SUBMISSION FROM CHANNEL 4

1. Channel 4 welcomes the opportunity to respond to the Economy, Energy and Tourism Committee’s inquiry into the economic impact of the creative industries.

2. Channel 4 is a publicly-owned, commercially-funded public service broadcaster, with a statutory remit to be innovative, experimental and distinctive. Unlike the other commercially-funded public service broadcasters, Channel 4 is not shareholder-owned: commercial revenues are the means by which Channel 4 fulfils its public service remit. In addition, Channel 4’s not-for-profit status ensures that the maximum amount of our revenues is reinvested in the delivery of our public service remit.

3. Channel 4 engages with, and invests in, a wide range of creative businesses in Scotland as part of its activities on and off-screen. This investment helps to support Scotland’s wider creative industries – with funding from commissions enabling such companies to prosper and grow – while also providing opportunities for those with creative talent to develop their skills.

4. Our written submission to the inquiry is set out below and outlines Channel 4’s activities across Scotland that support and develop creative talent across the country, as well as highlighting areas where greater focus by government and industry would help to ensure that the economic potential of the sector is maximised.

Channel 4 investment in Scotland

5. As a national public service broadcaster, Channel 4 is committed to engaging with the widest spread of suppliers across the UK in order to get the most distinctive and diverse ideas. Stimulating the creative economy in Scotland – and indeed in all devolved nations – remains central to this objective.

6. Each year Channel 4 works with a diverse range of producers and creative talent across Scotland to develop its content on television, digital and online. In 2013, for example, it invested over £13m of content across its portfolio of services from Scottish independent production and digital companies. In total, 3.8% of Channel 4’s total network spend and 4.8% of its network hours in 2013 originated from Scotland – representing an upward trend of investment in Scotland which has been maintained in 2014. Channel 4 has committed to a new quota of 9% of spend and hours from outside of England by 2020, which it will be working towards from 2015 onwards.

7. This investment has helped Scottish production companies to contribute to many of Channel 4’s most successful and returning projects, including the long-running property series Location, Location, Location (produced by IWC Media in Glasgow), as well as numerous critically-acclaimed one-off programmes.

8. Channel 4 recognises the need to support the independent production sector across a broad range of content, while also recognising the unique strengths
and expertise that sit in different geographical areas. This commitment is reflected in the range of commissions made in Scotland in recent years, with notable on-screen highlights spanning a number of genres. This includes in more recent times:

- **Features:** Dave Fishwick – Loan Ranger (Finestripe Productions). Following on from his success taking on big banking, Dave Fishwick turned his attention on the payday loans industry, exposing business practices that have since been examined closely by Government. The programme was a ratings hit and was also the recipient of the BAFTA Scotland Award 2014 for Best Features/Factual Entertainment Programme.

- **Comedy:** Scotland In A Day (The Comedy Unit). Broadcast on the eve of the opening of the polls for the 2014 Scottish Independence Referendum, this one-off special from Glasgow’s the Comedy Unit won considerable audience and critical acclaim, leading to follow up development for 2015 to a potential General Election sequel or series.

- **Documentaries:** Britain’s Benefit Tenants (IWC). This documentary highlighted the business agencies looking to support some of the most disadvantaged tenants across the UK, as well as exposing the trouble faced by landlords with unscrupulous tenants. The documentary has since been commissioned for a follow up three part series in 2015, and was also a pilot project for our Production Talent Shadowing programme (further details below).

- **News & Current Affairs:** Supermarkets – The Real Price Of Cheap Food (Firecrest Films). Glasgow’s Firecrest Films have gone from strength to strength in 2013 and 2014, delivering several Dispatches documentaries for Channel 4. In what is a challenging commercial genre, they have delivered consistently high ratings well above the expected “slot average” for such a show. They will deliver more Dispatches in 2015 and are in ongoing development with the Documentaries department.

9. In film, too, Channel 4 continues to make a significant contribution to the vibrancy and strength of the film sector in Scotland. Its film production arm, Film4, is the biggest and most consistent commercial investor in Scottish independent film, helping to showcase the talents of Scottish producers and filmmakers to a national and international audience.

10. This investment has resulted in the development of a number of creative and commercial Scottish film highlights for Film4, including the recent prison-based film Starred Up, which was produced by Sigma Films in Glasgow and received accolades at the British Independent Film Awards and London Film Festival ahead of its release last year. In November’s BAFTA Scotland awards, the film also saw off fierce competition to win Best Film, Best Director and Best Writer. Film4-backed For Those In Peril, directed by Fife-born Paul Wright, also secured a Scottish BAFTA award last year, while the BAFTA-nominated Under the Skin was filmed and set in Scotland.
11. Channel 4’s commitment to supporting independent production in Scotland also extends to digital companies, in addition to its investment in television content. It has, in recent years, worked with a number of Scottish digital agencies on its online and digital commissions, including games and app developers across the country from Dundee to the Outer Hebrides.

