

Ofcom's Advisory Council for Northern Ireland

Ofcom – Call for responses on the terms of re-licensing of Channel 4 – February 2024.

The Communications Act 2003 requires Ofcom to establish and maintain Advisory Committees for the different parts of the United Kingdom.

Ofcom's Advisory Committee for Northern Ireland (ACNI) advises Ofcom on the interests and opinions of citizens and consumers in Northern Ireland in respect of communications matters.

We are independent and our views do not represent the views of Ofcom or its staff.

Please accept this document as the committee's submission to the Ofcom Call for Responses regarding the re-licensing of Channel 4.

Submission

ACNI acknowledges that viewer habits are changing rapidly as technologies develop and audiences continue to migrate to numerous internet-based platforms with an increasing preference for on-demand streaming services. This necessitates Channel 4 to continue to adapt to serve its audience as a key UK public service provider and this adaptation requires changes to its licence.

ACNI calls for the following:

- A quota introduced for production commissions in each individual devolved nation.
- Representation on the Channel 4 board for the nations and to ensure it is reflective of the UK population.
- A structure and strategy within Channel 4 to ensure the devolved nations are fairly represented.

In terms of viewership of the five main PSBs in Northern Ireland, Channel 4 is 4.5% (Ofcom, 2023), below the UK average of 5%. Overall 78% of the audience in Northern Ireland is satisfied with Channel 4 (with 19% dissatisfied). This is on par with the UK average.

But like the rest of the UK, the Northern Ireland audience is moving away from linear television towards on-demand streaming. But despite these changes, ACNI believes that the requirements under the Communications Act 2003 for Channel 4 to demonstrate innovation, experimentation and creativity and appeal to the tastes of a culturally diverse society and have a distinctive character remain applicable and as important as they were at its foundation in 1982.

ACNI believes that Ofcom needs to monitor closely the digital transformation at Channel 4 to ensure that its investment away from linear television into digital content is effective in serving the audience. For example, its online news, is not updated regularly but only after the main evening bulletin and our own research indicates limited consumption amongst young adults of its online content. ACNI is concerned too about the planned diminution in off-peak day time programming and the negative effects this would have on the audience, many of whom would not easily be able to switch to digital services. This reduction, coupled with the

new right of Channel 4 to become a producer, may have a detrimental effect too on the independent production sector and needs monitoring by Ofcom.

Its other key legal obligations – to produce programmes of an educational nature and educative value and those aimed at older teens and younger adults – we see as being particularly relevant to Northern Ireland which has a growing young and increasingly highly educated population.

As Channel 4 switches to a ‘digital first’ service it should be noted that Northern Ireland’s trajectory towards streaming is not as rapid as in other parts of the UK. Ofcom’s VOD survey found that 46% of online adults and teens in 2023 used Channel 4 Streaming (compared to 80% the BBC iPlayer and half used ITVX). There is a long way to go before a tipping point in consumption is achieved, particularly in Northern Ireland, so a strong linear presence should be kept for the duration of the licence.

ACNI also believes that given Channel 4’s remit to represent the diverse nature of the UK’s population and minority groups, that more effort should be made to include people from Northern Ireland in programming in general when casting. This effort, when made, can have a significant positive effect on the audience in Northern Ireland. It would also help address the fact that satisfaction with portrayal on Channel 4 in Northern Ireland is significantly poorer than the UK as a whole. Ofcom’s 2022 research found that 22% of viewers in Northern Ireland rated Channel 4 TV channels badly on ‘programmes that feature my country/region’ compared with 14% of viewers across the UK.

For example in programmes like Googlebox and other shows, people from Northern Ireland are often generally not well represented. Also there is a tendency on all national UK PSBs when covering Northern Ireland to be Belfast-centric. However, the majority of the population live outside the capital and their views, culture and tastes can vary widely amongst the 1.9 million population.

