

Channel 4 response to National Assembly for Wales' Communities, Equality and Local Government Committee inquiry into the future outlook for media in Wales.

- 1) Channel 4 is the UK's only publicly-owned, commercially-funded public service broadcaster, with a remit to be innovative, experimental and distinctive. In addition to the main Channel 4 service, our portfolio includes E4, More4, Film4 and 4Music, as well as an ever-growing range of online activities that includes channel4.com, Channel 4's bespoke video-on-demand service 4oD and standalone digital projects. Through Film4, Channel 4 also plays an important role in the development and production of British film through Film4.
- 2) Channel 4 is a network broadcaster with no opt-out functions, and is therefore dedicated to producing programmes for the UK as a whole. Nonetheless, Channel 4 has a significant role to play in reflecting the diversity of the UK's culture across its output, and seeks to ensure that all parts of the country's nations and regions are represented within our programmes. As a publisher-broadcaster Channel 4 commissions all of its content from the independent production sector, and it therefore also plays a pivotal role in supporting creative talent from across the UK.
- 3) Channel 4's role in Wales has historically been unique to the rest of the country, as S4C has traditionally held the analogue space used by Channel 4 in the rest of the UK. However, following digital switch-over, which has now been completed in Wales, this status will change and Channel 4 will become available to every home in Wales. As a result, Channel 4 will become a truly a UK-wide broadcaster for the first time.
- 4) The Committee's inquiry into the creative industries is therefore a timely one, and Channel 4 is grateful for the opportunity to respond. Channel 4 is committed to supporting the wealth of creative talent that exists in the devolved nations of the UK, and looks forward to working closely with the Welsh Assembly and other industry partners to continue to support the creative industries in Wales.

Channel 4's contribution to creative industries of UK

- 5) Channel 4's investment in content across television, film and digital media has a significant, and catalytic, impact on the UK's creative economy: a recent report showed that Channel 4's activities generate £1.1 billion for the UK economy each year and support 28,000 jobs across the UK¹. Our investment supports a diverse range of businesses - in 2010 we commissioned content from over 350 suppliers across TV and digital media, from all parts of the UK.
- 6) As a publisher broadcaster, Channel 4 is a major investor in the independent sector, and in 2010 we invested £117 million outside of London on television on the main channel alone - 39% of Channel 4's network spend (4 points above Channel 4's 35% Out of London quota). This includes many of our highest-profile series, including *Shameless*, *Hollyoaks*, *Embarassing Bodies* and *Location Location Location*.

¹ Oxford Economics report for Channel 4, 2011

- 7) In 2010, a new quota was introduced for Channel 4 to commission 3% of its network spend in the devolved nations of the UK. Despite 2010 being the first year this new target has been in place, it was significantly exceeded. Last year Channel 4 invested £13.4 million on network programming outside of England - 4.5% of our network spend. This is an increase of more than £8m over the last two years.
- 8) While these figures reflect substantial increases in Channel 4's work outside of London, these spend figures alone still do not fully capture the scope of Channel 4's investment. In addition to the main channel (which is the only area where the network spend quotas apply), Channel 4 also commissions original programming for its digital channels, is a major investor in digital media, film and graphics, as well as providing development funding and training for independent companies based outside of London.

Channel 4's Creative Diversity strategy

- 9) Channel 4 recognises the cultural and economic importance of working with creative talent from all over the country. It has a reputation for distinctive, innovative content that reflects contemporary Britain, and to maintain this it is important to ensure it is open to the most original, most creative ideas - wherever they come from.
- 10) To achieve this ambition, in his first keynote speech as CEO of Channel 4, David Abraham stated that Channel 4 must work even harder to diversify its supply base, to ensure it is not dependent on a narrow group of suppliers to provide its content. This included being more open to ideas from new and emerging companies as well as companies based outside London.
- 11) To help address this, Channel 4's nations and regions department has been incorporated into a new division entitled 'Creative Diversity', headed by Stuart Cosgrove, which has promoting diversity of supply as its central aim. The Creative Diversity team includes several dedicated project managers based across the country, who will work at the 'coal-face' of commissioning and sourcing talent. The team manages the Alpha Fund, a £2m development and production fund aimed at supporting emerging talent at a grassroots level, and only invests in new and emergent small independent production companies.
- 12) In addition to the work of the Creative Diversity team, further broadening access to commissioners is a key aim across Channel 4. Jay Hunt, Channel 4's Chief Creative Officer, has given every commissioning head formal objectives to visit at least two different cities a year, and develop relationships with at least one new indie.
- 13) Digital media is also broadening the spread of Channel 4's commissioning – and in 2011 Channel 4 introduced internal targets for digital commissioning to match the regional quotas it has in television production.
- 14) This new strategy has significantly increased Channel 4's engagement with new and regional companies. So far in 2011 the creative diversity team has met with approximately 350 new or emergent companies so far and in Jay

Hunt's first 4 months she met with 110 indies. 12 commissioner briefings have been held in cities outside London, including one in Cardiff, which 18 companies attended - ranging from companies of scale such as Green Bay and Rondo to burgeoning companies like Barn Media.

