

Reconsultation: Channel 4 Licence Renewal Channel 4's Made outside England quotas

About us

1. Directors UK is the professional association of UK screen directors. It is a membership organisation representing the creative, economic, and contractual interests of over 8,000 members — the majority of working TV and film directors in the UK. Directors UK collects and distributes royalty payments and provides a range of services to members including campaigning, commercial negotiations, legal advice, events, training, and career development. Directors UK works closely with fellow organisations around the world to represent directors' rights and concerns, promotes excellence in the craft of direction and champions change to the current landscape to create an equal opportunity industry for all.
2. Directors UK welcomes the opportunity to comment on Ofcom's Reconsultation on Channel 4's Licence Renewal, Made outside England (MoE) quotas.

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

3. Directors UK strongly disagrees with Ofcom's assessment of the potential impact on specific groups of persons.
4. Having a publicly owned, public service broadcaster favour audiences and talent in one home nation over another is unacceptable. 16%+ of the UK population lives and works in Scotland, Wales and Northern Ireland. This latest proposed move from 9% to 12% does not fairly reflect that. Directors UK holds the view that publicly owned broadcasters should deliver their remit and spend their creative capital fairly across the whole of the UK.
5. Directors UK notes that since May 2024 Ofcom has a new statutory duty to¹ "*consider the importance of the promotion of economic growth*".
6. In the consultation, Ofcom's states (para 2.12) that "*we expect that the proposal to increase Channel 4's MoE quotas is likely to have a positive impact on the creative economies in the nations and could have a positive impact on representation and portrayal of audiences in those areas*".
7. Directors UK notes that in October 2018, Channel 4 announced a major structural shift in its presence in the nations and regions as part of a new strategy called '4 All the UK'² which promised that Channel 4 would significantly boost jobs in the nations and regions as well as representation of all the UK. It was a strategy to ensure Channel 4 served the whole of the UK. Channel 4 described it as the biggest change to the structure of the organisation in its 35-year history³.
8. The key part of this strategy was a major new commitment from Channel 4 to significantly increase its nations and regions content spend from 35% to 50% of main channel UK commissions by 2023. This, it said, would result in a cumulative boost of over £250m in Channel

¹ [Consultation on Channel 4's Made outside England quotas \(ofcom.org.uk\)](#) para 2.12

² [4 All the UK: Working across the UK | Channel 4](#)

³ [Channel 4 launches '4 All the UK' | Channel 4](#)

4's nations and regions commissioning spend. It reflected both external analysis and feedback from the industry that increasing spend would have a significant positive impact on nations and regions economies and jobs. Alex Mahon said *"With this new strategy we will go even further to make sure that people right across the UK are represented on screen and in the make-up of our own organisation – and it will also build on what we already do to support creative businesses, jobs and economies in the nations & regions."*

9. In its much publicised announcements at the time, Channel 4 said *"To fulfil our remit to stand up for diversity, take creative risks and inspire change, we need to change too. We 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 across the UK, and across all our content."*
10. The 2021 independent EY Report⁴ commissioned by Channel 4 confirmed that '4 All the UK' had resulted in a significant uplift in the GVA through the supply chain in the nations and regions and that nearly 3,000 jobs were supported as a result.
11. It is therefore reasonable to conclude that further increasing Channel 4's MoE quota would have a positive impact on the creative economies in the nations, and would also have a positive impact on representation and portrayal of audiences in those areas.
12. Channel 4's position today regarding MoE quotas therefore appears to be at odds with its ambition for the '4 All the UK' strategy.
13. We note that Channel 4 is meeting (and exceeding) its voluntary target of 50% for spend on 'Out of London', first-run originated content production. However, that spend has largely remained in England.
14. Directors UK believes that Channel 4's failure to invest a fair and equitable level of its spending in MoE production has contributed to a dearth of job opportunities for screen directors and other off-screen talent based in the nations. Taking Scotland as an example, two out of three directors we spoke to recently were not working, and is indicative of the much wider problem. The MoE quota being proposed in this consultation will not adequately help to address this.
15. Directors UK believes that increasing Channel 4's MoE quota to 16% would play a significant role in helping to create a fairer level of opportunity for screen directors, and other off-screen talent, based in the nations. A meaningful increase in Channel 4's commitments in the nations would support greater creative economic growth and representation in the nations, and the development and diversity of talent, skills and businesses across the UK.
16. Directors UK does not believe that a quota of 12% for the nations to be implemented by 2030 is sufficient to support the much-needed level of investment and growth, and reflect the diversity of the nations' communities, voices and creative talent. It risks continuing the concentration of talent in London/England as well as limiting the market for programmes from Scotland, Wales and Northern Ireland on C4, E4 and More4.
17. Directors UK is concerned that Channel 4's justification does not sufficiently explain why 12% is the right number, and 2030 an appropriate date.
18. We note Ofcom's observations that *"increasing Channel 4's MoE quotas could mean that less production for Channel 4 occurs in the English regions or London, which may negatively impact*

