

# **INCREASING THE REGIONAL IMPACT OF CHANNEL 4 CORPORATION**

**Channel 4 response to the Government consultation**

**July 2017**

## Section 1:

### EXECUTIVE SUMMARY

#### 1.1. Introduction

Channel 4 supports the Government's stated public policy ambitions in the consultation to: (a) support regional economic growth; (b) stimulate regional creative industries; and (c) better serve audiences in the Nations and Regions.

We also welcome the Government's ambition, outlined within the consultation, and reflected in the Government's Industrial Strategy Green Paper, to 'spread jobs and prosperity throughout the UK'. We recognise the important role Channel 4 can play in helping meet these objectives.

**We are committed to increasing our contribution to the Nations and Regions in a meaningful, balanced and sustainable way and in accordance with our existing statutory duties.**

- Channel 4 makes a significant contribution to talent, audiences and the independent production sector in the Nations and Regions, spending over £1.5bn on TV production in the Nations and Regions over the last decade. In 2016 this was at a high of £169m, £36m of which was spent in the devolved Nations. External analysis commissioned by Channel 4 calculates this activity as supporting around 3,000 jobs in the Nations and Regions.
- We wish to increase this contribution to the Nations and Regions in a way that enhances, and does not diminish, our ability to fulfil our existing public policy role, as set out by Parliament in our statutory public service remit<sup>1</sup>. We want to ensure that any increased Nations and Regions contribution we make enables Channel 4 to continue to flourish creatively and commercially; to maximise investment in production and, in turn, our economic contribution to the Nations and Regions.
- We welcomed the clear commitment made in the consultation to retaining Channel 4 in public ownership – recognising the significant economic and public benefits that this brings with it. The clarity about the Government's focus on the Nations and Regions, and the conducting of an open consultation process is also welcome, setting as it does a clearer frame around which Channel 4 and other interested parties are able to contribute.
- To inform this consultation response we have, to date:
  - Reviewed our current contribution to the Nations and Regions.
  - Engaged with an extensive group of stakeholders from across the creative sector and within Local Government, in order to understand their viewpoints.
  - Analysed other regionalisation and relocation projects to understand their impact.
  - Commissioned external analysis to look at the economic impact of different strategies to increase our contribution to the Nations and Regions.
  - Considered and formulated a set of principles to guide our future plans to increase our contribution to the Nations and Regions, including consideration of the impact that the current adverse macro-economic and advertising market conditions may have.

#### 1.2. Stakeholder consultation

Channel 4 has engaged with a wide range of stakeholders in the creative and business sectors and Local Government.

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<sup>1</sup> See annexes A-D

- Channel 4 has held roundtables across the UK, engaging with 232 producers, as well as key stakeholders from the film, advertising and wider creative industries. These roundtables have taken place in Belfast, Cardiff, Glasgow, Newcastle, Leeds, Manchester (x2), Liverpool, Birmingham, Norwich, Bristol and London.
- Local stakeholder engagement has included regional and Local Government and other regional representatives such as LEPs and screen agencies. To date, this has included representatives from Manchester and Salford, the West Midlands (including Birmingham, Coventry, Solihull, Dudley and Warwick), Yorkshire (including Leeds, York, Bradford and Sheffield), Bristol, Newcastle, Scotland, Wales and Northern Ireland.
- Some clear themes emerged from these discussions:
  - The key priority for industry stakeholders is Channel 4 commissioning spend and the associated employment and talent development this supports.
  - There was little discernible support from industry stakeholders for a full or majority relocation of Channel 4.
  - A smaller, partial relocation of Channel 4 was supported by a minority of producers. The majority did not think relocation would benefit them and thought it could be disadvantageous, adding unnecessary travel costs and time pressures.
  - All advertisers consulted thought that Channel 4 would be at a significant competitive disadvantage if its advertising sales team were moved from London, where the industry is largely based.
  - Advertisers also felt that separating Channel 4's internal functions across locations (e.g. advertising sales, commissioning and marketing) would impede the creative and commercial decision making of the Corporation.
  - Local Government stakeholders have been keen to explore the potential for Channel 4 to relocate to their cities and, more broadly, to work in partnership with us to help boost their local creative economies. They are generally in favour of Channel 4 relocating some of its staff to their cities or regions. Different Local Government stakeholders have brought different perspectives to our interactions – for example, how well-developed different aspects of the creative industries are, the quality and extent of the local talent base and the incentives available in the event of a greater Channel 4 presence in the Nations and Regions.
  - Channel 4 is grateful for this engagement with Local Government stakeholders and, however Channel 4 ultimately decides to increase its contribution to the Nations and Regions, the relationships formed will continue to be beneficial well into the future.

### **1.3. External economic impact analysis**

We have commissioned independent expert analysis in order to:

- 1) Quantify Channel 4's economic impact in the Nations and Regions (in terms of GVA and jobs supported).
- 2) Evaluate strategic options to enhance this economic impact.
- 3) Quantify the full range of benefits and costs to Channel 4 which may arise from a full or partial relocation.

The initial findings of this work are outlined below. The analysis is continuing and will feed into our thinking and discussions with Government as the process moves forward.

## 1.4. Emerging findings from our evidence gathering

The evidence that we have gathered from our extensive consultation with stakeholders, case study research and our preliminary assessment of external economic analysis has produced a number of emerging findings:

- Channel 4 already makes a significant contribution to the Nations and Regions: economically through expenditure/investment and associated employment; and in portraying the diversity of the UK in the content it commissions.
- Channel 4's predominant economic impact is through its investment in production, both across the UK and in the Nations and Regions. These production activities already support many more jobs in the Nations and Regions (c.3,000) than in Channel 4's total direct workforce (c. 820 jobs).
- This will remain the case, so long as Channel 4 continues to commission all its programmes from external producers. Increased commissioning spend will therefore be the most effective single means of increasing economic impact in the Nations and Regions in the future.
- This is a view shared almost unanimously by the production sector and is supported by the preliminary findings of our external economic analysis.
- Beyond commissioning spend, the most effective means of growing Channel 4's contribution to the Nations and Regions in the round is likely to be through a multi-faceted, holistic approach. This would have commissioning spend at its heart, but supported by staff location, physical and brand presence, talent development and investment in skills and training. Some of these interventions would entail action taken by Channel 4 itself, whilst some would be most effectively delivered through partnerships between Channel 4 and other organisations in the creative sector.
- In relation to the location of Channel 4 staff, there would be benefits to a greater number of roles being based outside London. These benefits include:
  - The lower salary and overhead costs achievable in the Nations and Regions.
  - Greater immersion in the local culture of the place where those staff are based.
  - Greater proximity to some Nations and Regions independent producers.
  - A greater opportunity to find and develop the next generation of talent who might not otherwise have considered joining the TV industry or of relocating to London.
- There are also a number of factors relating to the nature of Channel 4's business and internal organisation that would substantially increase the risks of full or a substantial relocation. This is supported by our stakeholder engagement and external analysis:
  - The commercial success of Channel 4 and its subsequent contribution to the UK economy is largely dependent upon generating advertising revenue. This, in turn, is dependent upon the quality and popularity of our creative output.
  - London is a global hub for the advertising industry and is home to the majority of Channel 4's agency clients. These relationships are heavily dependent on face-to-face interaction. In addition, Channel 4 also represents advertising sales for Box TV, UKTV and BT, all of which are London based. The Government's consultation document also recognises the London-centricity of the advertising sector.
  - The quality and popularity of Channel 4's output is dependent both on the level of investment into it and the quality of decision-making about what to commission and how to schedule, market and distribute it. These are highly skilled and competitive activities, fulfilled by experienced staff, many of whom have worked at successful competitor broadcasters in London.

- All of Channel 4's key competitors have their head offices and either all, or the vast majority of, their commissioning staff in London – including the BBC, ITV, Channel 5, Sky, UKTV, Discovery, BT, Amazon and Netflix.
- The case studies we have examined of other organisations with creative or highly skilled workforces that have relocated staff away from London suggest that a high degree of staff turnover would be likely for Channel 4. This would result in a significant loss of existing talent and expertise, which would then be available to strengthen competitors, all of whom are likely to remain located in London. Such talent could be replaced, but from a considerably smaller and less experienced pool of talent currently available in the Nations and Regions.
- One of Channel 4's key competitive advantages is that it is smaller and more agile than its larger competitors. Part of this is a result of a high degree of integration and close cooperation between a variety of functions – commissioning and advertising sales, as well as areas such as scheduling, marketing, finance, technology and research. A significant relocation of some roles would risk diminishing this important competitive advantage, potentially significantly.
- Channel 4 also relies on a number of other operationally important facilities which are based in or near London – including its play out centre and disaster recovery site.

## 1.5. Next steps

Channel 4 has spent this phase of the consultation process gathering industry feedback, commissioning and developing external analysis to inform our thinking and assessing emerging findings from this work.

This submission does not, at this stage, contain specific plans for how Channel 4 might increase its contribution to the Nations and Regions.

Our intention now is to:

- Continue to develop our external economic analysis.
- Review learnings from the available responses of third parties to this consultation.
- Formulate plans for increasing our contribution to the Nations and Regions, for approval by the Channel 4 Board.
- Continue our constructive dialogue with Government and Continue our interaction with industry and local stakeholders.

### 1.5.1. Principles guiding our next steps

In addition to meeting the Government's stated objectives – any plans we develop to increase our contribution to the Nations and Regions must also take account of a broader set of principles that are relevant to Channel 4:

- Channel 4 has a clear set of existing statutory duties, laid down by parliament, that it is obliged to meet:
  - To ensure that Channel 4's public service remit is maximised.
  - To ensure that the Corporation is financially self-sufficient and sustainable.
  - To ensure the production and distribution of a broad range of media content and films.
- In considering any new activities, whether relating to the Nations and Regions or otherwise, the first responsibility of the Channel 4 Board is to satisfy itself that these primary duties are being fulfilled, and not put at risk.

We will also seek to:

- Apply the spirit of innovation and creativity that lies at the heart of the Channel 4 remit.
- Support Channel 4's ability to maintain content investment, which is where Channel 4 makes the greatest impact to the Nations and Regions.
- Increase the number of jobs supported across the Nations and Regions – including direct employment by Channel 4 – as well as new jobs across partner organisations and the creative sector.
- Strengthen the Nations and Regions in terms of skills, talent and diversity.
- Ensure associated risks can be adequately mitigated, taking account of wider and increasingly uncertain market conditions.

### **1.5.2. Macro-economic and wider policy context**

Channel 4 is an entirely commercially funded organisation, supported largely by advertising revenue. Prudent management of its finances over successive years means that Channel 4 is in good financial health, with a strong balance sheet and flexibility within its model to adapt to changing market conditions.

Nonetheless, Channel 4 is operating within a TV advertising market that has been in recession since the EU Referendum, the most severe advertising recession since 2009. The 12 months prior to the EU Referendum saw TV advertising grow by 4.6%. However, the 12 months since June 2016 have seen advertising decline by -4.2%, a negative swing of almost 9%. The forecast for 2017 is significantly lower now than at the start of the year and there is no clear sign of when the downturn will end. Channel 4's flexible business model will enable it to adapt, but market pressure will put strain on the overall level of investment in content. However, the absolute level and phasing of any net costs associated with Channel 4 growing its Nations and Regions contribution will need to be carefully calibrated within the context of this deteriorating macro-economic climate – a climate that will see investment reduced across the sector.

Channel 4 will also consider the wider policy context and in particular the Government's Green Paper: *Building our Industrial Strategy*, which we note also proposes a multi-faceted approach. We believe that Channel 4 could play an important role in helping meet the public policy objectives of the strategy.

## **1.6 Conclusion**

**Taking all of these considerations into account, we are evaluating plans that will enable a meaningful, balanced and sustainable increase in our contribution to the Nations and Regions.**

**These plans will require approval from the Channel 4 Board, who are required to consider them within the context of their existing statutory duties, as well as the prevailing macro-economic climate.**

**We then look forward to discussing the plans with Government, with a view to reaching an outcome that works in the interests of the Government's policy objectives, Channel 4, the wider industry and audiences.**

## Section 2:

# CHANNEL 4'S EXISTING CONTRIBUTION TO THE NATIONS AND REGIONS

This section looks at Channel 4's contribution to the Nations and Regions across a number of activities in order to explain the base from which our contribution can evolve:

- **Production in the Nations and Regions**
- **Support for businesses and talent in the Nations and Regions**
- **Portrayal and representation across the Nations & Regions**

Through the programmes, films and digital content it commissions and broadcasts, Channel 4 already makes a very substantial contribution to the Nations and Regions of the UK. This is achieved both through the portrayal of people and places from all over the country across a wide variety of output and by working with on and off screen creative talent from across the UK.

