

# Consultation response form

Please complete this form in full and return to [Channel4LicenceRenewal@ofcom.org.uk](mailto: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	Screen Scotland
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.	
Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.	Phone number should be kept confidential
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes

## Your response

Question	Your response
Question 1: Do you agree with our assessment of the potential impact on	No response offered

Question	Your response
specific groups of persons?	
Question 2: Do you agree with our Welsh language impact assessment?	No response offered.
<p><b>Question 3: Do you agree with our proposals that:</b></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</p>	<p>Confidential? – No.</p> <p>Screen Scotland does not agree with Ofcom’s proposals a) or b).</p> <p>Screen Scotland proposes the following licence conditions:</p> <ol style="list-style-type: none"> <li>1. That C4’s Out of England quota rise to 12% from 2027, with annual progress reports alongside annual strategy reports from 2025.</li> <li>2. 16%+ as a “stretch goal” for C4’s Outside of England quota across the period 2027 to 2034. A timetable for delivery of this increased quota could be agreed now, or Ofcom could postpone a decision on the pace of progress towards 16%+ to 2027, seven years into C4’s 10 year <i>Fast Forward</i> strategy, and after the upcoming PSM review is complete.</li> <li>3. From 2027 at the latest, individual production quota targets for C4’s commissioning in Wales, Northern Ireland and Scotland. This would ensure opportunities exist for the talented people based in each home nation annually. These quotas should be pro rata to each nation’s share of overall UK population.</li> <li>4. C4’s existing, voluntary, 50% Outside of London quota to become a condition of its renewed licence.</li> </ol> <p>We believe that these proposals offer Ofcom an appropriate balance between allowing C4C flexibility to develop its content and distribution strategy in support of its digital transformation, while continuing to secure its investment in distinctive UK content – from across the four home nations - and the delivery of the core elements of its linear output on C4.</p> <p>---</p> <p><b>About us: Screen Scotland</b></p> <p>Screen Scotland drives development of all aspects of Scotland’s film and TV industry, through funding and</p>

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<p>programmes outside England and referable to programme production at production centres in Scotland, Wales and Northern Ireland?</p>	<p>strategic support. Screen Scotland is part of Creative Scotland and delivers these services and its support with funding from The Scottish Government and The National Lottery.</p> <p>Screen Scotland's vision is to cultivate creatively ambitious and economically sustainable film and TV sectors in Scotland, which provide fulfilling jobs and opportunities for people based across Scotland. We work to develop Scotland's creative potential as an originator of distinctive films, television programmes and content enjoyed by audiences the world over.</p> <p>Economic growth delivers the opportunities talented people need to realise their potential here in Scotland. Economic growth, creative origination and the development of audiences for film and TV from Scotland are our overarching strategic aims, and new creative work from Scotland driving economic growth is our ideal strategic outcome*.</p> <p><a href="https://www.screen.scot/binaries/content/assets/screen-scot/about/strategy/screen-scotland-strategy-to-2030-31.pdf">https://www.screen.scot/binaries/content/assets/screen-scot/about/strategy/screen-scotland-strategy-to-2030-31.pdf</a></p> <p>We are working towards the target of reaching £1bn GVA for screen within the Scottish economy by end of 2030/31, through targeted support for productions, increased investment in skills and training, support for infrastructure and exhibition, and international engagement.</p> <p>---</p> <p><b>About Scotland– the significance of UK PSB commissioning</b></p> <p>The two primary drivers of production growth in Scotland are PSB commissioning and inward investment film and high-end TV (HETV) production.</p> <p>As our latest Economic Value Reports<sup>1</sup> have demonstrated, production turnover in Scotland is now split 50/50 between PSB commissioned work (primarily the BBC and C4) and inward investment production, inclusive of direct commissioning of content by US platforms from Scotland-based production companies.</p>