⁴ [EY Report for Channel 4 - Factsheet.pdf](#)

the creative economy and audiences living in those areas.” Directors UK believes it is important that investment and growth is spread fairly across the UK. As with DEI policies which seek to promote opportunities for the under-represented (something both Channel 4 and Ofcom strongly support), giving opportunity to one over another is an intervention that is justifiably used to redress under-representation and imbalance. Increasing spend in the nations to a level that is deemed fair is consistent with this.

19. More generally, Directors UK remains concerned about the impact that Channel 4’s commissioning strategy of fewer, higher value genre commissions is likely to have on the creative economy and production workforce across the UK who have already experienced a significant loss of employment due to the advertising downturn and other economic factors in the UK production ecosystem resulting in a reduction in content commissioning.

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

20. Directors UK notes that Channel 4 has no production responsibilities or legal obligations with regards to the Welsh language and therefore holds no view on this matter.

Question 3: Do you agree with our proposals that:

- 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?**
 - 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 programmes outside England and referable to programme production at production centres in Scotland, Wales and Northern Ireland?**
21. Directors UK and its members in the nations strongly disagree with the proposed minimum quota of 12%, and the proposed delay to the introduction of this increase to 2030.
 22. While the proposed increase in the number of hours made in, and expenditure outside of, England is a step in the right direction, this falls short of our call for an increase to 16%, and provides no guarantee of minimum levels of production for the three nations.
 23. In addition, the proposed delay to the increase for five years, until 2030 is of great concern to those currently seeking to make a living in television production.
 24. Directors UK is concerned that maintaining the existing 9% nations quota until 2030 risks this becoming a ceiling rather than a floor for the first 5 years.
 25. This concern is reflected in the findings in the table in paragraph 4.9 of Ofcom’s consultation document, which shows that, since the introduction of the 9% MoE quota in 2019, there has been a drop in Channel 4’s nations output from 11% to 9%. This is in complete contrast with

Channel 4's record in 'Out of London' production in which it has surpassed its quota commitment of 35% as well as its voluntary commitment of over 50% hours/spend 'Out of London'.

