="1102 539 1289 584"></td> </tr> <tr> <td data-bbox="539 584 916 629"><i>Big Brother and spin-offs</i></td> <td data-bbox="916 584 1102 629">873</td> <td data-bbox="1102 584 1289 629">87</td> </tr> <tr> <td data-bbox="539 629 916 674"><i>Hollyoaks spin-offs</i></td> <td data-bbox="916 629 1102 674">5</td> <td data-bbox="1102 629 1289 674">759</td> </tr> <tr> <td data-bbox="539 674 916 719"></td> <td data-bbox="916 674 1102 719"></td> <td data-bbox="1102 674 1289 719"></td> </tr> <tr> <td data-bbox="539 719 916 763">E4 original commissions:</td> <td data-bbox="916 719 1102 763"></td> <td data-bbox="1102 719 1289 763"></td> </tr> <tr> <td data-bbox="539 763 916 808"><i>Skins</i></td> <td data-bbox="916 763 1102 808">9</td> <td data-bbox="1102 763 1289 808">1,211</td> </tr> <tr> <td data-bbox="539 808 916 853"><i>Misfits</i></td> <td data-bbox="916 808 1102 853">8</td> <td data-bbox="1102 808 1289 853">1,462</td> </tr> <tr> <td data-bbox="539 853 916 898"><i>Natalie Cassidy</i></td> <td data-bbox="916 853 1102 898">4</td> <td data-bbox="1102 853 1289 898">428</td> </tr> <tr> <td data-bbox="539 898 916 943"><i>The Inbetweeners</i></td> <td data-bbox="916 898 1102 943">4</td> <td data-bbox="1102 898 1289 943">4,096</td> </tr> <tr> <td data-bbox="539 943 916 987"><i>Phoneshop</i></td> <td data-bbox="916 943 1102 987">4</td> <td data-bbox="1102 943 1289 987">454</td> </tr> <tr> <td data-bbox="539 987 916 1032"><i>School of Comedy</i></td> <td data-bbox="916 987 1102 1032">3</td> <td data-bbox="1102 987 1289 1032">528</td> </tr> <tr> <td data-bbox="539 1032 916 1077"><i>Meet The Parents</i></td> <td data-bbox="916 1032 1102 1077">3</td> <td data-bbox="1102 1032 1289 1077">459</td> </tr> <tr> <td data-bbox="539 1077 916 1122"></td> <td data-bbox="916 1077 1102 1122"></td> <td data-bbox="1102 1077 1289 1122"></td> </tr> <tr> <td data-bbox="539 1122 916 1167">Other commissions</td> <td data-bbox="916 1122 1102 1167">8</td> <td data-bbox="1102 1122 1289 1167">471</td> </tr> <tr> <td data-bbox="539 1167 916 1211"></td> <td data-bbox="916 1167 1102 1211"></td> <td data-bbox="1102 1167 1289 1211"></td> </tr> <tr> <td data-bbox="539 1211 916 1256"><b>All excluding Big Brother</b></td> <td data-bbox="916 1211 1102 1256"><b>48</b></td> <td data-bbox="1102 1211 1289 1256"><b>1,075</b></td> </tr> <tr> <td data-bbox="539 1256 916 1301"></td> <td data-bbox="916 1256 1102 1301"></td> <td data-bbox="1102 1256 1289 1301"></td> </tr> <tr> <td data-bbox="539 1301 916 1375"><b>Corresponding 2009 totals</b></td> <td data-bbox="916 1301 1102 1375"><b>35</b></td> <td data-bbox="1102 1301 1289 1375"><b>909</b></td> </tr> </tbody> </table> <p data-bbox="539 1424 1027 1451"><b>Source:</b> Channel 4 (output), BARB (viewing)</p> <p data-bbox="539 1469 692 1496"><b>Commentary</b></p> <p data-bbox="539 1514 1337 1684">E4 showed 48 hours of first-run originations (excluding <i>Big Brother</i>-related programming) in 2010. This was a 36% increase on 2009. <i>Skins</i>, <i>Misfits</i>, <i>The Inbetweeners</i> and <i>School of Comedy</i> all returned, and new commissions included <i>PhoneShop</i> and <i>Meet The Parents</i>. In addition, more than 870 hours of <i>Big Brother</i>-related programming was shown on E4 in 2010.</p> <p data-bbox="539 1715 1353 1863">Average viewing to first-run originations on E4 (excluding <i>Big Brother</i>) increased by 18% in 2010 to 1.1 million. Viewing to <i>Misfits</i> increased from 766,000 to almost 1.5 million, while <i>The Inbetweeners</i> more than doubled its audience, with average viewing increasing from 1.5 million in 2009 to over 4 million in 2010.</p>	Programmes	Number of Hours	Average Viewing (000s)	Main channel spin-offs:			<i>Big Brother and spin-offs</i>	873	87	<i>Hollyoaks spin-offs</i>	5	759				E4 original commissions:			<i>Skins</i>	9	1,211	<i>Misfits</i>	8	1,462	<i>Natalie Cassidy</i>	4	428	<i>The Inbetweeners</i>	4	4,096	<i>Phoneshop</i>	4	454	<i>School of Comedy</i>	3	528	<i>Meet The Parents</i>	3	459				Other commissions	8	471				<b>All excluding Big Brother</b>	<b>48</b>	<b>1,075</b>				<b>Corresponding 2009 totals</b>	<b>35</b>	<b>909</b>