<sup>1</sup> <https://www.screen.scot/binaries/content/assets/screen-scot/funding--support/research/economic-value-of-the-screen-sector-in-scotland-in-2021/full-report-economic-value-of-screen-sector-in-scotland-2021-2023-08-21-1.pdf>

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	<p>As a consequence, the framework that drives commissioning decisions and buying models for the BBC and C4 have a significant impact on the growth, development and sustainability of the production sector in Scotland: the entrepreneurial production companies that have developed here since the 2003 Communications Act, and the many people working in film and TV in Scotland.</p> <p>---</p> <p><b>Reconsidering the proposal</b></p> <p>Screen Scotland welcomes Ofcom’s decision to reconsider its original recommendation. The original Ofcom recommendation gave undue weight to C4C’s evidence at that time.</p> <p>We recognise that Ofcom has now listened to the evidence provided by Pact, Screen Scotland, Creative Wales and Northern Ireland Screen, representatives of the Scottish and Northern Irish independent production sectors, representatives of the Scottish, Welsh and Northern Irish governments, Directors UK, Ofcom’s Advisory Committee for Scotland and the Scottish Trades Union Congress.</p> <p>That said, we continue to see no compelling evidence from Ofcom or C4C that an Out of England quota of 9% until 2030 and thereafter 12% achieves the balance Ofcom aims to strike between allowing C4C greater flexibility to develop its content and distribution strategy in support of its digital transformation, while continuing to secure its investment in distinctive UK content and the delivery of the core elements of its linear output on Channel 4.</p> <p>---</p> <p><b>The role of UK PSB’s in the coming decade.</b></p> <p>Public service broadcasters owned by the UK public have a responsibility to commission original production that will be enjoyed by audiences across the UK.</p> <p>The Communications Act 2003 sets the objective that the PSBs together, <i>“so far as they include programmes made in the United Kingdom, include what appears to OFCOM to be an appropriate range and proportion of programmes made outside the M25 area ... include what appears to OFCOM to be a sufficient quantity of programmes that reflect the lives and concerns of different communities and cultural interests and traditions within the United Kingdom, and locally in</i></p>

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	<p><i>different parts of the United Kingdom". Ofcom has stated that it, "consider[s] that the production of programming across the UK contributes towards the fulfilment of this objective".</i></p> <p>Screen Scotland's position – shared by the Scottish Government - is that there is a particular onus on the publicly owned, UK public service broadcasters to deliver their remit fairly and sustainably across all for nations.</p> <p>C4 has recognised this in its "4alltheUK" initiative (<a href="https://www.channel4.com/corporate/about-4/4-all-uk-working-across-uk">https://www.channel4.com/corporate/about-4/4-all-uk-working-across-uk</a>): <i>"To truly fulfil our remit to stand up for diversity, take creative risks and inspire change, we knew we'd need to change too. We'd need to look and feel different, behave differently and most importantly, get outside the M25. It's about representing a diversity of thought and opinions from across the UK, and across all of our content."</i></p> <p>The new UK Government has already indicated a clear, constructive and fresh approach to working with and for all parts of the UK: <i>"When we turn to face the nation again in five years' time, it is our ambition that we will face a self-confident country, at ease with itself, where all of our people see themselves in the story we tell ourselves about ourselves as a nation – their contribution seen and valued."</i> Lisa Nandy, 31st July, 2024  <a href="https://www.gov.uk/government/speeches/culture-secretary-lisa-nandy-speech-at-the-science-and-industry-museum">https://www.gov.uk/government/speeches/culture-secretary-lisa-nandy-speech-at-the-science-and-industry-museum</a>.</p> <p>We would expect these views to be reflected in the imminent Public Service Media Review, and around Media Act implementation. As the terms of C4 licence will be confirmed before those processes start, it would seem both rationale and prudent to move forward in stages, taking decisions on quota levels of C4's production Outside of England at the most appropriate time, when the best evidence is available to enable Ofcom to strike the required balance between C4C's sustainability and delivery of its remit across the UK.</p> <p><i>"What is a nation except the stories we tell ourselves, about ourselves... The genie is never going to be put back in the bottle of modern consuming habits – and I don't want it to be. We have, potentially, the best of all worlds. But only if we hold firm to the social, political and creative value of fighting</i></p>