26. By restricting spending in the nations to 9%, Channel 4 has awarded London and England an unfair advantage. A fairer 16% per capita quota would remedy this.
27. Directors UK holds the view that Channel 4 must become as ambitious for 'Out of England' production as it is for 'Out of London' production. We recognise the need for a staged approach but, for all the reasons mentioned above, we believe a significant increase in commissioning must happen in the nations sooner rather than later.
28. Appointing or basing more Commissioners and Heads of Departments (e.g. Drama and Factual Heads) in the nations, who come from the nations or have worked with the talent in the nations, would help establish more meaningful creative relationships. This in turn would give Channel 4 more confidence in the indies based in the nations with regard to their ability to deliver to the scale and quality Channel 4 requires.
29. Channel 4's recent 'Fast Forward'⁵ strategy states that: "*Channel 4 remains fully committed to harnessing the power of its regional structure to increase its impact across the UK, boosting investment and job opportunities in the Nations and Regions.*" Commissioning more high-impact shows in the nations; developing a better and more appropriate supplier base with production companies in the nations; and moving productions to the nations' production centres will help Channel 4 to deliver on this commitment.
30. In the consultation document, Channel 4 has also signposted its investment in developing talent and production companies via the 'Emerging Indie Fund' and the 'Indie Growth Fund' in the nations, as examples of how it is investing out of London/England. However, for this investment to be effective in the longer term, the companies and talent Channel 4 is investing in need commissions in order to sustain the benefit of this investment and to generate future opportunities for production companies and local talent. Channel 4's now disbanded 'Alpha Fund' favoured OOL and MoE indies and provided valuable financial support at seed level to help the development of content ideas. We are not aware of anything which has replaced it.
31. Directors UK believes that in order to deliver on its strategy ambitions, Channel 4 needs to be pushing itself to commission and produce a higher proportion of its productions across the UK that more closely reflects the size of the nations, and to be seeking to strategically develop production in the nations.
32. The BBC cannot be expected to maintain production in the nations alone which is why Channel 4 must play its role as a public service broadcaster.

Question 4: Do you agree with our proposed guidance for C4C on how it should report on its MoE production in its SMCP (Statement of Media Content Policy)?

33. Directors UK notes that the BBC has very specific nations quotas of 8% for Scotland, 5% for Wales and 3% for Northern Ireland, whereas in comparison, Channel 4 only has to make sure that it

⁵ [Fast Forward - Channel 4 strategy summary.pdf](#)

reaches a 'suitable range'⁶ of production centres in the nations in order to meet its 'Out of England' obligations.

34. By not having nation-specific quotas, there is no guarantee of minimum levels of production for the three nations and Directors UK is concerned that the relevant guidance in the Act⁷ of a 'suitable range' of production centres is too vague to provide adequate guidance to either Ofcom or Channel 4 on what constitutes the right level of production in each nation. This is why Directors UK prefers the population size yardstick to guide the levels of Channel 4 production in the nations as it is clear and already in use.
35. Furthermore, by not having nation-specific targets, the sector is reliant on Channel 4's reporting of its intentions through the Statement of Media Content Policy and its reporting on the delivery of this in the Channel 4 Annual Review.
36. While we agree there should be more transparency in reporting of its policy on investment in the nations from Channel 4, as proposed by Ofcom in the Statement of Media Content Policy. Directors UK is concerned that, considering the failure of the television industry to address issues of diversity despite reporting their intentions and their employment statistics to Ofcom and Project Diamond, investment in the nations will be another important area in which commitments may not be met because of vague guarantees.
37. We note our concern too that the new Media Act has also replaced genre guarantees and quotas by more vague requirements such as 'original programmes' and unspecified amounts.
38. We believe it is important that Channel 4, as the other significant public service broadcaster in the UK, strives to meet production targets that reflect the share of the UK population across the nations - as the BBC does. This would be transformational for the UK's production ecology, the careers of creative people across the UK, and ultimately for our audiences.
39. Directors UK does not agree with this proposed approach of simply improving transparency of reporting, we believe this needs to be coupled with clear requirements to commission high impact productions across all of the nations.

Directors UK
directors.uk.com
15 August 2024

⁶ Para 4.2 and 4.33, 'Channel 4 Licence Renewal Consultation on Channel 4's Made outside England quotas' - Consultation on Channel 4's Made outside England quotas ([ofcom.org.uk](https://www.ofcom.org.uk))

⁷ Para 4.2 and 4.33, 'Channel 4 Licence Renewal Consultation on Channel 4's Made outside England quotas' - Consultation on Channel 4's Made outside England quotas ([ofcom.org.uk](https://www.ofcom.org.uk))