

## **REVIEW OF CHANNEL 4 STATEMENT OF PROMISES 2002**

### **OVERVIEW**

2002 has been the most testing year for Channel 4 in more than a decade. The rapid fall in advertising in the second half of 2001 and the beginning of 2002 not only led to a substantial reduction in the anticipated programme budget but created a climate of uncertainty where financial planning for longer term ambitions and larger projects had to be viewed with caution.

However, in 2002 Channel 4 has held its overall share of audience, and increased its peaktime share to its highest in its history of 9.7%. Our commercial performance – leading to an increase in advertising share of 5% - has allowed us progressively to restore the programme budget. The fruits of the renewed investment will be felt in 2003 and 2004. In addition, the necessary reductions in staff and overheads have been achieved along with a rationalising of commissioning departments. This should lead to a clearer editorial proposition, which will be commercially competitive – the precondition to fulfilling our cultural and creative remit, the *raison d'être* of the Channel.

Channel 4 has, despite the force of commercial pressures, placed its values of innovation, diversity and social engagement in the heart of its schedule. In 2002 we exceeded our licence commitments in News and Current Affairs, Education, Multicultural and Schools programmes. Throughout this year the 9pm programmes have consistently demonstrated a range, ambition and risk that do not exist elsewhere in British broadcasting.

At 9pm, such programmes have included **The Trust**, **Married to a Stranger** and **Death**, and single documentaries such as **House of War**, **Born Freak**, **The Old**, **The Lord's Tale** and **Young Nazi and Proud**.

Elsewhere we have extended our arts agenda with a new ten part strand **The Art Show** dealing head on with contemporary artists talking about their work. We have commissioned original performance with Jonathan Dove's **The Day She Died**. **Andy Warhol** was a definitive three part biography. In comedy, successes included **The Book Group**, **Phoenix Nights** and **Bo Selecta**, and in Drama **Shackleton**, **Sunday**, **Bodily Harm**, **Teachers** and **White Teeth**.

### **TOPICAL PROGRAMMES**

In the 2002 Statement of Promises Channel 4 undertook to '**leave the mark of the year on our schedules**'. We have done that with a combination of strong seasons of programmes and timely single programmes. The **Muslim and British** Season analysed the nature of contemporary Islam in Britain. **One Year On** interrogated the conduct of the 'War' against terrorism. **Dispatches** and associated programmes gave prominent coverage to Iraq. Individual programmes include **Flora's Story**, **Jonathan King**, **Did Barry George Kill Jill Dando**, **Michael Barrymore**, **Ulrika Jonsson** and **The Washington Sniper**.

## INDIVIDUAL AUTHORSHIP

Channel 4 has '**encouraged individual authorship onscreen**' with Matt Fraser's **Born Freak**, Jacqueline Rose on **Israel**, Mark Thomas, and Maggie O'Kane on the prostitution laws as well as finding new voices in our **Made in Britain** strand. Behind the camera Molly Dineen, Daisy Asquith, Karen Hamilton, Brian Hill, Kate Bluett and Brian Edwards made strong signature films this year. Bettany Hughes was a much noticed new voice in history in the series on **The Spartans**.

## RISK AND NON CONFORMISM

Channel 4 promised '**to champion risk and non-conformism in all genres**'. **Graham Norton**'s success in producing a show that ran five days a week was the first time in British television that such a feat of creative stamina had been achieved. **The Book Group** was a break through in comedy drama and **Bo Selecta** brought a new satiric talent to the screen. Our Science department broadcast **The Autopsy and Death**, a five part series which was equally a religious programme. We also broadcast **The Art Show** and **When She Died** in Arts, and **The Luckiest Nut** and **Feltham The Musical** in Documentaries.

Gay programmes in 2002 included **The Truth about Gay Men, Gay Women** and **Gay Animals**, and **Lesbian Love Stories**.

