

Consultation response form

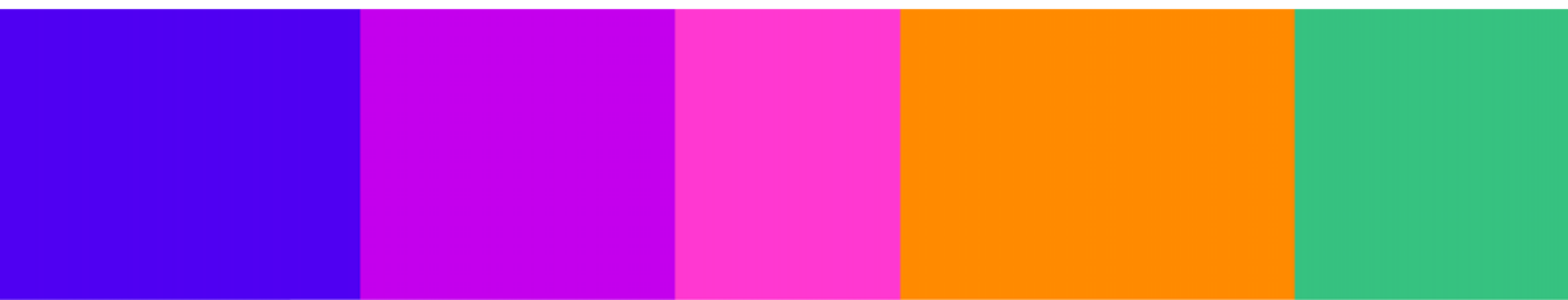
Please complete this form in full and return to Channel4LicenceRenewal@ofcom.org.uk

Consultation title	Reconsultation: Channel 4 Licence Renewal
Full name	[REDACTED]
Contact phone number	[REDACTED]
Representing (delete as appropriate)	Organisation
Organisation name	BFI
Email address	[REDACTED]

Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.	Nothing
Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.	None
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes



About the BFI

The British Film Institute (BFI) is a cultural charity, a National Lottery distributor, and the UK's lead organisation for film and the moving image. The BFI Certification Unit is also administrator of the cultural tests and co-production assessments for film, high-end television (HETV), animation television, children's television and video games projects intending to claim the newly introduced audio-visual expenditure credits (AVEC), video games expenditure credits or the screen sector tax reliefs.

Our mission is:

- To support creativity and actively seek out the next generation of UK storytellers
- To grow and care for the BFI National Archive, the world's largest film and television archive
- To offer the widest range of UK and international moving image culture through our programmes and festivals - delivered online and in venue
- To use our knowledge to educate and deepen public appreciation and understanding of film and the moving image
- To work with Government and industry to ensure the continued growth of the UK's screen industries

Founded in 1933, the BFI is a registered charity governed by Royal Charter.

The BFI Board of Governors is chaired by Jay Hunt.

About this submission

The following document responds to Ofcom's Reconsultation on Channel 4 Licence Renewal

We make this response in the BFI's capacity as lead body for film and the moving image in the UK. The BFI is happy to provide further information on any of the issues raised as required.

Your response

Question	Your response
Question 1: Do you agree with our assessment of the potential impact on specific groups of persons?	The BFI addresses some of the issues which we believe to be particularly relevant in our response to Question 3.