- 15) This approach has already led to commissions for television companies Channel 4 has never worked with before, as well as a significant increase in the number of digital companies it works with.
- 16) It is important to note that the focus of the creative diversity strategy is to commission the best ideas from the widest possible range of creative suppliers – rather than meeting narrow targets or requirements. While quotas can be useful tools, Channel 4 does therefore not have per capita targets based on specific nations or regions, as it is important that it retains the flexibility to commission the best ideas, wherever they come from.

Channel 4's work in Wales

- 17) The impact of Channel 4's creative diversity strategy can already be seen in Wales. In 2011 Welsh production is forecast to account for 2% of Channel 4's total network spend – an increase of more than £4m from 2010.
- 18) This includes major series for companies such as Boomerang, who produce a range of sports series for Channel 4, including *That Paralympics Show*, Channel 4's flagship programme looking ahead to the 2012 Paralympics.
- 19) In addition to their expertise in sports programming, Boomerang also produce several other series for Channel 4, including new daytime commission *The Secret Supper Club*, which celebrated the best of British food. Welsh locations were featured throughout the series, including episodes uncovering speciality foods in the Gower peninsula, the Brecon Beacons and Cardigan Bay.
- 20) Other Welsh commissions in 2011 span across comedy (Hartwood Film's *Coma Girl*), sports (Boomerang's *Freesports on 4*), documentary (Prospect's *Dispatches*) and entertainment (Presentable's *Poker Lounge*). Harnessing the Welsh sector's expertise in specialist factual programming, a new science programme has been commissioned for 2012 from Welsh producers Cwmni Da, the first time the company has worked with Channel 4. In addition, major series such as *Time Team* are now being produced out of the nation – with a significant exploration currently underway at Swansea's historic Hafod Copperworks.
- 21) As well as these companies of scale, Channel 4 is also working to provide smaller companies with their first network commissions. In 2011 Telesgop, a company that has traditionally focussed on producing Welsh language programming for S4C, won their first ever commission for Channel 4 – a film exploring the secret letters of Wallis Simpson. The film went on to attract 1.6m viewers, and Telesgop are being supported through the Alpha Fund to develop further documentary ideas for Channel 4.
- 22) A total of 12 Welsh companies are currently being supported by the Alpha Fund to develop exciting new ideas for Channel 4. These include

documentary producers Indus Films and Wild Dream Productions, as well as Machine Productions, who will be developing an exciting drama concept with Alpha Fund support in 2012.

- 23) Channel 4 is currently liaising closely with the Welsh Assembly Government to establish dedicated support for Welsh companies through the Alpha Fund. Earlier this year Channel 4 signed a strategic partnership with Creative Scotland, in which they committed £100,000 to the Alpha Fund to invest in Scottish-based talent. This reflects Channel 4's commitment to developing relationship with partner agencies across the UK, and it is keen to establish a similar partnership in Wales.

Supporting the Welsh creative sector

- 24) While Channel 4 believes that the creative diversity strategy outlined above will have a significant impact on its engagement with creative companies in the devolved nations of the UK, it is important to note that as a publisher broadcaster it is wholly dependent on the size and strengths of the independent sector. While the Welsh creative sector has many areas of expertise, including documentary and sports programming, in some areas, such as independent drama production, or digital innovation, it lacks capacity.
- 25) As a publisher broadcaster, Channel 4 does not have the same flexibility as the BBC to move in-house production, and instead has sought to grow investment organically, through the support and development of indigenous companies. Channel 4 believes this is the right approach for the Welsh sector long-term, but it does mean that Channel 4's ability to significantly increase spend in a short space of time is more limited.
- 26) These issues present challenges for the sector as a whole, and it is important that Channel 4 works with other broadcasters, regional partners, national bodies such as Skillset and the independent sector on initiatives that can tackle these challenges and build companies of scale. Channel 4 alone is not large enough to grow and support the creative community in Wales by itself.
- 27) For example, while it welcomes the efforts by the BBC to increase network production from Wales, much of this remains in-house. This means that there has yet to be a significant trickle-down effect on the broader independent production sector in Wales, which Channel 4 could subsequently harness.
- 28) Finally, Channel 4 would note that Wales differs to other parts of the UK as it does not have a dedicated external agency with responsibility for developing a cohesive strategy for the creative industries. This means that at times there is less clarity over the key points of contact, or access to the range of funding and expertise that organisations such as Creative Scotland, Creative England and Northern Ireland Screen are able to provide. In particular, Channel 4 has traditionally worked with a diverse range of screen agencies to host networking events, briefing sessions and master classes in creative hubs across the country. However, Channel 4 has found it more challenging to reach out to the creative community in Wales in this way, and would find it useful if there was a dedicated team tasked with facilitating these kinds of engagements.

Going forward

- 29) Channel 4 is proud of the significant progress it has made in a short space of time regarding commissioning in the devolved nations – and making sure it is open to the most creative ideas from the most diverse supply base will remain a priority.
- 30) Channel 4 looks forward to further dialogue with the Welsh Assembly and the wider sector on how to most effectively support the Welsh creative industries, and the rest of the UK's creative economy, going forward.