## DRAMA

The Channel undertook to make drama '**a more integral part of the schedule**'. In 2002 budgetary uncertainties delayed Channel 4's plan to make drama part of the fabric of the schedule, but this will be achieved in 2003. Despite a shortage of drama overall, the year was punctuated by some of the most ambitious pieces on the Channel. These including **Shackleton, Sunday, Bodily Harm** and **White Teeth**. **Teachers** returned for a second successful run, and we are in production with other long running UK drama series. Early 2003 sees major new drama including **Buried, 40, 20 Things To Do Before You're 30** and **Second Generation**.

The Channel addressed the issue of the ailing **Brookside** by moving the soap out of peak. However **Hollyoaks** has grown in stature this year and draws a loyal and young audience.

Channel 4 also added two American pieces of ground breaking excellence to its repertoire, **The Osbournes** and **Six Feet Under**.

## COMEDY AND ENTERTAINMENT

In Comedy and Entertainment we promised '**to establish clear zones during the week where new talent can be supported by established brands**'. We achieved that on Thursday nights. **The Book Group** and **Peter Kay's Phoenix Nights** were critical and audience successes this year, and **Black Books** and **Smack the Pony** returned. New comedy included **Comedy Lab, Shoreditch Twat, Richard Taylor** and **Effin Estates**.

## NEW TALENT

Channel 4 pledged to **'set aside programmes and resources to encourage new talent on screen and behind the camera'**. In 2002 there were half hour strands such as **Alt TV, Made in Britain** and **The Art Show** made by new talent, as well as peak time documentaries such as **Inside My Head, The Joy of Teen Sex** and **The Hoaxer**. We have worked hard to bring new talent and new companies to our Departmental Briefings, and the Diversity Database has helped independents find a wider range of production talent.

## DOCUMENTARY

Channel 4 undertook **'to position the Channel as the home for social documentary'** and **'to bring the best documentary makers from Britain and across the world'**. The Channel succeeded in being pre-eminent in social documentary with **The Trust, Boys and Girls, Bunking Off** and **Old**, and had a strong international agenda in series such as **Tuscany** and **Lahore Law**. International programmes in 2002 also included the Africa series **Africa Unmasked**, seasons including Iraq, Israel and **One Year On**, and a strong year of current affairs programmes including **Unreported World** and **Dispatches**.

## NEWS AND CURRENT AFFAIRS

Channel 4 promised seasons **'to underscore contemporary issues of public interest'** and to bring a **'campaigning edge and interrogative perspective'**. This was achieved with the **Muslim and British, Prostitution Laws Don't Work, 5 Years of Blair** and **New Labour** seasons, as well as programmes on Royal Finances and Pensions. **Channel 4 News** increased its audience still further, with strong business and economic coverage from Liam Halligan and Jonathan Rugman, and in depth education reporting on the A Level row and university fees. Foreign coverage was particularly strong from Zimbabwe and Iraq and Lindsay Hilsom in Jenin. **The Indian Summer** season included a week of C4 News from India, and **Dispatches** had a very strong year concentrating on an international agenda with **Jenin, Zarmina's Story, Iraq** and **Asylum Seekers**.

## EDUCATION

We promised Education would be **'core to the Channel'**. In 2002 we have strengthened our educational purpose by bringing the main channel and 4Learning closer together. 4Learning has focused on 14 to 19 year olds, an audience that identifies with Channel 4. The key areas are Health, Relationships and Work – and what they don't teach you about them at school. These are core subjects for the main channel too, and 4Learning is developing joint projects with Education and Documentaries.

Our ambition is to make peaktime programmes that are engaging as well as educative. Our aim is to ensure Education does not focus simply on problems. We have offered intelligent adult lifeskills as well as major educational campaigns such as **Diabetes** and **Chlamydia**. We believe learning and lifeskills should be applicable and accessible to everyone. **Jamie Oliver** was the best example of how to convey Life Skills to a huge (and young) audience, as were **Sex Tips for Girls, Grand Designs, Children Behaving Badly** and **Perfect Match**.

During 2002 4Learning broadcast 653 hours of schools programmes, including **The Hoobs**, **Double Act**, based on the Jacqueline Wilson book, was shown as a single film during the Jubilee weekend as well as airing in the schools schedule. Other highlights include the completion of **Animated Tales of the World** and **Star Maths**, the continuation of **Maths Mansion**, the start of **Extra** (a comedy drama series with French, German and Spanish versions), the poetry series **Arrows of Desire** and Courtney Pine's composition series **Rewind**.