Question	Your response
<p>Question 2: Do you agree with our Welsh language impact assessment?</p>	<p>Yes, given that, as the Reconsultation document states: “C4C's remit does not include Welsh language programming (S4C is the Welsh language PSB service) and the Channel 4 licence does not include any Welsh language conditions.”</p>
<p>Question 3: Do you agree with our proposals that:</p> <p>a) until 31 December 2029, in each calendar year at least 9% of the hours of programmes made in the UK for viewing on the Channel 4 service must be produced outside England, and at least 9% of the expenditure on programmes made in the UK for viewing on the service must be allocated to the production of programmes outside England and referable to programme production at production centres in Scotland, Wales and Northern Ireland?</p> <p>b) with effect from 1 January 2030, in each calendar year at least 12% of the hours of programmes made in the UK for viewing on the Channel 4 service must be produced outside England, and at least 12% of the expenditure on programmes made in the UK for viewing on the service must be allocated to the production of programmes outside England and referable to programme production at production centres in Scotland, Wales and Northern Ireland?</p>	<p>No, the BFI does not agree with the proposals as they stand.</p> <p>We believe that the proposals should show greater ambition given the status of Channel 4 as a public service broadcaster, controlled by a statutory corporation (Channel 4 Corporation) and therefore in public ownership (with a remit set by Parliament).</p> <p>It is the BFI’s view that a PSB which is publicly owned in this way has a vital role to play in reflecting the interests of all citizens in the UK in equal measure, to the greatest extent possible – culturally, economically and socially, on screen and off screen.</p> <p>The recognition of such duties is also consistent with a broader recognition across all the UK’s major political parties that robust policymaking is needed to address the inequalities of opportunity that exist across the UK - notably between London/South East England and the rest of the UK.</p> <p>Indeed, the public duties of Channel 4 and the value in the way it has delivered them across the UK are one of the reasons that the BFI, along with a huge number of organisations and individuals, very strongly supported the case for the Corporation to remain in public ownership, at a time when the last Government was planning to privatise it.</p> <p>In this broader context, we are also mindful that under the Communications Act 2003 Ofcom’s first principal duty is (a) “to further the interests of citizens...” Likewise, we are aware that Ofcom’s Board (like that of the BFI) includes specific representatives from the nations outside of England. This underlines</p>

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	<p>that Ofcom is a body which is designed to deliver policies which deliver meaningful impacts for the UK as a whole.</p> <p>The BFI itself in our ten-year strategy, <i>Screen Culture 2033</i>, stated our belief that:</p> <ol style="list-style-type: none"> 1. Everyone across the four nations of the UK should be able to experience and create the widest range of moving image storytelling. 2. Economic growth and access to jobs should be felt UK-wide. <p>For these reasons we made UK-wide delivery one of three principles underlying the strategy, against which we will measure our impact over the next ten years.</p> <p>In light of this broader context, the proposed quota for Channel 4 of 12% of hours by 2030 for a new Made outside England (MoE) quota does not represent an appropriately ambitious approach. It does not reflect the proportion of the UK's population living outside of England which stands at 16%. Furthermore, the suggested implementation date of January 2030 is relatively short term within the timeframes often adopted for changes in public policy. There is opportunity to set a more long-term ambition for the development of the UK's production sector.</p> <p>We believe a strengthened quota would prove consistent with Channel 4's own, welcome statement in its Fast Forward Strategy, published earlier this year, that it "remains fully committed to harnessing the power of its regional structure to increase its impact across the UK, boosting investment and job opportunities in the Nations and Regions."</p> <p>Nevertheless, we recognise that, as stated in the Reconsultation document;</p> <p>"C4C is currently facing the twin challenges of delivering its new digital transformation strategy whilst at the same time managing the impact of the advertising market slowdown on</p>

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	<p>its revenues and therefore on the amount of money that it can invest into its content budget.”</p> <p>These are significant challenges, both the result of factors completely beyond the control of Channel 4. It is not possible however for the BFI and other stakeholders to analyse the figures in the Reconsultation document regarding impacts presented to Ofcom due to the heavy level of redactions in the text. We urge Ofcom to consider the study commissioned by PACT from the consultancy O&O which analyses some of the broader economic impacts of change on Channel 4.</p> <p>In particular, that study states:</p> <p>“The fact that Channel 4 was able to achieve a 10.6% share of hours and 10.9% share of spend MoE in 2023 indicates that the skills and talent are present to deliver above the 9% quota. Similarly, the BBC's ability to deliver over 16% of its content in the Nations with external producers shows the depth of skills in the Nations. Additionally other Broadcasters, SVODs and Screen bodies are all investing in skills development in the Nations, with existing policy initiatives to increase this.”</p> <p>With regard to the last point, for example, the BFI is using National Lottery funding to support the building of local crew bases across the nations and regions of the UK. BFI National Lottery Skills Clusters work with local industry (including the PSBs), education and training providers, and other screen organisations across the UK, to identify skills gaps and coordinate skills and training initiatives. During the current funding period, we are supporting Skills Clusters across all four nations, including in partnership with national screen agencies. The programme, along with other initiatives, can help grow crew bases outside of England and improve representation in the workforce.</p>