12. This content has proved hugely popular with both audiences and industry, with a number of digital innovations produced by Scottish creative organisations helping to enhance Channel 4’s television offering. For example, the award-winning *The Bank Job Game* (Chunk Games), which was developed as a play-along online accompaniment of the television game-show series, allowed viewers to compete during live tournaments for their chance to be on the programme, with over 1.7 million games played in the game’s first week.

13. More recently, Chunk Digital also delivered the hugely successful *The Singer Takes It All* app which pioneered not only play-along live functionality never previously seen, but also huge “play-between” success. The game received 300k downloads in its first week, the most for a new show launch in C4’s history; and over 9.5k videos recorded and uploaded via the app, Channel 4’s biggest ever User Generated Content campaign.

14. Similarly, *Fresh Meat House* (Objective Scotland), an interactive website allowing users to explore an online version of the student house from the series *Fresh Meat*, allowed Channel 4 to reach a wider audience of younger viewers and help provide them with guidance on some of the issues that students face when they leave home.

**Channel 4 development initiatives**

15. Channel 4 recognises the importance of ensuring that its on-screen commitments in Scotland are matched by effective and meaningful initiatives off-screen aimed at nurturing emerging skills and talent.

16. Key to this support for new talent is Channel 4’s dedicated Creative Diversity team, who are located in Glasgow and oversee its commitment to wider diversity of supply. This includes key licence requirements – to reflect diversity of life across the UK and to ensure that a significant proportion of content is commissioned from outside London, including in Scotland.

17. In particular, the team oversee the Alpha Fund – a £2 million ring-fenced fund launched in 2011 – which aims to support new idea, talent and emergent companies from all regions of the UK. The fund allows Channel 4 to help provide creative individuals with a route of entry into an increasingly competitive media environment, placing particular focus on kick-starting original ideas from regionally based companies.

18. In recent years, a number of smaller Scottish independent production companies – such as Edinburgh-based Peachtree Productions – have taken advantage of the Alpha Fund to help to secure commissions with Channel 4 and, in turn, develop their business. Another recent example is *Savage Films;*
a company run by Ed Wardle and his partner Amanda Murray. Both have vast production experience, with Ed himself appearing on his own Channel 4 series, *Alone In The Wild*, in earlier years. The company bring vast expertise in adventure filming and programming. Channel 4 believes that this initiative highlights the continued importance and effectiveness of industry-led initiatives in developing creative industries across the UK.

19. Through co-investment from Creative Scotland, Channel 4’s Alpha Fund supported the full-time shadowing on IWC’s *Britain’s Benefit Tenants* of Director Fiona Wilson, working to the more established Channel 4 Directorial partner Anouk Curry. This shadowing allowed IWC to retain Fiona’s creative work across the documentary, while allowing her to work alongside a more experienced colleague both on production and in post. This work has been hugely beneficial as Fiona will now direct an episode of the upcoming mini-series follow up, and IWC have retained and developed a key directorial talent with Channel 4 and Creative Scotland’s support.

20. Channel 4 also continually seeks to provide support for those looking to enter the creative industries at entry-level, and has, in recent years, sought to ensure that younger Scottish talent are provided with opportunities to do so regardless of their background. As part of the 4Talent initiative – Channel 4’s nationwide outreach scheme aimed at supporting 16-25 year olds from a range of backgrounds looking to develop a career in the media – Channel 4 has engaged with young people from across Scotland with its work, holding open days in Dundee and Glasgow where careers advice and workshops have been provided by Channel 4 staff.

21. In line with the Committee’s focus on retaining skills within Scotland, local independent production and digital companies also play a central role in these open days, allowing local young people to better understand their work, network with them and hear about opportunities available to them within the area. Channel 4 believes that this scheme has helped to broaden the diversity of entrants into the creative and digital industries, which in turn has strengthened the sector in Scotland through a wider range of experiences and ideas.

**Partner organisations**

22. Channel 4 has had notable past success in financial partnering with Creative Scotland strategically to support creative ideas via its Alpha Fund, with the most recent stand-out example being micro-short film competition 9.88 Films, a hugely successful joint project that was launched as part of the Cultural programme for the Commonwealth Games in Glasgow.

