

Mark Bunting
OFCOM

30 April 2007

RE: Channel 4 Financial Review

I should like to comment on the review you are currently undertaking of Channel 4 from the perspective of an independent company which:

- was founded and is owned and managed in Wales;
- has been named publicly on several occasions by the Minister for Enterprise, Innovation and Networks at the Welsh Assembly as one of the companies crucial to the future growth of the creative industries in Wales;
- is one of the UK's fastest growing television production companies outside London (*Broadcast Indies Survey 2007*);
- has been identified by the National Entrepreneurship Observatory as one of its 'Fast Growth 50' – the fifty fastest growing companies across all sectors in Wales (2006); and
- is designated as a client company of the Knowledge Bank for Business, a top ten manifesto commitment of the Welsh Assembly Government.

Green Bay has an ambitious business plan which is predicated on strong growth in all of our markets, and particularly on sales to channels that broadcast across the UK

As you will be aware, the representation of Wales on the networks is an issue with a long history. It's bound up with – though not necessarily the same thing as – the locus of production of network programmes. Put simply, few are made by producers in Wales; so that when even Wales is shown to UK audiences, the perspective is usually that of an outsider looking in. This is true across all channels.

I know from personal experience of senior management at the BBC that progress towards a more equitable and proportionate spread of network commissions can only be made slowly and where there is goodwill and adequate finance to effect change. My 1996 MBA dissertation on BBC network programming from 'the Nations' (sponsored by Mark Thompson, then Head of Factual Programmes at BBC Network Television) showed how commissioner confidence can only be built by a sustained period of developmental progress and strengthening of the contacts and relationships with would-be suppliers.

It has been Green Bay's experience over the last two years that Channel 4 has embarked on just such a strategic process. Channel 4 has engaged fruitfully with Green Bay in a number of ways:

- a six-figure investment jointly from Channel 4 and the Welsh Development Agency (as was) under the *Creative Cities* scheme to enable Green Bay to develop expertise in Science (2005);



- an on-going programme of development meetings with key commissioners in London;
- as a result of this process, the placing of Green Bay's first Channel 4 commission *The Physics of Rock Guitar* (2006);
- a second C4 investment in the company's development work in the Specialist Factual genre (2007);
- on-going personal mentoring from C4's Director of Nations and Regions, Stuart Cosgrove
- participation by Green Bay staff – at levels from Researcher to Creative Director – in year-long programmes of market immersion delivered by The Research Centre in Glasgow and largely funded by C4 (in my 25-year career in broadcasting, I have never come across programmes as consistently excellent)

My concern is that any funding gap faced by Channel 4 would have a detrimental impact on these kinds of initiatives. It would be doubly unfortunate if this occurred at the very time when Green Bay is on the cusp of benefiting from the strategic strengthening of our relationship with C4 with a major step-change in the level of commissioning we may secure; and, more broadly, where other emerging independent suppliers from Wales have not yet had the opportunity to build the kind of relationships which Green Bay is now in a position to take advantage of.

In short, I am convinced that Channel 4's partnership with the independent sector in Wales is about to deliver a strategically-significant boost to the creative industries here. If Channel 4 is unable to complete this process because of financial shortfalls, we will miss an important opportunity to address the issue of Welsh representation on a major UK channel; we will hold the Welsh independent sector back from a key route to progress and improvement; and we will waste the considerable resources which Channel 4 has dedicated to nurturing relationships with Welsh 'indies' in the ways which I have enumerated above.

The UK networks, including Channel 4, need Wales. Welsh producers and the Welsh economy need the UK networks, especially Channel 4. I urge OFCOM to safeguard the progress that has been made; and to allow Channel 4 and the Welsh independent sector to make further, significant progress in this emerging partnership by ensuring that Channel 4 has adequate funding to deliver its out-of-London public service remit.

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