

Dawn Bowden AS/MS
Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip
Deputy Minister for Arts and Sport, and Chief Whip



Llywodraeth Cymru
Welsh Government

Oliver Dowden CBE MP
Secretary of State Digital, Culture, Media & Sport
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13 September 2021

Dear Oliver

I am writing in response to the UK Government consultation on a potential change in ownership of Channel 4 Television Corporation.

Our conversations with key stakeholders in Wales following the announcement of the consultation have highlighted concerns that there is little evidence to justify a change in ownership, with stakeholders unanimously agreeing that any sale would only be to the detriment of Welsh audiences and the independent television sector in Wales.

The Welsh Government recognises the significant value of Channel 4's unique public service model and remit as both a publisher and a broadcaster. With all content commissioned from a currently vibrant independent television sector its remit encourages independent programme making. The role the channel plays in offering distinctive, innovative content that appeals to diverse communities and to young audiences in particular is hugely important as we seek to increase the diversity of content that meets the needs of all viewers. This is also the case in areas such as news, where the relatively weak indigenous news infrastructure in Wales is supplemented by UK broadcaster news services.

It is likely that under new private ownership the organisation would have new motives, new goals and be ultimately driven by profit. This would inevitably lead to a reform of the current operating model, with a significant proportion of production output brought in-house. Should this happen there is a real risk that we would lose independent companies across the nations and regions of the UK. As highlighted in the independent EY report on the possible consequences of privatising the Channel, published by Channel 4 on 10th September, up to 2,400 jobs could be at risk in the creative sector, which could significantly reduce Channel 4's economic contribution in the supply chain (with value of around £2bn being transferred from SME's in the creative economy, to a new private owner). The report suggests most of that impact would be felt in the nations and regions of the UK.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Alongside the concerns of independent companies fearing that they would see a decline in commissioning from the Channel, our stakeholders have also questioned how any new owner of the Channel would deal with Intellectual Property. Whilst it has been stated that this would be protected under new ownership, the independent production sector in Wales would need firm guarantees that this is the case to ensure producers can continue to exploit their IP in overseas markets, as the current model allows.

There is also a risk that much of the free to air content would be lost if the channel is privatised. The universality of public service broadcasting is of significant importance in Wales as a means of ensuring all audiences, regardless of circumstances, can access content. Loss of universal access would be devastating in some circumstances. For example, Channel 4 was the only channel to air the Paralympics 2021 on free to air terrestrial TV.

Whilst we believe that there are still improvements to be made to how Channel 4 operates in Wales, the recent *4 all the UK* Strategy has seen a marked improvement in how Channel 4 supports our independent sector and makes a significant contribution to the UK Government's levelling up agenda. We have seen an increase in commissioning content from within Wales, an increase in direct company investment, and a real commitment to work in partnership to address the skills issues in the sector and most importantly equality and diversity. We are working with Channel 4 to agree a Memorandum of Understanding with Creative Wales to build on this positive partnership working. Whilst some of these are a core part of the Channel 4 public service remit, they are not commercial or indeed profitable activities and are unlikely to appeal to a private buyer. It is also considered that they would be very difficult to enforce in the event of a sale.

We furthermore cannot see any evidence that backs up the current thinking that Channel 4 would be difficult to sustain in public hands, as more viewers switch to streaming services such as Netflix. In fact, Alex Mahon has recently stated publicly that Channel 4 revenues are up, cash balances are up and funding is available to invest in the future and in new content. Channel 4 performed well during the pandemic and the recent report on Channel 4's performance across the UK demonstrates its strong financial position. It is unclear why this action is now being considered when work is already underway to ensure a fit for purpose regulatory framework for an evolving public service media landscape, such as the Ofcom *Small Screen: Big Debate* review on the future of public service broadcasting.

I urge you to listen carefully to the voices of the independent sector across the UK during this consultation process. In the last 12 months, when other parts of the economy have seen a deep decline as a result of the global COVID-19 pandemic, the television sector continues to thrive. We cannot underestimate the damage that privatisation of Channel 4 would do to the sector. It is naïve to think that any private organisation, following a sale, would accept obligations that are difficult to fulfil and not profitable.

I am copying this letter to Angus Robertson, Cabinet Secretary for the Constitution, External Affairs and Culture and Jenny Gilruth, Minister for Culture, Europe and International Development, Scottish Government and Deirdre Hargey, Minister for Communities and Gordon Lyons, Minister for the Economy, Northern Ireland Executive. I am also copying this letter to Lord Gilbert of Panteg, as Chair of the House of Lords Communications and Digital Committee, for consideration as part of the Committee's inquiry into the future of Channel 4.

I look forward to hearing your response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dawn Bowden'. The signature is written in a cursive style with a prominent initial 'D'.

Dawn Bowden AS/MS

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