23. Channel 4 continues to support the work of TRC Media, a high end business and media skills training programme run from Glasgow for Scottish talent in partnership with Channel 4 and the BBC. Their Gen Up programme is an intensive scheme that directly responds to industry demand for high calibre entrants with the right skills, attitude and industry nous to meet employer expectation. Gen Up successfully bridges the gap between education and industry. It drills emerging talent in the realities of working in the sector.
through five weeks of full-time activity that includes placements in TV production and digital media companies, and immersion weeks at Channel 4 and the BBC. Gen Up delivers an exceptionally high success rate with 84% of delegates securing industry employment within five months of completing the programme.

24. In the games sector, too, Channel 4 has collaborated with educational institutions on the development of many of its digital and technological innovations, providing students with the opportunity to enhance their skills ahead of entering the creative industries sector.

25. In Scotland, for example, Channel 4 has supported the video game competition *Dare to be Digital* – run by the University of Abertay Dundee – since 2012, providing a £25,000 award and mentoring the winning student team to help them establish a company and publish their game. Following this initiative, Channel 4 has published the game *Size Does Matter*, a music arcade game which received the BAFTA Ones to Watch Award in 2013 following its success in the *Dare to be Digital* competition.

**Future opportunities for growth**

26. Channel 4 welcomes the Committee’s focus on ensuring sustainable and future growth of Scotland’s creative industries. As outlined above, a number of industry-led initiatives – including those delivered by Channel 4 – have helped the sector to grow to date in Scotland. Nevertheless, we recognise that there remain a number of areas in which government and wider industry support would help to sustain and further strengthen this growth.

27. Channel 4 would welcome any further clarity that would allow Creative Scotland and Scottish Enterprise to be clear as to their areas of potential support to the wider Industry. This is particularly important for independent television companies, who face both UK-wide competition, as well as increasing competition from fast developing independent sectors in Northern Ireland and Wales. To ensure the Scottish sector remains competitive, it is vital that creative and business agencies have clear objectives so that companies of all sizes can benefit appropriately and proportionately from their support, often in partnership with private investors such as Channel 4.

28. In order to ensure long-term growth in the sector, Channel 4 also believes that it is crucial that truly indigenous independent production companies – those established and operating in Scotland from the outset – continue to be supported by creative partners across the industry. These companies are, by their very nature, firmly rooted in the local creative industries and their continued commercial success plays an important role in providing support for local creative talent, alongside investment from those outside companies that demonstrate lasting commitments to the sector. Channel 4 itself is firmly committed to supporting and investing in indigenous companies in Scotland, who will play a strong part in helping it to fulfil its recently agreed enhanced licence quotas.
29. More broadly, in order to attract significant further productions in television and film, Channel 4 would welcome the introduction of any measures aimed at increasing filming studio capacity across Scotland. Channel 4 has had recent first-hand experience of the constraints of limited studio capacity itself, experiencing difficulties in securing sufficient studio facilities for a prolonged period having relocated the daytime game-show 15 to One to Glasgow.

30. Incentivising the development of new facilities to accommodate increased demand would, in Channel 4’s view, help to encourage further productions from across broadcasting and film by removing a significant logistical barrier to studio-based filming.

31. Another area that Channel 4 believes would benefit from greater focus in public policy is the development of entrepreneurial skills within the creative industries. In order for the Scottish creative industries to not only remain competitive within the UK, but also to compete in the increasingly globalised and lucrative international market, it is important that the strong creative skills base it currently enjoys is matched with an equally strong business skills base, including in commercial exploitation and marketing.

32. This is crucial to ensure that the value of our creative and digital output remains within Scotland, benefiting the wider economy and supporting future growth and employment within the television, online and games sectors. Both government and higher educational institutions can play an important role in this regard by encouraging a culture of entrepreneurialism through the school curriculum and educational courses respectively.

33. Finally, Channel 4 believes that the success of Scotland’s games industry could be enhanced further through the development of a longer-term prototype fund, aimed at providing grants to support smaller games companies with high growth potential as they develop their ideas.

34. Many of these organisations often struggle to secure the necessary capital to take their proposals to the next level. This support would help such companies to bring new and innovative ideas to the market, make them more attractive to further external investment and, in turn, support wider growth in the sector. Channel 4 notes that a similar fund, established in 2010 and backed by the UK Government, has been successful in supporting the games sector, and would support the introduction of an enhanced prototype fund to help games companies across the UK, including in Scotland.

35. Channel 4 hopes this submission is of assistance to the Economy, Energy and Tourism Committee, and would be happy to discuss any of the points raised above further if this would be useful.

January 2015