

Advisory Committee for Wales (ACW) Consultation Response:

Channel 4 Licence Renewal: Made outside England quotas

In response to the consultation paper on **Channel 4 Licence Renewal: Made outside England quotas**, the committee shares Ofcom's concerns in relation to the unprecedented challenges faced by PSM as they race to develop digital innovation and new business development strategies in response to generational shifts in TV viewing habits and content creation supply. The committee also recognises the unique challenges faced by Channel 4 as a commercially funded PSM that simultaneously has a remit to take creative risks. ACW considers a thriving Channel 4 to be fundamental in maintaining the UK's creative industries' eco- system and the committee fully supports its *Fast Forward*, publisher-funding model strategy designed to "accelerate Channel 4's transformation into an agile and genuinely digital-first public service streamer by 2030"¹.

ACW believes however that Channel 4's stated commitment to "representing a diversity of thoughts and opinions from across the UK"² and "4 all the UK"³ should not be sacrificed in pursuit of the PSM's proposed path to future success. A Wales without Channel 4 would undoubtedly be a poorer place but so too would a Channel 4 without Wales.

Below the committee outlines its response to Ofcom's consultation on Channel 4's Made outside England (MoE) quotas, highlighting what the committee believes are necessary changes to the proposed licence terms and detailing facts in support of this position. The committee questions the legitimacy of assumptions made in the consultation paper about higher production costs and lower levels of capacity and digital skills in Wales and requests to be given an opportunity to interrogate any evidence which purports to support this position. Finally, the committee seeks assurance that future commissions which make up Channel 4's MoE quotas will be awarded to and delivered by qualifying indies in the Nations and not by Channel 4 in-house production.

The case for increased quotas

Wales' population totals just under 5% of the UK total whilst the combined number of people living in Wales, Scotland and Ireland make up nearly 16% of the UK population. Based on the simple principle of populational representation, ACW argues that the proposed increase in MoE quotas to 12% by 2030 is not sufficiently ambitious or representative and poses a threat to Channel 4's stated commitment to deliver for all the UK.

Furthermore, according to Ofcom's Media Nations Wales report⁴, in 2023 Channel 4 had the lowest audience share in Wales of all PSB's (3.5% in Wales versus 5% in England). As a % total of all Channel 4 programmes, production in Wales decreased in 2023 both in terms of spend (down from 4.1% to 3.4% year on year) and hours (down from 5.4% to 3.8%). The number of hours of content produced in Wales for Channel 4 is currently at its lowest level since 2017.

¹ https://assets-corporate.channel4.com/_flysystem/s3/2024-01/Fast%20Forward%20-%20Channel%204%20strategy%20summary.pdf

² <https://www.channel4.com/corporate/about-4/4-all-uk-working-across-uk>

³ <https://www.channel4.com/corporate/about-4/4-all-uk-working-across-uk>

⁴ <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-nations/2024/media-nations-2024-wales.pdf?v=373800>

In qualitative studies, whilst 4 out of 5 people in Wales claim to be satisfied with Channel 4, significantly fewer believe that Channel 4 delivers well on programmes that “keep me informed about my area” (just 25% compared to a 55% average across all PSM). Both the quantitative and qualitative data therefore suggests that Channel 4 has work to do in ensuring that Wales is better served.

In light of these facts, the committee proposes that Channel 4 commits to a 16% MoE production quota by 2030 and presents a skills development and content commissioning strategy designed to support an incremental, sustainable % increase in levels of content production from the UK nations over a 5-year period (2025 – 2030). Progress on the strategy should be annually reported and published to include details of how Channel 4 delivered its objectives in the previous year and how it intends to meet its objectives in the following year, adapting its approach as necessary in light of previous years’ results. The strategy should be designed to deliver a 12% quota target by 2027 and a 16% quota target by 2030.

Another strategic objective, specific to Wales, should be to grow production and consumption of ‘made in Wales’ and ‘about Wales’ content with the ambition of increasing Channel 4’s share of viewing in Wales to levels that equal or exceed the PSB averages by 2030.

ACW would be delighted to engage with and support Channel 4 in its delivery of this strategy in Wales. The committee offers to liaise with industry and government stakeholders to establish a panel of experts whose knowledge of the Welsh media landscape would provide Channel 4 with valuable insights that help inform its strategy and simultaneously, provide opportunities for Channel 4 to share any challenges of delivery with its Welsh stakeholders. The ambition would be to build a mutually beneficial, collaborative culture.

Hours and Spend versus Portrayal and Representation

It does not follow that content made in Wales or which uses Welsh talent necessarily speaks of Wales and the Welsh experience. A brief study of the Ofcom’s Made outside London Programme Titles Register 2023 ⁵reveals that, of the 17 programme titles (some 89 episodes in total) that qualified as Welsh productions in 2023, it appears only one, single hour documentary portrayed a main character that was Welsh and/ or saw the world from a Welsh perspective. The qualifying programmes title-list did however include a six-part documentary series on a Newcastle hospital. On this basis, the committee argues that Welsh voices and perspectives are notable in their absence from Channel 4’s content. This failure to reflect the reality and experiences of Welsh lives poses a threat not only to how Wales sees itself but also to how the rest of the UK and indeed the world, sees Wales.