Channel 4 plays a vital role in supporting the creative economy in the UK and accounts for 37% of all spending with independent production companies by the Public Service Broadcasters (PSBs), a higher proportion than BBC1 and BBC2 combined. The PSBs combined account for the vast majority of UK content investment - 81% of the £1.6bn spent on original commissions from external UK producers in 2015 came from the PSBs. In 2016 Channel 4 worked with 317 companies across TV, film and digital media, 29% of which worked on regional productions for Channel 4.

As a publisher-broadcaster, investment in content – that is to say, where Channel 4 spends its money and on which kinds of programmes – is the biggest economic contribution Channel 4 makes to reflecting and supporting the UK's Nations and Regions. In the last decade Channel 4 has spent over £1.5bn on TV production in the Nations and Regions, with a record £169m spent in 2016, £36m of which was spent on production in the Nations.

External analysis commissioned by Channel 4 calculates this activity as supporting around 3,000 jobs in the Nations and Regions. We commission from local SMEs based across the country and build on existing local strengths to create strong and sustainable production clusters: for example, factual production in Glasgow and drama in the North West of England.

In addition, Channel 4 has four offices beyond its London base, including our Glasgow office, which houses our dedicated Nations and Regions and All 4 Games teams, a growing advertising sales team in Manchester (further details of which are included below) and two further sales offices in Belfast and Dublin.

## 2.1. Regional production

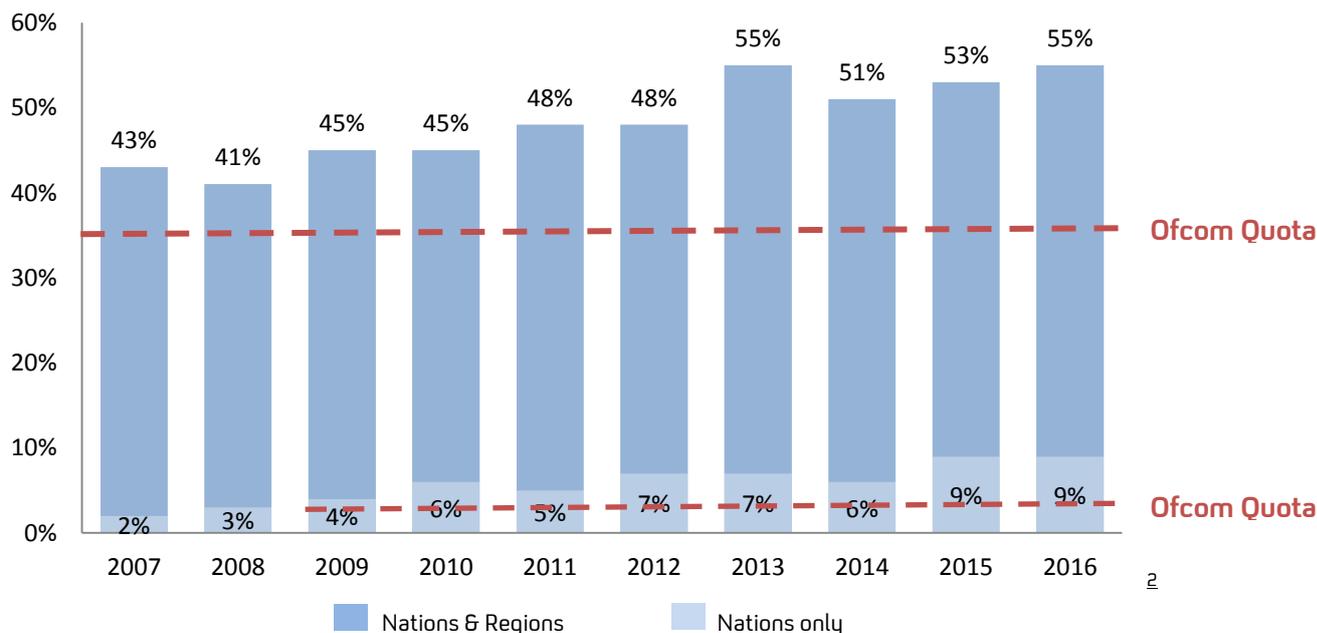
As well as having a remit to appeal to the tastes and interests of a culturally diverse society, Channel 4 has an Ofcom licence obligation which requires a proportion of its output to be made in the Nations and Regions. This takes the form of a quota for 35% of first-run commissioned content (except news) on the main channel to be produced in the Nations and Regions of the UK (see Annex E). This quota applies to both spend and volume (number of hours) on Channel 4. Of this, 3% of programming (by hours and spend) must be produced in the devolved Nations (see Annex E). This quota will rise to 9% by 2020.

Over the past ten years, Channel 4 has worked hard to increase Nations and Regions production spend. In 2016, 40% of the value of first run originations came from Nations and Regions productions. This represents £169m spent on content.

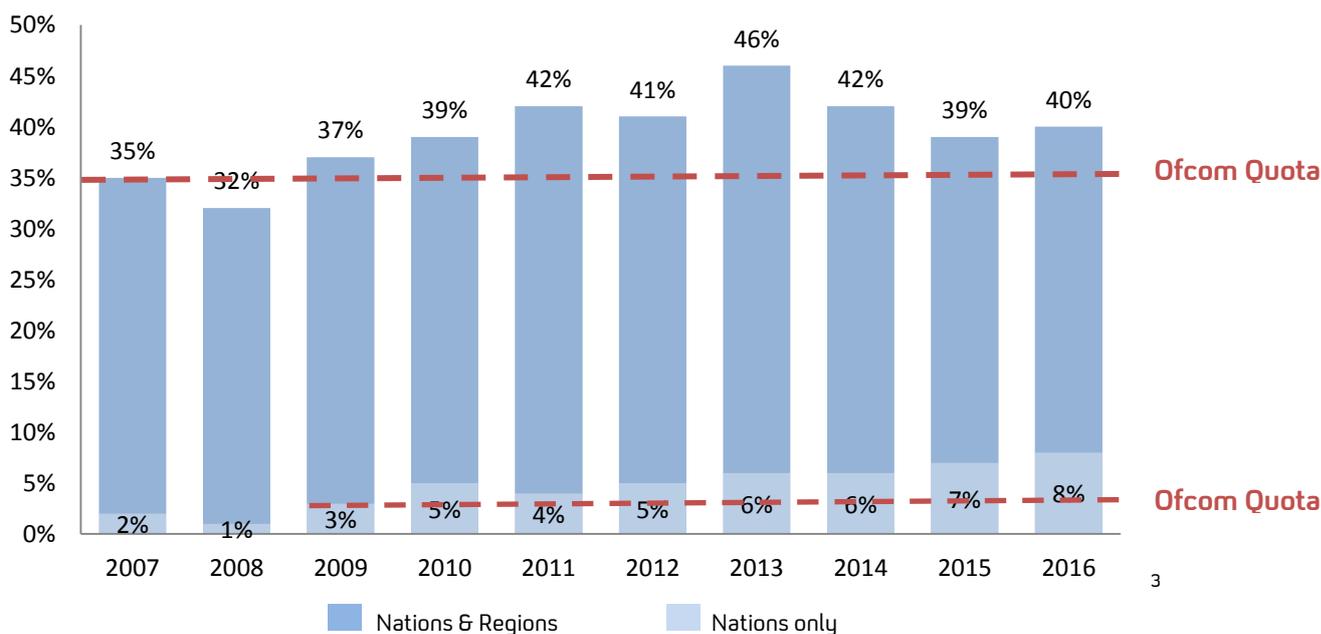
In addition, 2016 saw a record Nations spend, up by 24% year on year. Investment in Northern Ireland and Wales doubled year on year, and spend in the Midlands increased five-fold.

This performance is shown in the tables below.

### Channel 4 Nations and Regions Hours



### Channel 4 Nations and Regions Spend



<sup>2 2</sup> [Channel 4 Annual Reports 2007 -2016](#)

These results have come about as a result of a very deliberate strategy to increase commissioning from the Nations and Regions.

This has not been easy to achieve, requiring additional investment and commissioning resource. Given that Channel 4 is a publisher-broadcaster, we have sought to work in partnership with the production sector and to work towards long-term sustainable growth, building scalable production capability with a view to moving towards returnable, peak-time (and therefore higher value) commissions. Accompanying increasing levels of regional commissioning, there has been a considerable additional focus in recent years by the Channel 4 commissioning team on engaging with producers in the Nation and Regions. This is explained in more detail below.

### **2.1.1. Ofcom definition of Nations and Regions production**

The definition of a 'Nations and Regions production' is drawn up by Ofcom and applies to all public service broadcasters. In order to qualify as regional, a production must meet two out of three criteria (see Annex F).

Channel 4's commitment to meeting the spirit and the letter of its regulatory obligations also manifests itself in the fulfilment of the definition of a regional production. While productions are required to meet only two of the three qualifying criteria, in 2016 53% of regionally qualifying productions met all three. This means that Channel 4 has been working regularly with production companies with an established regional base, as well as employing talent and putting production spend into projects in the Nations and Regions.

This is consistent with Channel 4's general view that, in seeking to develop long term sustainable growth in production in the Nations and Regions, it is more meaningful to work with production companies and talent with genuine roots and commitment to a given region than undertake a 'lift and shift' of production as a means of meeting the quota.

## **2.2. Supporting businesses and investing in talent across the UK**

Channel 4 has a proactive strategy to increase its investment in the Nations and Regions and help grow creative excellence across the UK. We also work with other broadcasters and partner organisations, as well as our suppliers based across the country.

We work to grow indigenous companies (many of which are SMEs) in the Nations and Regions and help them build sustainable growth. Our strategy is focused on facilitating contact between indies and commissioners; seed-funding via our Alpha Fund; and investment in talent and skills development.

This strategy has been very successful - supporting companies such as Boomerang and Nimble Dragon in Wales; Duck Soup Films in Leeds; Tern TV in Scotland; Full Fat Productions in Birmingham; and Big Mountain Productions in Northern Ireland.

Many of Channel 4's biggest and most popular shows in 2016/17 were made by companies in the Nations and Regions, with nearly 70 new commissions across the English Regions alone. Notable successes include:

- *National Treasure* – a powerful drama made by The Forge, shot in Leeds.

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<sup>3 3</sup> [Channel 4 Annual Reports 2007 -2016](#)

- *Breaking the Silence: Live* – an innovative factual show from Leeds-based production company True North.
- *Eden* – a unique social experiment which follows 23 people as they start a society from scratch in the Ardnamurchan peninsula on the west coast of Scotland.
- *Ackley Bridge* – also produced by The Forge and filmed in Halifax, this is a new series which premiered in June 2017 and is set in Yorkshire. The programme features a cast made up, in part of children from schools in Halifax, opening up opportunities for up-and-coming talent to take their first step into acting.

### Case Study: Lime Pictures (Liverpool)

Lime Pictures, which was previously Mersey Television (which made Brookside for Channel 4 until 2003) has produced *Hollyoaks* for 21 years. Filmed from a dedicated set on Lime's campus in Childwall, Liverpool, it is Channel 4's biggest Nations and Regions commissioned programme. Now running at five episodes a week, *Hollyoaks* is one of Channel 4's most popular, enduring and defining shows. It delivers impactful, important public service messages to young viewers through storylines on issues including rape, teen pregnancy, substance abuse, eating disorders, mental health problems, HIV, body dysmorphia, LGBT issues, stillbirth and many others.

*Hollyoaks* provides Lime with a stable platform from which to build and invest in talent over a sustained period of time. Having developed a stable of writers and directing talent, Lime has become one of the most successful production companies in the country, also producing programmes including *The Only Way Is Essex* for ITV2, *Geordie Shore* for MTV and Disney's *Evermoor*.

Lime plays a vital role in developing a rich and varied talent pool in the Liverpool area, with half of all of its Childwall-based staff coming from within a 20-minute drive of the campus. Lime also works actively with Channel 4 on talent development initiatives, such as the Northern Writers' Award, offering previous winner Sharma Walfall a placement on *Hollyoaks*. Lime also supports Channel 4's diversity storylining initiative, in which Lime offered two 12-week placements on the *Hollyoaks* story team for people from a BAME background or with a disability.

*"Channel 4's commitment to Hollyoaks has enabled Lime Pictures to sustain over 300 permanent roles, meaningfully invest in the local infrastructure and talent, providing a stable foundation for the creation and retention of a strong craft base."* Claire Poyser, Joint Managing Director, Lime

### 2.2.1. C4 Nations and Regions Team

Channel 4 has a dedicated Nations and Regions team, based in Glasgow, which is a strategic arm of the Channel 4 commissioning division. The team delivers a programme of outreach work to support production companies from the Nations and Regions, particularly small and emerging businesses, through strategic input and partnership, in order to help them win commissions.