Finally, ACNI would like to see Channel 4 commission at least a fair per capita amount of production in Northern Ireland, for equity, diversity and economic reasons and to ensure that public value is spread right across the UK (see answer 10 following). It has consistently fallen below this threshold on average only producing a third of what it would be required to in Northern Ireland were it under a BBC quota per nation. For this and representation reasons ACNI supports the introduction of nation’s quotas for Channel 4. It is imperative that if Ofcom does not require nations quotas, it identifies alternative levers which will ensure that public value is more fully realised in Northern Ireland. Noting too Channel 4’s lower audience reach, portrayal scores, commission hours and spend.

Responses to questions (Please note that all replies below are non-confidential).

Question 1: Do you agree with our assessment of the potential impact on specific groups of persons?

Yes, ACNI broadly concurs with the impact assessment made by Ofcom that the proposed Channel 4 licence conditions and duration would have a positive impact on the Channel 4 audiences. In particular, relating to Sec. 75 of the Northern Ireland Act 1998 with regard to the duty that Ofcom has to promote equality of opportunity and good relations, the assessment of the impact is correct.

Question 2: Do you agree with our Welsh language impact assessment?

ACNI would defer to the Ofcom Advisory Committee for Wales for comment on this.

Question 3: Do you agree with our proposed approach to setting the new Channel 4 licence?

Yes, in general terms but there are some specific items outlined in the preamble above and in some of the questions where ACNI has particular diverging viewpoint.

Question 4: Do you agree with our proposal to retain the condition requiring not less than 208 hours of news programmes in peak viewing time to be included in the Channel 4 service in each calendar year of the licensing period?

Yes, it is in the welfare of the public that there is adequate and alternative news services available at peak time. The 208 hours is just over half an hour per day, which we would view as a minimum for the public service state-owned broadcaster and to provide a UK alternative to BBC and ITV news. It helps to facilitate civic understanding of fair and well informed debate on news and current affairs. The latest research shows the Channel 4 News reaches 24% of all PSB news audiences, so while a minority in Northern Ireland would view it, it does provide an impartial and alternative view.

While Channel 4 does not feature in the top ten of news sources in Northern Ireland – where there is a preference towards those carrying Northern Ireland only news – it does provide a distinctive in-depth national and international news service to Northern Ireland citizens. It tends to cover different issues than BBC and ITV and has an editorial style that gives an alternative to the other PSB news outlets.

However, it is important that Northern Ireland citizens are fairly represented in the Channel 4 news. For instance in November 2023 three major town centres in Northern Ireland were badly flooded but it only got a brief mention on Channel 4 News. In contrast, when similar flooding occurred on 4/5 January 2024 in several English towns, Channel 4 News led on this for over five minutes. However, in other issues, like its coverage of hospital treatment waiting lists in Northern Ireland, it is acknowledged that Channel 4's news coverage of Northern Ireland is outstanding. Its style of coverage adds value to the audience both in Northern Ireland and the wider UK.

The research by Jigsaw for the re-licencing showed that from comments of young people in Northern Ireland that Channel 4 was seen to have a younger and more progressive reporting style and format compared to ITV or the BBC. Audiences thought that Channel 4 News was prepared to go where the BBC and ITV news would not in terms of questions and alternative perspectives which is health for a democracy.

Question 5: Do you agree with our proposal to remove the lunchtime news scheduling requirement?

Yes, ACNI would agree. Given the low audience figures and alternative public service and private news being available at that time. This agreement is on the basis that Channel 4's limited resources saved from not having to present the lunchtime news would be put into peak time and on-demand news.

Question 6: Do you agree with our proposal to retain the weekend news scheduling requirement?

Yes, at a minimum and with a preference to putting it into a generally fixed slot to attract and retain viewers. ACNI believes that not having a fix time slot makes it hard for the audience to find the news on Channel 4 at the weekend and prevents it building a greater audience. In general terms weekend news coverage across the public service broadcasters can be very limited and thus any obligation to ensure the service is provided is welcomed. However, the weekends can be an important time for news and without it you would effectively have a state-owned PSB ignoring news coverage for 28% of the week which would not be in the public interest.

