

What is the Future for Channel 4 in the UK Media Ecology?

Transcript of the event for Future for Public Service Television Inquiry

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David Abraham (DA), Chief Executive, Channel 4

Lord Inglewood (RI), Former Chairman of House of Lords Select Committee on Communications, 2011 - 2014

Laura Mansfield (LM), Outline Productions, Chair of PACT

Guy Bisson (GB), Research Director, Ampere Analysis

Lord Puttnam (DP), Chair, A Future for Public Service Television inquiry

DP: Thank you all very, very much for coming. I am David Puttnam and I am chairing this inquiry looking into, effectively, the future for public service broadcasting, what it is and where it's going? This is the fifth open public session that we've held, all of them have been incredibly very well attended, we've had several SRO evenings so obviously the subject is of great interest. Tonight the subject is what's the future of Channel 4 within the UK ecology. Worth mentioning that our next big session will be at BAFTA on the 5th April with Director General of the BBC, Tony Hall as speaker. This evening we have four speakers, the idea simply is five minutes of intro, five/six minutes of introduction statements from each and then it's very much opened up to questions, it's a particularly important question session today because try as we might and we really did try very hard to get someone on the panel who is going to advance passionately the pro-privatisation argument and we entirely failed. David Abraham the chief executive at Channel 4 is to set out his case and then we'll move on from there. David?

DA: Thank you very much Lord Puttnam and thank you for the invitation to speak here in Parliament particularly because Channel 4 is child of the world of parliament, we exist solely to deliver the remit that's set by parliament, we're answerable to this body. I've been in the position of chief executive since 2010. I spent over 30 years in the media business both in the UK and in the US. 25 years of my career were private sector so it's only in the last five or six years that I've worked in an environment which is different to a profit maximising environment. So what drew me to Channel 4 was the very particular, and I think very unique and I think very special place that it occupies



in our national life. It is an entirely self sufficient organisation. It is earning its keep through interacting and creating value with the private sector but it is also delivering public value, supporting the UK creative economy, the shape of which would be very different were it not for the existence of Channel 4. So Channel 4 is working and I think if it were to have been the case that we'd be sitting here today having this discussion with revenues going down or the remit not being delivered or us not supporting hundreds of production companies around the UK, a question about the future viability of our model would be very valid. As it is we sit here today as a team delivering revenue growth, delivering very strongly against the remit that is set and initiated by Ofcom and scrutinised by parliament and by DCMS select committee. And we sit here today being as integral a part of the greater economy as I think we have ever been. A few weeks ago Film4 was involved in 15 nominations at the Oscars, it was associated with three Oscar wins, 22 BAFTA nominations. We were voted channel of the year Broadcast Awards. This is an organisation in rude creative health and it's an organisation that isn't just thriving in what was called the analogue world of traditional channels but has successfully over the decades adapted to very significant changes in the media environment and these have taken three basic forms. Firstly when we moved from an analogue world to a digital world Channel 4 was very, very early in introducing digital channels, Film4, More4 and E4 which formed a very important part of our overall portfolio today. Secondly we were very early in the provision of online viewing services in the form of 4oD, we went actually...people won't remember this but 4OD was launched before the iPlayer and actually in a rather more sophisticated technological solution because of course we have to protect the IP of the producers that make the shows for us and we also have to serve advertising within it. So very innovative and sophisticated online viewing methodologies been developed by Channel 4 and more recently that's been adapted by the introduction of a direct to consumer relationship which was introduced three years ago and now has 13 and a half million people registered directly with us as an organisation, half of all the 16 to 34s in the UK and is delivering we estimate by the end of next year nearly 100 million pounds of revenue to the organisation out of total revenues that we estimate this year in the region of a billion pounds. We've also formed important business partnerships with important players in the marketplace like UKTV and BT Sport for who we sell all of their airtime. So we have continually adapted this model to the changes that have occurred in the marketplace.



At the heart of our model is the publisher broadcaster principles which is to say that all of the money that we spend is with external creative partners, this allows us to work with hundreds of companies up and down the country and it allows them to exploit the IP that we generate together by airing the shows on Channel 4. I see very little value in Channel 4 as a business, and I speak as a businessman, were it not to be the case that the fundamental publisher broadcaster model was abandoned and Channel 4 would operate like every other broadcaster allowed to have in-house production, to own its own IP, to exploit it itself and thereby not working with nearly 300 companies but working with the same number of companies as ITV and Channel 5 do which is around between 50 and a 100. I think the British greater economy would be much the poorer without this model being maintained. I do agree that it should be looked at from time to time and that we should be accountable to the government to demonstrate the fact we are delivering to the remit. We were issued a ten year licence by Ofcom only last year, they gave us a clean bill of health based on the level of remuneration that we are delivering. All of these arguments are really important but ultimately what matters is our contribution to the culture of the UK, we are as much a cultural institution as we are a self sufficient deliverer of a remit.

And I'd like to end this by talking you through what is on Channel 4 tonight or that we're missing literally before we get home, Channel 4 News at seven, the only one hour detailed news broadcast in primetime British TV, has been for the last 30 years. At eight o'clock we have a Despatches programme on housing benefit millionaires, something I know that this house is very concerned with. At 8:30 we have a successful programme called Food Unwrapped that deals with healthy eating and will absolutely be dealing with issues of obesity. At nine o'clock we have a one hour documentary called Royal Navy School which is a wonderful recruitment mechanism for public services if ever there was one. And at ten o'clock the popular comedy drama called Fresh Meat about student life in Britain today. Now these are programmes that deliver public value to a younger audience than all other terrestrial channels. The average age of terrestrial channels in the UK is getting alarmingly older and it's the fifties going into the sixties. Channel 4 has succeeded in maintaining through this direct relationship we've developed and through our commissioning a very strong relationship with the younger viewers. So we are quite unique in our ability to deliver public value to an audience to who it is said are abandoning television and moving to



other forms of consumption. So I'm sure that we'll get into more of this detail as we go through the discussion today but I'm a great proponent of the Channel 4 model, I think it's working, I don't think there's a problem that needs to be fixed and I'm very much hoping that through the debate we will emerge with a Channel 4 that will be left to get on with this important work.

DP: Thanks David, thanks very much indeed. Second speaker is Laura Mansfield she's managing director and co founder of the indie company Outline Productions which specialises in factual entertainment programmes currently she is chair of the Pact Council. Laura.

LM: Hello, thank you very much for inviting me to speak today. As you said I run Outline Productions and we are indie but I co founded 16 years ago and in terms of declaring interest we do work with Channel 4 amongst a range of other UK and international broadcasters. In my capacity as chair of Pact I represent some 500 independent production companies of all sizes right across the UK. It's a sector which has been a real success story and is now worth some three billion pounds.

