

Increasing the Regional Impact of Channel 4 Corporation: Consultation
Department for Culture Media & Sport

Response from the Channel 4 to Liverpool Partnership¹

Are you responding as an individual or representing the views of an organisation?

- Individual
- Organisation

Section 1

To what extent do you agree/disagree that Channel 4's regional impact would be enhanced if more of its people and activities were located outside London?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know

Please set out the reasons why.

The Channel 4 to Liverpool Partnership came together after the publication of the Conservative Manifesto with its commitment to move the broadcaster to a location out of London. This chimes with the direction of travel set out in the Government's Green Paper "Building our Industrial Strategy".

¹ The Channel 4 to Liverpool Partnership brings together key public bodies (Liverpool City Council, Liverpool City Region Combined Authority, Liverpool John University) with private sector partners to support the relocation of Channel 4 to Liverpool.

Liverpool, unlike other major cities in the UK, is deprived of a major broadcasting presence and we strongly welcome the drive to relocate Channel 4 outside of London. This approach is in line with the Government's overall strategy of ensuring national institutions have a greater reach, presence and impact across the United Kingdom. Too many government organisations, cultural agencies and financial interests are centred in the capital.

The recent Arts Council decision to increase its outside London funding by £170m illustrates the cultural significance that such spending can have across the country, rather than being focussed on London.

While understandable from an historical context, this had led to a reinforcement of opportunity and growth in London. We share the Government's long-term strategy of seeing the major cities of Britain further supported with the aim to drive job growth, prosperity and cultural accomplishment across the UK as a whole.

A relocation of Channel 4 outside of London would be a significant statement of intent to unlock the potential beyond the capital and provide a real opportunity for Channel 4 to shape a stronger, successful and relevant future.

Regional disparities are now wider in the UK than in most other western European nations and the gap has been widening since 2010. The relocation of Channel 4 can be a key plank in building the UK's competitive capability in the regions while providing a genuine springboard for the broadcaster to reconnect with broader and more diverse voices from across the nation.

An organisation based outside of London will better understand how to contribute to and unlock regional economic growth by acting as a catalyst to stimulate regional creative industries across the UK. Furthermore, by locating outside of London, the organisation will better understand the needs of the majority of the population living outside of the capital and those broader, more diverse views would influence commissioning and editorial policy. Likewise, regional talent could be more easily identified and nurtured. This will better serve the diverse regional audiences and enhance Channel 4's ability to connect across the breadth of the country and act as a conduit for community cohesion.

This is also a significant opportunity for Channel 4 to reshape its own future as a distinctive and connected broadcaster. Broadcasting has evolved radically since Channel 4's launch in 1982 and there is a danger that the channel is losing its distinguishing and marketable position. Relocation offers Channel 4 the opportunity to forge broader partnerships. Channel 4 can become a powerful regional commissioner and act as an accelerator and driver of an enhanced and genuinely independent sector in the regions and this will enhance competition in the market.

Experience from the BBC's relocation has shown that a focus on Salford has had a negative impact on the once thriving Manchester production sector – with even Granada TV relocating Coronation Street from the city centre to Media City. This, however, also suggests that wherever a large broadcast presence exists, clusters develop. That is the reason Channel 4 would make a good fit for Liverpool, the only major city outside London without a large national broadcasting presence.

While supporting the ambition to move the broadcaster out of London, the partnership also believes that Channel 4's regional impact would be enhanced if more of its people and activities were located outside London. It could do this by establishing a hub for C4Talent to capture talent from across the country.

A C4Talent hub centred in Liverpool but acting as a genuine connector to the nations and regions would ensure that regional talent isn't overlooked and allow Channel 4 to identify and nurture talent from across the country.

Statistics on take up of apprenticeships show that the northern regions of England all have a higher than average density of apprentices than the southern regions.

The North West has the highest density while London has the lowest. Locating a C4Talent hub outside of London would enable Channel 4 to access a greater and more diverse pool of applicants for apprenticeships and training schemes offered. This approach would be rolled out across the country.

Following on from the previous question, what location(s), if any, would make a substantial impact and be suitable for an increased regional presence for Channel 4 outside of London?

The Channel 4 to Liverpool Partnership believes that Liverpool City Region is the most appropriate location to enable the broadcaster to maximise its regional presence and impact. The city has a compelling offer for Channel 4, the government and other stakeholders.

Our offer builds on our creative cluster, world class facilities, excellent connectivity and track record as a trusted cultural hub with a reputation for getting things done. Culture, creativity and innovation are at the heart of the city's identity, ambition and way of working.

