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Dear Alex,

### Channel 4 Corporation's Statement of Media Content Policy 2021

I would like to thank you and your team for the constructive discussions we have had as we have undertaken our annual review of Channel 4 Corporation (C4C)'s Statement of Media Content Policy (the Statement). These reviews are an important way in which we hold C4C to account for its performance in delivering its public service remit and media content duties. Our findings are set out in more detail in the attached report.

I feel it important to begin with a special mention for the Channel 4 news team for its coverage of the ongoing war in Ukraine. Journalists, often operating in the most difficult circumstances, continue to play a vital role in reporting events to UK audiences. It is clear that over the past few months, the role played by high-quality British broadcasters in providing viewers with trustworthy, accurate and robust news, has been more important than ever.

I would also like to welcome the continuing engagement that C4C had with us during 2021 on our Small Screen: Big Debate review, which considered how best to maintain and strengthen public service media in the UK. We made recommendations to the Government, many of which were included in the recently published White Paper 'Up Next', and which the Government has indicated will be enacted in the forthcoming Media Bill.

Turning to our review of the 2021 Statement – which covers C4C's performance of its remit and media content duties in 2021 – we are pleased to see that, in line with the market more generally, C4C recovered strongly in 2021, reporting record revenues compared to 2020. This stabilised financial position meant that it was able to restore the content budget back to 2019 levels. As well as a strong financial performance, we also consider that C4C performed well against its remit and content duties in 2021. The restoration of the content budget enabled C4C to deliver the third-highest investment in its history. This flowed through to an increase in the proportion of new content on the main channel and the number of independent production companies and online suppliers commissioned by C4C, underpinning C4C's role in supporting the wider creative economy across the UK.

We commend C4C for its continued investment in content outside of London. Our report highlights that C4C is already exceeding its voluntary commitment of 50% of spend outside London by 2023

and is exceeding its Ofcom quota for 35% of hours outside of London by a sizeable margin. This is a significant achievement and underlines the important part that C4C plays in support of the creative industries in the UK's Nations and Regions. We also welcome the opening of C4C's new Leeds base in 2021, with key roles and commissioners now based permanently outside of London in Glasgow and Bristol as well as Leeds.

C4C continues to deliver content promoting new and diverse voices and perspectives, with highlights including the coverage of the Tokyo Paralympics – which included over 300 hours of original coverage and was viewed by a third of the UK's population – and *It's a Sin*, Russell T Davies' hugely successful drama about the AIDS crisis in the 1980s which drove record streaming on All 4. At the same time, we continue to support C4C's attempts to increase the diversity of its staff as well as its commitment to increase opportunities across the industry for those from under-represented groups. Our five-year review of diversity in the industry has demonstrated the challenges of access to the industry for people from a range of social backgrounds. We are pleased to see C4C's '4Schools' initiative in response, which provides a long-term strategy to reach out to young people from diverse backgrounds.

There are, however, a couple of points in the year where Ofcom considers that C4C underperformed. I would first like to draw attention to our investigation into the under provision of subtitles and audio description on Channel 4 on the FreeSat platform from 25 Sept to 19 November 2021. This was a serious matter resulting in a breach of the Access Services Code and therefore Condition 19 of the Channel 4 licence. As we set out in our [decision](#) on 20 June 2022, we have serious concerns about the impact these failings had on users of access services. We welcome C4C's acknowledgement of the severity of the incident and the work it has begun to improve resilience. We also welcome its commitment to putting in place several initiatives to improve the accessibility of its services further, including providing subtitles on all content on All 4 by the end of 2022 and extending its commitments around audio description and signing.

Second, while C4C has stabilised the decline in spend on educational output and content for older children in 2021, we are disappointed to learn that C4C's planned online content strand for teenagers has still to launch. We would still like to see a clear strategy from C4C around its approach to investing in a high-quality offer for children and teenagers, and we will discuss this with your team over the course of this year.