To kick off with I think I'd like to say that uncertainty is very unhelpful, we find ourselves at a time where BBC, Channel 4 and the indie sector are all waiting very nervously for outcome from the DCMS which are going to determine our individual and our collective futures. This kind of uncertainty chills investment and it stifles creativity, creatives like to feel secure, they like to know what's coming down the horizon. 85 per cent of independent producers are SMEs and right now what we're seeing is the greatest growth is coming from the smallest companies but this growth is under threat from several directions. What we've got here in the UK is a very peculiar and rather wonderful ecology that's grown up over the years and it's become a success story and for that reason it's a success story I'd argue there's really no need to change the fundamental status quo that we have here. The beauty of our system is that we have a mixture of complimentary interventions, what we've got we've got publically owned channels, we've got the BBC funded by licence fee, we've got the not for profit, publisher broadcaster, Channel 4 whose creation was out of conservative interventions to balance BBC, balance ITV and promote the independent sector and reflecting alternative views. And then you've got privately owned profit channels in ITV and Channel 5 and all the dozens of channels on digital. But make no



mistake we're talking about public service broadcasting here and 80 per cent of British content is commissioned by the big four. So any change that's made there is going to have a huge impact on our indie sector.

British television shows are some of the most admired in the world, our production sector started a few years ago more or less by people in their bedrooms making single passion films and thanks to the effective interventions of the terms of trade 30 years ago which allows independent producers to own their IP and trade on it, we've grown fourfold and now worth nearly 3 billion pounds as I said. But Channel 4 is disproportionately important as part of that success story in helping indie punch above our weight globally. Over a quarter of British television programmes formats in the top 100 in Europe were commissioned by Channel 4, that's really disproportionate. It's been quoted by US broadcasters as being the single richest source of IP in the world for television. And why is that? It's precisely because Channel 4 encouraged naughty, noisy, alternative, risky content, new and innovative programme structures and shapes. But also because their target per remit are the younger diverse audiences less well served in other channels. This means that British content is going out into the world and is different, it's different than the lookalike-y stuff that you're seeing from other countries.

I'd reiterate what David said about Channel 4 being in rude health, I think we need to connectively dispute any notion that this is a failing organisation in desperate need of intervention to survive. Actually our financial expert we will hear from him later on but this is a channel that turnover a billion pounds a year, with a very hearty balance sheet and in terms of the content unprecedented levels of prizes and awards. It's a tough plight out there for all of us, you've got to be absolutely at the top of your game to survive and to thrive but what we've seen is that Channel 4 has survived and it has thrived and it's put together smart innovative strategies to survive for the future. The database that you've heard about already 30 million individuals half of 16 to 34s, that's a really clever thing and we're going to see that growing and growing in years to come. Indies believe, and I'm here representing indies, indies do believe that Channel 4's remit is unique and has to be protected. If you go back to the 1981 Broadcasting Act the expectations of Channel 4 included, to ensure that programmes contain matter calculated to appeal to tastes and interests not catered for by ITV. That a proportion of the programmes should be of



an educational nature, to encourage innovation and experiment with form and content of programmes and give this fourth channel a distinctive character of its own. And that seems as important now as it was then. Channel 4 and the British independent sector grew up together, our success is interlinked and if for example the publisher broadcaster status was changed that would be irreversibly damaging to the indie sector. The fact that Channel 4 can't be vertically integrated right now means all of its content is produced by external producers, this is something highly valuable. Now figures vary because everyone calculates them slightly differently but what is unarguable is that Channel 4 commissions a far larger number of indies than ITV or Channel 5 and over 50 per cent of hours are commissioned outside of London. In terms of range and diversity if you're looking at spend on first run commissions which is where you get newness, the innovative, the risk taking, the number of companies turning over less than 10 million pounds and that's small indies, that ITV commissions from is pretty much microscopic, it's less than one per cent. Channel 4 does significantly better at nine per cent. Many production companies have grown up Channel 4 and simply might not exist without the channel. Now you could say that that's because they're not competitively efficient but it's not, it's the fact that the distinctive programme making that they make and want to make appeals to Channel 4 and diverse audiences across the UK who aren't served by the channels, in particular young and BAME audiences as we heard from the head of the equalities commission last week.

A final remark I guess I can't sit here and say that everything is totally perfect and they've been having a love in for the last two years, David has publically attacked the terms of trade which is the intervention by which indies can own their IP and control the benefit from secondary rights limit and we now find ourselves as a sector despite having provided compelling evidence to Ofcom who pronounced that the rationale for the intervention is still valid, waiting to hear our fate. The DCMS have Ofcom's report on their desk since before Christmas and we now live in uncertainty, we're waiting to find out what's going to happen. Without these terms of trade indies like mine simply couldn't afford to stay in business in the UK, we need income from our rights to be able to invest when we're not in production into the R&D of these risky innovative programmes that Channel 4 needs. We learned about ecosystems at school, we learned when we make changes to one area of the ecosystem the ripples are bigger than you previously might have thought. Well British



broadcasting ecology is no different, it's precious and the balance is working so can we please leave it be.

DP: Thank you Laura, very much indeed. Third speaker is Guy Bisson, he's research director at Ampere Analysis and leading analyst of the pay TV environment.

GB: Good evening everyone. So we're a company that looks at the future of TV our job is to try and work out where television is heading and that's some of my background is what I hope to give you today, the environment that Channel 4 is now operating. But I'd like to start with an anecdote and this is a true story, on Saturday morning the following post appeared in my Facebook stream and it said this, this is a bit of a mad request but my friend who works in TV is looking to help recruit a woman for a dating show in London this afternoon, due to a last minute drop out. It's a lesbian bi dating show but there's a twist they must be willing to do the date naked. It would suit an exhibitionist with a sense of fun. The whole thing is legit it's for E4. Need I say more? Channel 4 is a public service broadcaster with a remit to take programming risk and it is innovation and risk and serving that, although it is not represented elsewhere that we are talking about here today. But be under no illusion that the television market in which Channel 4 must now succeed is changing very rapidly and Channel 4 is by no means unique in being impacted on all fronts by the rise of paid TV, difficulties recently maintaining advertising growth, a shift of advertising online and very rapidly changing behaviour among younger television viewers.

Ofcom noted in its recent review of Channel 4 that the majority of PSV suffered audience declines but the declines of Channel 4 in both reach and audience share was significantly high. And it further addressed some issues around certain programming on international topics and targeting older children. So it's against this backdrop that we're talking about possible privatisation of a channel that could...or a channel group in fact which is worth between one and two billion pounds. Those who support privatisation point to failings in fulfilling the spirit if not the letter of Channel 4's remit highlighting a 44 per cent fall in UK originated production across the PSV sectors in 2008. And they further make that significant cost savings to be made were Channel 4 folded into a larger channel group.