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	<p><i>to keep some of these collective moments, these public service benefits, in a world where they could accidentally just slip away on a trend; because the direction of travel seems inevitable, <b><u>rather than something that can be directed by us, to gain the most amount of benefits.</u></b></i></p> <p><a href="https://www.broadcastnow.co.uk/drama/james-graham-mactaggart-lecture-in-full/5196423.article">https://www.broadcastnow.co.uk/drama/james-graham-mactaggart-lecture-in-full/5196423.article</a></p> <p>---</p> <p><b>“4 All the UK”?</b></p> <p>Ofcom’s recommendation of 12% from 2030 has been partially justified on the basis that <i>“C4C said that reallocating such a large proportion of content spend may lead to harming production communities in England”</i>. This would seem to suggest a structural prioritisation of England by Ofcom/C4C.</p> <p>To turn this on its head: what consideration has Ofcom given to the continuing harm that has been caused to production communities in Wales, Northern Ireland and Scotland by C4C’s decades long focus on London, and subsequent chronic under investment in the creative economies of all four home nations outside of London?</p> <p>To preserve the current imbalance in favour of England rather than, over time, deliver a PSM ecology that operates fairly for audiences and creative people in all four home nations, challenges the neutrality of Ofcom’s approach. As the regulator with responsibility for UK wide broadcasting regulation, Ofcom surely has a responsibility to deliver licencing and policy decisions that work for all four UK nations.</p> <p>---</p> <p>C4C has a history of resisting uplifts for its Out of England production quotas with the argument repeatedly being made that talent and production company capacity are concentrated in London. But that is not true, as Sky, the BBC, Amazon Prime, Netflix, Disney, HBO and a host of others know, although it is true that when decision making power is concentrated in one part of the country, talent is obliged to follow. <u>Talent is everywhere, opportunity is not.</u></p> <p>David Macpherson, the writer, and showrunner of Amazon Prime’s <i>The Rig</i> (devised, developed and produced in Edinburgh) wrote to Screen Scotland as follows in August 2024: <i>“When Amazon trusted me to lead the creative team</i></p>

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	<p><i>behind one of the biggest budget home grown, fully original dramas ever made in the UK, they did so despite knowing I'd never made so much as a single minute of produced television. And yet with the guidance of a great team, I was able to play my part in creating a show, filmed and conceived entirely in Scotland, that debuted as one of the five most watched streaming shows in the UK in the quarter it launched and achieved similar success in many countries across the world. The fact my first show was made with a US-based global streamer was not through lack of my trying to engage with our domestic broadcasters and PSBs on The Rig and other projects. Knowing as I do that there are many equally talented (and indeed far superior) writers and screen artists in Scotland and other regions than me, the timidity demonstrated by some broadcasters' responses to the suggestion more content should be made outside of London is as disappointing as it is sadly familiar. And more so than that, it's just a bit embarrassing. Really folks, really? What are you so afraid of? You miss all the shots you don't take, and right now TV in the UK is missing a whole lot."</i></p> <p>---</p> <p>Across the last decade, C4C itself has regularly delivered OoE results of 10%, 11% and 12% - only falling to 9%+ when the 9% minimum quota was introduced.</p> <p>Is Ofcom confident in its ability to determine where talent is located across the UK? As an evidence-based regulator can it publish evidence that the UK outside of London lacks talent, lacks creative people and companies?</p> <p>Ofcom points to turnover of production companies as an indicator of or proxy for creative capacity. Has Ofcom analysed why many talented people currently migrate to London to work in TV, to set up or work within production companies inside the M25? Could it be because the PSBs concentrate a disproportionate share of their commissioning power and resources within the M25?</p> <p>Is the perpetuation of that migration to London, of the concentration of talent and economic activity within the M25 in the best interests of the UK across the next decade?</p> <p><i>"Regional snobbery is rife. Our industry is now more heavily weighted to London than ever before' ... I hope the whole of this year's TV Festival will really make you consider your own perceptions and that you ask yourself questions about class and opportunity, and the responsibility you hold in the</i></p>