Overall, however, we consider that C4C's services performed well with audiences over the last year. Large numbers of people turned to the main channel and the on-demand player to watch both established and new titles, and audiences continue to rate C4C's services highly. Channel 4 was able to maintain its share of all audiences, although reach to all C4C's channels continues to decline year on year in line with the industry overall. This places even more importance on the successful delivery of C4C's Future4 strategy, in terms of driving increased viewing to All 4 and building C4C's digital revenues. We note that C4C is well on the way to reaching its Future4 targets of doubling viewing to All 4 and increasing the proportion of digital advertising's contribution to its revenue to 30% by 2025. We will be monitoring the performance of the Future4 strategy over the course of this year and reporting on it more fully next year. The White Paper sets a positive direction of travel in terms

of giving greater flexibility for public service broadcasters to deliver content wherever is most appropriate for their audience, and in providing a new on-demand prominence regime which should support C4C in the realisation of its Future4 strategy.

Clearly there has been much discussion during the last year as to the future ownership model of Channel 4. The strong performance that you have delivered in 2021 is testament to the strength of leadership of C4C throughout this uncertainty. No doubt there will be much continued debate and speculation over the coming year about the future of Channel 4. However, I know from discussions between Ofcom and C4C that you are fully committed to continuing to deliver your remit and that C4C forecasts record levels of investment in content in 2022. While the future ownership and remit of Channel 4 is a matter for Government and Parliament and not Ofcom, we will continue to work closely with C4C to ensure that audiences continue to benefit from the broad range of diverse and innovative content that C4C provides across the range of its services. I look forward to continuing working with you and your team on these issues and we welcome your thoughts on any of the questions raised in this letter.

I am copying this letter and annex to the Secretary of State for Digital, Culture, Media and Sport and the Chairs of the House of Commons Select Committee for Digital, Culture, Media and Sport, and the House of Lords Select Committee for Communications and Digital. We also intend to publish both documents on our website.

A handwritten signature in black ink, appearing to read 'Melanie Dawes', written in a cursive style.

**Melanie Dawes**

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# **Channel 4 Corporation's performance in delivering its remit and content duties in 2021**

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## About this review

Channel 4 Corporation ('C4C') is a publicly owned, not-for-profit body, which is funded by commercial revenues. Its main channel, Channel 4, was launched in 1982 with the aim of extending the choice available to viewers, appealing to tastes and interests not generally catered for by other broadcasters, and in doing so, encouraging innovation and the development of the independent production sector. Since then, C4C has launched a range of additional services such as digital portfolio channels (E4, More4, 4Seven, 4Music and Film4), and an on-demand service (All 4).

While the main channel has a unique public service remit and should also contribute to the overall objectives of public service broadcasting<sup>1</sup> ('PSB'), the Digital Economy Act 2010 ('DEA') extended C4C's obligations beyond the main channel by introducing media content duties which C4C can deliver across its full suite of services.<sup>2</sup> The DEA also introduced a requirement for C4C to produce an annual Statement of Media Content Policy ('Statement') setting out how it delivered its remit over the course of the previous year. In preparing the Statement, C4C must have regard to [guidance](#) issued by Ofcom and consult Ofcom.

As part of the consultation process, C4C has shared draft copies of its [2021 Statement](#) and has met with senior Ofcom executives to discuss its performance and strategies. This is an important mechanism in ensuring that C4C is effectively held to account for the delivery of its remit. In addition, C4C is required to lay its Annual Report and Accounts before Parliament.

This report comprises Ofcom's response to C4C's 2021 Statement, setting out our views on the delivery of its duties and its future strategies.

## C4C is continuing to evolve its business model towards digital-first delivery

Increased competition from large global players with significant financial resources, and an ongoing structural shift in audience behaviours has significantly disrupted the UK broadcasting sector over recent years. Public service broadcasters (PSBs) must compete harder than ever for audiences, adding further pressure to the financial sustainability of public service media (PSM) in the UK.<sup>3</sup> In response to these challenges, all PSBs are developing and implementing strategies to attract and appeal to new audiences who are consuming content in different ways especially younger viewers. C4C's response is its five-year 'Future4' strategy, introduced in November 2020 which it continued to roll out over the course of 2021.

**C4C's Future4 strategy prioritises growth of digital audiences and digital revenues.** Key to this is an intensified focus on the All 4 BVoD service, aiming to continue to grow its base of registered users and programme views. By driving increased online viewing via All 4, particularly among the higher

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<sup>1</sup> These objectives are set out in sections 264(4) and (6) of the Communications Act 2003 and include (among other things) the provision of relevant television services which secure that programmes dealing with a wide range of subject matters are made available for viewing, and that such services are provided in a manner which is likely to meet the needs and satisfy the interests of as many different audiences as practicable.

