

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

Consultation title: Review of Channel 4's delivery of its media content duties (2010 – 2013)

To (Ofcom contact): Gareth Barr / David Cockram

Name of respondent: Natalie Usher, Director of Film and Media

Representing (self or organisation/s): Creative Scotland

Address (if not received by email):

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Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input checked="" type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
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Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

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Name Natalie Usher

Signed (if hard copy)

# **Creative Scotland's Response to Ofcom's Consultation on its Review of Channel 4's delivery of its media content duties (2010 – 2013)**

## **Introduction**

Creative Scotland is the national body that supports the development of arts, screen and creative industries across all parts of Scotland. We enable people and organisations in Scotland to work in and experience the arts and creative sectors. We do this by helping others to create culture through developing great ideas and bringing them to life.

*"We want a Scotland where everyone actively values and celebrates arts and creativity as the heartbeat for our lives and the world in which we live; which continually extends its creative imagination and ways of doing things; and where the arts, screen and creative industries are confident, connected and thriving."*<sup>1</sup> We aim to achieve this vision through four key functions:

- Funding support for individuals and organisations working in the arts, screen and creative industries.
- Advocacy on behalf of these sectors, both nationally and internationally.
- Development support for these sectors so that they can continue to grow and thrive.
- Influencing others to understand the value that the arts, screen and creative industries deliver.

Creative Scotland's overall budget for 2014/15 is £93m, which we receive from the Scottish Government (60%) and the National Lottery (40%). The funding allocation across our areas of remit is broadly as follows:

- Arts: £65m
- Screen: £9m
- Creative Industries: £7m.

Creative Scotland welcomes this opportunity to comment on Ofcom's provisional assessment of the extent to which Channel 4 has delivered its extended media content duties for the period 2010 – 2013.<sup>2</sup> We have organised our response into the four main categories of extended C4C duties<sup>3</sup>, as highlighted below.

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<sup>1</sup> Creative Scotland, *Unlocking Potential, Embracing Ambition, a shared plan for the arts, screen and creative industries*, 2014, at <http://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/creative-scotland-10-year-plan-unlocking-potential-embracing-ambition> .

<sup>2</sup> These extended duties were introduced by the Digital Economy Act 2010 and are as required by Section 198C of the Communications Act 2003.

<sup>3</sup> See Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, pp.72-73, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

## 1. Participation in:

- **the making of a broad range of relevant media content<sup>4</sup> of high quality that, taken as a whole, appeals to the tastes and interests of a culturally diverse society;**
- **the making of high quality films intended to be shown to the general public at the cinema in the United Kingdom; and**
- **the broadcasting and distribution of such content and films**

We note Ofcom's conclusion that C4C broadly delivered its media content duties over the period from 2010 to 2013 and that it performed strongly in relation to its duties of making a broad range of high quality media content of wide appeal and the making of high quality films for cinema release.<sup>5</sup> We note that C4C is reported as increasing investment in first-run UK-originated content on the main channel and that, comparing 2010 and 2013, it increased its real-terms investment in first-run UK-originated content on the main channel by 8.2%. This contrasted with BBC One and ITV, which cut their equivalent investment by 22.7% and 9.2% respectively.<sup>6</sup> We also note that C4C increased its spend on UK film production in real terms, after committing to invest at least £15m a year from 2011. Further, the number of Film4-supported films released in UK cinemas doubled from six in 2010 to 12 in 2013.<sup>7</sup>

However, Ofcom considers that "a more nuanced picture" is presented in some areas, particularly where the volume of original content has declined but audience appreciation levels appear strong. This includes both:

- international content; and
- output delivering diversity content.<sup>8</sup>

## 2. In particular, participation in:

- **the making of relevant media content that consists of news and current affairs;**
- **the making of relevant media content that appeals to the tastes and interests of older children and young adults;**
- **the broadcasting or distribution by means of electronic communications networks of feature films that reflect cultural activity in the United Kingdom (including films that C4C was not involved in making); and**
- **the broadcasting or distribution of relevant media content by means of a range of different types of electronic communications networks**

We note that Ofcom qualifies its generally favourable provisional conclusion about C4C's performance on delivering its new media content duties, specifically in relation to a couple of genres:

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<sup>4</sup> "Relevant media content' means material, other than advertisements, included in any of the following services that are available to members of the public in all or part of the UK: television programme services, additional television services or digital additional television services; on-demand programme services; or other services provided by means of the internet where there is a person who exercises editorial control over the material included in the service." See Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p.72, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>5</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 4, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>6</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 6, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>7</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 12, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>8</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 4, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

- the continued decline in reach and viewing share to both the main channel and to Channel 4 News, particularly among young adults<sup>9</sup>; and
- the limited provision of content made for older children (10-14s).<sup>10</sup>

**3. Performing its new media content duties in a way that promotes measures intended to secure that people are well-informed and motivated to participate in society in a variety of ways and contributes towards the fulfilment of the public service objectives.**