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	<p><i>future of this country. I hope from now you get out more around the UK, not just to Edinburgh once a year, I hope you deliberately hold meetings in different towns around the country – because otherwise, and sadly, this industry will only be heading one way.”</i></p> <p><a href="https://www.broadcastnow.co.uk/news/carol-vorderman-alternative-mactaggart-lecture-in-full/5196513.article">https://www.broadcastnow.co.uk/news/carol-vorderman-alternative-mactaggart-lecture-in-full/5196513.article</a></p> <p>---</p> <p>12% is an arbitrary number, it has no clear or evidenced logic behind it. It does not reflect the proportion of the UK population that lives works and is monetised by C4C in Scotland, Wales and Northern Ireland. It is an unambitious target for C4 across 2025 to 2034.</p> <p>If the new recommendation is enacted C4 and Ofcom will put creative jobs at risk in Scotland, Wales and Northern Ireland driving further concentration of talent from those three nations into London – where C4 will continue to focus most of its commissioning – and limiting the market for programmes from Scotland, Wales and Northern Ireland on C4, E4 and More4.</p> <p>It does nothing for audiences across the UK who want to see their interests, lives and concerns reflected on our publicly owned, public service broadcasters.</p> <p>This is out of step with the new UK government’s welcome early statements around workequing in the interests of people living in all four home nations. Lisa Nandy MP, the Secretary of State for Culture, Media and Sport has said:</p> <p><i>“There is a wealth of talent and experience out there in the country that we’re just not drawing on. And for far too long, too many people in our communities have not been seen themselves, their families, their communities, their heritage and their inheritance reflected in our national story. I think that fed polarisation in this country.”</i></p> <p><a href="https://www.politicshome.com/thehouse/article/lisa-nandy-there-wealth-talent-were-drawing-on">https://www.politicshome.com/thehouse/article/lisa-nandy-there-wealth-talent-were-drawing-on</a></p> <p><i>“For too long, for too many people, the story we tell ourselves, about ourselves as a nation, has not reflected them, their communities or their lives. This is how polarisation, division and isolation thrives. In recent years we’ve found multiple ways to divide ourselves from one another. And lost that sense of a self-confident, outward-looking country which values its own people in every part of</i></p>



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	<p><i>the UK. Changing that is the mission of this department.”</i>  <a href="https://www.standard.co.uk/news/politics/who-lisa-nandy-labour-wigan-mp-cabinet-keir-starmer-b1158162.html">https://www.standard.co.uk/news/politics/who-lisa-nandy-labour-wigan-mp-cabinet-keir-starmer-b1158162.html</a></p> <p><b><u>Why 12% isn't sufficient</u></b></p> <p>12% is arbitrary. It is not an evidence-based proposal. It appears to have been selected as a compromise following the earlier set of consultation responses.</p> <p>12% fails to recognise the significant creative and production capacity that exists across all four home nations, where production companies are already working on projects of scale and ambition for Sky, the BBC, Amazon, Netflix, Disney, Peacock, HBO and C4 itself.</p> <p><b><u>Why 16%+?</u></b></p> <p>16% as a minimum is rational, principled, achievable and evidence-based target for a PSB owned by all of the UK, a PSB that has made much of its ambition to be “4alltheUK”.</p> <p>16% is proposed as it brings the quota in line with UK population shares across the four home nations. It is not intended per se to align C4C's licence requirements with those of the BBC.</p> <p>C4C's revenue primarily comes from the selling of advertising across the four home nations of the UK, fairly evenly. A percentage based, rather than an absolute spend target remains equitable, regardless of whether advertising revenue rises or falls.</p> <p>16%+ would mean that the UK's second publicly owned, public service broadcaster really was working “4alltheUK”, delivering its value for audiences and the creative sector evenly across all four home nations, not favouring any one over the others.</p> <p><b><u>Why 2030 is not soon enough</u></b></p> <p>2030 is not an ambitious implementation date for an increase in C4C's “Out of England” quota. It is unnecessarily cautious.</p> <p>We understand that 2030 has been proposed because it is the anticipated end point of C4C's <i>Fast Forward</i> initiative, designed to “accelerate C4C's transformation into a digital-first PSB by 2030”. Since <i>Fast Forward</i> is a 10-year strategy, 2027 represents year 7, at which point, progress and direction of travel will be apparent.</p>