<sup>2</sup> An overview of C4C's remit and duties can be found in Annex 1.

<sup>3</sup> Ofcom, [Small Screen: Big Debate: Recommendations to Government on the future of Public Service Media](#), p. 2.

value younger demographic (16-34s) who are increasingly turning away from linear for entertainment and news, C4C can deliver more targeted advertising which it can sell at a premium price, growing digital revenue accordingly. The Future4 strategy has targets to double viewing to All 4 and increase the proportion of digital advertising's contribution to its revenue to 30% by 2025.

**To enable it to deliver against these set targets, C4C is evolving its content strategy to focus on reaching younger audiences wherever they are watching content.** In its Statement, C4C announced that it would further prioritise streaming in all commissioning and scheduling decisions, and that all scripted content would primarily be commissioned for the All 4 platform with linear transmission being a secondary consideration.<sup>4</sup> In doing so, C4C is [continuing to expand its digital commissioning teams](#). C4C's Statement also outlines its plans to increase investment in the types of programmes that it considers that audiences want to 'binge' on-demand as well as making them easy to find.<sup>5</sup> A good example of this is the launch of *True Crime on Channel 4*, a new multiplatform content offering which pulls together new commissions, archive content and acquisitions in a dedicated space within All 4. C4C also plans to increase investment in originated content unique to All 4, and experiment with different distribution methods with the aim of continuing to make the platform a destination in its own right. For example, C4C made all episodes of its highly successful drama *It's a Sin* available on-demand as soon as the first episode aired, ahead of the linear schedule for subsequent episodes. This resulted in All 4 [achieving its biggest ever month of streaming](#) in January 2021. C4C has subsequently increased the number of series that it makes available on-demand in full, following the airing of the first episode.

We consider that C4C is making good progress towards meeting its Future4 targets. In its Statement, C4C has reported that viewing to All 4 grew by 21% to 1.5bn views in 2021, which puts it on track to achieving its target of 2bn views by 2025. C4C has told us separately that 85% of 16-34s are now registered with All 4, up from 80% in 2020. In terms of digital revenues, C4C noted that 2021 saw an increase of almost 40%, to £224m. This made up 19% of total revenue up from 17% in 2020, and, on track for its 2025 target.

The financial outlook for all broadcasters remains unclear, due to the uncertain economic climate (to which the pandemic contributed) and longer-term changes in viewing patterns impacting the pace of change in the advertising market. Given these challenges, we consider that it is appropriate for C4C to be pursuing a strategy that focuses on growing its online and social media platforms and pursuing digital revenues aggressively. Competition for digital revenues will continue to intensify as more viewers migrate to on-demand consumption, so we welcome C4C's continued focus and commitment in this area. However, linear TV still remains important for much of the population (see analysis below), and therefore C4C must ensure that it continues to deliver to those audiences whose primary means of consumption remains linear TV.

We would also continue to highlight the importance of PSBs forming strategic partnerships with other companies to address the challenges they face and continue to deliver PSM to audiences across the UK. This was a key recommendation of our Small Screen: Big Debate, and as such, we

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<sup>4</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.76.

<sup>5</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.77.

welcome the fact that during 2021 C4C and Sky expanded their existing partnership to cover content, technology and innovation.

We will be monitoring closely how C4C's Future4 strategy is progressing, and whether it is ambitious enough to meet the challenges that we have identified. As part of this we have highlighted to C4C the importance of developing and reporting on more detailed metrics on online consumption and impact, to allow both it and Ofcom to assess its performance better across all platforms. We expect new metrics to be included as part of its Statement and our assessment next year (see below) and we will report more fully on this next year.

## C4C had a very strong year financially in 2021

**C4C bounced back very strongly financially in 2021, despite continued challenges with Covid- 19, with revenues exceeding £1bn for the first time.** As we highlighted in our review of C4C's 2020 Statement, 2020 was an unprecedented year due to the major disruption caused by the Covid-19 pandemic. All commercial broadcasters faced significant reductions in advertising revenues, and C4C had to take swift action to absorb the shock to its revenues, including significant cuts to its content budget.