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	<p><b>Methodology</b></p> <p><b>a)</b> This table summarises the amount of programming originated by E4 in 2010. The programmes in the table are divided between spin-offs of programmes that were originally shown on the main channel (e.g. <i>Big Brother</i> and <i>Hollyoaks Later</i>) and programmes that were entirely originated by E4 (e.g. <i>Misfits</i>). The main channel spin-offs shown on E4 in 2010 were <i>Big Brother</i>-related spin-offs (including live streaming of <i>Big Brother</i> and <i>Celebrity Big Brother</i>) and <i>Hollyoaks</i> spin-offs. "Other commissions" comprises a small number of further programmes originally commissioned by E4 other than the ones shown separately in the table, including <i>How To Be Famous</i> and <i>The Idiot Awards</i>.</p> <p><b>b)</b> "Number of hours" is based on slot duration. See note 1.3 in Chapter 2.</p> <p><b>c)</b> The viewing figures referenced in the table are sourced from BARB.</p>												
Commitment to documentary films	<p><b>Hours of first-run serious factual documentaries on the main channel and More4 running wholly or partially in peak</b></p> <p><b>Data</b></p> <table border="1" data-bbox="539 846 1289 1037"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Originations on Channel 4</td> <td>204</td> <td>185</td> </tr> <tr> <td>True Stories on More4</td> <td>67</td> <td>71</td> </tr> <tr> <td><b>Total in Peak</b></td> <td><b>271</b></td> <td><b>256</b></td> </tr> </tbody> </table> <p><b>Source:</b> Channel 4</p> <p><b>Commentary</b></p> <p>There were 185 hours of first-run originations shown in the evening schedules on the main channel in serious factual genres in 2010, down 9% year-on-year. On More4, the international documentary strand <i>True Stories</i> accounted for a further 71 hours of first-run titles, up 7% on 2009. A total of 256 hours of first-run serious factual documentaries, running wholly or partially in peak, were shown across the two channels in 2010.</p> <p><b>Methodology</b></p> <p><b>a)</b> "Originations on Channel 4" refer to the total volume of first-run originated Serious Factual programmes shown on the main channel that ran partially or wholly in peak (6-10.30pm). As the full duration of relevant programmes was counted, we ensured that any programmes scheduled to run entirely outside peak, but which slightly overran into peak on the day of transmission, were excluded.</p> <p>Programmes in the following genres (in Channel 4's internal data systems) are identified as Serious Factual, consistent with Channel 4's reports to Ofcom on Serious Factual output: Documentaries and the following subsets of Education: Deaf and Disabled, Health, History, Nature and Environment, Science.</p>		2009	2010	Originations on Channel 4	204	185	True Stories on More4	67	71	<b>Total in Peak</b>	<b>271</b>	<b>256</b>
	2009	2010											
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	<p><b>b)</b> <i>True Stories</i> is a strand running on More4 that showcases feature documentaries from around the world, usually running on Tuesdays at 10pm in 2010. They include international co-productions that were partly financed by Channel 4, alongside pure acquisitions (all of which contribute to the public purpose of “challenging people to see the world differently”). “<i>True Stories</i> on More4” refers to the number of hours of programming associated with the first-run films shown in 2010.</p> <p><b>c)</b> Hours of programming is based on slot duration. See note 1.3 in Chapter 2.</p>																																																