This Nations and Regions team facilitates hundreds of contact days between commissioners, indies and creative companies each year, including monthly commissioning briefing sessions in different towns and cities across the UK. In 2016 this included 14 held in regional locations including Glasgow, Belfast, Cardiff, Newcastle, Bristol, Leeds and Manchester. These briefing sessions were attended by 260 individuals from 137 production companies last year.

In recent years, the Nations and Regions team's strategy has focused on developing regional companies of scale – escalating them from companies delivering single films into companies capable of winning and delivering returning series that will provide their businesses with scale and

sustainability. We do this by providing targeted development funding, building long-term relationships with Channel 4 commissioning editors and helping them recruit and retain production talent that will build their capability.

### 2.2.2. C4 Sales Manchester

Our Manchester office, which opened in 2015, is responsible for UK agency and client relationships outside the South East of England. The 25 strong team work with the advertising hub that has grown up in the North West to deliver activity across the full range of Channel 4 commercial opportunities covering sport, sponsorship, digital, shorts, product placement and advertiser funded programming. Our investment in this team, including the opening of the new Manchester office has seen its contribution grow to c.15% of Channel 4 Sales revenues with the regional partnerships team brokering major sponsorship deals for some of the channel's flagship brands including: Sofaworks and *Gogglebox*; Trivago and *Come Dine With Me*; Ibulve & *Countdown*. The office also provides an open space with 15 hot-desks and meeting rooms for up to 60 people that is also used by our creative, commercial and industry partners.

### 2.2.3. Commissioning outreach

Alongside the work on the dedicated Nations and Regions team in Glasgow, Channel 4 commissioning editors undertake regular and extensive engagement with producers through a mix of one-to-one meetings across the UK and a series of producer roadshows held in regional locations (Annex G). This has been an area of focus in recent years, forming part of our drive to increase commissioning from the Nations and Regions.

### 2.2.4. The Alpha Fund

The Nations and Regions team also operates the Alpha Fund – a dedicated development fund which provides vital seed-funding aimed at supporting diverse and emerging indies based in the Nations and Regions. The fund has helped transform the creative contribution of multiple companies across the UK, increasing both their creative expertise and business scale. Numerous SMEs across the UK, from Birmingham to Glasgow, have benefitted from the Fund: in 2015, 13 companies in the Nations and Regions received investment via the Alpha Fund, including Waddell Media (Northern Ireland); Avanti Pictures (Wales); Tern Television (Scotland); and Daisybeck Productions (Leeds). The fund has had notable successes: since 2015, every £1 invested through Channel 4's Alpha Fund has generated approximately £5 in value to independent production companies.<sup>4</sup>

#### Case Study: Raise the Roof (Glasgow)

From the early days of hot-desking at Channel 4's Glasgow office, the trajectory of Raise the Roof Productions has been impressive.

Raise the Roof has gone on to produce 242 hours of television for Channel 4. Its most recent commissions include the returning series, *Gok's Fill Your House for Free* and a brand new format, *Big House, Little House*.

Launched in June 2010, Raise the Roof quickly won its first commission, *Vacation Vacation Vacation*, and moved into its own space in The Hub, at Glasgow's Pacific Quay. Its focus on long-

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<sup>4</sup> The £370k allocated by Channel 4 has generated c.£2.2million in commissions for the investee production companies (Channel 4 data)

running, returning formats, including Phil Spencer: Secret Agent, has allowed the company to invest in staff and development: it now has 16 permanent members of staff and, in 2015 alone, issued 372 freelance contracts.

Raise the Roof has offered opportunities to Channel 4 trainees, ranging from researchers and coordinators to series producers and executive producers, and has found this experience mutually beneficial.

As well as welcoming trainees, Raise the Roof works closely with Channel 4 to support skills and talent development in Glasgow. It has received development funding through the Alpha Fund and has worked with Channel 4 on schemes to develop more senior members of staff.

## 2.2.5. Indie Growth Fund

Channel 4's £20m Indie Growth Fund was established to nurture the independent sector by providing access to funding for small and medium sized UK independent production companies. The aim is to help these businesses grow and develop without the need to consolidate with other production companies or seek private investment loans. Two years on, the fund has invested in 13 companies from across the UK. This includes investments in Leeds-based indie True North and Glasgow-based Firecrest Films (see case studies). In both cases, the fund has helped these companies grow.

### Case Study: True North (Leeds)

True North is an independent production company based in Leeds, producing programmes across an eclectic range of genres including documentaries, children's content, factual, features, and factual entertainment.

In 2014, Channel 4 invested in True North through the Indie Growth Fund. Channel 4's investment was critical in enabling True North to retain and expand its northern base, without the need to build a presence in London.

Since Channel 4's investment, True North has expanded its presence at Media City in Manchester, grown its edit capacity across the company by 40% to 18 edit suites, and begun a campaign to win its first US commission. Hiring has increased, with headcount growing from 100 people in 2014 to 150 in 2016. It has also doubled the number of returning series on its slate, providing a strong and sustainable revenue base, which has doubled to just under £10 million since Channel 4's investment. The company has had notable international success: True North's programmes are now watched in more than 200 countries around the world.

The company also provides an important training ground for new production talent in the North of England. Its connection to Channel 4 has bolstered its long-standing commitment to nurturing diverse talent, with four BAME trainees recruited in the past 15 months, as well as the placing of other candidates from diverse backgrounds.

*"The Growth Fund has been instrumental in supporting a sustained period of expansion for True North, helping the company build a bridge from its base in the North of England to the rapidly evolving global television market." – Andrew Sheldon, Creative Director and Founder, True North*

Having successfully helped grow the company, Channel 4 sold its stake in January 2017 to Sky, at a significant profit, and will reinvest the revenues into the Indie Growth Fund as well as content which delivers the remit.

### **Case Study: Firecrest Films (Glasgow)**

Firecrest Films was set up by Nicole Kleeman in 2008 with an initial focus on current affairs. It has consistently delivered award-winning content for the BBC, Channel 4 and ITN, generating over 40 front page stories, some of which have prompted resignations, arrests and parliamentary questions.

Firecrest was originally supported over several separate years through the Alpha fund and in the last 18 months has significantly grown output, expanding into features, documentary and specialist factual genres. Its work includes multi-series returning format *Supershoppers* for Channel 4, which won both this year's BAFTA Scotland and RTS Scotland Awards for the best feature and factual entertainment programme.

Firecrest also produces some of the highest rating Channel 4 *Dispatches* films, including *Secrets Of Poundland*, *Secrets Of Cadbury* and the BAFTA Scotland award-winning *Low Pay Britain*. Firecrest has also made several high profile films for Channel 4 News including *Carry On Doctor*, which was nominated for Investigation of the Year at the 2012 British Journalism Awards, and an investigation into the Sponsor A Scholar website, which led directly to the jailing of the man behind the tuition-fees-for-sex scandal.

### **2.2.6. Supporting exports**

Channel 4's biggest means of supporting the health and growth of the UK's globally-successful independent production sector is through its annual investment of c. £450m in commissioning content – approximately 15% of a sector which is worth almost £3bn<sup>5</sup> per annum to the UK economy. Channel 4's commissions enable production companies to build their profile and their businesses, allowing them to win business from other clients, both in the UK and internationally. As independent producers own the intellectual property, they are then able to sell these programming ideas around the world. The independent sector has done this to great success over the years – in 2014 the UK was the second largest exporter of television formats in the world, with total revenues from TV exports worth over £1.3bn per year.

Channel 4 was set up as an organisation designed to take risks, innovate and invest in talent. Its model, as a publisher-broadcaster that commissions all of its programmes from outside suppliers and reinvests its profits into programmes, enables Channel 4 to take risks on creative ideas and people that other organisations with different models might not.

Those risks pay off in the long-term to the benefit of UK plc, as Channel 4 has a strong track record of developing the early careers of internationally successful British talent, such as film directors Danny Boyle and Steve McQueen. In addition, we have taken risks on backing new television format ideas that production companies have then gone on to sell around the world, such as *Gogglebox*, which has been exported to over 30 territories from the USA to Japan.

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<sup>5</sup> [UK Television Production Survey, Financial Census 2016, PACT](#)

## 2.3. Investing in talent and skills

As a PSB with a remit to nurture talent, Channel 4 makes a significant contribution in developing the skills and talent of the creative industries workforce. We deliver and fund a range of dedicated initiatives across the country aimed at people at every stage of the career ladder, both on and off screen.

### 2.3.1. 4Talent Pop Ups

At early entrant stage, Channel 4 runs an innovative outreach programme of skills workshops and open days called “4Talent Pop-Ups”. These are held in locations around the country and are designed for young people often from towns and cities away from the main ‘media hub’ cities. In the last three years Channel 4 has held pop-ups in 14 locations, including Bournemouth, Norwich, Wolverhampton, Preston, Doncaster and, Corby. We reach around 600 young people every year through these initiatives, providing them with knowledge about media opportunities in their local area; linking them with local businesses; and providing them with training on basic skills from production to presentation. Local independent production and digital companies play a central role in these events, allowing young people to understand what they do, network with them and hear about opportunities available to them in their area. Following the Pop Ups, 97% of attendees said that they knew what to do next about a career in the media/creative industries.

### 2.3.2. Production Training Schemes

Channel 4 also runs a series of training and skills initiatives within its supply chain. For example, our Production Training Scheme provides entry-level, 12 month placements within Channel 4’s production company suppliers. This has proved to be a highly successful model, with 80% of graduates moving onto a higher level of job within the industry after graduating.

In 2016, as well as expanding this to 24 candidates with disabilities to train for roles as part of the Rio Paralympics production team, Channel 4 piloted a Nations and Regions focussed scheme in Glasgow. The scheme provided six new entrants paid work placements as trainee researchers and coordinators at four production companies: Raise the Roof, IWC, Remedy and Lion. The placements were so successful that all of the companies decided to extend the original contracts, which are now due to end in September 2017. The scheme will also roll out in Bristol and Cardiff in 2017 to support another six trainees, who will gain experience at indies including Icon Films, Rondo, RDF Bristol, Boomerang and Plimsoll.

In parallel, we also invested in mid-level talent in Glasgow to help grow and develop the careers of high-potential people identified by indies. We supported two individuals: at Raise the Roof, funded a six-month role to shadow a Series Producer on *Gok’s Fill Your House for Free*, and at IWC, we funded a shadowing directing placement on *Location, Location, Location* and *Britain’s Benefit Tenants*.

### 2.3.3. Investigative Journalism Scheme

Channel 4 is known for high quality, agenda-setting news and current affairs, reflecting our remit to show alternate viewpoints and stimulate debate. In order to sustain this, it is essential that we ensure the next generation of investigative journalists are well trained and come from as diverse a range of backgrounds as possible. With that in mind, Channel 4’s Investigative Journalism Training Scheme provides on-the-job training to talented journalists and takes two sets of trainees: entry-level and more experienced candidates (for example at Associate Producer or producer-level) who are looking to move into more senior roles. Places are within indies working on Channel 4’s *Dispatches* strand and have included placements with independent production companies across

the UK, such as Matchlight and Firecrest Films in Glasgow; Nine Lives Media in Manchester; Below the Radar and Erica Starling in Belfast; and True North in Leeds.

This collaboration has resulted in the successful development and retention of new journalistic talent outside of London. To date, 34 people have been on the scheme in London and the Nations and Regions. Over the last three years, nine people have been trained outside London and seven of those have successfully pursued careers in investigative journalism after the scheme, five of whom are based in the Nations and Regions.

Channel 4 also has a partnership with De Montfort University's Media School in Leicester: a collaboration to launch a new Investigative Journalism MA. Although most of these types of courses are based in London, Channel 4 chose to partner with De Montfort because of Leicester's reputation as Britain's most diverse city and its fit with Channel 4's commitment to diversity. The course, which has been developed in partnership with Channel 4's News and Current Affairs team, covers areas such as techniques of in-depth research, handling complex data, understanding financial information, working undercover, using freedom of information, the law, compliance and safety alongside filming and editing. As part of the course, students learn how to identify, pitch, research and film investigative stories.

### **2.3.4. Northern Writers**

As part of Channel 4's 360° Diversity Charter commitments, we partnered with Northumbria University and New Writing North on this new award to reach out to a diverse spectrum of writers. The partnership goes beyond simply developing a resource-base for writer development: the three organisations' different networks, skills, experience and knowledge create a unique and powerful support structure for talent development. We have committed to the scheme for another three years.

Through the award, Channel 4 has discovered new writing talent: Nuzhat Ali is currently working with Red Productions in Manchester and Sharma Walfall has taken up a placement on *Hollyoaks* in Liverpool.