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	<p>If production capacity across all four home nations is to be ready to meet the switch-over to non-linear and “fewer/bigger” in 2030 anticipated by C4C under the <i>Fast Forward</i> strategy perpetuation of a 9% Outside of England production quota until that time will disproportionately advantage producers based within England, likely within London over their competitors in Wales, Scotland and Northern Ireland.</p> <p>---</p> <p>In 2023, Channel 4 delivered 10.6% share of hours Outside of England, and 10.9% of C4’s production spend qualified as Outside of England/MoE.</p> <p>The gap between C4’s 2023 delivery and 12% is therefore already relatively small. On value, the gap is just over 1%. Where is Ofcom’s evidence that C4C requires six years to close that 1% gap?</p> <p>---</p> <p>By PACT’s estimate, based on research from O&amp;O entitled <i>Channel 4 Made outside England Analysis</i> and dated August 2024 (which we understand PACT has submitted to Ofcom under this reconsultation) a 2027 deadline for compliance with a 12% Channel 4 quota would require £4-7 million additional spend in the Nations annually compared to a 2030 timeline.</p> <p>Significantly, while this is the sum that C4C/Ofcom would set against C4C’s Outside of London it is a sum drawn from multiple sources, not from C4’s income/commissioning budget alone. As Ofcom will be aware it is rare now for any project of scale to be funded by a PSB’s licence fee alone. More often it is a combination of licence fee, distribution advance, and other sources – including public funding – that comprise any project’s overall funding.</p> <p>As evidence, in 2024 alone Screen Scotland will contribute £950,000+ of production funding to drama and factual projects produced by Scotland-based production companies for C4.</p> <p>---</p> <p><b><u>Why 50% Should Be a Licence Condition</u></b></p> <p>The current C4 team have consistently delivered against C4C’s voluntary MoL commitment, PACT’s estimate is that this protected £65m of C4 spend OoL in 2023.</p>