<p>UK &amp; foreign language films</p>	<p><b>Number of UK and foreign-language films on the main PSB channels</b></p> <p><i>Data</i></p> <table border="1" data-bbox="539 663 1286 1576"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>BBC One - UK</td> <td>63</td> <td>43</td> </tr> <tr> <td>BBC One - Foreign-language</td> <td>1</td> <td>0</td> </tr> <tr> <td><b>BBC One - Total</b></td> <td><b>64</b></td> <td><b>43</b></td> </tr> <tr> <td>BBC Two - UK</td> <td>119</td> <td>130</td> </tr> <tr> <td>BBC Two - Foreign-language</td> <td>25</td> <td>7</td> </tr> <tr> <td><b>BBC Two - Total</b></td> <td><b>144</b></td> <td><b>137</b></td> </tr> <tr> <td>ITV - UK</td> <td>117</td> <td>107</td> </tr> <tr> <td>ITV - Foreign-language</td> <td>3</td> <td>2</td> </tr> <tr> <td><b>ITV - Total</b></td> <td><b>120</b></td> <td><b>109</b></td> </tr> <tr> <td>Channel 4 - UK</td> <td>129</td> <td>96</td> </tr> <tr> <td>Channel 4 - Foreign-language</td> <td>42</td> <td>50</td> </tr> <tr> <td><b>Channel 4 - Total</b></td> <td><b>171</b></td> <td><b>146</b></td> </tr> <tr> <td>Five - UK</td> <td>59</td> <td>58</td> </tr> <tr> <td>Five - Foreign-language</td> <td>5</td> <td>0</td> </tr> <tr> <td><b>Five - Total</b></td> <td><b>64</b></td> <td><b>58</b></td> </tr> </tbody> </table> <p><i>Source: UK Film Council</i></p> <p><b>Commentary</b></p> <p>Channel 4 showed 146 UK and foreign-language films on its main channel in 2010. This was down 15% year-on-year. UK and foreign-language film output was also down on all of the other main PSB channels in 2010, with BBC One seeing the greatest decline, of 33%.</p> <p>50 foreign-language films were broadcast on the main channel in 2010, 8 more than in 2009, and substantially exceeding the combined total across the other main PSB channels (9).</p>		2009	2010	BBC One - UK	63	43	BBC One - Foreign-language	1	0	<b>BBC One - Total</b>	<b>64</b>	<b>43</b>	BBC Two - UK	119	130	BBC Two - Foreign-language	25	7	<b>BBC Two - Total</b>	<b>144</b>	<b>137</b>	ITV - UK	117	107	ITV - Foreign-language	3	2	<b>ITV - Total</b>	<b>120</b>	<b>109</b>	Channel 4 - UK	129	96	Channel 4 - Foreign-language	42	50	<b>Channel 4 - Total</b>	<b>171</b>	<b>146</b>	Five - UK	59	58	Five - Foreign-language	5	0	<b>Five - Total</b>	<b>64</b>	<b>58</b>
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	<p><b>Methodology</b></p> <p>The UK Film Council reports the number of UK and foreign-language films shown on the main PSB channels in its Statistical Yearbook. The data presented here will be published in the 2011 edition. We are grateful to the UK Film Council for sharing this information with Channel 4 ahead of publication.</p>																																										
<p>Broadcaster's expenditure on UK originations</p>	<p><b>Expenditure by broadcasters on first-run UK originated television programming, £m</b></p> <p><b>Data</b></p> <table border="1" data-bbox="539 577 1193 1227"> <thead> <tr> <th></th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>BBC - Main</td> <td>1,060</td> <td>1,050</td> </tr> <tr> <td>BBC - Digital</td> <td>151</td> <td>140</td> </tr> <tr> <td><b>BBC - Total</b></td> <td><b>1,211</b></td> <td><b>1,190</b></td> </tr> <tr> <td>ITV - Main</td> <td>740</td> <td>667</td> </tr> <tr> <td>ITV - Digital</td> <td>32</td> <td>32</td> </tr> <tr> <td><b>ITV - Total</b></td> <td><b>772</b></td> <td><b>699</b></td> </tr> <tr> <td>C4 - Main</td> <td>389</td> <td>339</td> </tr> <tr> <td>C4 - Digital</td> <td>32</td> <td>24</td> </tr> <tr> <td><b>C4 - Total</b></td> <td><b>421</b></td> <td><b>363</b></td> </tr> <tr> <td>Five - Main</td> <td>96</td> <td>69</td> </tr> <tr> <td>Five - Digital</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>Five - Total</b></td> <td><b>96</b></td> <td><b>69</b></td> </tr> <tr> <td><b>Other broadcasters</b></td> <td><b>201</b></td> <td><b>187</b></td> </tr> </tbody> </table> <p><b>Source:</b> Ofcom (2010 data not available), Channel 4</p> <p><b>Commentary</b></p> <p>According to the most recent industry data published by Ofcom, Channel 4 is still the third largest investor in British television programming after the BBC and ITV.</p> <p>Despite a year-on-year decline, the £363 million that Channel 4 spent on first-run originations across its portfolio in 2009 significantly exceeded the combined spend on UK originations (excluding sports rights) by Five and all of the non-public service broadcasters.</p> <p><b>Methodology</b></p> <p><b>a)</b> See note 3.1 in Chapter 2 for details of source data for the main channels and BBC digital portfolio.