Liverpool City Region has a rich heritage in the creative and digital sector including music, film, television, gaming, media, and digital technology. The sector's current GVA contribution to the city region is more than £800m with a projected rise to £1.6bn by 2030. The City is a highly media-literate environment and ideally placed to act as a gateway for new markets and creativity. This has been in the DNA of the city for generations.

This vibrant convergence of the creative and digital sectors to meet the needs of the digital economy and the multi-platform media industry, coupled with the strong entrepreneurial spirit within the region, creates a perfect environment to host and nurture a regional Channel 4 offering.

The Media industry features strongly in Liverpool's identity. Liverpool is the most filmed in city outside of London. From Chariots of Fire (1981) to Fantastic Beasts and Where to Find Them (2016) a wide variety of films have been shot on location in the city. In 2015, 257 film and TV projects came to the city, resulting in 1,067 filming days bringing in £11.5m to the local regional economy.

The Liverpool Film Office, set up in 1989, was the first in the UK. As well as attracting outside producers, Liverpool is home to Lime Pictures, the evolution of Mersey TV that gave Channel 4 Brookside and Hollyoaks and became the UK's largest independent television production company and LA Productions, founded by Colin McKeown.

More specifically, Liverpool has a deep connection to Channel 4. The ground-breaking soap Brookside was one of the first programmes aired on launch night, 2nd of November 1982. With a distinctive regional voice and challenging storylines, Brookside was Channel 4's highest rated programme for a number of years in the mid-1980s, with audiences regularly in excess of five million viewers.

Following the success of Brookside, Hollyoaks (also filmed and produced in Liverpool) launched in October 1995 and remains popular today. Many from what is known locally as the Mersey TV Academy went on to forge careers in their own right and MerseyTV pioneered the partnering spirit between broadcasting and academe, now emulated at other higher education institutions.

The Channel 4 for Liverpool partnership strongly feels that we are able to help Channel 4 to develop a distinctive and relevant place for the nation. The Channel can look to build on and expand its unique appeal with younger audiences through new models of content co-creation and partnerships with higher education, for example university embedded posts (similar to the BBC's partnership with Sunderland University's Media department), collaborative programmes of study and apprenticeships.

Locating a C4Talent hub in Liverpool would enable Channel 4 to access a greater and more diverse talent pool. Developing collaborations with partners such as Liverpool Screen School at Liverpool John Moores University would create an effective talent development partnership. Liverpool Screen School is known for the strong links forged with local, national and international companies and institutes, including the BBC, ITV, Trinity Mirror, Lime Pictures, Classic FM, LA Productions, Liverpool Film Office, and BECTU.

Liverpool is perfectly placed to act as a regional home for Channel 4 and further develop the city region as a natural creative centre and media hub for the rest of the United Kingdom. Liverpool is the most trusted 'second city of culture' after London in the UK². Our location at the centre of the British Isles provides excellent links across the regions and to Northern Ireland, Wales and Scotland.

The city and city region are both more accessible, affordable and attractive than much of London and other regional cities, now considered the three key drivers for future economic growth as people and business look to enhance the quality of their location through more affordable and attractive locations. The City is walkable. The countryside of Wirral, Wales and Sefton is within easy reach. Halton and St Helens offer a myriad of different and historical locations.

² <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/heritage-and-place>

But a location is not just about its infrastructure or how it looks on camera. It is also about how it feels and its people. Liverpool is a city of social justice and a city that has been on the periphery of many things and at the centre of most.

We understand that history takes us through turbulent and often unpredictable times, but it is always ready to stand up to and integrate them. It is why it is a city of art and literature.

Furthermore, we understand the challenges and policy drivers for government and Channel 4; the need to reconnect with the people and places across the UK that have been left behind, and the need to deliver jobs and wealth to match ambition and economic rebalancing and take forward a place based approach to the Industrial Strategy.

The debate about relocating Channel 4 needs to be about more than where people sit. It needs to be a broader cultural debate about what public and commercial benefit government wants from its continued support and how Channel 4 will remain fit for the future in a rapidly changing market.

With deeper connections across the regions and developing broader partnerships outside of London, Channel 4 can make a step change in driving knowledge sharing, innovation and talent development at a local, regional and national level. Partnering with Liverpool will facilitate this better than with any other location in the UK.

To what extent do you agree/disagree that there are strong arguments for specific parts of the business remaining in London?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know

Following on from the previous question, please state which specific parts of the business should remain in London, if any

Please set out the reasons why.

We believe the best outcome would be to relocate the broadcaster to Liverpool.

However, we also recognise there is a case that certain elements of the broadcaster may require a presence in London while accepting that that would be for the broadcaster to decide and make its case to Govt.

Section 2

To what extent do you agree/disagree that increasing Channel 4's nations commissioning quotas would be an appropriate and effective way to enhance Channel 4's national impact?