2021 saw the industry as a whole recover to post record levels of TV advertising revenue. Investment in TV advertising spend increased by over £1 billion to reach a total of £5.46 billion, a 24% growth on 2020.<sup>6</sup> As the industry began to recover both in terms of advertising and production, C4C has reported revenues of £1,164m, an increase of 25% year on year (18% on 2019, the most recent reliable comparator)<sup>7</sup> which was broadly in line with TV advertising market performance more generally. In 2021, C4C achieved a record surplus of £101m (£74m in 2020) and disclosed the second highest figure, in its history, for cash reserves and net assets of £556m.

While C4C is still heavily reliant on linear television advertising as its main source of income, its digital revenues have been growing steadily over the last few years. Compared with 2019, C4C's spot advertising revenue grew by 8% to £835m while digital advertising revenue grew by 37% to £224m. As highlighted above, C4C's digital advertising revenue represented 19% of its total ad revenue in 2021 (compared to 17% in 2020) and it is on target to achieve its goal for 30% by 2025. As part of its Future4 strategy, C4C also has a target of non-advertising revenues<sup>8</sup> being at least 10% of total revenues by 2025. In 2021 this figure had grown to £105m (a 110% increase compared to 2019) and which already makes up approximately 9% of total revenues.

Due to the difficult decisions that C4C had to take in 2020, both the investment in and volume of first-run originated content dropped significantly. We are pleased to see that in 2021 both have been restored. Overall, content spend across all its services was the highest since 2017. C4C spent £671m on content, up from £522m in 2020 and £660m in 2019. Of this, £492m was spent on originated content (first-run originations and repeats) across all its services, investment directly into the UK independent production sector, on a level with 2019 and up 33% from 2020. This represented 73% of C4C's budget in 2021, up from 71% in 2020 but slightly less than 2019, 75%.

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<sup>6</sup> Source: [AA/WARC Expenditure Report](#), April 2022.

<sup>7</sup> C4C total TV advertising revenue in 2020 was £934m.

<sup>8</sup> This includes its sponsorship, equity from C4 ventures/ indie growth fund as well as subscription for the ad free All 4+.

Content investment in originations on the main channel, which attracts the largest audiences across its portfolio, continued to account for the bulk of the investment, £438m.<sup>9</sup> This figure represented an increase of 30% year on year. Spend on originated content across digital channels increased by £13m year on year, to £42m, and spend across digital media<sup>10</sup> trebled year on year from £4m to £12m in line with rebalancing of spend through its Future4 strategy.

C4C has told us that it will be investing its current surplus back into content, committing more revenues to its key remit areas and investing in new creative talent. It has forecast that the content budget for 2022 will be over £700m for the first time.

## Reach of C4C's television channels continues to decline over time, but consumption of its online content is growing

**While linear TV remains the primary way of accessing C4C's content, audiences are spending increasing amounts of time viewing C4C content on-demand.** One of the challenges for the sector is how to monitor and capture effectively how audiences are engaging with content across multiple platforms. We have discussed with C4C the need for both it and Ofcom to evolve the assessment and tracking of how audiences are engaging with C4C's content across different platforms to give better insights. The importance of this was also picked up by the House of Lords Communications and Digital Committee report – [The future of Channel 4](#). We consider that it is now appropriate to look at the total time that people spend with C4C's content across linear and All 4 in a similar way to how we have recently measured engagement with the BBC's services. We have conducted analysis, based on 2021, 2020 and 2019 data, across all individuals and 16-34 year olds.<sup>11</sup> The data shows that in 2021 all audiences spent an average of 20 minutes per day consuming C4C content, with 16-34s spending 14 minutes. Our analysis shows that time spent on All 4 as a proportion of total time spent with C4C's video services has increased year on year both for all audiences and for 16-34s, while time spent on linear TV has decreased accordingly. We anticipate that [these trends will continue](#) and we will continue to report on time spent with C4C's services in this way.