</p> <p><b>b)</b> Expenditure on originated content by channels other than the PSB channels for 2007 was originally sourced from Ofcom's Phase One report ("The Digital Opportunity") in the Second Public Service Broadcasting Review (published April 2008). This Phase One report provided estimated expenditure on first-run originated programming in 2007 by broadcasters other than the BBC, ITV, Channel 4 and Five (£201 million), along with the estimated expenditure by ITV, Channel 4 and Five on their digital channels (£67 million). Subtracting Channel 4's digital channel expenditure in 2007 of £35 million gave a combined figure of £32 million for ITV and Five. We allocated this amount entirely to ITV, with this</p>		2008	2009	BBC - Main	1,060	1,050	BBC - Digital	151	140	<b>BBC - Total</b>	<b>1,211</b>	<b>1,190</b>	ITV - Main	740	667	ITV - Digital	32	32	<b>ITV - Total</b>	<b>772</b>	<b>699</b>	C4 - Main	389	339	C4 - Digital	32	24	<b>C4 - Total</b>	<b>421</b>	<b>363</b>	Five - Main	96	69	Five - Digital	0	0	<b>Five - Total</b>	<b>96</b>	<b>69</b>	<b>Other broadcasters</b>	<b>201</b>	<b>187</b>
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C4 - Digital	32	24																																									
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Five - Main	96	69																																									
Five - Digital	0	0																																									
<b>Five - Total</b>	<b>96</b>	<b>69</b>																																									
<b>Other broadcasters</b>	<b>201</b>	<b>187</b>																																									

	<p>assumption reflecting our understanding of the (approximate) amounts that these broadcasters spend on originations on their digital channels.</p> <p>c) As Ofcom did not publish any updated figures for the non-PSB channels in 2008, and in the absence of other publicly-available data, we assumed that there were no changes in expenditure on originations by ITV and Five on their digital channels in this year, or in expenditure on originations by other broadcasters.</p> <p>d) Ofcom did not publish any updated figures for the non-PSB channels in 2009. In the absence of other publicly-available data indicating otherwise, we have again assumed that there were no changes in expenditure on originations by ITV and Five on their digital channels in this year. The pressure on budgets in 2009 meant that total spend by the public service broadcasters (the five main PSB channels plus BBC digital channels) declined from £2.42 million in 2008 to £2.27 million in 2009, a fall of 7%. Given other broadcasters are likely to have faced similar budgetary pressures, we have also assumed a 7% decline in expenditure on originations by other broadcasters in 2009.</p> <p>e) Ofcom's figures for the PSB channels include the costs of national news programmes and of sports rights. The figures for the non-PSB channels exclude expenditure on sports rights (so for channels such as Sky Sports, the amounts paid for the rights to the events that they show are excluded, but the production costs of making the programmes are included).</p>															
<p>Contribution by Film4 to UK film production</p>	<p><b>Funding sources for Film4 productions released theatrically, £m</b></p> <p><b>Data</b></p> <table border="1" data-bbox="539 1048 1313 1339"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Investment by Film4 in feature films released in cinemas</td> <td>10.0</td> <td>3.6</td> </tr> <tr> <td>Other funds</td> <td>28.8</td> <td>53.7</td> </tr> <tr> <td><b>Total</b></td> <td><b>38.8</b></td> <td><b>57.3</b></td> </tr> <tr> <td><i>Uplift from Film4 investment to total production budgets</i></td> <td><i>X 4</i></td> <td><i>X 16</i></td> </tr> </tbody> </table> <p><b>Source:</b> Channel 4</p> <p><b>Commentary</b></p> <p>Film4's investment in films that were released in UK cinemas in 2010 was £3.6 million across 6 titles (<i>The Lovely Bones, She, A Chinese, Scouting Book for Boys, Four Lions, Chatroom</i> and <i>Another Year</i>). This was 64% less than the corresponding totals for 2009, reflecting fluctuations in the timing of theatrical releases, which is controlled by the UK distributor of each film. Film4's involvement in these films helped to attract additional funding worth 16 times its own investment in 2010.