But the big question that needs to be answered, can a public service remit ever be compatible with commercial targets? Ofcom itself has



noted potential for attention between a need to attract a large audience and the programming on the channel of more challenging content. Further would a broadcaster driven by shareholder returns still be willing to invest as much in independent production? So over the last decade the media economy in the UK has changed, it's been a case of shifting sands. So where once the BBC were all concerned with brand new revenue and advertising is now overtaken public service income and paid TV has overtaken free TV the current driving force in the economy. We're now witnessing a meteoric rise of online advertising which will shortly pass all forms of TV and of course the emergence of new paid for online platforms like Netflix. Between them Netflix and Amazon in the UK already account for 10 per cent of paid TV revenue. And these changes are accelerated a long term trend that started with the launch of digital television - that of fragmentation. And the PSVs have done well because they've launched their own families of channels to keep up viewing share now with Netflix and Amazon their new online content numbers left to fight the evil twin to fragmentation and that is content disaggregation. So increasingly TV programmes are not delivered in a linear fashion but in an every man for them self manner where the responsibility is on the viewer to find what he wants to watch and when he does he can binge on entire seasons in one go. All of these pressures mean that everyone in the industry is looking to diversify business models so we've got free TV channels to get on paid TV, paid channels looking to get in on free and everybody looking to get in on online TV.

So now let's come back to our question of risk and concern over programme investment and quality. I would argue that Channel 4 has a fabled bar of gold on the mantelpiece in a national free to air channel that delivers to a mass audience and it's that mass audience that has kept television advertising robust despite all the changes in the industry. And let's not forget that between them the PSVs and their digital channels still account for 72 per cent of UK viewing. So that bar of gold is what is highly attractive to the potential private buyer.

Also crucially, is that Channel 4 is delivering a younger audience much favoured by advertising and crucially it's successfully targeting online. Our own research shows that Channel 4's All4 service is more popular among young people than ITV Hub and second among that age group only to BBC iPlayer. No private buyer would want to alienate that audience, the value of Channel 4 is in the very audience



that it's drawn onto its edgy play form and the prize is that national advertising market. And the value of the spectrum and the favourable programme guide slots that PSV have granted anyway is beginning to evaporate as audiences move online. The rise of TV apps as a mean of accessing television is a genuine threat, in an app based world it's not the PSVs that holds the top slot but Netflix and again from our research we can see that where young viewers are concerned they are far more likely to have Netflix installed on one of their connective devices than an app from one of the PSV broadcasters.

Commentators objecting to privatisation claim that the creation of ITV plc led to an immediate and measurable drop in programming quality. But since then ITV has invested in 23 independent production companies many with an international reach and three specialised in digital content. If the success of Downton Abbey is any measure ITV is more than able to produce quality drama at global appeal. And Downton Abbey is interesting not just because it is undoubtedly quality drama because it was so successful on the world market and it's the full control of rights to content that is an increasingly important asset in television, because it allows flexibility in which...the way in which content is exploited regardless of the way it is distributed and it also creates flexibility in international licensing. Business and competitive changes means the TV industry now has a voracious appetite for original independent production that simply did not exist a decade ago.

So to my list of changes that I've said include fragmentation and disaggregation I would add globalisation because high quality production increasingly needs global success in order to fund it. But global success does not mean ignoring the local market. According to Ofcom investment in UK original productions excluding sports by the PSV channels has fallen by over 400 million pounds since 2008. While the non PSV multi channel sector has increased investment by 43 per cent. That's because regardless of any public service remit they assure, competitive market localisation also becomes important when it becomes competitive positioning. One could in fact argue that it's the very changes in the global TV economy that are causing so much problem to some of the plcs, that have kick-started the new drive for quality programming and indeed programming innovation. Original drama, comedy and documentary really are the new TV battlefield. So perhaps the very market changes that bought future sustainability in PSVs in question may ultimately have created a



safeguard against one of the pitfalls facing a channel business at the mercy of shareholder return. Whatever cuts of content business decides to make programming quality and innovation can no longer be one of them. Ultimately then isn't the question not could or would private buying maintain quality but would it be able to meet PSV remit but instead in today's TV market is an international parent for the diverse portfolio of TV assets or Channel 4 corporation itself best positioned to secure the future of Channel 4. Thank you.

DP: Thank you very much, Thank You Guy. Our last speaker is a colleague Lord Inglewood. Richard was chairman of the Lord's communication from 2011 to 2104 where he oversaw enquiries into media tourism, media emergence and the future of investigative journalism. He was parliamentary secretary of state of department of National Heritage as it was from 1995 to 1997 where he was responsible for broadcasting and as such he knows of what he speaks. Richard.

RI: Well I'm glad I fooled you. I must begin through by declaring an interest - my MP for many years was William Whitelaw, he was a family friend and a mentor to me and so I'm always jealous of his memory because he was a huge influence on me as an individual and a great help. As a conservative I'm always sceptical about public ownership, it generally seems to me to be an error, or very frequently an error and doesn't necessarily lead to efficiency. I think as David pointed out in the case of Channel 4 it's almost an accountancy quirk that Channel 4 is in that category because the reality of the organisation is that it behaves...has to behave very much at arm's length from government. And although strictly put it this way it has many of the characteristics of being a charity without actually being a charity itself and I think that's very important because we're not here thinking in the context of possible privatisation of a kind of organisation that is equivalent in economic terms to most of the others that have been privatised. I also believe in markets and private ownership but I also believe in other forms of ownership and it seems to me that there is a proper place in the mix of what we have in our society for the kind of entities, third sector entities of which although probably indeed it strictly isn't Channel 4 displays many of the characteristics. Now as has been said earlier we have in this country a form of public service broadcasting which has evolved, like so much in this country, nobody could conceivably have started with campaign trying to devise the kind of public service broadcasting landscape that we have in the UK today. But nevertheless despite or being possibly because of that we've got something that actually



delivers for the UK a very remarkable range of TV products for all kinds of and different sorts of people right across society. And I think that is something which is not only a thing we should be jealous for, it's also something which I think almost all the rest of the world is very envious and would like to see in their country. So don't let's cross that out just regardless of without thinking. And the effect of that is that we've got something that's very valuable and if you have a mix like that that's very valuable if you're not careful and you just take one piece out then all kinds of consequences take place and you find you've lost much more than you thought you were destroying. And certainly with the different remits and different types of ownership it is an extraordinarily cruel media landscape. And certainly I can say as far as my case is concerned, quite a lot of what Channel 4 is, is of no interest to me and I don't watch it, but that's no reason it isn't what other people want. And it's particularly important that some of these minority interests we have in society are catered for, after all you go to the public library you can find books about almost anything if you look hard enough - and why not?

Now if there were to be fundamental changes in our media landscape which led to a completely different form of Channel 4 I think it's very likely that the remit would come under pressure because shareholders who after all put their money in do want something back from it and that's perfectly reasonable. If it's your pension that's invested in this and you're a pensioner you want the income to be generated. I think that the changes in the way it's structured are likely to put pressure on the remit which in turn is likely to reduce the value and the range of programmes.