(Note that information on commissioning quotas can be found in the consultation document)

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know

Please set out the reasons why.

We agree that there should be a quota system to counter centralised bias in the short and medium term - wherever Channel 4 is based in the future. In the longer term, with Channel 4 based outside of the capital, it would further develop its own creative cluster and then the quota system itself may need a review.

Any quotas should also apply across all Channel 4's distribution platforms, both terrestrial and digital. This quota system needs to include a mechanism for autonomous and delegated commissioning authority with guaranteed space on all Channel 4's transmission platforms, so that good ideas can be commissioned from outside London to avoid centralised bias.

Following on from the previous question, what level of increased quotas do you think should be considered (if appropriate)?

A revised quota of around 50-60% (excluding news) should be considered. This is higher than the BBC and would demonstrate that Channel 4 does not need to invest in production centres like the BBC does and can spend on production outside London.

Regional opt-outs should also be considered although we are aware that these may incur additional costs in transmission reconfiguration for terrestrial broadcasting. However, as more and more distribution will in future transfer to digital platforms, this is something that could be considered for online content using geographic IP address recognition. In fact, this is something Channel 4 could start exploring immediately.

The main reason for increasing the quotas is to reflect the make-up and distribution of the UK population. Although not directly funded by the BBC Licence Fee, it is and has been indirectly funded through subsidising its transmission costs and as a public service broadcaster it should adopt the same principle of universal access that underpins the BBC. Furthermore, there is a direct link to stimulating economic growth outside of the South East by fostering and nurturing clusters of Independent companies throughout the UK.

To what extent do you agree/disagree that increasing Channel 4's regions commissioning quotas (in relation to England) would be an appropriate and effective way to enhance Channel 4's regional impact?

(Note that information on commissioning quotas can be found in the consultation document)

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know

Please set out the reasons why.

For many of the reasons already outlined above. There is a sense that across the UK, 'what goes on in the regions stays in the regions' yet, what goes in London affects us all.

Basing Channel 4 outside London would go a great way to help redress the growing sense of divided Britain. The next best thing would be to put more resources into regional commissioning to make sure the ideas, principles and concerns of the regions found a conduit to and platform to strengthen national debate.

Without a quota, the centralising force that results in most independent companies being based in London and the South East will continue to apply. A quota will act as a counter-force to this process. The government recognised the problem of a London-

centric Channel 4 when it pointed out how few staff C4 employs outside London. This is symptomatic of the head office mind-set.

Do you think that Channel 4's regions and/or nations commissioning quotas should change in any other way?

- Yes
- No

Please set out the reasons for your answer.

There should be guaranteed hours allocated to autonomous authority and production. For 25 years there has been the ability to select ideas from the regions, as indeed Channel 4 did at its inception when it faced the daunting task of filling what was then a blank schedule, but this has gradually reduced as producers and consolidation of ownership has gravitated to London.

To counter this, rather than appoint regional commissioners to find ideas to feed back to the centre, such commissioners should have a guaranteed number of hours that must be filled by content not only relevant to a clearly defined geographical area but they must be generated, produced and edited in that region. Only through such a mechanism will the skill base be increased and dispersed properly across the UK.

This quota should include genre requirements e.g. drama, factual, arts etc. For instance, a significant requirement to spend on arts and culture outside London would reflect the priorities of other organisations. In the case of Liverpool's cultural reputation, knowledge that there is an arts production quota could assist in developing independent companies around that genre. Likewise, spending on drama outside London would draw on the talent base in Liverpool and the broader North West.

Section 3

To what extent do you agree/disagree that Channel 4 taking shareholdings in production companies in excess of 25% would be an appropriate and effective way to enhance Channel 4's sustainability and regional impact?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree

- Strongly disagree
- Don't know

Please set out the reasons for your answer.

Channel 4 can play a greater role in developing creative clusters and investing in growing businesses across the UK. Taking shareholdings in production companies can provide investment and backing that would significantly impact on the growth of creative industries outside of London.

If managed effectively, Channel 4 could partner with established and evolving regional funds to maximise regional impact and support critical mass. Private sector funding should be levered alongside investment to nurture and accelerate more and more business growth. Investment is vital to grow, sustain and nurture business – Channel 4 could play a catalytic role. Such investment would be a significant tool to increase confidence in clusters outside London and build an increased culture of innovation and risk taking in emerging production companies.

On the other hand, there is a danger to be considered. One of the problems at the moment, is that the independent sector has not flourished as originally imagined when Margaret Thatcher declared them part of the “sunrise industries” when Channel 4 was launched alongside IT82 - the great innovatory drive to cable Britain with fibre optics.