</p> <p><b>Methodology</b></p> <p>This measure reflects Film4's investment in films released theatrically in each year, excluding films that only received festival premieres in that year. The amount spent on films released in cinemas each year will differ from production budget, depending on the release patterns of individual films (which is controlled by the distributors rather than by Film4). Small adjustments have been made to the final figures for Film4 spend in 2009; due to rounding differences these cannot be seen in the Film4 investment figure, but total funding for 2009 has increased from £38.7 million to £38.8 million.</p>		2009	2010	Investment by Film4 in feature films released in cinemas	10.0	3.6	Other funds	28.8	53.7	<b>Total</b>	<b>38.8</b>	<b>57.3</b>	<i>Uplift from Film4 investment to total production budgets</i>	<i>X 4</i>	<i>X 16</i>
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## 4. Data sources

The data sources used in Channel 4's public value report are listed below.

Source	Description
Attentional	<p>Attentional is a research agency that conducts specialised analysis of television output and viewing, combining proprietary meta-tags with BARB data to provide a rich data source covering all programmes shown on the largest TV channels in the UK.</p> <p>Channel 4 commissioned Attentional to analyse the number of new or one-off titles shown on the main PSB channels, and to look at the number and age of programmes covering hobbies, leisure and life-skills. Channel 4 also drew on data commissioned from Attentional by other organisations (see below).</p>
BARB	<p>The Broadcaster's Audience Research Board (BARB) is the organisation responsible for providing the official industry measurement of UK television audiences, for broadcasters and the advertising industry. It is owned by the BBC, ITV, Channel 4, Five, BSkyB and the IPA (Institute of Practitioners in Advertising).</p> <p>BARB employs a panel of over 5,000 households, sampled to be representative of the 25+ million TV households within the UK. The sample is also representative within each BBC and ITV region. Viewing is measured using meters attached to panel members' television sets and recording devices (analogue video recorders and digital recorders such as Sky+). BARB enhanced its panel to include 7-day catch-up VOD viewing on TV platforms (such as Virgin Media) in some homes in 2009. In 2010, it introduced a new panel, and began to capture all 7-day catch-up VOD viewing on TV platforms (just as it already captured recorded viewing on personal video recorders such as Sky+).</p> <p>This allows viewing (the number of people watching and the share of the available audience at that time) and reach (the proportion of all TV households viewing over a period of time) to be calculated for individual programmes and by channel, both for the overall population and for different audience demographics. All data on audience groups referred to in the SMCP) are based on statistically robust sub-samples.</p>
Channel 4 – internal commissioning management system	<p>Channel 4's internal data systems store transmission and expenditure information on every programme that it commissions or acquires, along with expenditure on originated content and services in digital media (including 4iP). Each television programme is tagged according to whether it is originated or acquired, first-run or repeat, which part of the UK the production company was based, its genre, etc.</p> <p>Channel 4 provides Ofcom with regular reports on its output based on this information. The tagging of programmes is conducted rigorously according to strict definitions provided by Ofcom and/or in legislation (primarily the Communications Act 2003).</p> <p>In 2008, Channel 4 implemented a new IS solution that links information in its internal systems to BARB programme data, enabling viewing and reach to be calculated for groups of programmes defined by tags in its internal systems (e.g. first-run originations in particular genres).</p> <p>Channel 4 tracks online activity (visits, page views and video views) through a third party, Omniture.</p>