Secondly I think as Laura said Channel 4 is a cultural phenomenon in this country it's not simply a television company, the obvious example of this is film where it's actually more or less a kind of...it's acting in conjunction with it, it's almost acting as another parallel arts council and it's delivered both enormous cultural esteem for our country not to say actual money and cash. And I don't think that is necessarily going to happen because we'd have to take a very long view and take some pretty serious risks from time to time and some of which go badly wrong. And then as Laura said again that Channel 4 is important in the way it generates some of the reputations and output of some of the smaller independent production companies and that matters a lot, because they...the big ones start by being small ones, great oak trees grown from little acorns. So it's fulfilling a very useful function in the wider industry and I'm not sure that if you



were to simply destroy what we've got here in one...just swipe with your hand you wouldn't actually get...you'd lose a lot more than seems at first glance.

I think that if you were to look at Channel 4 and say why should we fundamentally change it? The first one is, is it insufficient? Well I see no evidence of that, others may disagree but I've...and I'm not claiming to be an expert on this. And then secondly will it survive, is it capable of surviving economically into the future because there's as Guy said TV is morphing, the television industry and the television product is not what it was even a few years ago. And we've got to remember that; as I said streaming and so on is completely changing the way in which this industry works, particularly in the case of those who are of our children's generation. In this context I'm always reminded of a great, great quote from Giuseppe di Lampedusa, the author of *The Leopard*, "it is necessary that things must change for things to remain the same." And I think that's important in the context of television as we are today.

Finally as I was thinking about the remarks I would make this evening I was reminded the old proverb the Emperor's New Clothes. We seem to be approaching this particular political topic from the presumption that Channel 4 is going to be privatised we've got to find reasons that perhaps that's the right thing to do. I think that's absolutely wrong, I think the right place to start the debate is that Channel 4 is actually doing rather well why therefore do we want to change it? And I was thinking too as I was jotting these notes down about King Henry VIII the dissolution of the monasteries, now I'm sure King Henry VIII didn't tear it down for months because his real interest was in the assets that they had that he could then distribute to his friends. So it seems to me that it's a straight forward case, we don't want another revolution and if it's not broke don't fix it.

DP: Thank you. I spent 5 extremely happy, fascinating years as deputy chairman of Channel 4 in that role and served 2 chairs; Lord Burns, and Luke Johnson. Two very different men, but with one remarkable similarity - the passionate and articulate way in which they rejected the very notion of privatisation. So let's go to questions, who would like to start?

HM: Hi, Henry Mance from the FT. I saw the concept you said yesterday, the remit which you've spoken highly of was rather fuzzy and needed



to be more specific and I wondered whether there were other ways in which the remit could be more specific?

DA: I was a little puzzled by that set of words, the remit does not feel fuzzy to me. It has some very specific licence requirements that we meet or exceed but it also...we have been bound throughout the last six years by statement and media content policy which attracts public opinion to ensure that what we are doing is distinctive and is different from the other public service broadcasters, whether it's taking creative risks, whether it's appealing to interest in minority audiences, whether it is doing what we're meant to be doing with film. Many of these things are stipulated in the remit that we are given and they are monitored in very close quarters. We will be having our next annual report scrutinised by Ofcom just later this week. So I'm not quite sure what is meant by the fuzziness, of course there could be debates about whether or not there are aspects of what other public service broadcasters are no longer doing it that could be asked of Channel 4 but that's a different discussion as to whether or not the fundamental structures are clear. We have public broadcasters from around the world looking at how Channel 4 is scrutinised and we pay a lot of attention to it, we have big resources going into it. And I can tell you when Ofcom attend a board meeting with our editorial plan that's being spelt out once a year it doesn't feel to me remotely a vague process, it's one that's very innovative, very transparent, very highly measured and very highly tracked.

DP: Laura?

LM: Yeah, I was also puzzled by the idea that the remit is fuzzy, I do think are comments and questions to ask about the output around children on Channel 4 but not just Channel 4, it's ITV, there has been a decline in output in terms of children's television. I think there are issues around spend on older children, spend on older children on Channel 4 was two million pounds in both 2013 and 2014 and Ofcom has asked about defining the specific metrics about older children. But that's not an issue that the remit is in any way fuzzy, that's about a peer question asked by Ofcom about further defining metrics about how their categorizing output for older children. We don't necessarily need to change the entire system, we don't need to privatise organisation in order to answer questions especially to Ofcom. I think what I would say about that area is that it's a thing about having...certain things having unintended consequences, good changes, well meaning changes were made a number of years ago



about advertising junk food to children one of the resulting implications of that is that we've seen a decline in children's programming. Nobody intended that one thing would lead to another but that has happened. I think mixing it all up together isn't necessarily massively helpful and it's about separating out the issues.

DP: Richard, has your committee ever looked at the remit of Channel 4?

RI: Not in any great detail that I can recall. What's wrong with a fuzzy remit? The national gallery is not full of pictures painted by numbers. This absolutely encapsulates one of the problems that us who are involved in politics and public life in this administration have dealing with the creative world, because on one level you want to be absolutely clear on what's going on, but on the other you've got to give people a bit of rope in order to get the really good results. That's the nature of one being creative and I think that what matters is not in detail whether the remit is precise enough, what matters is what is the output? What is this particular remit delivering in reality and that's how you should test it.

IL: Ian Lucas, I'm a member of parliament, I'm also a member of the Culture, Media and Sports select committee. I particularly wanted to talk about All4 which I think is hugely a timely innovation. I'm an MP for North Wales and I'm originally from Tyneside, I'm a very passionate regionalist and I see a great deal work in the universities and colleges nowadays, it's a very, very high quality which in the past hasn't had a wide enough platform to show local work. And I think it's a really exciting opportunity for All4 to actually localise providing everybody has a broadband, to actually broadcast high quality work on a regional or local basis and display some of the talent that's in the regions. Has Channel 4 at any stage considered when thinking about all four which I think it's developing its own identity as a separate platform, perhaps developing local content and also things like children's content through that particular platform?

DA: You're quite right to point to the fact that All4 is a very different beast to a traditional catch up service as they originally were because not only can you watch the channel live screened wherever you are on mobile devices, but you can experience editorial recommendations that are highly personalised to you, but most critically to your question is that we now increasingly commission what we call short form content which is particularly well suited to a younger audience



and a mobile audience and we're doing it at some volume and it's increasing in its role on platform.

The debate about regional voices representation is an interesting one because I think Channel 4 does do a very good job at reflecting the whole nation back to itself. In actual fact our viewing strengthens the further away from the London that you go which must reflect the fact that we do a pretty good job with original voices and we certainly are doing a good job on regional production. The notion that at some point in the future the technology will allow us to serve local content to a discreet local audience is one we haven't yet looked at, but you're quite right to allude to the fact that the increasing personalisation of the platform points to the possibility of that in the future.