### **2.3.5. Apprenticeships**

Within our own employee base we run a series of new entrant schemes, including a structured work experience programme and apprenticeship scheme. Channel 4 is a strong supporter of the role of apprenticeships in training the next generation of talent and its potential to promote greater diversity and social mobility. We believe that apprenticeships offer a viable alternative career path into the sector, which has historically been dominated by university graduates.

We currently recruit 12 apprentices per year (including apprentices in our Glasgow and Manchester offices) to work across a range of teams in the business, from Commissioning and Marketing to technology and advertising sales, studying towards NVQ levels 3 and 4. We are considering ways to strengthen apprenticeship opportunities around the country as part of the Government's Apprenticeship Levy proposals.

## 2.4. Portrayal and representation across the Nations & Regions

As a PSB, Channel 4 has a responsibility to ensure that audiences across the UK are catered for and different locations across the country are represented both on and off screen. Through the people and places that appear in our programmes, to the people who make the programmes themselves, Channel 4 works to promote and celebrate the diversity of cultures and communities in the United Kingdom (Annex H).

Channel 4 strives to reflect a range of cultures, opinions, and experiences across the country and we seek to achieve this through all different genres of programming. *Extremely British Muslims* was a fixed rig documentary that portrayed the lives of the community of Birmingham Central Mosque and the challenges of being a Muslim in modern Britain; *Confessions of a Junior Doctor*, filmed in Northampton General Hospital, examined the struggles faced by young doctors in an NHS hospital. *Raised by Wolves* was a comedy reimagining author Caitlin Moran's childhood on a Wolverhampton council estate; while *No Offence*, a police drama with a predominantly female cast from the writer of *Shameless*, is based and filmed in Manchester.

Some of our most popular returning series reflect the diversity of the UK at their core. For example, *Location, Location, Location* is filmed in many parts of the UK with the latest series visiting places including Wolverhampton and the Peak District. Similarly, *Come Dine With Me* visits many corners of the country, with the most recent series shooting from Norwich to Newcastle and Rochester to Reading. Our award winning *Educating...* series has been based in a number of different schools, with *Educating Cardiff*, *Educating Yorkshire*, *Educating East London* and, coming soon, *Educating Manchester*. Similarly, *One Born Every Minute* has been based in hospitals in Liverpool, Bristol and Leeds and *Gogglebox* features families from towns and cities across the UK, including Merseyside, Clacton-on-Sea, Wiltshire and Wales.

Beyond portraying the diverse range of cultures and communities across the UK, Channel 4 also seeks to represent the diversity of views through its programming. Double BAFTA award winning Grayson Perry set out to make art out of the divisive issue of Brexit, and uncover the emotions, beliefs and desires that drive our loyalty to one political tribe or another. Spending time in Boston in Lincolnshire, the most leave-voting place in Britain, and also in Hackney in London, where 78% voted to remain, the programme aimed to understand both sides and capture the hopes and dreams of Leavers, and the concerns of Remainers.

Similarly *Channel 4 News* frequently runs bulletins and articles from across the UK. For the 2017 General Election, the programme hosted a debate with an 80-strong audience in Wolverhampton, and in 2015, went on a road trip around Britain to speak to voters, visiting the likes of Inverness, Glasgow, York, Leeds, Peterborough and Barry Island in Wales. During the EU Referendum campaign, Krishnan Guru Murthy cycled across the North of England for five days to explore the views of the public and hosted a debate at De Montfort University of Leicester, with black and minority ethnic voters.

Channel 4 also has a series of programmes which explore the length and breadth of the UK. *Coastal Walks with my Dog* followed celebrities as they visited Devon, Pembrokeshire, Dorset, Dover, Whitby and North Wales, while *Britain at Low Tide* investigated stories from our maritime, industrial and natural history in places such as Northumberland, Essex and Lancashire. Similarly in *Great Canal Journeys* we explored the rich heritage of waterways across the country, including Oxford, Bath and Rochdale. In 2017, *Britain's Abandoned Playgrounds*, produced by Sheffield-based Salt Street, will explore locations in Sunderland, Aberdeenshire, Cleethorpes and many more.

## 2.4.1. Channel 4 Viewers

Channel 4's popularity among viewers is spread across the UK. According to BARB, the organisation which measures television viewing in the UK, Channel 4's portfolio of channels performs better with young audiences – our key demographic – in the Nations and Regions than it does with audiences in London, indexing higher in the north of England, Scotland, Northern Ireland, east of England, West Midlands, the south, south west, south east and the west of England.

### 2016 16-34 portfolio viewing share by Region

16-34s		
	C4 PORTFOLIO	INDEX VS UK
<b>UK Average- 16-34s</b>	<b>16.17</b>	
North	17.73	110
East	17.39	108
Midlands West	17.23	107
West	16.86	104
South west	16.7	103
Scotland	16.39	101
Ulster	16.36	101
South	16.18	100
South east	16.07	99
London	15.82	98
Midlands east	15.41	95
North west	15.11	93
North east	14.44	89
Wales	14.08	87

## Section 3:

### CHANNEL 4'S APPROACH TO THE CONSULTATION

This section summarises the evidence and industry feedback that will be used to inform our thinking as we begin to identify actions we can take to increase our contribution to the Nations and Regions, including:

- A summary of the common themes and issues arising from Channel 4's programme of industry engagement.
- Case studies on the relocation of other publicly-owned organisations.
- A summary of the findings emerging from this work and the external economic impact analysis we have commissioned.
- We also respond in this section to the Government's consultation question regarding ownership stakes.

#### 3.1. Stakeholder engagement

At its inception, one of the overriding objectives of Channel 4 was that – through its publisher-broadcaster model – it would support the development of the independent production sector. As noted in the consultation document, this model has been an important driver in the success of the sector and has made a significant contribution to its global success. There is, therefore, a symbiotic relationship between Channel 4 and the independent production sector: our creative and commercial success is in large part dependent on having a diverse and healthy base of UK production companies. In turn, Channel 4 plays a crucial role in maintaining the health of these companies.

Within this context, and when considering how we might increase our impact in the Nations and Regions, it is essential that any changes to the way in which we operate are also made in the best interests of the independent production sector as a whole. Therefore, since the publication of the consultation, we have embarked on a major consultation exercise of our own with partners from the production sector, advertisers, stakeholders from across the creative industries and Local Government. Our aim has been to understand stakeholder views on the issues raised in the consultation and how they feel Channel 4 could do more to support the sector across the UK.

The consultation process included:

- Twelve roundtables for production companies in 11 cities across the UK. These were attended by 232 producers and were held in Belfast, Cardiff, Glasgow, Newcastle, Leeds, Manchester (x2), Liverpool, Birmingham, Norwich, Bristol and London. Further sessions were held for representatives of the film and advertising sectors, as well as other stakeholders with an interest in broadcasting and/or the creative industries. [A full list of companies attending the roundtables can be found in Annex I].
- We have also met with a number of representatives of regional and Local Government, and other regional representatives such as LEPs and screen agencies on an on-request basis. To date, this has included meeting representatives from Manchester and Salford, the West Midlands (including Birmingham, Coventry, Solihull, Dudley and Warwick), Yorkshire (including Leeds, York, Bradford and Sheffield), Bristol, Newcastle, Scotland, Wales and Northern Ireland.

The process has helped inform our thinking and understanding of the state of the industry and the needs of production companies. From the discussions we have had with stakeholders, it is clear that

where Channel 4 directs its investment and how it supports jobs and talent development within the independent production sector are the key priorities for all industry stakeholder groups.

### **3.1.1. Producer and creative sector engagement**

The relative success and size of the independent production sector differs markedly across the Nations and Regions. Some cities (e.g. Manchester, Glasgow and Cardiff) already act as established hubs for companies and talent and – broadly speaking – a number of cities have developed specialisms in particular genres.

As a result of these differences in the local context, the needs of independent production companies also vary dependent on location. For instance, in some cities, the main challenges are around the retention of talent, whereas for other more established hubs, the aspiration among production companies is to diversify and expand their presence across different genres. It is therefore clear that while increased production spend would benefit the Nations and Regions most significantly, the evidence we have gathered suggests that the optimal outcome will be best achieved through a package of measures and a more holistic approach. Bringing about real change will require a long-term industrial strategy and will depend on a range of stakeholders working together, including the Government, city leaders, broadcasters and the wider creative community.

Channel 4 used the roundtables as a way to explain the consultation process to partners in the industry and seek unprompted feedback. The sessions were structured around the same questions in each location, seeking views on the questions set out within the consultation document, understanding what Channel 4 does well and views on what more we could do to support the Nations and Regions.

A range of views and perspectives have been expressed through our consultation process but a number of common themes have emerged:

- The priority for the majority of independent production companies, including those in the Nations and Regions, is programme commissioning and there is broad support for Channel 4 to increase its Nations and Regions production spend. It is felt that this could create a more stable investment pipeline and in turn, help support the future growth of independent production companies in the Nations and Regions.
- There is an acceptance that, although increased commissioning spend in the Nations and Regions would be beneficial, the impact of Channel 4 alone taking such a step would be limited because of Channel 4's relatively small size. Production companies also recognised that, ultimately, commissioners would still aim to commission based on the best ideas, rather than on location alone.
- Relocation was supported by a minority of producers, who wanted to see Channel 4 move to their cities and felt there would be value in Channel 4 having an increased presence in the Nations and Regions. However, the majority of producers did not feel relocation would benefit them directly, and could also be disadvantageous if the Corporation moved to a location other than their own.
- As such, the majority of producers we engaged with felt that it was more convenient for Channel 4 to remain based in London. Producers tend to travel regularly to London to meet with broadcasters and talent and there is concern that, should Channel 4 relocate to a city in the Nations and Regions, this would add significant pressures in terms of both cost and time, as producers would increasingly need to make additional trips to C4's new location outside London. This would be a particular penalty on SMEs, which are less able to absorb these costs, as well as the additional management of time in transit.

- Although companies regularly travel to London, they also stressed the importance of Channel 4 commissioners visiting different cities and getting to know and understand companies in the Nations and Regions. Access to and the visibility of Channel 4 commissioners is therefore key for companies in the Nations and Regions, both in terms of building relationships and understanding what commissioners want. Initiatives such as the Nations and Regions commissioner briefings have been seen as valuable and producers have encouraged Channel 4 to look at how these types of initiatives could be expanded [see Annex G].
- Existing Channel 4 initiatives such as the Alpha Fund and Indie Growth Fund are widely supported and are generally considered to have been beneficial to companies in the Nations and Regions. In many instances, the investment of time and expertise from Channel 4 through these initiatives was considered to be as valuable to companies as the financial investment.

### **3.1.2. Advertiser / Ad agency engagement**

- Advertisers felt that Channel 4 would be at a significant competitive disadvantage if its advertising sales function were moved from London, where the industry is largely based. Similarly, advertisers felt that one of Channel 4's strengths is the close relationship between its advertising sales and commissioning functions and there was concern that splitting these functions across different locations could impact on the creative and commercial decision-making of the Corporation.
- Stakeholders in the wider creative industries felt that the debate around Channel 4's role in the Nations and Regions should be considered within the context of the broader creative economy. The Government and creative institutions should consider how Channel 4 interventions could form part of wider initiatives to stimulate the creative industries in the Nations and Regions and contribute towards building creative clusters.

### **3.1.3. Local Government engagement**

- Local Government stakeholders have been keen to explore the potential for Channel 4 to relocate to their cities and, more broadly, to work in partnership with us to help boost their local creative economies. They are generally in favour of Channel 4 relocating some of its staff to their cities or regions.
- Different Local Government stakeholders have brought different perspectives to our interactions – for example, how well-developed different aspects of the creative industries are, the quality and extent of the local talent base and incentives available in the event of a greater Channel 4 presence in the Nations & Regions..
- Many Local Government stakeholders have adopted sophisticated and effective approaches of joining up with neighbouring cities, as well as working in close partnership between Mayoralities, local councils and LEPs, as well as local creative industry bodies. Even in well-defined metropolitan regions this can often involve many organisations co-ordinating together.
- Many local stakeholders have recognised Channel 4's agency over many of the topics under consideration and engaged closely with the specifics of Channel 4 and its objectives - in particular, Channel 4's unique public service remit and our commercially-funded, publisher-broadcaster model.
- Channel 4 is grateful for this engagement with Local Government stakeholders and, whatever the specific outcome of how Channel 4 will ultimately increase its contribution to the Nations and Regions, the relationships formed will continue to be beneficial well into the future.

## 3.2. Assessing other relocation projects

As part of its examination of options, Channel 4 has also found it instructive to assess the experiences and impact of relocation projects undertaken by other publicly owned organisations.