Question 7: Do you agree with our proposal to require that there are not less than 178 hours in each calendar year of the licensing period of current affairs programmes included in the Channel 4 service which are of high quality and deal with both national and international matters? Do you agree with our proposal to retain the requirement that 80 hours of the 178 hours must be in peak viewing time?

Yes we agree with the proposal at a minimum 178 hours per annum for a public service broadcaster with guarantees that Channel 4's strong tradition in quality current affairs, both nationally and internationally, is safeguarded and expanded into its online presence. This is an annual reduction of 30 hours of current affairs on the basis that Channel 4 wants to re-direct resources to its digital-first strategy. ACNI would like to know what guarantees have been given that these saved funds will be used for this purpose and how impact and benefit will be monitored. It is important that initiatives aimed at older teens and young adults like the Channel 4 online format Untold, are given adequate resources to develop to ensure this age category has impartial and informed news and current affairs on the platform they decide to consume (YouTube, TikTok, Snapchat).

In terms of the second part of the question, ACNI agrees with the proposal to retain 80 hours of the 178 at peak viewing time, at a minimum as this is unchanged.

Question 8: Do you agree with our proposal to require that:

a) at least 45% of the hours of programmes included in Channel 4 in each calendar year are originally produced or commissioned for the service; and

b) at least 70% of the hours of programmes in peak viewing time are originally produced or commissioned for Channel 4?

(a) Yes, at a minimum at least 45% of hours of programmes included in Channel 4 in each calendar year should be originally produced or commissioned. It is noted that this is a reduction of the previous quota of 56% to be original. The agreement for the reduction is on the basis of freeing-up resources to invest in Channel 4's 'digital-first' Future4 strategy. Ofcom's 2023 research conducted by Jigsaw would indicate that the public, particularly those aged under 30, are seeing a diminution in Channel 4 previous distinctive 'edgy' unique selling point. The research indicated that in the eyes of the audience it is becoming more main-stream and populist. The only credible way for it to sustain its long-term future while maintaining its public purpose, is to have original, quality and distinctive programming.

(b) Yes, at a minimum at least 70% of the hours of programmes in peak viewing time should be originally produced or commissioned as this is unchanged.

Question 9: Do you agree with our proposals to retain the requirements that, in each calendar year, at least 35% of the hours of programmes made in the UK for viewing on Channel 4 must be produced outside the M25, and at least 35% of expenditure on programmes made in the UK for viewing on Channel 4 must be allocated to the production of programmes produced outside the M25 and must be referable to programme production at a range of production centres?

Yes, ACNI wholly supports the proposal that at least 35% of hours of programmes that is made in the UK for viewing on Channel 4 must be produced outside the M25. This brings diversity, economic and cultural benefits as well of often being significantly better value for money. ACNI is sceptical of Channel 4 figures indicating that its production is more expensive outside London. If figures produced were a fair comparison of like for like production genres, we believe it would show Northern Ireland is significantly better value than England and other nations. Having a fair share of Northern Ireland commissions would serve other public purposes such as supporting the creative economy, nurturing talent and portrayal right across the UK.

For the second question, yes, ACNI agrees that at least 35% of expenditure on programmes made in the UK for viewing on Channel 4 must be allocated to produce programmes outside the M25 and at a range of production centres. It has diversity and equality benefits and adds public value across the UK. This is particularly important for Northern Ireland as the overall amount of production for linear television in the UK by Channel 4 is reducing by 19.6% under the current proposals.

Question 10: Do you agree with our proposals to retain the requirements that, in each calendar year, at least 9% of the hours of programmes made in the UK for viewing on Channel 4 are produced outside England, and in each calendar year at least 9% of its expenditure on programmes made in the UK for viewing on Channel 4 is allocated to the production of programmes outside England and referable to programme production at production centres in Scotland, Wales and Northern Ireland?