GB: I was just going to add to that point and slightly on the previous question as well. I think when we talk about commitments under the remit what we should be looking at is how one reaches the audience that perhaps is not in the reach. And I have to give the example of Vice Media for example which has evolved very rapidly now from a magazine and an online service, YouTube channel are now launching a linear channel on Sky in September. So I think that's gone in the opposite direction but I think there's an opportunity for many broadcasters to better target through online services and YouTube and a certain sense of community and thereby help to meet the remit that that brings as to the question of which channels are included within the remit.

DP: Thanks, now to Lord Fowler.

NF: I am Norman Fowler. I used to be a communications chairman as well. Just to underline Richard's point - it's worth saying that Channel 4 was introduced by the Thatcher government at the time. We decided, and we were a privatising government, but we decided not to do this, deliberately decided not to do this, and decided to do something else. And it seemed to be that the mandate was set out at that time as being very much fulfilled by Channel 4 and therefore I can't see any reason why we should change. But my question is really this, there's a fundamental difference it seems to me between the constitutional position of the BBC which is governed by a royal charter which basically means that governments can do anything without coming anywhere near parliament as, like, the introduction of the BBC Trust much opposed but nevertheless introduced. But with Channel 4 there is a statutory corporation and as far as I am



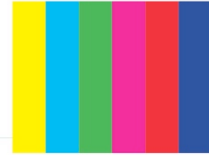
concerned as a statutory corporation any legislation would have to be passed by houses of parliament. But what I just wanted to make sure and David might be the man to confirm this is that...is my understanding of this correct, if any government wanted to privatise Channel 4 then they would have to introduce a bill?f

DA: That is the legal advice that Channel 4 board has received. Our researchers revealed to us that there's not been any privatisations in the history of this country going back to 1911. Some I think have suggested that such an important cultural decision could be made as part of a budget but our legal advice is that that won't wash and this needs to be fully debated by all four members of parliament. And I think everyone in this room would agree that it would warrant such a full level of scrutiny. We've never feared debate on this issue because the more we debate it the more is revealed about how brilliant the Channel 4 model actually is and the question as to why you would wish to disturb it rings ever louder in people's minds. But there have been occasions in the past where it has been said that Channel 4 drifted away from its remit and at that time deemed to be quite right at parliament or Ofcom or others to call it to account. There have been other times where observers were fearful of the viability of the revenue model, one thinks of the 2008 financial crisis where frankly the revenue models of every broadcaster on the planet were called into question. But it proved that these were not systemic issues for the medium of television nor were they systemic issues for Channel 4. And I simply believe that whilst I very much agree with much of what Guy said about the level to which the industry is changing, to make such a huge decision with such a vague notion of future existential threat unproven when the numbers demonstrate our rude health seems to me at the very least puzzling.

DP: Richard?

RI: My general understanding of the legal and constitutional issues is as David's described, I didn't go back to 1911 in my research, but it ties entirely, it is consistent with everything that I know.

DP: Interestingly Lord Burns wrote I thought an extraordinary article where he made the point as permanent secretary of treasury he actually chaired the privatisation committee that looked at the criteria for privatisation and that his observation was that Channel 4 conformed to none of the five criteria that we used to judge whether



a particular sector or particular business should be privatised and that is an interesting and informed view.

Q: Nigel Huddleston, Member of Parliament for Mid Worcestershire I'm aware there's a lot of politicians talking today so maybe. I also subscribe to the...I'm also on the DCMS select committee by the way, but I also subscribe to the model of it aint broke don't fix it. However, if the chancellor was here perhaps he might argue that the word value has come up multiple times here today and doesn't that make the point that actually at the time of financial constraint it's quite a tempting ball-ball to look at Channel 4 and think ah there's potentially some money here. I've got two questions for you, first of all what do you think the value would be if Channel 4 was privatised and are there alternative models to privatisation that ought to be considered as well? And the second most important question is, do you think we should get rid of general elections and just go with the Gogglebox?

DA: Well according to the Economist I think that would be a very good idea. The interesting thing is that Channel 4 has spent over ten billion pounds in the creative economy through its existence, it's spent...it's backed over 300 British independent films, it's associated with nearly 19,000 jobs through the 650 million pounds a year that it spends every year in the UK creative economy. I think that the calculation about value has to be made in the round and we do have to think of the consequences of running the organisation in the future very differently, such that tax revenues, jobs and IP exports might in the future look very, very different. The asset value of Channel 4 to date if we look at our annual report is somewhere between 450-500 million. It is a not for profit organisation so any figure that you attach to it above that number is purely speculative as to what you think the synergies might be and what you might do to it if you could remove publisher broadcaster model and operate it with synergies that might attach to certain kinds of buyers. So I think it was interesting when the secretary of state said quite recently in an interview that the main reason for looking at Channel 4 was not in order "to give some money to George," it was for reasons which were to do with strengthening the model for the future and I from that basis couldn't agree more.

GB: Yeah, I haven't done evaluation but the figures that are out there are over a billion pounds as I said in my talk. And in terms of alternative models to privatisation I think it's very difficult to get it half way; I



think there are potentials for joint venture but that would not release the value that you might be looking for and you wouldn't particularly...you'd get the worst of both sides. I'm not sure if there are alternatives it's an either/or, do you want to keep it or not and that is a sort of value that have been knocked about.

- RI: Could I ask a question, in the context of this particular question I think it's important to make clear around distinction between price and value and I think it's valued at a great deal more, it is valued greatly more than the price that you'd get for it. I'd agree with Guy this is...it's looks to me like Brexit, you're either for it or against it there isn't much of a middle way and I think that the chances are that most of the other models I've heard about, you end up with the worst of both possible worlds.
- LM: I think you also have to add the point that it's not just about financial value it's cultural and creative value. Creative industries in this country is one of our great success stories, it's growing every year, it's one of our primary exports, you have to look at the effect on our creative industries and on our creative identity here and internationally as well.
- DP: Worth pointing out - up until the formation of Channel 4 I as a film producer could not work in television under any circumstances I would have to have become an employee of either ITV or BBC in order to make television. I was absolutely condemned into a box that said film and it was only the creation of Channel 4 was it possible to create exactly what Laura's describing - the flow from one medium into another which I think has benefited everybody, certainly benefited the film industry and certainly benefited television.
- Q: Silvia Harvey, University of Leeds. I'd like to pick up the wonderful point that Lord Fowler made about this parliament as it was, the only begetter of such an extraordinary child and what makes the child extraordinary is its remit. And my understanding is that in so far as government have said about this is it's suggested that if it were to be privatised, it would be privatised with its remit. Now this seems to me to be a big, deep contradiction so I'd like to ask each of the panel members how do you envision it might be possible to privatise Channel 4 with its existing remit?
- DP: Before we come to the panel, John would you like to address that question because you must have looked at a lot of different issues -



John McVay is the chief executive of Pact – John, would you like to address this question?