Just as much of that original fibre is still lying dark in sewers and on canal beds, the independent sector did begin with a big bang but then slowly contracted under the gravitational pull of London. Consolidation has meant that although there are a number of identifiable independent producer addresses, they are now more and more brass plate branch offices for London based owners.

The danger in Channel 4 investing in production companies is that it becomes more of a mechanism to ensure its supply chain rather than an investment to stimulate regional growth. That will have to be monitored and avoided through a renewed quota system as indicated above. For instance in the most recent Channel 4 annual report (2015), the Channel reports on its Indie Growth Fund investments since 2014.

The fund was established –

“Firstly, to provide access to funding for a broad portfolio of small and medium sized independent production companies based in the UK to help them grow and develop their business. “

In the annual report, it lists nine companies in which it has invested, from which it commissioned £6m of content from growth fund companies (total value of C4 programme rights 2015 £621m).

Clearly this strategy will need to be reviewed to assess its impact – should a higher quota of out-of-London spend be established. A key strategic investment by Channel

4 would be in out of London independent producers, with a view to re-invigorating that sector.

One element in establishing the investment criteria could be to ensure that investment decisions are taken outside London in order to better appreciate the particular challenges that exist in forming and developing an independent production company away from London.

Section 4

Do you have any views on whether more could be done, including by the commercial Public Service Broadcasters, to strengthen regional creative clusters and provide for audiences outside London, thereby strengthening the regional impact of the public service broadcasting system as a whole?

To strengthen regional clusters and provide for audiences outside of London, Channel 4 needs a step change in how it engages, understands and meets the needs of the regions, as well as finding content to fill a national schedule.

A centralised approach has led to marginalisation of distinctive voices and talent from across the United Kingdom. The scale and critical mass of London's economic and cultural landscape has led to a narrowing of focus and a selection of ideas from the place that commissioning is based and talent is developed. As stated above, what goes on in London too often stays in London.

Any regional base would share interests and concerns with other regional centres to create a genuine national voice and critical mass. Liverpool is well placed to act as a hub for the nations and regions. This directly leads to better collaboration, a need to understand different and distinctive voices and a greater appreciation for a broader base of talent.

Public Service Broadcasters, including Channel 4, also need to develop better partnerships and programmes with other actors across the regions. Too often broadcasters work with established partners in a tried and tested manner, managed within a traditional framework of limited access and control. Too often this leads to misreporting or misunderstanding of the key issues and too much valuable time and space is devoted to debating accuracy, rather than the issues themselves.

The Channel 4 for Liverpool Partnership believes academic partnership will enable better access for research potential in all public policy and creative forms, and is developing innovative ways to create content across all platforms by linking its academic inquiry to its practical production expertise. Television, like all media forms, needs stories for actors to perform. Health, education and policing are staples of all media genres. Liverpool is a city of storytellers. The Channel 4 for Liverpool Partnership will be able to provide access to source material on a much greater and deeper scale.

The Partnership also believes that as well as having a significant impact on research, development and productivity through agglomeration and enhanced networks, new

business models for funding, investment and partnership need to be found and regional partnerships must play an important part in this mix.

The city has suffered from regulatory neglect – it is the only major city in England without a broadcasting presence. In contrast with cultural organisations which have recognised the significance of Liverpool – the Tate opened in Liverpool nearly 30 years ago, it will be ten years next year since Liverpool was European Capital of Culture – yet broadcasting policy makers have not seen a requirement to locate a major broadcasting centre in the city.

From the early days of ITV (as a federal organisation) and the BBC, regional news and broadcasting centres have been located in cities such as Leeds or Newcastle. More recently, BBC out of London investment has been focussed on Mediacity in Salford, and in the nations.

The consultative process about where Channel 4 should be located and the scale of its out of London investment is an opportunity to redress this failure of regulatory policy once and for all.

Channel 4 will celebrate its 35th Anniversary on 2nd November 2017. A period during which it has evolved from a nascent ITV2 to being an alternative voice; from being funded by an ITV levy to retaining its own advertising revenue; from being a commercial subsidiary to becoming a public corporation. Yet, it was only in 2010, with the conversion of the Welsh transmitters that it truly became the fourth national broadcaster.

Channel 4 is not just a public corporation. It is also one of the nation's largest cultural organisations. At the moment it feels constricted, if not restricted by its own geographical position. As a public asset, in line with the Government's Green Paper "Building our Industrial Strategy", relocating its position would not only align it with the continuing devolution agenda, nor align it with the rebalancing culture movement evidenced by the recent Arts Council funding announcements, but, as in 1982, set its course for another 35 years. Another cultural big-bang: the epi-centre of which could not be better placed than in the second city of culture. Channel 4 should move to the only major city outside London without a national broadcasting presence.

Channel 4, or its out of London commissioning hub, should move to Liverpool.