The 4Learning website offered rich resources for teachers and students, including **Net Notes** for teachers, **Homework High**, **Grid Club**, **Extra** and **Book Box**. The range of CD Roms was extended, and 4Learning published some 30 new print titles in 2002. 4learning has consulted members of the ITC's Schools Advisory Committee as well as having direct contacts with government education departments and curriculum and assessment agencies across the UK. In addition experts have been consulted when embarking on major projects in particular areas of the curriculum.

In **Programme Support** in 2002 we have continued to provide more support online, with print and phone line support where appropriate. Online, we have added value to programme specific websites by including more generic content so visitors can interact and have a more active learning experience. We have concentrated on building on the success of our aggregated sites (for example the BAFTA award winning **Time Team** website, which the judges described as 'a real cross platform community builder'); integrating cross platform support, such as articles and a forum on the Health website during the Death season; and disguising learning by using light-hearted content to draw people to the site. One example was the launch of the Gay-O-Meter quiz which doubled the month's traffic to C4.com in just one week.

Channel 4 continued to bring a young audience to public service broadcasting because of the channel's reputation for non-conformism. Examples include **Make Me A Man** (3.2m audience with an 18% share of 16–34s), **In Memoriam September 11** (3.2m audience with 14% share of 16–34s), **Time Team** (3.3m audience 18% share of 16–34s) and **Mark Thomas' Secret Map of Britain** (1.4m audience, 19% share of 16–34s). We have also made programmes focused on an older audience, including **Married Love**, **Old**, and **Working with Dinosaurs**.

## DIVERSITY

Diversity is key to the Channel, and we undertook '**to keep a multicultural perspective in all programme genres**'. We have achieved that and more in 2002. Highlights this year include **White Teeth**, the **Faking It DJ**, the **Muslim** and **British** and the **Indian Summer** seasons. **Big Brother** and **A Place in France** had strong multicultural casting. The two **Marrying A Stranger** films brought a huge audience to the subject of arranged marriages, as did **Perfect Match**. The **Made in Britain** strand brought new diverse voices and opinion to the Channel, and **Back to Basics** and **Bunking Off** explored multicultural perspectives on Education. In Entertainment, the **Kings of Black Comedy** was a major Saturday night series, and there was a major **Gospel** event.

Channel 4 has also pushed forward its multicultural agenda with some major offscreen initiatives. We have monitored our production teams, extended our Diversity Database to all UK broadcasters through the Cultural Diversity Network, and done specific audience research on diversity onscreen. We have committed £600,000 to training schemes next year to improve diversity in the independent sector and within the Channel, and we are making a senior appointment (Editorial Manager Cultural Diversity) to implement diversity initiatives across the Channel.

## HISTORY AND SCIENCE

In recent years Channel 4 has been in the forefront of popularising history programming. The competition has followed, and the commodification of the genre has cluttered the television schedules. However Channel 4 has kept a purpose and signature to our history programming. The key series included **Edwardian Country House**, **Commandos** and **Barbarians**, a strong **Time Team** and associated archaeology series, seasons on **Rome** and the **War Against the French**, and good runs of **Secret History** which have recovered its journalistic and investigative edge. The major Science event of 2002 was **The Autopsy**. This followed the **Anatomists** series earlier in the year, and proved Channel 4's ability to respond quickly and to generate wide public debate. Science series included **Death**, **Edge of the Universe**, **The Day the Earth Was Born** and **Ice Age**. The three formatted series **Scrapheap Challenge**, **Junkyard Wars** and **Salvage Squad** continued to bring big audiences to technology.

## HEALTH

The major Health programmes this year included **Miscarriages - Against all Odds** and the **Inside My Head** series, both archetypal Channel 4 social documentary series giving an unmediated voice to the experience of its subjects. There were seasons on **Chlamydia** and **Diabetes**. Other health issues covered including drinking and drugs, and the moving film **Joined at Birth** on conjoined twins.