JM: Good evening. I think Channel 4's remit is very broad and in very broad terms it allows some would argue, and I would be one of them, Channel 4 to deploy a remit in the context of the cultural world and the contemporary world that we find ourselves in. So I think if you are therefore to say well we're to sell it and this is what you're getting for your money any buyer will want to know precisely what that remit is. Just now it's quite a broad brush and I would argue that I've had this conversation with David, maybe could do more for children because we have a deficit in children's production in the UK. But I think that would be part of the problem is that as soon as you specify it you would then effectively be knocking off value to the buyer because they would then become duties and therefore you'd probably end up devaluing the price. So I think it's a very...the word remit comes up all the time, and I keep saying to people would do we mean by that? You need to be precise about these things they're not words that can be bandied around easily, I think there needs to be more precision but precision potentially brings cost.

DP: Thank you.

GB: I think the question is could a private buyer meet the remit commitments? I think there's no question that they could. The remits that are around certain types of programmes, news programming for children, education et cetera. Could a buyer like say Discovery meet those commitments? Probably they could but possibly more important question is their support of the independent production sector which is a very significant sector now, really, in the way that it does now. That's why I come to question, I think as I've said the changes in the industry being an original production is key to competitive positioning but if someone with a large archive content like Discovery needs much of their own content so it most certainly would have an impact on the independent production sector.

DP: David?

DA: Well I've worked with Discovery for seven years in the UK and the US and I wouldn't be as relaxed as you are, Guy, to the ability of a company run out of New York that is maximising in terms of the shareholders and has many global synergies to drive would



necessarily a) understand or care about commitments that could be blindly made at the flip of a pen at the beginning of a sales process. I think this is a cultural asset and I know that might sound high minded but I agree with what's been said by the people on the panel that it's about core purposes, my job when I worked in Discovery was to maximise the profit line of the channel I was running. And the quickest way to do that would be to make the way which I've spent the money much more efficient and in order to do that I would work with far fewer companies, I would pursue far more entertainment programming, I would cut the news, I would cut all of the films, I would do barely any comedy because it's very uneconomic, I would probably not do as much original drama. It's very easy to say that all of this global competition has created a golden age of television so why would you do that? Why would you stop doing the Paralympics Games if it worked so well? The fact is you don't discover these extraordinary things like Gogglebox and like the Paralympics unless you have a...the luxury in a way to take the creative risk that the absence of a profit line gives you. I've lived in both worlds and I can tell you that these are two very binary different ways of operating. I wouldn't be as relaxed and I think that you would drive inexorably towards Channel 4 being like Channel 5, somewhere between Channel 5 and ITV. I don't think that would suit the advertisers of this country who like the fact that we appeal to lighter, more up market viewers than the other channels because we are doing something different. Advertisers are very well provided for by channels that offer very similar kinds of programmes.

So the point about children's because it's come up a couple of times, again I'm slightly perplexed as to why the BBC who receive billions of public money every year have been relieved of some of their obligations such that a self sufficient public broadcaster like Channel 4 would have that added to a remit that is already in our view open minded.

DP: Nik Powell.

NP: Hi, I am Nik Powell, I am from National Film and Television School. I missed your introduction which would be of enormous interest to us. You may have said this already, but but in case you didn't, you and I know that the graduates of NFTS contributed directly to the Channel 4 shows like Misfits, Bananas, Humans and so on and so forth, so I didn't know whether you have spoken yet because I haven't heard the word 'talent' yet, I've heard the word small companies, I've heard



the word economy, I've heard the word value but I don't know whether it has been addressed so far the enormous role that Channel 4 plays in bringing new talent straight into what they are trained to do, straight into the industry to direct the shows that people watch and love?

DP: David?

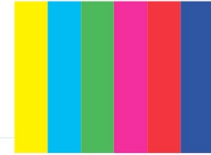
DA: Well Nick we've covered a lot of ground before you came but actually I'm glad you raised that because it is in the remit, the development of talent is another aspect of the remit and I think it's a terrifically important part of what we do both in front of the camera and behind the camera and in terms of reaching out to all parts of the UK to make a career in television appealing too. That's not an easy thing in a world in which over the last decade I think we all accept that the diversity of the industry has gone backwards to some degree, but we are now working in a very coordinated way and Channel 4 I'd like to think is pulling way above its weight in this area.

DP: Laura?

LM: Yeah, I think the point about diversity is the point I'd like to make is Channel 4 runs a scheme called First Cut for directors who can come through and direct their own films. All of public sector film companies are pretty good on new talent but I think it's in this area of pushing forward diversity being at the forefront of pushing forward diversity and really helping initiatives, as an industry we're not very good, we've got a long way to go but I think certainly Channel 4 has been up front in recognising that we have a long way to go and putting together a team working in the CDM and hosting events where filmmakers, where producers, where directors can start engaging with meeting new companies and trying to get new opportunities.

DP: John?

JM: Just reflecting on the point of value that you touched on, Channel 4 has a long history from your day as being a film producer is that Channel 4 gives people or access to this industry to people who should really be in this industry, whether voices, innovators, distributors who find it very hard to get commissioned with a mainstream commercial network like ITV, there's nothing wrong with ITV doing that but I think Channel 4 has traditionally and to this day



still has a door that's open for people who genuinely should sort of be on telly, there are people who make it more exciting, more risqué, more innovative and I think that's really hard to quantify into a remit. It's a state of mind, it's a way of people thinking they can actually get on air and make a programme that the rest of us hopefully enjoy.

- DA: I think that's a really, really excellent point. Steve McQueen had won the Turner prize for video and never made a film but his first film *Hunger* was made as a collaboration between Channel 4 arts team and Film4 and then his second film *Shame* was a bigger movie and the third film was *12 Years a Slave* and we were in a way, or the Film4 team Tessa Ross was working all the way through that ten year period to get him to where he was. But you're absolutely right that first decision to give someone, and he talks about it very openly, to give someone I think it was over £100,000 to go and make their first film, they'd never made a movie, was on one level commercially a mad decision and I think we do make those kind of decisions quite a lot because the remit encourages us to because the not for profit model permits us to.
- RI: It has occurred to me recently that one of the interesting phenomena of the kind of industry we're talking about is that it's what David touched on it, somebody gets a break, as a result of a break they then go onto do other things for other people and generate a lot of money, generate a tax income and actually are contributing a huge amount to the economy of the country and society more generally and yet the people who are actually catalysing it and it's not only Channel 4, you see it in all kind of different areas, are not being recognised and are not necessarily actually getting from the system as a whole a proper reward for the wealth that they've helped create and I think it's one of the conundrums that's facing the modern economy.
- DP: The issue of Steve McQueen's come up, so Steve, as Pat Loughrey here would know, was a graduate of Goldsmiths in art, gets his break, what's been the impact of his success on college and do you think on art students generally?
- PL: Inspirational, role model, diverse in every aspect. His willingness to articulate his story. So that's one risk taking on both institutions because he wasn't a conventionally qualified student either, he might not have been accepted into a fine art programme. Those breakthrough individuals are not typical but they inspire the rest, they lift the game and their sights.