We note Ofcom's provisional conclusion that, although difficult to measure, C4C's broader services also made a contribution to a number of public service objectives, through:

- the delivery of limited amounts of new UK originated content shown solely (or first) on the portfolio channels, on demand or online; and
- provision of repeats or repackaged Channel 4 PSB content made available via all of C4C's other services.<sup>11</sup>

**Creative Scotland has an obvious interest in C4C's role in contributing to the public service objective of *including what appears to Ofcom to be an appropriate range and proportion of material made outside the M25 area*. On this matter, Ofcom reports that C4C spent £173m on content from outside London in 2013 for its family of channels, up by approximately 7% in real terms from 2012, although they are unable to determine what proportion of TV spend was attributable to services beyond the main channel. However, 33% of the online budget was spent outside London in 2013.**<sup>12</sup>

Ofcom also note that in 2014 they decided to increase the main channel's out-of-England production quota as part of the Channel 4 licence renewal process; to 9% by volume and spend from 1 January 2020. They also observe that Channel 4 has exceeded the current out-of-England quota (of 3%) since its introduction, although C4C has confirmed to Ofcom that it intends to increase commissioning from the nations on a broadly steady level between the outset of the licence period in 2015 and 2020, and its aspiration to commission in each of the nations.

**Creative Scotland finds this unconvincing and unambitious, and continues to hold the view expressed by the Scottish Government in its response to Ofcom's 2013 consultation on Channel 4 licence renewal, namely:**

**"..... that the Channel 4 quota from Scotland, should be as per population share of 8.6%, or in round figures 9%. On current figures, Channel 4 has increased its Out of England quota to 5.4%, thus already exceeding its minimum quota of 3%. Rising to 9% by 2020, as Channel 4 Corporation (C4C) suggest would not be even a doubling of current output. Given the Nations represent approximately 17% of the UK population, a total Out of England quota**

<sup>9</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p.9, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>10</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 4, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>11</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 7, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

<sup>12</sup> Ofcom, *Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013)*, 2014, p. 25, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/> .

reflecting that population share would be reasonable, recognising that it would be appropriate to build-up to this over a period of perhaps five years.”<sup>13</sup>

**We are also concerned by Ofcom’s audience research finding that, like the main channel, which performed less well than the PSB average for “portray[ing] my regions/nations fairly to the rest of the UK” (38% vs. PSB average of 44%), all of the portfolio channels received lower scores for this statement.**<sup>14</sup>

Therefore we welcome the information that production in and programmes reflecting the UK nations has been one of the C4C performance issues discussed prior to publication of the annual Statement of Media Content Policy (SMCP) each year by Ofcom Board and C4C Board representatives.”<sup>15</sup>

#### **4. In performing its new media content duties:**

- **to support the development of people with creative talent, in particular people at the beginning of their careers in relevant media content or films, and people involved in the making of innovative content and films;**
- **to support and stimulate well-informed debate on a wide range of issues, including by providing access to information and views from around the world and by challenging established views;**
- **to promote alternative views and new perspectives;**
- **to provide access to material that is intended to inspire people to make changes in their lives; and**
- **to have regard to the desirability of working with cultural organisations, encouraging innovation in the means by which relevant media content is broadcast or distributed, and promoting access to and awareness of services provided in digital form.**

We note Ofcom’s provisional conclusion that C4C performed strongly on its duty to support creative talent.<sup>16</sup>

We also note that C4C worked with a variety of cultural organisations over the review period, in capacities ranging from content production to content distribution. Examples given are partnerships with the BFI, the Science Museum, Arts Council England and a range of art galleries including the Tate.<sup>17</sup> **Creative Scotland is also mentioned in relation to C4C’s delivery of screenings and events**, with C4C Events reporting that it worked with 40 organisations in 2013, compared with 11 in 2010.”<sup>18</sup>

**MK  
25/02/2015**

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<sup>13</sup> Scottish Government, *Ofcom Consultation: Renewal of the Channel 4 Licence – Scottish Government Response*, 2013, at [http://stakeholders.ofcom.org.uk/binaries/consultations/renewal-c4-licence/responses/Scottish\\_Government.pdf](http://stakeholders.ofcom.org.uk/binaries/consultations/renewal-c4-licence/responses/Scottish_Government.pdf).

<sup>14</sup> Ofcom, *Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013)*, 2014, p. 27, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/>.

<sup>15</sup> Ofcom, *Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013)*, 2014, p. 74, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/>.

<sup>16</sup> Ofcom, *Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013)*, 2014, p. 4, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/>.

<sup>17</sup> Ofcom, *Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013)*, 2014, p. 12, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/>.

<sup>18</sup> Ofcom, *Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013)*, 2014, p. 70, at: <http://stakeholders.ofcom.org.uk/consultations/c4-media-content/>.