## DISABILITY

Matt Fraser's deliberately provocative film on disability **Born Freak** was one of the highlights of 2002, with a 9pm slot and a big audience. **Vee TV** continued, and developed the opportunities it offered deaf production staff. **Natural Born Talent** showcased the work of six talented artists and performers. **Children Behaving Badly** covered a range of conditions including ADHD and selective mutism. **Celebrity Wheelchair Challenge** followed **Blind Man's Buff** in finding an accessible popular format for an important subject. Examples of inclusion of disabled people in mainstream programmes include **You Askin'? I'm Dancing**, Jim Shekhdar in **To The Ends of The Earth**, **Witness: Moving Heaven and Earth**, **Teenage Dwarf**, and partially deaf Sophie Woolley in **The Art Show**. Channel 4 joined the Broadcasters Disability Network and published a new manifesto and Action Plan on disability, and has upgraded the very successful 4All website. In ancillary services Channel 4 has exceed its targets in subtitling (83% against a target of 72%), open signing (2.1%) and audio description (5%).

## ARTS

In 2002, Channel 4 strengthened its coverage of the Arts with the **Andy Warhol** series, the ten part **Art Show** series and the **Artangel Orgreave** event. Performance included Jonathan Dove's radical new opera **When She Died**, as well as **Pina Bausch** and **Romeo and Juliet**. Howard Goodall returned with a new series, **Great Dates**, and Channel 4 continued its commitment to **RIBA** and the **Turner Prize**.

## RELIGION

The religious agenda of Channel 4 has been much influenced by our remit for cultural diversity. It is a reflection of the events of the last year that much of our current affairs and multicultural programming touches directly on religion. Hence **Muslim and British** was as much a religious season as it was multicultural. Our programming in 2002 was a little sporadic but included some of the programmes to which we received the most intense response. **Death**, five hours scheduled at 9pm, got a far bigger audience than anticipated and crossed the boundaries of science to confront the most fundamental questions. **Gospel** was a black British event, packed with conviction. **Evil Thoughts** allow Ian Rankin to make a philosophical programme that led through science to eschatology. **Britain's Best Churches** was a rather low key but much appreciated intelligent series on religion as cultural heritage. **Witness** proved its worth as a strand that can encompass a range of stories that collide with faith, identity and belief. At Christmas James Runcie's two authored films **Heaven** and **Darwin's Daughter** separately encountered the borderline between doubt and faith.

## SPORT

In Sport, an intensely fought Test series between England and India was the highlight of our **cricket** coverage, which won its second BAFTA in 3 years. Cricket continued to be in the vanguard of the Channel's multicultural initiatives. Former England Captain Mike Atherton joined the commentary team and our ground breaking Hawkeye technology offered new levels of analysis. **Horse-racing** was as solid as ever. **World Rally** had a high quality of production but disappointing audiences. It kept up our reputation for sports innovation with same day coverage of every day of every rally.

## THE INDEPENDENT SECTOR

The health and vitality of the independent production sector is key to Channel 4's success, and we have continued to develop and encourage companies across Britain. We transmitted programmes supplied by 321 production companies in 2002, working with a far wider range of suppliers than any other broadcaster. Channel 4 gives more prominence to UK originated material than ever before: in 1998 51% of our ratings were delivered by US series, films and Brookside, but by 2002 that figure had fallen to 29.5%. We far exceed our first run target in peak, 85% against a target of 80%, and our peak origination was 78% against a target of 70%. We achieved the all hours first run target of 60%, which includes programmes outside peak, but we believe this target neither supports our editorial ambitions nor the interests of the independent sector.

Channel 4 has spent 30% of our production resources outside London in 2002, well up on our 1998 figure of 25%. We have continued to develop the regional independent production sector and to contribute to the creative industries in cities across Britain. Our Nations and Regions office plays a major role in supporting and developing regional businesses, and the Channel has continued to ringfence regional strands including Football Stories and When X Met Y. We have continued our Regional Development programme for training researchers in regional companies, and have supported several regional companies with development deals.