Google Analytics	<p>Google Analytics is a service provided by Google that generates detailed statistics about the visitors to a website. Google Analytics has been used to generate extract data for the metrics in the Education and Older Children section on Page 64 of the Annual Report.</p>

Source	Description
Ipsos MORI	<p>Ipsos MORI is part of the Ipsos Group, a market research company. It was commissioned by Channel 4 to conduct the two sets of surveys that underpin the “Channel reputations” charts.</p> <p>Channel 4 has been tracking audience perceptions of the main PSB channels against key reputational statements since 2003. Five waves of research are conducted each year by Ipsos MORI, using face-to-face interviews with a nationally representative sample of adults (aged 16 or over). In 2008, each wave comprised over 1,200 people, taking the cumulative sample over the year to over 6,000 respondents.</p> <p>Channel 4 piloted a list of new statements in 2008 in a second survey. These new statements were designed to complement the existing ones, and were selected to reflect the purposes set out in <i>Next on 4</i>. The first wave of the new survey was conducted by Ipsos MORI, using an online panel, in late 2008. This survey is now undertaken on a regular basis, with more than 6,000 respondents interviewed over three waves of research conducted in 2010.</p>
Ofcom	<p>Communications regulator Ofcom produces annual reports covering the output of the broadcasting industry. 2009 industry data used by Channel 4 is sourced from a statistical release published on Ofcom’s website on 14<sup>th</sup> December 2010. Data for the prior year is sourced from Ofcom’s Communications Market Report (August 2009).</p>
Omniture	<p>Omniture is a leading provider of online business optimisation software. Channel 4 uses Omniture to track and measure the performance on channel4.com and E4.com.</p>
UK Film Council	<p>The UK Film Council is the Government-backed lead agency for film in the UK. Analysis of the number of UK and foreign-language films on the main PSB channels was conducted by the UK Film Council (with raw data supplied by Attentional) for its 2010 Statistical Yearbook, and reproduced by Channel 4 with permission.</p>
Virgin Media, Tiscali, iTunes, BT Vision, YouTube, SeeSaw, Playstation 3	<p>The volume of on-demand views of Channel 4 programmes on third-party platforms is provided by the platform operators (e.g. Virgin Media).</p>
YouGov	<p>In 2008, Channel 4 commissioned market research agency YouGov to undertake a survey to look at perceptions of TV news viewers to the programmes that they watch. In 2009, these statements were incorporated into the regular online tracking survey conducted by Ipsos MORI, and were again run through Ipsos MORI in 2010. Data from the YouGov survey is therefore no longer included in the report.</p>

## 5. Glossary

This section provides a summary of the terms used in the report on Channel 4's public value. Terms used in the second column that are themselves defined are underlined.

Term	Definition
Acquisition / acquired	A TV programme shown by a broadcaster that it did not <u>commission</u> itself. Acquisitions include feature films, bought-in television programmes from the US and archive British programmes acquired from the original programme-makers (or their distributors).
BAME	Refers to Black, Asian and Minority Ethnic groups. The "BAME" category comprises people who identify themselves as being "Black Caribbean", "Black African", "Black Other", "Indian", "Pakistani", "Bangladeshi", "Chinese", "Other Asian", "Mixed race" or any other category.
Channel 4	Refers in the SMCP to the broadcaster (the Channel Four Television Corporation), while its main TV channel is referred to as the <u>main channel</u> .
Commission	See <u>Origination</u> .
Digital TV channels	All channels other than the <u>main PSB channels</u> – i.e. BBC One, BBC Two, ITV1, <u>Channel 4's main channel</u> and Five – which are available via analogue terrestrial signals. The <u>Channel 4</u> digital TV channels are <u>E4</u> , <u>More4</u> , <u>Film4</u> and <u>4Music</u> .