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	<p>Management teams, and boards change over time, and moving the current voluntary commitment to a term of the renewed licence will – again by PACT’s estimates via O&amp;O – protect circa £650m of production turnover in the UK outside of London and 2025-2034.</p> <p>---</p> <p><b><u>Channel 4’s Ability to Move Production Around the UK</u></b></p> <p>Given London’s historic, unnecessary and disproportionate current share of C4 commissioning spend we welcome C4’s decision to meet any increase in MoE commitments by reallocating commissioning from London rather than the English regions.</p> <p>C4C has indicated that returning series such as <i>Gogglebox</i>, <i>Hunted</i> and <i>Taskmaster</i> can only be made from London and that because these shows are made by independent production companies C4C cannot work with their producers to move these projects outside of the M25. This is not true.</p> <p><i>24 Hours in A&amp;E</i>, <i>8 Out of 10 Cats Does Countdown</i>, <i>999</i>, <i>What’s Your Emergency</i>, <i>A Place in the Sun</i>, <i>Bake Off: the Professionals</i>, <i>First Dates</i>, <i>Food Unwrapped</i>, <i>Four in a Bed</i>, <i>Frankie Boyle’s Monarchy</i>, <i>Grand Designs</i>, <i>Love It or List It</i>, <i>Location Location Location</i>, <i>Naked Attraction</i>, <i>Rescue: Extreme Medics</i>, <i>Screw</i>, <i>Steph’s Packed Lunch</i>, <i>The Dog House</i>, <i>The Great British Bake Off</i>, <i>The Great Pottery Throw Down</i>, <i>Supervet</i>, and <i>Travel Man</i> were all MoL for C4 in 2022 and/or 2023. C4C worked with its independent suppliers to ensure that these valued C4 brands were delivered in compliance with Ofcom’s MoL criteria.</p> <p>C4 worked with Remedy/Argonon to move <i>Fifteen to One</i> to Scotland in as C4C prepared for the introduction of the 9% OoL quota. C4C has the same ability as the BBC to influence independent suppliers.</p> <p>Further, as the list of 2022 programmes above demonstrates, things change, programmes come and they go with few lasting beyond five years. It’s a testament to the talent of the production team at IWC Media in Glasgow that <i>Location, Location, Location</i> has been a part of C4’s primetime schedule for almost a quarter of a century. <i>Location, Location, Location</i> is the exception that proves the rule that C4’s returning series rarely last more than a few years.</p>

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	<p>By 2027 many of today's C4 existing commitments will have been cancelled, and new shows provide a clear opportunity to meet an increase OoL quota positively and constructively.</p> <p>---</p> <p><b>Channel 4's Commissioning Culture</b></p> <p>In many ways <i>Fifteen to One</i> was the exception, not the rule, in C4C's commissioning strategy from Scotland.</p> <p>Screen Scotland has recently worked with O&amp;O to undertake some analysis of Ofcom's MoL Register between 2014 and 2022. This research will be published in late autumn 2024 but its early findings indicate that:</p> <ol style="list-style-type: none"> <li>1. The TV production sector in Scotland has experienced growth in total commissioning spend by public service broadcasters (PSBs) and inward investors, with spend on external originations – meaning commissions by a broadcaster or VOD service from any production company that is not its own in-house/commercial subsidiary studio – reaching £225 million in 2022, having grown at an annual average rate of 5.5 per cent from 2010.</li> <li>2. While there has been a change in the sources of commissions over time as new VOD services have emerged, the PSBs remain vital to Scotland. The BBC and Channel 4 in particular remain the largest sources of individual commissions, having increased their spending considerably in the wake of the Communications Act 2003, and they are active across a range of genres and budget levels. Related to network effects, most commissioning roles across PSBs and SVODs are in London, although some roles are in the rest of the UK; the BBC has both BBC Scotland and Network commissioners based in Glasgow, including for Network Drama, Comedy and Entertainment and Channel 4 has a Glasgow Creative Hub with commissioners focusing on Daytime and Features.</li> <li>3. Most of the production sector in Scotland is centred in Glasgow, with the city having developed over the past twenty years into one of the UK's largest production hubs outside London. Supported by PSB commissioning, Glasgow has developed a strong reputation for factual, features and entertainment programming.</li> </ol>