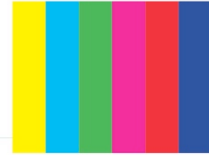
- DP: I think that's the point that is very important, how it influences the industry upwards, I think what people don't recognise is the extraordinary impact on the sector downwards, so that's all of a sudden students of art schools all over the country, can suddenly have someone to look to and think there's a breakthrough here. This is a hopelessly under discussed issue that is really important for the way those influences go down, back into where the talent starts.
- DA: There's some lovely examples with Channel 4 comedy, almost all of the comedies we've commissioned in the last 18 months are from young women who...for whom that was their first TV show. I'm thinking of Michaela Cole for example who did do a piece at the national theatre, to actually work with her on writing and producing, performing in and broadcasting a comedy series is a really big endeavour and actually there's this thing around, which I observe our commissioning editors doing brilliantly, which is working out how not to over expose talent too early. Because actually that can burn out people's confidence as well, it's often the great thing is okay let's put a show on to...let's put a pilot onto E4 maybe slightly late at night get them to learn the ropes and then go for more ambitious bigger budget projects. You meet quite a lot of great people and producers who...they do something quite good, go to America and have a massive budget and then blow their reputations and it sets them off for ten years...it sets them back ten years because the nurturing didn't occur.
- DP: Steve Barnett
- SB: Steve Barnett, University of Westminster. I think my question is quite similar to John's actually and the point that John made but I'd like to hear a little bit more from David perhaps and Laura about the institutional nature, the DNA nature of the commissioning process as opposed to...I think it comes back to Sylvia's point about what happens when you privatise with the remit? Because you can have the kind of tick box approach to a remit and you can say okay we've got 'x' proportion of economy, 'x' proportion of children's programmes et cetera and Nick mentioned training, you've got to actually have a tick box approach to training but I think that's different from what happens within an organisation that is somehow dedicated to a public service approach to diversity and differentiation et cetera. I just wondered if David could say a little bit more about your experience in terms of working for a wholly share



owned...shareholder owned company and the commercial imperatives versus a public service company? Maybe Laura could say a bit about on the receiving end of a commission if you like working with Channel 4 versus working with Discovery or ITV, whether there are some things about those kinds of organisations within their institutions that make it different.

DP: Laura?

LM: I actually think that creative individuals and when you're dealing with people on a creative level in an organisation actually whether it's Discovery, whether it's ITV, whether it's Channel 4 on a person to person level, whether you're a producer or a commissioner actually you are at a deep creative conversation. So I think there are incredibly talented commissioners in this country who work right across the channels. So I'm not sure that I would put it at a granular level I think it's at the top-down level that things are different culturally in those more commercial organisations and that's about how much money they can spend on different kinds of content, whether they have to have very rigid budget perimeters that they can spend on certain types of slot. It's about an approach where you say I need that kind of content for that kind of slot and we only want versus we can play, we can experiment, we can innovate. Now that doesn't mean that those individuals are any less creative, it means that people work within different sets of perimeters. I think the issue that we would find in...I'm not going to denigrate private organisations, I run a full profit production company and I represent production companies who seek to make a profit. I don't think the profit imperative in itself is a bad thing however what I do think is that Channel 4's role in our ecology is a rather marvellous thing and I think we need to have all of the different kinds of organisations and that's what works very, very well. That's what I don't want to change Channel 4's structure not because I think that commercial organisations are necessarily a bad thing. I think what we can see if it were privatised I don't think you'd see it on day one, I'd think you'd probably see it on year two, year six, year seven. I think it would be a gradual sliding of just shifting the rules or maybe don't want to do quite so much news in peak or maybe we can shift things down it's getting difficult for us to sell advertising in such and such a slot. And I think you would see a gradual softening, I don't think you would see a big revolution on day one and I think therefore we've got to be quite careful about the messaging that we give out around this. I guess that's what I would say.



DP: David?

DA: I think there's one area where...Laura's making great factual programmes but there's one area where this is rather more acute and that is in news and current affairs. News polarity is a very important part of this ecology that we've been talking about this evening. Channel 4 News is known to be an independently spirited investigative agenda setting news programme. Despatches is known to be provocative, investigative strand documentaries. Unreported World is known to cover issues which other channels don't on international affairs. And I know from direct personal experience that when you're running commercially funded channels there are places that you do not go. Where it is known that Channel 4 will go anywhere in the public interest and it's a very unique thing and it's a very special thing that we have commercially funded broadcasters like Channel 4, that advertisers don't boycott us for trying to pursue other interests. In America shows are cancelled, people get fired. There's this wonderful movie called Truth that Robert Redford is in that you can go and see that will explain to you what happens when you upset people in American media. We have a different approach in this country which I'm very proud to be associated with and it is not one where the shareholder interest is the primary dominant factor in editorial decision making. I do think that those effects would be fairly immediate, I would get phone calls to say they'd rather we cancel this investigation into some corporation or into some powerful politician because it will be very convenient. And it is inconvenient but it is part of public life in Britain that we permit organisations like Channel 4 to behave in this way always responsibly, always thoroughly and always in the public interest.

Q: My question may have been slightly asked by Steve but maybe worth repeating, we've done a lot of work looking at what's been going on with the Channel 4 things and the question of privatisation. And it seems to me if you do have international companies or whatever which would appear as a potential buyer, they will have a lot of conflicting objectives and I'm not sure if I take all John's points about the lack of precision in the remit, because there seems to be quite a number of points which are monitored, for example there are studies that Channel 4 does which actually show that really people do think it is still delivering certain things. And it seems to me it's essential for it to be able to do so that it has some kind of mindset which is on things and that once you're in a company that...Discovery let's say



does lots of excellent programmes, I'm not criticising that but where the focus is ah is this going to be international, where do we cut things, where do we make this sort of thing? It seems to me that you get into quite a different mindset and that is why whether fast or slow you will get the crumbling of the way this organisation works. And I wonder whether David is somebody who's had both experience on both the international side and specifically to Channel 4 would like to talk about the importance of the mindset which is not an easy thing to replicate when you privatise?