### Case study 1: The BBC and Salford

In 2006, the BBC selected Salford as the location for BBC North, relocating a number of departments including BBC Children's, BBC Breakfast and others.

Completed in 2012, the BBC's move has brought significant benefits to Salford and expanded Greater Manchester's media hub, bringing economic benefits to the city region. A 2015 KPMG report commissioned by the BBC found that the BBC's North West activities (including those from Salford) had generated £277m to UK GVA in 2014/15 – "equivalent to approximately 5% of the GVA of Salford and 2% of the GVA of Manchester" (although this economic benefit may not have been retained fully in the North West).

The move also involved significant cost and organisational challenges. The BBC estimates that the final cost of fitting out the buildings at Salford and relocating staff will be around £224 million. 62% of BBC staff affected by its Salford move opted not to follow their roles from London. The costs of relocation for the BBC included an average relocation payment of £23,000 for the 38% of staff that moved with their roles as well as significant redundancy costs for the 62% of staff who did not relocate.

In terms of stimulating TV production in the North West, Ofcom's 2015 PSB Review noted that the BBC's move to Salford had contributed to an increased level of production in the north (particularly the north west of England). Ofcom found that this had also resulted in a drop in investment in other English Regions. The review stated that "this (production moves to the north west), coupled with increased production in the other Nations, has resulted in large reductions in the Midlands and east of England, which together make up around 25% of the UK population base" and that "there is clearly a trade-off between creating sustainable regional hubs, and ensuring diversity of supply from around England."

### Case study 2: The Office for National Statistics

The Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and is the recognised national statistical institute for the UK. Its work is primarily concerned with collecting, analysing and disseminating statistics about the UK's economy, society and population.

The ONS is a publicly owned, non-ministerial body. Operationally, it is largely independent of the Government. It receives public funding, as well as generating revenue through paid-for data and services.

Until 2006, the ONS had been based primarily in London before relocating the majority of their operations to Newport in South Wales. This decision was made following the 2004 Lyons Review of Public Sector Relocation commissioned by the Government and formed part of the Government's drive to shift large numbers of civil service jobs out of the south east.

Since the relocation, the ONS has experienced significant problems, with over 90% of its London workforce declining to move with their roles to Newport. In a 2015 report into the quality of UK statistics, former Bank of England Deputy Governor Sir Charlie Bean stated that the move had undermined the ability of the organisation to operate effectively. The review found that the level of staff changes led to a "loss of expertise [which] is widely believed to have had a significant adverse impact on the subsequent production and development of UK economic statistics and the national accounts in particular".

There were also observations made that the organisation suffered as a result of being less engaged with a number of key stakeholders with which it had key strategic relationships, such as the Bank of England and the Treasury. The report concluded that, while full-scale relocation back to London would be damaging given the level of further disruption and cost it would entail, the ONS should "increase its London profile in order to facilitate stronger engagement with users of economic statistics."

Little information is available publicly regarding the overall impact of the relocation and its benefits to south Wales, but it is reasonable to assume that it would have had a positive impact on the local economy, as well as reducing labour costs for the ONS itself.

Neither case study is a perfect parallel for Channel 4. We are a much smaller organisation than the BBC, employing significantly fewer staff and therefore less capable of stimulating regional growth through relocation than we are through commissioning. The ONS, closer in size, operates in a very different sector. These case studies are instructive, however, in showing the variable impacts of relocation and demonstrating the importance of assessing the costs and benefits to the organisation in question, to the region in question, and to the UK economy as a whole.

### 3.3. External economic impact analysis

We have commissioned independent expert analysis in order to:

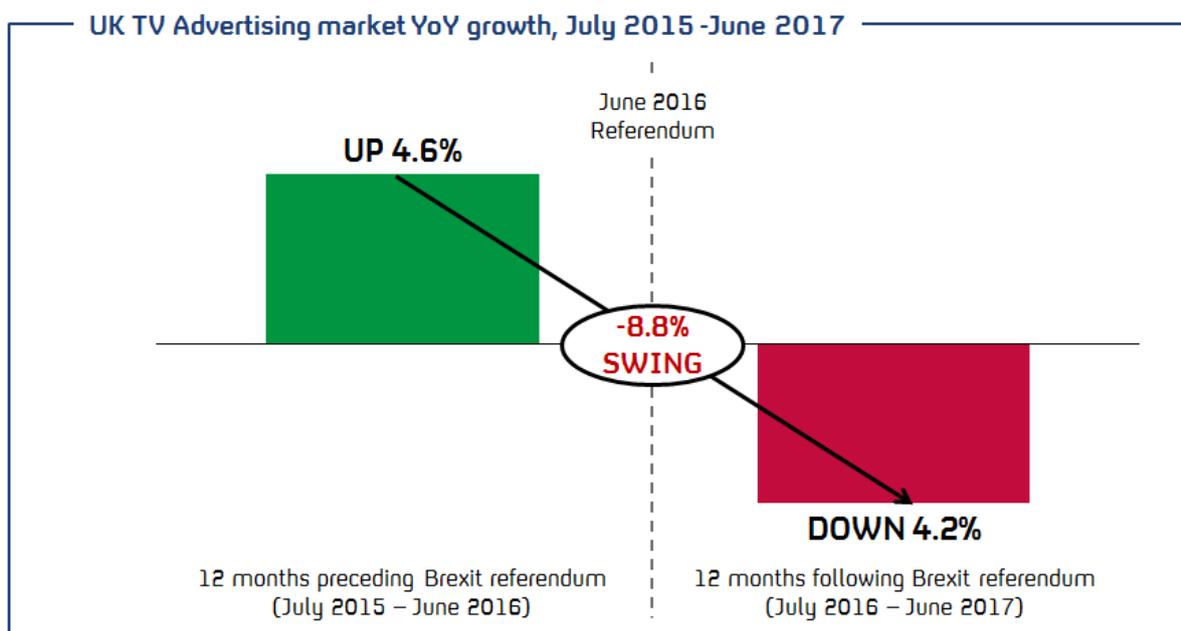
- 1) Quantify Channel 4's economic impact in the Nations and Regions (in terms of GVA and jobs supported).
  - 2) Evaluate strategic options to enhance this economic impact.
  - 3) Quantify the full range of benefits and costs to Channel 4 which may arise from a full or partial relocation.
- Some of the key emerging findings from the analysis are that:
    - The most impactful and least costly option for Channel 4 to increase its economic contribution in the Nations and Regions will be through commissioning spend.
    - Channel 4 could see benefits from relocating to the Nations and Regions, notably through lower labour and property costs (e.g. lower salaries, building service charges, business rates). Relocation could also bring benefits to the local economy, most notably through jobs directly supported by Channel 4.
    - It also identifies significant operational risks and financial costs to Channel 4 arising from a full or substantial relocation. Chief among these risks would be the substantial loss of skills and experience from staff who opt not to relocate and the much smaller current pool from which to recruit and replace this talent.

The analysis is ongoing and will be further developed to inform our thinking and discussions with the Government. Further detail is reflected in the 'emerging findings' section below, which draws together the various strands of work that we have put in place to inform our thinking.

### 3.4. Macro-economic and wider policy context

Channel 4 is an entirely commercially funded organisation, supported largely by advertising revenue. Prudent management of its finances over successive years means that Channel 4 is in good financial health, with a strong balance sheet and flexibility within its model to adapt to changing market conditions.

Nonetheless, Channel 4 is operating within a TV advertising market that has been in recession since the EU Referendum, the most severe advertising recession since 2009. The 12 months prior to the EU Referendum saw TV advertising grow by 4.6%. However, the 12 months since June 2016 have seen advertising decline by -4.2%, a negative swing of almost 9% (see graph below). The forecast for 2017 is significantly lower now than at the start of the year and there is no clear sign of when the downturn will end.



Channel 4's flexible business model will enable it to adapt, but market pressure will put strain on the overall level of investment in content. However, the absolute level and phasing of any net costs associated with Channel 4 growing its Nations and Regions contribution will need to be carefully calibrated within the context of this deteriorating macro-economic climate – a climate that will see investment reduced across the sector.

Channel 4 will also consider the wider policy context and in particular the Government's Green Paper: *Building our Industrial Strategy*, which we note also proposes a multi-faceted approach. We believe that Channel 4 could play an important role in helping meet the public policy objectives of the strategy.

### 3.5. Emerging findings from our evidence gathering

The evidence that we have gathered from our extensive consultation with stakeholders, case study research and our preliminary assessment of external economic analysis has produced a number of emerging findings:

- Channel 4 already makes a significant contribution to the Nations and Regions: economically through expenditure/investment and associated employment; and in portraying the diversity of the UK in the content it commissions.
- Channel 4's predominant economic impact is through its investment in production, both across the UK and in the Nations and Regions. These production activities already support many more jobs in the Nations and Regions (c.3,000) than in Channel 4's total direct workforce (820 jobs).
- This will remain the case, so long as Channel 4 continues to commission all its programmes from external producers. Increased commissioning spend will therefore be the most effective single means of increasing economic impact in the Nations and Regions in the future.
- This is a view shared almost unanimously by the production sector and is supported by the preliminary findings of our external economic analysis.
- Beyond commissioning spend, the most effective means of growing Channel 4's contribution to the Nations and Regions in the round is likely to be through a multi-faceted, holistic approach. This would have commissioning spend at its heart, but supported by staff location, physical and brand presence, talent development and investment in skills and training. Some of these interventions would entail action taken by Channel 4 itself, whilst some would be most effectively delivered through partnerships between Channel 4 and other organisations in the creative sector.
- In relation to the location of Channel 4 staff, there would be benefits to a greater number of roles being based outside London. These benefits include:
  - The lower salary and overhead costs achievable in the Nations and Regions.
  - Greater immersion in the local culture of the place where those staff are based.
  - Greater proximity to some Nations and Regions independent producers.
  - A greater opportunity to find and develop the next generation of talent who might not otherwise have considered joining the TV industry or of relocating to London.
- There are also a number of factors relating to the nature of Channel 4's business and internal organisation that would substantially increase the risks of full or a substantial relocation. This is supported by our stakeholder engagement and external analysis:
  - The commercial success of Channel 4 and its subsequent contribution to the UK economy is largely dependent upon generating advertising revenue. This, in turn, is dependent upon the quality and popularity of our creative output.
  - London is a global hub for the advertising industry and is home to the majority of Channel 4's agency clients. These relationships are heavily dependent on face-to-face interaction. In addition, Channel 4 also represents advertising sales for Box TV, UKTV and BT, all of which are London based. The Government's consultation document also recognises the London-centricity of the advertising sector.
  - The quality and popularity of Channel 4's output is dependent both on the level of investment into it and the quality of decision-making about what to commission and how to schedule, market and distribute it. These are highly skilled and competitive activities, fulfilled by experienced staff, many of whom have worked at successful competitor broadcasters in London.
  - All of Channel 4's key competitors have their head offices and either all, or the vast majority of, their commissioning staff in London – including BBC, ITV, Channel 5, Sky, UKTV, Discovery, BT, Amazon and Netflix.
  - The case studies we have examined of other organisations with creative or highly skilled workforces that have relocated staff away from London suggest a high degree of staff turnover would be likely for Channel 4. This would result in a significant loss of existing talent and expertise, which would then be available to

strengthen competitors, all of whom are likely to remain located in London. Such talent could be replaced, but from a very much smaller and less experienced pool of talent currently available in the Nations and Regions.

- One of Channel 4's key competitive advantages is that it is smaller and more agile than its larger competitors. Part of this is a result of a high degree of integration and close cooperation between a variety of functions – commissioning and advertising sales, as well as areas such as scheduling, marketing, finance, technology and research. A significant relocation of some roles, would risk diminishing this important competitive advantage, potentially significantly.
- Channel 4 also relies on a number of other operationally important facilities which are based in or near London – including its play out centre and disaster recovery site.

### **3.6. Equity stakes in production companies**

As noted earlier in this response, Channel 4 has – through the Indie Growth Fund – invested in UK production companies in order to support their growth. These investments have taken the form of equity stakes which to date, have represented stakes of up to 25%.

We note that the Government is seeking views on whether Channel 4 should take larger stakes in production companies through initiatives such as the Indie Growth Fund. Channel 4 believes it may be desirable to make investments greater than 25% on a case-by-case basis and that this could not only contribute to Channel 4 but also work in the interests of production companies. Furthermore, we believe that this could be a particularly useful tool in supporting companies in the Nations and Regions, where larger investments could help accelerate growth.