BBC has benefitted greatly with excellent audiences, good regional portrayal as well as developing Northern Ireland's audio-visual sector as a result of its 2.1% budget quota to Northern Ireland. It has now reached 3% of output coming from Northern Ireland with highly successful series like Blue Lights, Line of Duty and Hope Street.

The catalyst for this success is that the BBC has individual commissioning quotas for each UK nation. But Channel 4 only has 9% target for productions in Scotland, Wales and Northern Ireland but not a specific per capita target one for each country.

While Channel 4's international success with the Northern Ireland based series Derry Girls is extremely welcome, its per capita spending on production in the country is consistently significantly below what it should be on a population basis.

Channel 4 spent £5.4m in 2022 in Northern Ireland, less than 1% of its £570m budget for original programmes. But Northern Ireland has 2.8% of the UK population indicating a per

capita figure of spend should be almost three times this amount. Similarly, we would expect Northern Ireland to receive a significantly large share of the £45m spend outside England.

Given the global success of Northern Ireland productions, such as the world's most commercially successful scripted series *Games of Thrones*, ACNI would point to the benefit it would be for Channel 4 to mirror the BBC's success and greatly increase its productions in Northern Ireland. ACNI would like to see a country specific target based on per capita for Northern Ireland, Scotland and Wales to encourage Channel 4 to utilise more the proven world-class skills, creativity and some of the world's best production and new £100m virtual production facilities in Northern Ireland. The ACNI is mindful of the range of views on nation specific quotas summarised in the consultation document. It is imperative that, if Ofcom does not require national specific quotas, it will identify alternative levers which will ensure that public value is more fully realised in Northern Ireland, noting lower audience reach, portrayal scores, commissioning hours and spend. Monitoring through the Statement of Content Media Duties and Channel 4's engagement with the ACNI have been important and beneficial, but have not yet been sufficient to address this gap. This enduring underperformance strengthens our belief that a Northern Ireland quota is the best lever.

It is noted too that even though there was a legal obligation since its launch in 1982 to commission over 9% of original material in Scotland, Wales and Northern Ireland, Channel 4's role in the development of Northern Ireland's screen sector has been limited. Screen production has become an important aspect of the Northern Ireland economy and a unifying success for its divided society. It has helped re-brand Northern Ireland internationally from a conflict zone to creative centre and contributed to its growth in tourism.

Given these factors ACNI welcomes the recent greater engagement of Channel 4 senior executives with the booming local audio-visual industry through appearances at the Belfast Media Festival (2023), its partnership with Northern Ireland Screen and various training programmes. It notes, however, that a full-time commissioner post in Northern Ireland is (December 2023) not operational due to staff leave. Also following the January 2023 staff reductions in Channel 4, Northern Ireland independent production companies, have fewer commissioning access points to the channel which again makes it more difficult for them to pitch fairly for commissions.

Question 11: Do you agree with our proposal to retain the requirement to transmit at least half an hour of schools programmes, excluding presentation material, in each calendar year of the licensing period?

Yes.

Question 12: Do you agree with on our proposal to retain the condition that provides that in each calendar year not less than 25% of the total amount of time allocated to the broadcasting of qualifying programmes on Channel 4 must be allocated to the broadcasting of a range and diversity of independent productions?

Yes, ACNI agrees with this proposal at a minimum. The catalyst role that a state-owned broadcaster like Channel 4 can play in developing the UK audio-visual sector is very important. But by putting in this quota it helps develop independent production companies, avoid an oligopoly on supply of independent programmes and nurtures diversity.

Question 13: Do you agree with our proposal that the Channel 4 licence should be renewed for a period of ten years?

Yes, given the requirement to forward planning and to make the difficult transition to ‘digital-first’ this is an appropriate time period but we would suggest a mid-term review. The challenge facing Channel 4 in becoming a sustainable digital-first UK public service broadcaster funded from commercial income is immense so some stability with regard to its linear service licensing is appropriate.

Approved ACNI of Ofcom – 9 February 2024

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