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	<p>As part of their research, O&amp;O have compared patterns of PSB network commissioning for both (a) Scottish-headquartered producers, and (b) production companies head-quartered elsewhere with a branch office in Scotland. This comparison reveals some important differences between the commissioning of the BBC and C4 for MoL/MoE. Difference in each PSB's "commissioning culture".</p> <p>O&amp;O considered the top 15 producers of programmes allocated to Scotland by number of episodes, for each year 2014-2022. Only five of these top 15 Scottish producers for the BBC and C4 were headquartered in Scotland over the period. The remaining ten were head-quartered elsewhere, often in London, and their output qualified as Scottish under Ofcom's Guidance on regional production and regional programme definitions. In some cases this relied solely on the criterion of having a 'substantive base' (branch office) in Scotland.</p> <p>Channel 4 was the main commissioner for four of the production companies in the top 15. Three of these four producers had a Scottish HQ and provided 69 per cent of the total episodes commissioned by Channel 4 in the sample – the balance was provided by <i>Fifteen to One</i>.</p> <p>Looking at 2019-2022 only, on average 69 per cent of the episodes that Channel 4 commissioned from the producers with a Scottish HQ met two or more of Ofcom's three criteria in Scotland (substantive base, production spend and/or off-screen talent).</p> <p>Putting it simply, while we don't think C4's MoE quota is appropriately or rationally set at either 9% or 12% we do recognise the quality of outcomes C4 delivers when it commissions projects from Scotland for its MoE quota. C4 tends to commission such shows from production companies formed in Scotland by Scotland-based creative leads, and the projects tend to meet Ofcom's economic impact criteria (50% of off camera talent spend, and 70% of production budget spend) in Scotland. That is an element of C4C's commissioning culture we value and would like to see sustained across the decade to 2034.</p> <p>Consequently, we acknowledge that "time to adjust" is necessary if C4C is to undertake the required work to meet higher MoE quotas through commissioning <u>from</u> Scotland, Wales and Northern Ireland and not simply by displacing</p>

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	<p>elements of production on shows commissioned London-to-London to a home nation.</p> <p>Given the gap to 12% is currently circa 1%, 2027 is an achievable target for C4C to meet a 12% quota, it offers adequate “time to adjust”.</p> <p>Hitting 16%+ is more of a stretch, but from the vantage point of 2027 Ofcom will be in a much stronger position to determine if 16%+ is achievable than it is in 2024. The pace of this 16%+ stretch goal can then be determined such that the balance Ofcom seeks is preserved all the way to 2034.</p> <p>---</p> <p><b>Ofcom’s Current Recommendations re C4’s Out of England Quota</b></p> <p>With the foregoing in mind, Screen Scotland has considered Ofcom’s fresh recommendation, and the rationale for it.</p> <p>We acknowledge that C4C is facing a period of considerable change as it enacts its content and distribution strategy in support of its digital transformation.</p> <p>We welcome Ofcom’s acknowledgement that raising Channel 4’s MoE quotas to 16% would be likely to benefit regional production and deliver greater benefits for the production sector outside of England than an increase to 12%.</p> <p>We recognise the rationality of C4C’s submission to the original consultation that it could meet higher quotas if given time to adjust.</p> <p>While we can see no evidence to support C4C’s contention that increasing the MoE quotas to 16% would place constraints on its commissioning and force it to commission shows with a view to meeting a quota rather than because those shows represent the best possible ideas, we acknowledge that C4C would have to invest time and resources to develop its supplier base and talent outwith England. We would argue that after several decades of under investment in and delivery for audiences in Scotland, Wales and Northern Ireland this is long overdue.</p> <p>If enacted Ofcom’s current recommendation of 9% to 2030, 12% to 2034 would mean no further substantive rebalancing of C4’s commissioning targets until 2035 – 32 years after the Communications Act 2003 usher in a period of sustained growth in capacity across the UK.</p>