We have sought legal counsel's opinion on this issue and the advice is that legislative change is not required to enable Channel 4 to take larger stakes in production companies, as long as the size of the stake does not amount to Channel 4 being "involved in programme making", which is how the prohibition on Channel 4 making programmes is framed in legislation, as it applies to the main channel. In essence, this means that Channel 4 cannot take stakes whereby its ownership would amount to 'control' – and so taking stakes would meet the statutory definition at a level up to 49% or where Channel 4 does not have control of the company in question. However, we welcome the clarity that the Government is seeking through the consultation and are open to understanding the views of stakeholders on this issue.

If Channel 4 were to take larger equity stakes, we would also consider what other steps we could or would need to take in order to create appropriate incentives for producers looking to build and maintain sustainable businesses in the Nations and Regions.

## Section 4:

### NEXT STEPS

#### 4.1 Overview

In this submission, Channel 4 has sought to demonstrate how its unique remit and model works, and to set out the existing and substantial contribution that the Corporation makes to the production sector, talent and audiences in the UK's Nations and Regions.

Channel 4 supports the Government's stated ambitions in the consultation to: (a) support regional economic growth, (b) stimulate regional creative industries and (c) better serve audiences in the Nations and Regions.

**We are committed to increasing our contribution to the Nations and Regions in a meaningful, balanced and sustainable way and in accordance with our existing statutory duties.**

We wish to increase this contribution to the Nations and Regions in a way that enhances, and does not diminish, our ability to fulfil our existing public policy role, as set out by Parliament in our statutory public service remit. We want to ensure that any increased Nations and Regions contribution we make enables Channel 4 to continue to flourish creatively and commercially; to maximise investment in production and, in turn, our economic contribution to the Nations and Regions.

We welcomed the clear commitment made in the consultation to retaining Channel 4 in public ownership – recognising the significant economic and public benefits that this brings with it. The clarity about the Government's focus on the Nations and Regions, and the conducting of an open consultation process is also welcome, setting as it does a clearer frame around which Channel 4 and other interested parties are able to contribute.

#### 4.2 Next steps

Channel 4 has spent this phase of the consultation process gathering industry feedback and commissioning and developing external analysis to inform our thinking and assessing emerging findings from this work.

This submission does not, at this stage, contain specific plans for how Channel 4 might increase its contribution to the Nations and Regions.

Our intention now is to:

- Continue to develop our external economic analysis.
- Review learnings from the available responses of third parties to this consultation.
- Formulate plans for increasing our contribution to the Nations and Regions, for approval by the Channel 4 Board.
- Continue our constructive dialogue with
- Continue our interaction with industry and local stakeholders.

### 4.3. Principles guiding our next steps

- In addition to meeting the Government's stated objectives – any plans we develop to increase our contribution to the Nations and Regions must also take account of a broader set of principles that are relevant to Channel 4:
- Channel 4 has a clear set of existing statutory duties, laid down by Parliament, that it is obliged to meet:
  - To ensure that Channel 4's public service remit is delivered with maximum impact.
  - To ensure that the Corporation is financially self-sufficient and sustainable.
  - To ensure the making and distributing of a broad range of media content and films.
- In considering any new activities, whether relating to the Nations and Regions or otherwise, the first responsibility of the Channel 4 Board is to satisfy itself that these primary duties are being fulfilled, and not put at risk.
- We will also seek to:
  - Apply the spirit of innovation and creativity that lies at the heart of the Channel 4 remit.
  - Support Channel 4's ability to maintain content investment, which is where Channel 4 makes the greatest impact to the Nations and Regions already.
  - Increase the number of jobs supported across the Nations and Regions – including direct employment by Channel 4 – as well as new jobs across partner organisations and the creative sector.
  - Strengthen the Nations and Regions in terms of skills, talent and diversity.
  - Ensure associated risks can be adequately mitigated, taking account of wider and increasingly uncertain market conditions.

### 4.4. Conclusion

**Taking all of these considerations into account, we are evaluating plans that will enable a meaningful, balanced and sustainable increase in our contribution to the Nations and Regions.**

**These plans will require approval from the Channel 4 Board, who are required to consider them within the context of their existing statutory duties, as well as the prevailing macro-economic climate.**

**We then look forward to discussing the plans with Government, with a view to reaching an outcome that works in the interests of the Government's policy objectives, Channel 4, the wider industry and audiences.**

# **ANNEXES A-I**

## **Annex A: About Channel 4**

Channel 4 is unique, and plays an important role in the cultural, social and economic life of the UK. It is a publicly-owned, commercially funded public service broadcaster. Its three core functions are to fulfil its statutory remit, ensure it is sustainable to achieve that and to participate in the making and distributing of a broad range of media content and films.

Today, Channel 4 provides a portfolio of digital television channels – including the main Channel 4 service E4, More 4, Film 4 and 4 Seven, as well as All 4 – combining live streaming, catch up and exclusive online content. In addition to investing in long form TV content, Channel 4 is also one of the key investors in UK film production, and increasingly in innovative, bespoke digital content, such as exclusive online content and games.

Channel 4 considers itself to be a ‘Creative Greenhouse’:

- Channel 4 drives growth and creates jobs in the UK’s creative industries, supporting hundreds of small businesses
- As public service broadcasting’s ‘challenger brand’, Channel 4 creates innovative and alternative content, which is distributed for free and admired globally
- Channel 4 is a catalyst for social change, inspiring citizenship, especially among hard-to-reach audiences, such as younger and BAME viewers
- Channel 4’s unique model underpins this: our social enterprise model makes Channel 4 the only commercially-funded public service broadcaster whose sole incentive is the investment in valued public service programming

### **A remit to be different**

Channel 4’s remit is enshrined in three Acts of parliament and contains 15 separate elements [Annex B], ranging from a set of values that Channel 4 must meet, such as being diverse, innovative, to present alternative viewpoints and stimulate debate; through to developing creative talent and reaching younger audiences, to specific quotas.

The Digital Economy Act 2010 also broadened Channel 4’s public service duties beyond being a provider of a single television channel to becoming a ‘media content’ provider, with the scope to deliver the remit in a more cross-platform manner and, in so doing, be accountable for that beyond narrowly defined core channel obligations. Channel 4 is also required to meet a series of specific licence obligations on the main public channel – for example in news and current affairs, quotas for original commissioning and obligations for production in the Nations and Regions.

A full summary of Channel 4’s remit and licence obligations can be found below [in Annexes B and C].

### **A unique operating model**

Channel 4 is unique in British broadcasting – and the world – in being a publicly owned and entirely commercially funded public service broadcaster. This means it fulfils its public service remit on a self-sufficient basis, at no cost to the taxpayer.

Unlike the BBC, Channel 4 does not and never has received any direct public funding; Channel 4 is unlike the commercial PSBs ITV and Channel 5, which are privately owned and for-profit; and unlike the commercial cable and satellite broadcasters, which have no public service obligations.

Furthermore, unlike any other broadcaster, Channel 4 is explicitly prohibited from producing its own programmes for its main PSB channel.

As an organisation funded entirely by commercial companies through advertising, a commissioner of content from entrepreneurial creative enterprises, and a partner in growing SMEs across the UK business landscape, Channel 4 is a vital catalyst to the UK's creative and wider economy.

As opposed to other commercial broadcasters that need to deliver dividends for shareholders, Channel 4's operating model serves to ensure that the maximum possible amount of this revenue is reinvested back into content – to the benefit of both audiences and the producers we commission. Channel 4 is able to put all of its profits back into programming. This model enables Channel 4 to invest a greater proportion of its income back into content than any other UK broadcaster – with c. 70% of revenue spent on screen, and annually c. £450m invested in the UK's production sector. This amounts to around £10bn in UK creative content since Channel 4 was founded, and in recent years Channel 4 has been investing a higher proportion of its revenue in content than ever before, including a record £695 million total content spend in 2016.

Channel 4's public ownership model is defined in statute and it would be a matter for parliament were that ownership structure to change. As a fully commercially funded enterprise, Channel 4 does not cost the taxpayer a penny. Unlike almost all other publicly owned bodies, Channel 4 does not rely on any form of direct public subsidy. Rather, Channel 4 earns all its revenue in the commercial marketplace. This means that Channel 4 competes on a daily basis with a range of other, highly competitive commercial broadcasters such as ITV and Sky with whom we compete for audiences and advertising, as well as increasingly with a range of global, digital players, such as Google, Netflix and Amazon, with whom we compete for viewing.

Channel 4 today generates around £1 billion in revenue per annum – with revenues at record highs in recent years. As a free-to-view public service broadcaster, the majority of this revenue comes from advertising. In order to meet many of the less commercially optimised aspects of its public service remit, Channel 4 operates a 'cross funding' or 'Robin Hood' model, whereby more commercially focused activities support the delivery of public service activity. Within the main Channel 4 service popular shows such as *Come Dine with Me* or acquisitions fund more public service activities, such as news, current affairs, documentaries and investment in British film-making.

Across Channel 4's portfolio, the digital channels, including E4, More 4 and 4 Seven contribute towards Channel 4's overall public value, for example through youth-facing public service content. They also generate profits that can be ploughed back into cross-funding content elsewhere, including on the main channel, where the bulk of Channel 4's remit-delivering programme sits and reaches the broadest possible audience.

In recent years Channel 4 has been executing a highly successful digital innovation strategy. This approach has enhanced the viewer experience, enabling Channel 4 to keep pace with the demands of the audience, and particularly Channel 4's core younger viewership. Commercially it is also strategically important - providing the basis on which the organisation has begun to successfully diversify its funding base away from traditionally-sold linear TV advertising towards more online advertising. This is based on Channel 4's pioneering first-party data strategy, through which 15 million people and over half of all 16-34 year olds in the UK have registered with Channel 4's online service All 4, facilitating diversification of advertising beyond linear TV spot advertising to targeted, 'programmatic' advertising. Digital advertising is the fastest growing element of Channel 4's model, now accounting for over 10% of total revenue, and in 2016 generating over £100m.

In addition to these innovations, Channel 4 has also launched two 'growth funds' – which both support the growth of SMEs and offer potential new sources of revenue. Through the Indie Growth Fund, which launched in 2014, Channel 4 has taken minority stakes in high potential independent production companies. The Commercial Growth Fund sees Channel 4 take minority stakes in other SMEs in exchange for airtime on Channel 4's channels.

## **Publisher-broadcaster**

Another distinctive and important aspect of Channel 4's model is that it does not produce any of its own programmes in-house. As such it is a 'publisher-broadcaster', commissioning or acquiring all of its programmes externally.

Every year, Channel 4 works with around 300 production companies (across TV, film and digital content) – many of which are SMEs. This is higher than any other broadcaster – and provides very significant support to companies based in the UK's Nations and Regions. Channel 4's investment in production companies in the Nations and Regions and the jobs supported by increasing Channel 4's contribution through this is central to the multi-layered approach we are taking to the consultation

## **Governance & Accountability**

Channel 4 is also subject to a number of governance arrangements stipulated in statute.

Day to day, Channel 4 is governed by a unitary Board – with an independent Chair and comprised of a majority of Non-Executive members, including a Deputy Chair, whose appointments are made by the regulator Ofcom and approved by the Secretary of State for Culture, Media and Sport.

The Board has three statutory functions: to ensure that the remit is fulfilled; to ensure that the Corporation is financially sustainable in order to fulfil the remit; and the making and distributing of a broad range of media content and films.

It is against these duties that all decisions taken or approved by the Channel 4 Board are made, including its responsibilities in considering the questions raised in the consultation about Channel 4's impact in the Nations and Regions. Channel 4's status as a Statutory corporation and the Board's structure is central to ensuring that Channel 4 operates at arms' length from the Government – both editorially and operationally. This respects the UK's strong tradition of preserving the independent of media organisations, as well as Channel 4's editorial remit where it needs to be able to hold authority to account.

Ultimately Channel 4 is accountable to parliament, which is responsible for setting or changing the Channel 4 remit - and it is to parliament that Channel 4 is ultimately accountable.

As a public corporation Channel 4 is required to have its Annual Report and Financial Statement 'laid' in parliament, and in recent years it has been customary (on a voluntary basis) for Channel 4's senior leadership to be scrutinised by the Culture, Media and Sport Select Committee in the House of Commons.

Ofcom sits as regulator of all broadcasters, including Channel 4. As well as its general duties to regulate content standards and to perform certain market and competition functions, Ofcom has a number of important functions specifically in relation to Channel 4:

- *The Channel 4 licence:* Ofcom is responsible for setting the terms of, and monitoring compliance with the terms of Channel 4's licence to broadcast. The licence contains all the formal licence obligations that Channel 4 is required to meet. These are set by Ofcom

according to statutory requirements and an assessment of the appropriate level, taking into account what best fulfils the needs of consumers and citizens, the balance of public service provision across the public service broadcasters taken together, and what is financially sustainable. The licence was most recently renewed from 1 January 2015 for a period of 10 years, following a period of public consultation. As outlined above, the licence obligations include obligations around types of programme output, production quotas (original commissions, independent commissions and production of programmes in the Nations and Regions) as well as access service requirements for those with hearing and sight impairments. Channel 4 must report regularly (monthly and annually) to Ofcom to demonstrate that it is meeting the terms of the licence.