DA: No, and in fact our chief creative officer Jay Hunt is speaking on this topic at the RTS tomorrow evening and it's a very interesting story as to how the commissioning teams actually work, how they incorporate this talent development agenda, how they don't overexpose ideas, how they back ideas that often seem like oddities but we believe there's an idea that underpins it and Googlebox is an example. There were several semi successful noble failures in that space but the commissioning team kept persisting with it to get to where Gogglebox now is and it grew from under a million to now doing five or six million. And so there's these very subtle things that go on where you back hunches and the fact is that I commission programmes for a very significant cable network in America, it's in 92 million homes and when I put a show on that I had a hunch about if it wasn't rating I got a call from the president of the company to say that if you leave this programme on in this slot for another week we're going to lose ten million dollars, 20 million dollars, 30 dollars. And I had no problem in pulling the show however much I loved it and canning ten hours of television because I knew that if I put a repeat in it would make more money for the corporation that was my job. Occasionally I got to do brand defining programming that I shouted about and that would end up being the kinds of things that would be used by privatised Channel 4 to show how proud it was at delivering its remit. The volume and the amount of that would be far less and the level of originality would be far less because they would have what in American parts viewer swings back creatively to arrive at those really amazing breakthroughs. Because it's all about the privileged position to take more creative risks and this comes back to the indie sector, the reason why we generate so much valuable IP is because...I did it, I sat in America, I sat in Washington and I watched the British overnight ratings because there were more new shows being launched on British television every night than the whole of America in a week. Why is factual programming so dominant or has it been so dominant, why have there been so format breakthroughs



that have travelled the world? Because the public broadcasters are in privileged position to take more creative risks, try more crazy things and come up with more breakthrough ideas. This is a philosophy that translates into hard economics and export success.

GB: So I'm in the difficult position of politically and loyally agreeing with pretty much everything that's been said with regard to the content on Channel 4. I think someone in the audience mentioned tick box and I stand by what I said that the private international investor could meet the remit but I think what we're talking here is preserving a culture and possibly even Britishness that could not be replicated by say a big international USA American company. So would it continue to programme edgy content? Will it continue to address minorities? Probably it will because that's a valuable audience to advertisers but would it maintain that culture and that Britishness? I think we probably all know the answer to that.

DP: Richard?

RI: I'm sure Guy's right that somebody else could meet the remit I think that's the real point at the heart of the matter. But the thing that's interesting about this debate to me is we all believe and understand the invisible hand in the market yet against that background large numbers of people don't always go for the most highly paid careers, they don't go for the most highly paid jobs. Creativity and I'm sitting here as a man in a suit but I'm actually married to a wife who's a graduate of the Royal College of Arts and I've got a daughter who's a graduate of the Royal College of Arts so I see it at home. It doesn't work in a kind of determinist way, I've found. And in some way you're trying to maximise your nation's contribution in this area, you need to have corners where things work a little bit differently and may actually slightly upset some quarters, because in general at the end of the day the big companies will be satisfied with what finally emerges.

DP: One more question and then final summing up from each of our members and we'll roughly finish on time. So...

JE: John Ellis from Royal Holloway University and somebody who's one of the original Channel 4 producers. I haven't heard very many persuasive arguments for the privatisation of Channel 4 and the arguments that are being made here are all about risk taking, the management of risk and creating risk. Now can you, to sum up, tell us



what you think is going to happen? Because this is a government that has stated its aim, it's maybe put in a difficult chair for you to deal with, David, in terms of that stated policy aim. Is this going to happen and if so how is it going to happen, can you actually play devil's advocate?

DA: Well I don't think you'll be surprised to hear that I found the entire experience immensely confusing because throughout last summer we were being reassured that this was not an issue that was being looked at all. Then there was the leak, then there was silence, then there was the creation of a formal review process. We spent weeks providing a lot of management information, we were told we were going to have an answer in January it's now March. We were told it wasn't about the money, we were told the remit wasn't changing and if you believe what you read in The Sunday Times yesterday this is now government policy. So we're just waiting to get some clarity over that. Do you want me to do summing up?

M: Yeah, do summing up.

DA: So my summing up is I don't agree with the premise that Channel 4 can be privatised with a remit simply because it's wishful thinking, it's have your cake and eat it. If you look at the history of all the public service broadcasters, commercial broadcasters over time, if you study ITV's remit over 25 years, if you study Channel 5's effectively one of my jobs were I to report again to Washington DC would be to lobby persistently and pervasively for the reduction of the remit that I signed up to on day one. And over time and with political change the direction of travel would be that I would relieve myself of many of the promises I made on day one and the trajectory of over several years we'd end up with a very...permitted for this to be a very different Channel 4 would absolutely be what I think the outcome would be.

M: Guy, summing up?

GB: So should Channel 4 be privatised and as I said morally and politically I would say no, if anything we should be looking at ways that it can be freed up around what it does with content and rights and expansion in order to fully address the audience it was set up to address and there are many opportunities to exploit with the changes that are happening in the TV industry.

M: Laura?



LM: I think what I would say is that Channel 4 fulfils a very important crucial role in our broadcasting, we need that playground for creativity, naughtiness and experimentation and I think in any other country in the world wouldn't punish success. I think our creative sector is doing really well, it's not broke please don't fix it.

DP: And Richard?

RI: Is Channel 4 going to be privatised? I don't know. If it were my choice I don't think...I wouldn't do it and I wouldn't do it for economic reasons, we don't get enough money really to make a huge difference to the problems that are facing the country. But politically I think it will cause a certain amount of fuss and I'm not sure politically it will be worth the hassle. I also think that as I've said earlier to have a Channel 4 in this broadcasting ecology is actually economically beneficial for the country. You've got to have the irritant, the people who do the stuff for that is considered almost unacceptable because this is where you're going to find, not all, but quite a number of the great talents who are going to provide a standing of the country and also its worth. I think it is fulfilling an important economic and social role within the right complex and if you change that you're actually going to lose things. Thank you.

DP: I just want to say two things, within the 2001 communications bill, the biggest problem we have in that committee and it was a committee of all parties was with the then Blair government who hated the word ecology being applied to broadcasting, many of the people hated it because it was muddy and fuzzy. They felt they were looking at something far more determinist. So the formation of Ofcom the biggest single problem we have in that committee giving our recommendations through it was to try and say it is messy, it has to be messy, stop trying to make it streamlined and simple. So that's the point from 2001. I've just come back from Asia I've spent five years advising the Singapore government on media policy and an excellent young minister called Gabriel Lin, please believe me if Gabriel Lin was here today he would not have a clue what on earth we were talking about because all Gabriel Lin wants to try and do in Singapore in very difficult circumstances is create the kind of messy ecology we've managed to achieve. So I do think we are engaging in certain amount of navel gazing, quite a good idea to get out a bit more, find out how other people view this strange system that we've managed to create and who would find it quite inexplicable that



we'd be going through the contortions we're going through in attempting to change the very thing they're attempting to replicate. With that April 5th, Tony Hall. Thank you very much indeed.

End of transcript