E4	One of <u>Channel 4's</u> digital TV channels.
Education	Projects commissioned by the Channel 4 education department with a view to fulfilling our Schools requirement.
External supplier	Any external organisation that produces programming that has been <u>commissioned</u> by a broadcaster but not made by the broadcaster itself. As <u>Channel 4</u> does not have an in-house production base, it sources all of its programmes from external suppliers. Most of its <u>originated</u> programmes are made by independent production companies, while some are also commissioned from the production arms of other broadcasters (such as ITV).
Film4	Refers to two areas of activity. The Film4 channel is one of <u>Channel 4's</u> digital TV channels. Film4 Productions is the film-making arm of <u>Channel 4</u> , which develops and co-finances feature films.
First-run	A TV programme that is shown for the first time, as opposed to a <u>repeat</u> .  The <u>main PSB channels</u> show much higher proportions of new (first-run) programmes in their schedules than most <u>digital TV channels</u> , which tend to rely on higher <u>repeat</u> rates.
Independent production	Refers to productions by companies other than the BBC or ITV's in-house production divisions. See Note 8.5 for the definition of an independent producer.
Main channel	Channel 4, the main TV channel operated by the Channel Four Television Corporation.
Main PSB channels	The traditional network channels, i.e. BBC One, BBC Two, ITV1, <u>Channel 4's main channel</u> and Five. These are all <u>public service channels</u> , alongside the other BBC-branded TV channels.
Medium term	Denotes a five-year period.

Term	Definition
Microsite	This is a dedicated website for a <u>Channel 4</u> programme that is separate from the main site at <a href="http://www.channel4.com">www.channel4.com</a> . For example, the site for <i>Embarrassing Illnesses</i> can be found at <a href="http://www.channel4embarrassingillnesses.com">www.channel4embarrassingillnesses.com</a> .
More4	One of <u>Channel 4's digital TV channels</u> .
Nations	Denotes Scotland, Wales and Northern Ireland.
Network	See <u>Public service network</u> .
Network origination	A new term (defined by <u>Channel 4</u> for its public value reporting) that refers to any programme transmitted by <u>Channel 4</u> on any of its TV channels that was commissioned by the broadcaster (in the current or any previous year). It differs from <u>originations</u> (the definition of which is fixed in legislation) in that it also includes programmes commissioned by other channels in <u>Channel 4's portfolio</u> . So an <u>E4 commission</u> such as <i>Skins</i> counts as a network origination if it is also shown on the <u>main channel</u> . Similarly, if <i>Come Dine With Me</i> (a <u>main channel commission</u> ) is shown on <u>More4</u> , it counts as a network origination on that channel.
New talent	Refers to on- and off-screen <u>talent</u> who are new to television, or who are doing something new. <u>Channel 4's</u> commitment to new talent – across a wide range of genres, including factual, drama, comedy and entertainment – includes giving young programme-makers (directors, writers, etc.) and performers (actors, presenters, etc.) exposure on mainstream television early in their careers. It also includes providing opportunities to more established talent to develop their skills (e.g. by moving into higher-budget productions) or to move into new areas (encouraging actors to develop their own scripts, writers to move into directing, and so on).
Ofcom	The UK communications regulator, which regulates <u>Channel 4's</u> activities.
Older children	Older children are defined as 10-14 year olds. This audience group has been identified by <u>Ofcom</u> as being underserved by UK originated content. The requirement to provide content for older children and young adults in <u>Channel 4's</u> new <u>remit</u> reflects the broadcaster's strong relationship with these audiences.
On-demand	Refers to services that enable a range of video content to be accessed at any time. On-demand services are generally delivered through broadband services, to digital TV platforms such as Virgin Media or Tiscali, to PC desktop applications (such as Apple's iTunes or <u>Channel 4's 4oD</u> ) or to websites such as <a href="http://channel4.com">channel4.com</a> .
(Online) page view	A request for a full-page document (rather than an element of a page such as an image, movie, or audio file) on a website.
(Online) visit	Refers to an interaction between a visitor and a website. A visit begins when a person first views a page on the relevant website (in the SMCP, this covers <a href="http://channel4.com">channel4.com</a> and <a href="http://E4.com">E4.com</a> ). It continues until that person stops all activity on the site for 30 minutes. Within a visit, someone might access more than one page. A website that is engaging is one that gets many <u>page views</u> per visit.