- *Statement of Media Content Policy*: In addition to the licence obligations, Channel 4 is also required, in legislation to account in full for its performance to all aspects of its remit – not just on the main channel, where the licence applies, but across all its content, through an annual Statement of Media Content Policy (SMCP). The SMCP is compiled in accordance to guidance published by Ofcom, and is a requirement unique to Channel 4. Where the licence is focused only on the main channel and a series of obligations that can be relatively easily quantified and measured (generally in terms of output hours and spend), the SMCP requires Channel 4 to measure and report performance in line with the less tangible and more value-driven aspects of the remit and Channel 4 does this against a set of 42 audited metrics [attached in Annex D]. Ofcom publishes its own assessment of the SMCP in parallel, highlighting any areas that the regulator considers to require particular attention.
- Ofcom is also required to conduct a quinquennial review of Channel 4, alongside its other duties to conduct a PSB Review every five years and publish an annual PSB report.
- In addition, Ofcom is responsible for the appointment of the chair and non-executive Members of the Channel 4 Board – subject to final approval by the Secretary of State.

Taken together, Channel 4's remit, ownership and funding model and governance arrangements ensure that Channel 4 is incentivised to prioritise its investment in fulfilling its public service remit, and to be publicly and comprehensively held to account in doing so. Importantly, as a statutory corporation, the duties of the Corporation and the governance of it ensure that Channel 4 is able to operate independently – both from the Government and the demands of shareholders.

## **Annex B: Remit elements**

The 15 elements of the Channel 4 remit are:

1. High quality and diverse programming
2. Innovation, experimentation and creativity in the form and content of programmes
3. Distinctive character
4. Appeal to the tastes and interests of a culturally diverse society
5. Make programmes of an educational nature and schools programming/provide educational content for teens
6. Support the development of people with creative talent, in particular people in the film industry and at the start of their careers
7. Support and stimulate well-informed debate
8. Promote alternative views and new perspectives
9. Provide access to material that inspires people to make changes in their lives
10. Work with cultural organisations
11. Make a broad range of relevant media content of high quality via different types of communications networks
12. Appeal to the tastes and interests of older children and young adults
13. Make relevant news content
14. Make relevant current affairs content
15. Make, distribute and broadcast high quality film

## Annex C: Licence obligations

NEWS: 208 hours per year

CURRENT AFFAIRS: 208 hours per year/80 hours in peak time

SCHOOLS: 30 minutes per year

ORIGINATIONS: 56% of output / 70% in peak time

REGIONAL PRODUCTION: 35% of first-run commissioned content – by hours and spend; of which

NATIONS PRODUCTION: 3% out of England commissioning hours and spend: rising to 9% by 2020

ACCESS SERVICES: commitments to provide subtitling (80%), signing (5% or alternative arrangements) and audio description (10%) (obligations apply across channels and subject to additional C4 voluntary commitments)

## Annex D: Channel 4 SMCP metrics

Investment	Output	Reputation
Investment in all content	Output mix on Channel 4	Shows different cultures and opinions
Total investment in originated and acquired programming across the portfolio by genre	Hours of first run originations across C4 TV portfolio	Challenges prejudice
Investment in originated content	Volume of first run originations by genre	Shows the viewpoints of minority groups in society
Expenditure on first run originations	Diversity of supply base	Home for alternative voices
Investment in the Nations and Regions (% hours and spend)	International programming	Makes me think about things in new and different ways
Investment in the Nations (% hours and spend)	Diversity of output on the main channel	Tackles issues other channels wouldn't
Spend by region across the portfolio	Diversity of Film 4 channel schedule	Takes a different approach to subjects compared with other channels
	Hours of long form News and Current Affairs in peak time	Takes risks with programmes others wouldn't
	Audience reach	Is experimental
	TV viewing share	Is best for modern independent film
	Share among hard to reach audiences – BAME	Is best for documentaries that present alternative views
	Share among hard to reach audiences – 16-34 year olds	Inspiring change through factual programming
	Most popular channel for young viewers	Independence of TV news
	Viewing to national news	Current affairs
	Reach of Channel 4 News	Caters for audiences other channels don't cater for
	On-demand viewing	
	Total visits to Channel 4's websites and apps	
	Producing talked-about TV (% buzz score)	
	Viewing to network originations	
	New and one off programmes in peak time	

## Annex E: Channel 4 Nations and Regions Quotas

### Regions quota: Regions quota:

*"The Corporation shall ensure that in each calendar year at least 35 per cent of the hours of programmes made in the UK for viewing on the Channel 4 Service shall be produced outside the M25.*

*The Corporation shall ensure that in any calendar year at least 35 per cent of its expenditure on programmes made in the UK for viewing on the Channel 4 Service shall be allocated to the production of programmes produced outside the M25 and must be referable to programme production at a range of production centres."*<sup>6</sup>

### Nations quota:

*"Until 31 December 2019, the Corporation shall ensure that in any calendar year at least 3 per cent of the hours of Programmes made in the UK for viewing on the Channel 4 Service shall be produced outside England.*

*Until 31 December 2019, the Corporation shall ensure that in any calendar year at least 3 per cent of its expenditure on Programmes made in the UK for viewing on the Channel 4 Service shall be allocated to the production of Programmes outside England.*

*With effect from 1 January 2020 the Corporation shall ensure that in any calendar year at least 9 per cent of the hours of Programmes made in the UK for viewing on the Channel 4 Service are produced outside England.*

*With effect from 1 January 2020 the Corporation shall ensure that in any calendar year at least 9 per cent of its expenditure on Programmes made in the UK for viewing on the Channel 4 Service is allocated to the production of Programmes outside England and referable to Programme production at production centres in Scotland, Wales and Northern Ireland."*<sup>7</sup>

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<sup>6</sup> [Channel 4 Licence attachment to variation number 18 dated 30 November 2015](#)

<sup>7</sup> [Channel 4 Licence attachment to variation number 18 dated 30 November 2015](#)

## Annex F: Ofcom criteria for a qualifying out of London production

1. the production company must have a substantive business and production based in the UK outside the M25. A base will be taken to be substantive if it is the usual place of employment of executives managing the regional business, of senior personnel involved in the production in question, and of senior personnel involved in seeking programme commissions

2. at least 70% of the production budget (excluding the cost of on-screen talent, archive material, sports rights, competition prize-money and copyright costs) must be spent in the UK outside the M25

3. at least 50% of the production talent (i.e. not on-screen talent) by cost must have their usual place of employment in the UK outside the M25. Freelancers without a usual place of employment outside the M25 will nonetheless count for this purpose if they live outside the M25<sup>8</sup>

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<sup>8</sup> [Regional production and regional programme definitions: Guidance for Public Service Broadcasters, Ofcom 2010](#)

## Annex G: 2016 Commissioner Briefings

Date	Channel 4 Department	City
January	Entertainment/ Factual Entertainment	Glasgow
February	Documentaries/Specialist Factual/News and Current Affairs	Belfast
March	Features, Formats, Daytime	Cardiff
April	All4	Newcastle
April	Chief/Deputy Chief Creative Officer Briefing & Talent Networking	Manchester
May	Features, Formats, Daytime, Factual Entertainment	Belfast
July	Chief/Deputy Chief Creative Officer Briefing & Talent Networking	Glasgow
July	Docs, Specialist Factual, NCA	Bristol
August	Docs, Specialist Factual, NCA, Fact Ent	Leeds
September	Out of London Board 2016	Manchester
September	Chief/Deputy Chief Creative Officer Briefing & Talent Networking	Manchester
September	Drama & Comedy	Manchester
October	Deputy Chief Creative Officer Briefing Masterclass	Cardiff
November	Chief Creative Officer Briefing Briefing	Belfast
November	Pact Meeting Days	London

## Annex H: Full List Of 2016 Nations and Regions Productions

Region Name	Supplier Name	Project Title
Midlands	7 WONDER PRODUCTIONS LIMITED	MAKE MY BODY BETTER WITH DAVINA MCCALL
Midlands	7 WONDER PRODUCTIONS LIMITED	MY KITCHEN RULES
Midlands	FREMANTLEMEDIA LTD T/A BOUNDLESS PRODUCTIONS TV	FOUR ROOMS OFF PEAK
Midlands	FULL FAT TELEVISION LTD	JOE WICKS: LEAN IN 15
Midlands	H.C.A ENTERTAINMENT LTD	FIND IT, FIX IT, FLOG IT
Midlands	HAY FISHER PRODUCTIONS LIMITED	HAYFISHER 2016 MOTORSPORT OUTPUT
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	GUY MARTIN'S SPEED SPECIAL: THE WORLD'S FASTEST MOTORBIKE
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	GUY'S WALL OF DEATH LIVE
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	OUR GUY IN CHINA
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	SPEED SERIES III
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	SPEED WITH GUY MARTIN: F1 SPECIAL
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	TRAVEL MAN SERIES 2
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	TRAVEL MAN SERIES 3
Midlands	NORTH ONE TELEVISION LIMITED (BIRMINGHAM)	TRAVEL MAN SERIES 4
Midlands	SUNSET AND VINE PRODUCTIONS LIMITED	RIO PARALYMPICS 2016
Midlands	SUNSET AND VINE PRODUCTIONS LIMITED	RIO PARALYMPICS 2016
Multi-Region	JOLYGOOD TV LIMITED	THE GREAT SONGWRITERS
Multi-Region	OBJECTIVE MEDIA GROUP LIMITED	FRESH MEAT IV
North Of England	BIG TALK PRODUCTIONS LTD	RAISED BY WOLVES SERIES 2
North Of England	CARM MUSIC LTD	HACIENDA CLASSICAL
North Of England	DAISYBECK PRODUCTIONS LTD	PATRICIA ROUTLEDGE'S BEATRIX POTTER
North Of England	DAISYBECK PRODUCTIONS LTD	VIRGINIA MCKENNA'S BORN FREE
North Of England	IMG MEDIA LTD	CHANNEL 4 RACING PRODUCTION 2013-2016
North Of England	IMG MEDIA LTD	CHANNEL 4 RACING PRODUCTION 2013-2016
North Of England	ITV STUDIOS LTD	COUNTDOWN 2015
North Of England	ITV STUDIOS LTD	COUNTDOWN 2016
North Of England	LIME PICTURES LIMITED	HOLLYOAKS XXIII

North Of England	MONKEY KINGDOM LTD - MANCHESTER	QUESTION JURY
North Of England	NINE LIVES MEDIA LTD	NINE LIVES - DISPATCHES 2015
North Of England	NINE LIVES MEDIA LTD	NINE LIVES DISPATCHES 2016
North Of England	OPEN MIKE PRODUCTIONS LIMITED/TRUE NORTH PRODUCTIONS LIMITED	THE LAST LEG AUSTRALIA
North Of England	THE FORGE ENTERTAINMENT LIMITED	NATIONAL TREASURE
North Of England	TRUE NORTH PRODUCTIONS LIMITED	A NEW LIFE IN THE SUN
North Of England	TRUE NORTH PRODUCTIONS LIMITED	BUILDING THE DREAM SERIES 2
North Of England	TRUE NORTH PRODUCTIONS LIMITED	BUILDING THE DREAM SERIES 3
North Of England	TRUE NORTH PRODUCTIONS LIMITED	CHINA'S EVIL EMPRESS
North Of England	TRUE NORTH PRODUCTIONS LIMITED	COASTAL WALKS WITH MY DOG
North Of England	TRUE NORTH PRODUCTIONS LIMITED	COCHLEAR SWITCH-ON LIVE
North Of England	TRUE NORTH PRODUCTIONS LIMITED	HOMES BY THE MED
North Of England	TRUE NORTH PRODUCTIONS LIMITED	HOMES BY THE SEA 3
North Of England	TRUE NORTH PRODUCTIONS LIMITED	THE LIE DETECTIVE
North Of England	TRUE NORTH PRODUCTIONS LIMITED	THE MYSTERY OF THE CROSSRAIL SKULLS
North Of England	TRUE NORTH PRODUCTIONS LIMITED	TOO MANY COOKS
Northern Ireland	360 PRODUCTION LTD	HEROES OF THE SOMME
Northern Ireland	BIG MOUNTAIN PRODUCTIONS LTD	GENERATION FOUNDATION
Northern Ireland	BIG MOUNTAIN PRODUCTIONS LTD	WEIRD IRELAND WITH ARDAL O'HANLON
Northern Ireland	DOUBLE BAND FILMS LIMITED	TONY ROBINSON'S MYSTICAL TRACKWAYS
Northern Ireland	NPE MEDIA LTD	IRISH ROAD RACING
Northern Ireland	TERN TELEVISION PRODUCTIONS LTD (NORTHERN IRELAND)	BRITAIN AT LOW TIDE
Northern Ireland	TERN TELEVISION PRODUCTIONS LTD (NORTHERN IRELAND)	THE HANGING
Northern Ireland	WADDELL MEDIA LIMITED	A BIG LEGO CHRISTMAS
Scotland	AVALON TELEVISION LTD	MAN DOWN SERIES 3
Scotland	FINESTRIPE PRODUCTIONS LTD	THE FASTEST FIVE YEAR OLDS
Scotland	FINESTRIPE PRODUCTIONS LTD	WINNIE-THE-POOH: THE MOST FAMOUS BEAR IN THE WORLD
Scotland	FIRECREST FILMS LTD	HEROES
Scotland	FIRECREST FILMS LTD	SUPERSHOPPERS - SPECIAL DELIVERY
Scotland	FIRECREST FILMS LTD	SUPERSHOPPERS 2