The committee proposes therefore that, when reporting on future quota delivery objectives, Channel 4 differentiates between spend and hours versus portrayal and representation. Portrayal and representation data in relation to all MoE content should be captured, analysed and reported upon independently, using both quantitative and qualitative methods for interrogating the narrative.

Additionally, in order to ensure proportional and authentic portrayal of the lives and perspectives of viewers across the UK, the committee recommends that Channel 4 commits to

⁵ [made-outside-london-programme-titles-register-2023.pdf](#)

increasing the number of its commissioners who live and work in the nations, ensuring that Scotland, Ireland and Wales are fairly represented.

Sector Skills and Capacity

Ofcom's Channel 4 license renewal consultation paper⁶ quotes Channel 4 as stating that the costs of commissioning programmes from the nations are higher than commissioning from London. However, figures which claim to illustrate this position appear to be redacted in the consultation paper and are therefore not available for ACW scrutiny, specifically in relation to Wales.

Channel 4 is also quoted as claiming that current levels of capacity and digital skills in Wales are not sufficiently developed for delivering its digital strategy needs, creating a potentially existential threat to Channel 4's future. The committee disputes this claim.

Several sources of evidence testify to the strength and capacity of the Welsh sector to deliver digital content at scale. For S4C alone, independent production companies in Wales produce over 2200 original hours of multiplatform content annually. In 2023-24, S4C reported an increase of 31% in hours watched on-demand and a growth of 53% in the number of hours watched on YouTube⁷ - proof that the sector in Wales is becoming increasingly adept at delivering digital first content to the effect of enabling S4C to grow and maintain its audience share across DTC as well as DTT platforms.

Furthermore, UKRI investment through its Creative Cluster Programme in Clwstwr and subsequently through its Strength in Places programme in Media Cymru⁸ provides robust evidence of the innovation capabilities and potential of the screen sector in the Cardiff Capital region. Channel 4 is already engaged with Media Cymru in a project to improve TV workforce diversity whilst other active programmes include digital skills training, content innovation, interactive film investment, immersive technology and developing sustainability challenge solutions in production.

The committee recommends that, in order to further bolster and future proof the Welsh production sector's capacity for delivering content that fulfils the objectives of its *Fast Forward* strategy, Channel 4 should devise a strategy for developing digital skills and growing capacity for digital content production in the nation. This should be annually reviewed and should feature public milestones and a clear critical path. Channel 4 should look to work with production companies and other skills and digital training stakeholders in Wales to deliver the strategic objectives, providing a clear measure against which Channel 4's commitment to Wales can be critically appraised and reported over several years.

⁶ <https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-3-4-weeks/reconsultation-channel-4-licence-renewal/associated-documents/c4-made-outside-england-condoc2.pdf?v=370743>

⁷ https://adroddiad.s4c.cymru/wp-content/uploads/2024/07/S4C_Report-and-Accounts-2023-24_Welsh.pdf

⁸ [Media Cymru - Media innovation in Wales - Research, funding and training](#)

In summary, ACW proposes that:

1. Channel 4 commits to a 16% MoE production quota by 2030, publishing an annually reviewed, publicly accountable strategy for growth of content from the nations that is designed to deliver a 12% quota target by 2027 and a 16% quota target by 2030.
2. Channel 4 commits to growing production and consumption of ‘made in Wales’ and ‘about Wales’ content with the ambition of increasing Channel 4’s share of viewing in Wales to levels that equal or exceed the PSB averages by 2030.
3. Channel 4 works to ensure that measures of production spend and hours are not conflated with portrayal and representation. Portrayal and representation data in relation to all MoE content should be captured and analysed, independent of hours and spend data reporting, using both quantitative and qualitative methods for interrogating the narrative.
4. Channel 4 commits to increasing the number of its commissioners who live and work in the nations, ensuring that Scotland, Ireland and Wales are fairly represented.
5. Channel 4 produces a measurable strategy for developing digital skills and growing capacity for digital content production in Wales, featuring public milestones and a clear critical path. This should involve working with local independent production companies and other skills and digital training stakeholders to meet the strategic objectives, providing a clear measure against which Channel 4’s commitment to Wales can be critically appraised and reported over several years.

ACW challenges the assumptions that:

1. The production sector in Wales is not sufficiently developed, either in scale or skillset to deliver on the objectives of Channel 4’s *Fast Forward* digital strategy and request an opportunity to interrogate any evidence that appears to support this assumption.
2. The cost of commissioning programmes from Wales is higher than commissioning costs in London and request an opportunity to interrogate any supporting evidence (currently redacted) that appears to support this assumption.

ACW asks for reassurance that

1. The MoE production quota will be provided by independent production companies in the relevant nations and in accordance with the current qualifying indie criteria.
2. Channel 4 do not intend to establish in-house production hubs in the nations for the purposes of producing content that qualifies as quota fulfilling.