Question	Your response
	<p>We cannot comment on Ofcom’s analysis of the cost impact of changes to either MoE quotas for C4C of 12% or 16% because Ofcom has redacted necessary detail, but we do not accept C4C’s argument that it could not between now and end 2034 increase its overall level of out of London commissioning to support MoE quotas of 16% and can see no evidential basis for this argument. 2034 is as unforeseeable from 2024’s vantage point as today’s world was in 2014.</p> <p>---</p> <p><b>12% from 2027, Stretch Goals to 2034</b></p> <p>In the context of the Media Act 2024 and its focus on public service delivery, flexibility and meeting audience needs we ask Ofcom to look again at its own conclusion in the first round of consultation that raising Channel 4’s MoE quotas beyond 9% and therefore increasing the guaranteed, enforceable proportion of production spend and hours in the nations would be likely to benefit regional production. That, absent other considerations, it appears that an increase to 16%+ would be likely to deliver greater benefits for the production sector outside of England than an increase to 12%.</p> <p>Specifically we would ask that Ofcom does not agree at this point in time – August/September 2024 - an OoE quota for C4C across the full ten years to 2034.</p> <p>Instead, in 2027, we would ask that Ofcom take stock of C4C’s progress under <i>Fast Forward</i> and consider how and at what pace the Channel’s OoE quota evolve from that point to ensure the balance Ofcom aims to strike between allowing C4C greater flexibility in support of its digital transformation alongside C4C’s investment in distinctive UK content and the delivery of its remit. “UK content” cannot continue to mean “London content”, or “English content”, it should mean content that reflects the UK’s variety, diversity and rich cultures in all four home nations.</p> <p>If the renewed licence contains the provisions Ofcom is now recommending that C4C provides more transparency on its approach to commissioning in each of the nations via its Statement of Media Content Policy (SMCP) on its approach to commissioning in each individual nation by 2027 Ofcom will have a very clear picture of how C4 has worked with producers across Wales, Northern Ireland and Scotland to</p>

Question	Your response
	<p>develop capacity and deliver new shows that have been commissioned on merit, “the best possible ideas”.</p> <p>By 2027 C4C’s <i>Fast Forward</i> initiative will be seven years old, 70% complete, and C4C’s transformation into an agile and genuinely digital-first public service streamer should be well advanced.</p> <p>By 2027 the new UK Government will be in the second half of the current Parliament. Ofcom, C4, and the governments in Edinburgh, Cardiff and Belfast will have a much clearer idea of the new UK Government’s priorities for the UK.</p> <p>In other words, in 2027 Ofcom will be in a much better position than it is today to determine what level of OoE quota C4C can sustain to 2034, while remaining commercially sustainable and delivering its remit for all the UK.</p> <p><b>Nations Based Quotas</b></p> <p>C4C’s view in its May 2024 submission is that, “the concentration of production resource in London relative to the rest of the country means that basing quotas on population (i.e., 8% for Scotland, 5% for Wales and 3% for Northern Ireland) is not feasible. It noted that, given it is of a smaller scale than the BBC, meeting separate quotas for each of the nations would rely on a comparatively small number of productions. C4C acknowledged that delays and cancellations are a routine part of TV production but said that, when it came to meeting nation-specific quotas, the risk from individual shows being delayed or cancelled would be very high. C4C considered that only one or two productions suffering a delay could have a significant impact on its ability to deliver against quotas in a given nation, without sufficient flexibility to adapt accordingly”.</p> <p>Ofcom have accepted this evidence from C4 as a rationale for not adopting – within the renewed licence – individual targets for production in Scotland, Northern Ireland and Wales. Another view is that with an overall quota higher than the current 9%, the disproportionate impact of individual project cancellations or delays is mitigated.</p> <p>Given that the quotas are intended to act as a minimum – a floor and not a ceiling – this potentially disproportionate impact is avoidable with forward planning and Screen Scotland welcome’s Ofcom’s recommendation that C4C set out in its annual SMCP:</p>



Question	Your response
	<p>a) how its approach to commissioning outside of England supports and stimulates the TV production sector in the nations;</p> <p>b) its strategy for commissioning in each individual nation over the next year and how it delivered its strategy for the previous year; and</p> <p>c) its plans to engage with stakeholders and audiences in the nations in the next year and how it engaged with them over the previous year.</p>
<p><b>Question 4: Do you agree with our proposed guidance for C4C on how it should report on its MoE production in its SMCP?</b></p>	<p>Not Confidential.</p> <p>Yes – though we hope the SMCP will also track progress to 125, and then onwards to 16%. See previous answer.</p>

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