Origination / originated	All programmes shown on TV are either commissioned by the broadcaster (originated) or purchased (acquired). The main public service broadcasters ( <u>Channel 4</u> , the BBC, ITV and Five) are distinguished from the hundreds of <u>digital TV channel operators</u> by the large volume of programmes that are originated, i.e., commissioned by them, on their channels. These commissions may be made in-house by the broadcaster (in the case of the BBC or ITV) or they may be commissioned from <u>external suppliers</u> .
Out of London	Refers to the <u>nations</u> and the English regions other than London. As the broadcasting sector tends to be heavily centralised, with most production

Term	Definition
	companies and broadcasters based in London, the degree of activity in other parts of the UK is of concern to <u>Ofcom</u> and the Government.
Peak-time	Defined by <u>Ofcom</u> as the evening period between 6pm and 10.30pm.
Percentage point (pt)	Refers to the absolute difference between two percentages.
Portfolio / TV channel portfolio	The TV channels owned by a broadcaster. <u>Channel 4's</u> TV channel portfolio comprises the <u>main channel</u> and its <u>digital TV channels</u> .
PSB (public service broadcasting)	See <u>public service broadcaster</u> .
Public service broadcaster	<u>Channel 4</u> is a public service broadcaster, along with the BBC, ITV, Five and S4C. These broadcasters were traditionally granted analogue TV licences in exchange for commitments to provide a range of high-quality public service programmes (as defined in the Communications Act 2003). The BBC and Channel 4 are publicly-owned, and exist primarily to fulfil broad public <u>remits</u> . The BBC is funded by the licence fee. Channel 4 derives its income in the commercial marketplace. ITV and Five, which are privately-owned and commercially-funded, have a range of specific programming obligations.
Public service channel	Refers to all BBC-branded channels, ITV1, <u>Channel 4's main channel</u> and Five. These channels have particular <u>PSB</u> obligations.
Public service network	Refers to the range of TV channels and digital media services provided by <u>Channel 4</u> that contribute to the delivery of its public role.
Reach	The number of people or percentage of the target audience who view a programme, series or channel for a minimum specified duration (usually 3 or 15 consecutive minutes).
Remit	The formal articulation of <u>Channel 4's</u> public role, as set out in legislation (most recently, in the Digital Economy Act 2010). The remit is described in Chapter 1 of this document in more detail.
Repeat	A programme that has been transmitted by a broadcaster previously on the same channel (as opposed to a <u>first-run</u> transmission).
Share	The percentage of viewers (all people or those from a particular demographic group) watching TV at a certain time who watch a particular channel/programme.
Slot	Part of a TV schedule occupied by a single programme or episode.
Slot duration	Defined for any given programme as the difference between the programme's start time and the start time of the following programme. It therefore includes advertising minutage around the relevant programmes.
Strand	Part of a TV channel's schedule that is reserved for a particular kind of themed programming. Channel 4 strands include <i>Dispatches</i> (covering current affairs) and <i>Cutting Edge</i> (documentaries).

Term	Definition
Talent	Refers to the people who appear in, or who make, TV programmes: writers, performers, presenters, directors, etc.
TV channel portfolio	See <a href="#">portfolio</a> .
Unique viewers	Number of television viewers who watch at least 3 consecutive minutes of any programme in a season.
Unique visitors	Number of people in a designated period of time who visit a website at least once. Each individual is counted only once in the unique visitor measure for the reporting period.
Vertical	This refers to the specific parts of <a href="#">Channel 4's</a> main website at channel4.com. Specifically, it covers the first sub-directory of sites under channel4.com. For example, the Food Vertical is found at channel4.com/food.
(Video) view	Occurs when a clip or full-length programme is accessed <a href="#">on-demand</a> . It is common to report the number of video views initiated, as it is difficult, if not impossible, to monitor whether user have watched videos in their entirety.
Viewing share	See <a href="#">Share</a> .
4Music	One of <a href="#">Channel 4's</a> digital TV channels. It is part of the portfolio of music channels jointly owned by Channel 4 and Box TV. This channel was formerly known as The Hits, and was rebranded as 4Music in 2008.