Scotland	FIRECREST FILMS LTD	SUPERSHOPPERS SERIES
Scotland	IWC MEDIA LIMITED	BRITAIN'S BENEFIT TENANTS: SERIES III
Scotland	IWC MEDIA LIMITED	BRITAIN'S BENEFITS TENANTS: SERIES II
Scotland	IWC MEDIA LIMITED	LOCATION LOCATION LOCATION XIX
Scotland	IWC MEDIA LIMITED	LOCATION LOCATION LOCATION XVIII
Scotland	KEO NORTH LTD	EDEN
Scotland	LION TELEVISION LIMITED T/A LION TELEVISION SCOTLAND	HOARDER SOS
Scotland	LION TELEVISION LIMITED T/A LION TELEVISION SCOTLAND	WORLD OF WEIRD
Scotland	MALLINSON SADLER PRODUCTIONS LTD	JUTLAND - SEARCH FOR THE TRUTH
Scotland	MENTORN BARRACLOUGH CAREY PRODUCTIONS LTD T/A MENTORN SCOTLAND	FINDING MY TWIN STRANGER
Scotland	MENTORN BARRACLOUGH CAREY PRODUCTIONS LTD T/A MENTORN SCOTLAND	SADDAM GOES TO HOLLYWOOD
Scotland	OBJECTIVE MEDIA GROUP LIMITED T/A OBJECTIVE SCOTLAND	IT WAS ALRIGHT IN THE 70S
Scotland	RAISE THE ROOF PRODUCTIONS LIMITED	FILL YOUR HOUSE FOR FREE WITH GOK
Scotland	RAISE THE ROOF PRODUCTIONS LIMITED	FILLERS: FILL YOUR HOUSE FOR FREE 2
Scotland	RAISE THE ROOF PRODUCTIONS LIMITED	KIRSTIE'S HANDMADE CHRISTMAS 2016
Scotland	RAISE THE ROOF PRODUCTIONS LIMITED	LOVE IT OR LIST IT SERIES 2
Scotland	REMEDY PRODUCTIONS LTD - GLASGOW	FIFTEEN TO ONE SERIES 5
Scotland	REMEDY PRODUCTIONS LTD - GLASGOW	FIFTEEN TO ONE SERIES 6
Scotland	SIGMA FILMS LTD	STARRED UP
Scotland	STV PRODUCTIONS LIMITED	TREE OF THE YEAR
Scotland	TERN TELEVISION PRODUCTIONS LTD	BRITAIN'S WILDEST WEATHER 2016-2017
Scotland	TERN TELEVISION PRODUCTIONS LTD	IAN LAVENDER'S HOME FRONT HEROES
Scotland	TIMELINE FILMS LTD	GREG
South Of England	BLAST! FILMS LTD	999: WHAT'S YOUR EMERGENCY? SERIES III
South Of England	BLAST! FILMS LTD	THE SECRET LIFE OF THE ZOO SERIES 2
South Of England	CROOK PRODUCTIONS LIMITED	NOEL EDMONDS' SOS
South Of England	DREAM TEAM TELEVISION LTD	DREAM TEAM 2016 PROGRAMMES
South Of England	ENDEMOL UK LIMITED T/A REMARKABLE TELEVISION	DEAL OR NO DEAL ON TOUR
South Of England	ENDEMOL UK LIMITED T/A REMARKABLE TELEVISION WEST	DEAL OR NO DEAL 2015
South Of England	FREEFORM PRODUCTIONS LIMITED	A PLACE IN THE SUN 2016
South Of England	FREEFORM PRODUCTIONS LIMITED	A PLACE IN THE SUN 2016/2017
South Of England	FREEFORM PRODUCTIONS LIMITED	COAST VS COUNTRY
South Of	FREMANTLEMEDIA LTD T/A BOUNDLESS	GRAND DESIGNS XII AND XIII

England	PRODUCTIONS TV	
South Of England	FREMANTLEMEDIA LTD T/A BOUNDLESS PRODUCTIONS TV	GRAND DESIGNS XIV
South Of England	FREMANTLEMEDIA LTD T/A BOUNDLESS PRODUCTIONS TV	GRAND DESIGNS XV
South Of England	FREMANTLEMEDIA LTD T/A BOUNDLESS PRODUCTIONS TV	GRAND DESIGNS XVI
South Of England	FREMANTLEMEDIA LTD T/A TALKBACK	ROALD DAHL'S MOST MARVELLOUS BOOK
South Of England	FRESH ONE PRODUCTIONS LTD	JAMIE & JIMMY'S FRIDAY NIGHT FEAST (SERIES 3)
South Of England	ICON FILMS LTD	OPERATION YETI
South Of England	KEOWEST.COM LIMITED	THE FOOD CHAIN
South Of England	KNICKERBOCKER GLORY LTD	STAGE SCHOOL
South Of England	PLIMSOLL PRODUCTIONS LTD	RESCUE DOGS TO SUPER DOGS
South Of England	QUICKSILVER MEDIA LTD	ABI IN AMERICA
South Of England	QUICKSILVER MEDIA LTD	DIRTY SECRETS: WHAT'S REALLY IN OUR AIR? CHANNEL 4 DISPATCHES
South Of England	QUICKSILVER MEDIA LTD	THE BUSINESS OF HOUSING
South Of England	QUICKSILVER MEDIA LTD	UNREPORTED WORLD 2016
South Of England	RDF MEDIA LIMITED T/A RDF WEST	THE ARRIVALS
South Of England	RENEGADE FILMS LIMITED	LITTLE BRITISH ISLES
South Of England	RICOCHET LIMITED	BORN TO BE DIFFERENT 9
South Of England	RICOCHET LIMITED	FOOD UNWRAPPED SERIES 5
South Of England	RICOCHET LIMITED	FOOD UNWRAPPED SERIES 6
South Of England	RICOCHET LIMITED	SUPERFOODS 2
South Of England	RIVER FILMS LTD	CHINA: BETWEEN CLOUDS AND DREAMS
South Of England	TESTIMONY FILMS LTD	SURROUNDED BY THE TALIBAN
South Of England	TESTIMONY FILMS LTD	THE GIRL WHO FORGAVE THE NAZIS
South Of England	THE GARDEN PRODUCTIONS LTD	24 HOURS IN POLICE CUSTODY II
South Of England	TIGER ASPECT PRODUCTIONS LIMITED	RESTORATION MAN 4
South Of England	TWOFOUR BROADCAST LTD	ROYAL NAVY SAILOR SCHOOL
South Of England	WHAT LARKS! PRODUCTIONS LTD	DAMNED ( COMEDY )
Wales	AVANTI MEDIA LIMITED	BRITAIN'S BILLIONAIRE IMMIGRANTS
Wales	BOOM CYMRU TV LIMITED	ALLIANZ PARALYMPIC SHORTS
Wales	BOOM CYMRU TV LIMITED	IPC ATHLETICS EUROPEAN

		CHAMPIONSHIPS: GROSSETO 2016
Wales	BOOM CYMRU TV LIMITED	IPC SWIMMING EUROPEAN CHAMPIONSHIPS: FUNCHAL 2016
Wales	BOOM CYMRU TV LIMITED	POSH PAWN: SERIES 3
Wales	BOOM CYMRU TV LIMITED	WORLD'S MOST EXPENSIVE TOYS
Wales	BOOMERANG PLUS PLC	ANNIVERSARY GAMES 2016
Wales	BOOMERANG PLUS PLC	POSH PAWN SERIES IV
Wales	BOOMERANG PLUS PLC	POSH PAWNBROKERS SERIES 2
Wales	CWMNI DA	THE SNOWDONIA MARATHON & SNOWDON RACE 2016
Wales	DRAGONFLY FILM AND TELEVISION PRODUCTIONS LTD (BRISTOL)	ONE BORN EVERY MINUTE VIII
Wales	DRAGONFLY FILM AND TELEVISION PRODUCTIONS LTD (BRISTOL)	THE CHILDREN'S HOSPITAL
Wales	INDUS FILMS LIMITED	MILLIONAIRE'S MANSIONS: DESIGNING BRITAIN'S MOST EXCLUSIVE HOMES
Wales	RONDO MEDIA LTD	MY MILLIONAIRE DADS AND ME
Wales	TOUCHPAPER TELEVISION LIMITED	COMING UP 2015
Wales	YETI MEDIA LTD	BRITAIN'S FAVOURITE SUPERHERO

## Annex I: List of organisations attending C4 roundtables

72 Films	Celtic Productions Limited	Evolutions
7Wonder	Channel X North	FACT - Foundation for Art & Creative Technology
Advertising Association	Clearview Productions	Faction North
Afro-Mic Productions	Compact Pictures	Fearless TV
Air Television	Connect	Film Birmingham
Alleycats TV	Connect Film	Film Manchester
Arrow Media	Crackit North	Finestripe
Avalon Television	Creative Bath	Firecracker
Avanti Media	Creative England	Firecrest Films
Barcroft Media	Creative Industries Federation	Flix
BBC Studios	Creative Scotland	Formatzone
BBC Studios – Specialist Factual/ Science unit, Glasgow	Creative Skillset	Freelancer
BFI	Crow TV	Full Fat Television
Big Mountain Productions	Curtis Brown	Generator
Big Talk Productions	Cwmni Da	Gorilla
Birmingham LEP	Daisybeck Studios	Green Inc
Blakeway North	Daybreak	Group M
Blazing Griffin	Dentsu Aegis	HAVAS
Blink Films	Directors UK	Hungry Bear
Bona Fide Films	Doghouse Post	Hurricane Films
Boomerang	Doubleband	Icon Films
Bottle Yard Studios	Dragon Digital	Irish Adsales
British Paralympic Association	Edge Hill University	ITN
Bridge and Tunnel Productions	Edit Works	IWC
Bristol Media	Enders Analysis	JMS Group
CBI	Epic Studios	KBG Screen Ltd
	Equity	LA Productions
	Erica Starling Productions	Leeds University

Libra Television	Plum Pictures	Telesgop
Lime Pictures	Production Talent Forum	Tern Television
Lion Scotland	Quicksilver Media Ltd.	Testimony Films
Little Gem Media Ltd	QuigleFilm Ltd	Thames (Scotland)
Manning Gottliebomd	Ragdoll	The Comedy Unit
Matchlight	Raise The Roof Productions	The Garden Productions Ltd.
Maverick	RDF Television	Thin Man Films
Mediacom	Red Production Co	Three Arrows Media
Mediavest	Red Shoes LTD	TRC Media
Mentorn Scotland	Red Sky Productions	True Air Vision
MIDAS (Manchester's Inward Investment Agency)	Remedy Productions	True North
Minnow Films Ltd	Republic of Media	True to Nature Ltd
Monster Films	Riverhorse	Twenty Twenty Television
NE1	Rollem Productions	Two Yanks and a Brit UK
Nebulastar	Royal Television Society	TwoFour
Newcastle Gateshead Initiative	Sabana Films	Tyneside Cinema
Newred TV	Saffron Cherry	Tyrone Productions
NI Screen	Scattered Pictures	Under The Moon
Nimble Dragon	Screen Yorkshire	Waddell Media
Northern Film and Media	Seadog Productions	WALES&CO
Northern Town	Serious Facilities	Wall to Wall
Objective Scotland	Shine North	We Are Boutique
October Films	Shine TV	Welsh Government
OMD	Stellify Media	Wild Dream
Orion TV	Studio Lambert	Wildflame Productions
Outline	STV Productions	Windfall Films
PACT	Sunderland University	Yeti Media
Pearlworks	Sundog Pictures	Young Films
	Synchronicity Films	Zenith
	Tech North	