The Channel has been involved in the 2002 Programme Supply Review, and is currently working on a new code of practise in conjunction with PACT. C4I and Consumer Products have made a valuable contribution to the health of the independent sector in 2002. C4I is forecast to contribute £7.4m directly to the programme budget via co-production activities (without charging commission) and will invest £1.2m into programme development and deficit funding. C4I will pay out £4m in producers' share of revenues and Consumer Products £1.9m. We believe Channel 4's ability to support the current diversity of producers will depend on further mutual maximisation of value.

Please note all full year figures in the 2002 Review are forecast at this stage.

## **NEW CHANNELS AND CROSS PLATFORM**

Channel 4 has continued to develop its new channels and new media through 2002, but has refocused its strategy and direction.

FilmFour Ltd spent £19.9m on original British film production this year, but 2002 saw a change in priorities to stem heavy losses. FilmFour has refocused on core values, exemplified by FilmFour Lab's support for some of the best new talent in British cinema. Joel Hopkins' **Jump Tomorrow** won the Carl Foreman Award for the most promising newcomer to British Film at the BAFTAs and new features include Penny Woolcock's **Principles of Lust** and Simon Pummel's **Body Song**. The Lab continued to fund short films and its 2002 slate included new films by Jeremy Dyson from the League of Gentlemen, Chris Morris, Jodhi May and Rankin. The output will be shown on Channel 4 over the next three years.

The FilmFour channels offer an unparalleled range of films in the subscription market, including the only dedicated non-English language channel FilmFour World.

E4 has continued to succeed in attracting young audiences, and is now working much more closely with the main Channel.

In Cross Platform projects, Channel 4 has continued the breakthroughs associated with **Big Brother**, the UK's most technologically complex television. In 2002 **Big Brother** was delivered across five different media: edited narrative on C4, video streaming on E4, telephone voting (22m votes of which were cast via the Sky digital keypad), text messages (5m this year) and a web site which served 200 million page views this year. A number of new cross platform initiatives are also underway, including **The Salon**, **Family Tree**, and the first phase of the **Mayflower** project for 2005.

Other interactive highlights in 2002 include the launch of the Four Active interactive TV service on Sky Digital and the development of Channel4.com into a single destination site for the channel's online activities. We have averaged in excess of 30 million page impressions each month throughout 2002.

## **2004 AND THE FUTURE**

It is the nature of Channel 4 that, as a pioneer of innovation and in the vanguard of new ideas, the terms of its success are constantly changing. 2002 was a year of tough challenges and a year of transition.

On the one hand, the commercial pressures of digital fragmentation screw the ratchet ever tighter on Channel 4's ability to fund its programmes to its desired ambition. With over 20% of the market taken by channels who see content as acquired product, not as creative investment, the relationship between risk and reward gets ever more volatile. The increasing market demand for younger audiences must also affect Channel 4's perspective on how it can offer its public service definition. Channel 4 exists for a public purpose. Other commercial broadcasters see licence obligations as no more than as the cost of entry to the market, and seek constantly to have that cost alleviated. Channel 4's licence is an expression of its purpose and justification. Yet the incentives and protection that previously existed in the pre-digital market have rapidly diminished. Recent regulatory decisions – such as the Programme Supply Review – could potentially affect Channel 4's ability to fund properly the diversity of ambitious programmes which has been Channel 4's great contribution to our broadcasting culture.

Accordingly, the Channel is engaged in a fundamental programme strategy review. This will seek to secure its competitiveness, without which the ability to fund the current level of risk and ambition of its programmes will inevitably decline. With a more robust competitive schedule, we will aim to secure the prominence and impact of those pieces that distinguish Channel 4 from the competition. Channel 4 will retain its position by focusing on fewer bigger decisions. Its challenge will be to identify the ideas and programmes that will define and exemplify its public remit, and to grow them in scale across a variety of platforms.

The success of Channel 4's programme strategy will determine whether there remains a place for a channel on British television, beyond the publicly funded BBC, that does not merely seek to maximise shareholder return. We are determined that there should be.

**Tim Gardam**

Director of Television