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	<p>Nonetheless, we do not believe it is realistic or desirable for Channel 4 to be expected to achieve a level of 16% in the near term. Given that Channel 4's new licence is expected to run until the end of 2034, we believe it would be appropriate to give the Channel a duty to reach 16% by that point. This 16% figure is, as noted above, not an arbitrary number but rooted in the proportion of population that lives in the three nations outside England.</p> <p>However, given the challenges that Channel 4 is facing, the precise staging of the increase in the quota from its present level to 16% should be decisions that Ofcom as the regulator takes during the licence period. As well as Channel 4 itself, the devolved administrations, the screen agencies in the nations and PACT should all be formally involved in the discussions which lead to these decisions regarding the timing of implementation.</p> <p>As part of these discussions, Ofcom should ensure that Channel 4 is commissioning from locally based companies across a meaningful range of genres, including scripted drama. It is vital that the quotas help to strengthen cultural representation on screen and contribute to a diverse production ecosystem in the nations.</p> <p>The BFI supports the case by the devolved administrations, screen agencies and stakeholders in the nations outside England that there should be specific quotas for each of those three nations based on share of population. Such a division of the overall MoE quota is logically based on the share of population. It would mean Ofcom using its power to ensure a publicly-owned Corporation furthers the interests of citizens across the UK in an equitable way.</p> <p>In practical terms, it would also help address imbalances that may arise, such as those regarding Northern Ireland where despite the success of <i>Derry Girls</i>, Channel 4 as a whole</p>

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	<p>has invested less within existing MoE quotas. The reference in the Reconsultation document regarding Ofcom’s duties under the Northern Ireland Act is relevant in this regard.</p> <p>Ofcom states that it does not believe that nation specific quotas are appropriate, in part on the grounds that “we consider that there is a considerable degree of uncertainty about whether there is sufficient capacity in each of the nations for C4C to meet the demands of nation-specific quotas at the same time as delivering its new commissioning strategy.”</p> <p>However, the regulatory intervention to produce at greater scale in the nations outside England itself has a role to play in developing the required capacity over time. The creation of Channel 4 itself was a public intervention in the marketplace which was designed to serve as a major stimulus for the growth of the UK’s then embryonic independent production sector. Without that intervention, the growth of the sector would have been far slower and it is unlikely it would have grown to its present size.</p> <p>The BFI has heard from stakeholders in England about the importance of ensuring an increase in the MoE quota does not detrimentally impact production activity in England. The BFI believes that the current voluntary quota that Channel 4 make 50% of its programming outside London – which we understand Channel 4 has consistently and successfully met – could be considered as a mandatory requirement to support this. Ofcom needs to ensure, through periodic review, that production in England outside London does not suffer as a consequence of an increased Made out of England quota. Ofcom also needs to ensure that Channel 4’s production spend in England is spread equitably across the different parts of England, with regard to population level, and</p>

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	<p>that all regions of England are represented on screen.</p> <p>We recognise, nonetheless, that quotas are only one instrument for achieving the objective of growth outside of England. Channel 4's Indie Growth Fund, which is focussed on investing in companies in the Nations and Regions, and 4Skills, designed to give career development and training opportunities in the broadcast industry for people across the Nations and Regions, are both very welcome initiatives which the BFI strongly supports as part of the broadcaster's wider commitment to the whole of the UK.</p>
<p>Question 4: Do you agree with our proposed guidance for C4C on how it should report on its MoE production in its SMCP?</p>	<p>Yes, the BFI believes the approach set out in paragraphs 4.95-4.97 of the Reconsultation document is to be welcomed, most especially the questions. set out at 4.95, which Ofcom proposes C4 address in its annual Statement of Media Content Policy (SMCP). We also strongly endorse the statement at 4.98 that "Transparency, openness and clarity should be the cornerstone of C4C's public engagement with stakeholders in the nations. It will benefit the wider industry and is critical to our ability to hold C4C to account."</p>

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