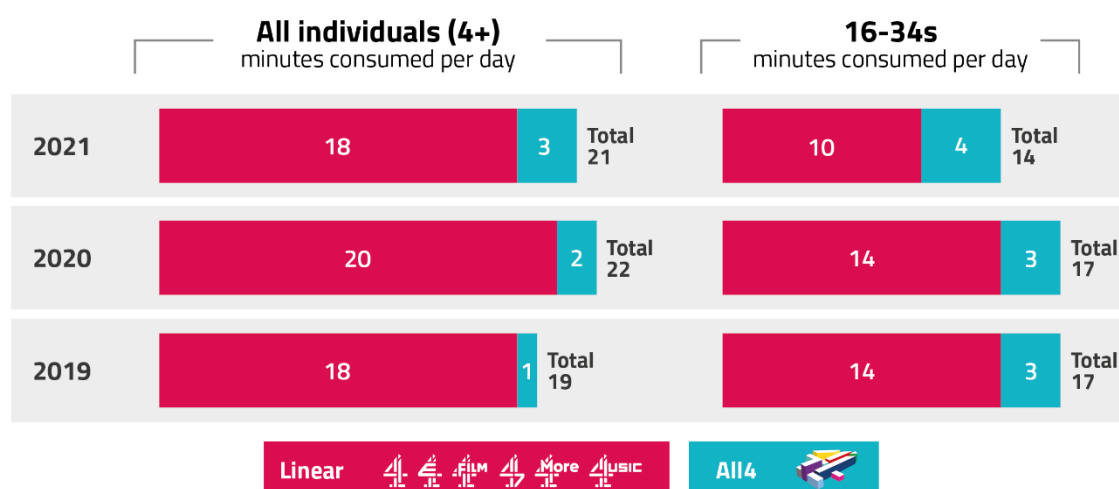
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<sup>9</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.107.

<sup>10</sup> Including websites and cross-platform content.

<sup>11</sup> Source: Ofcom estimates using Channel 4 All 4 data and BARB. The 16-34 estimates are lower than Channel 4's own estimates. The 16-34 calculations rely on BARB measurement of 16-34 All 4 viewing so may undercount if there is some unmeasured content. The figures for each section do not seem to add up to the total minutes here due to rounding.





**C4C has noted record growth for on-demand viewing via All 4 in 2021.** While overall reach to C4C television channels has declined year on year, C4C's on-demand service, All 4, continues to benefit from the continued audience migration to non-linear services. Viewing of content on All 4 grew significantly in 2021, with C4C reporting an increase of 265 million views from 1.25bn views<sup>12</sup> in 2020, to more than 1.5bn views in 2021 and increase of 21%, the highest ever year on year. C4C's own new 'all time' metric, looking at how time spent viewing across all its services is split, showed that All 4 made up an increased proportion of total viewing to Channel 4 content in 2021, 13%, up from 9.2% in 2020 on a par with our own analysis (see chart above). Membership to All 4 also continued to grow, with an increase of 2.8m subscribers, from 24m in 2020, to 26.8m in 2021. The proportion of 16-34s registered with the service also grew to 85% from 80% in 2020. In a recent [press release](#), C4C states that All 4 has become the largest commercial broadcaster on-demand player for 16-34s by volume. Content which performed strongly on linear also did so on All 4, particularly among younger audience, as noted by C4C in its Statement. The *Married at First Sight* franchise is a good example of such content: the UK version became the [third most-streamed series](#) on All 4 in 2021.

There was continued recognition of All 4 by the industry in 2021. It won best 'On-Demand TV Service' at the [Edinburgh TV Festival Awards](#) for the second consecutive year, and 'Best Streaming Platform' at the [Broadcast Tech Awards](#).

## Linear viewing performance

**Reach to Channel 4 continued to decline across all audiences year on year.** With responsibility for the delivery of Channel 4's public service remit<sup>13</sup>, it is clearly vital that the main channel continues to reach large numbers of people. With overall TV viewing<sup>14</sup> across all the PSBs continuing to migrate to on-demand services, including the broadcasters' own services, average weekly reach<sup>15</sup> to television

<sup>12</sup> A view is counted when a user views the first frame of content on All 4, i.e. after pressing play, signing in (if needed) and any pre-roll advertising.

<sup>13</sup> See the end of this document for C4C's remit and duties.

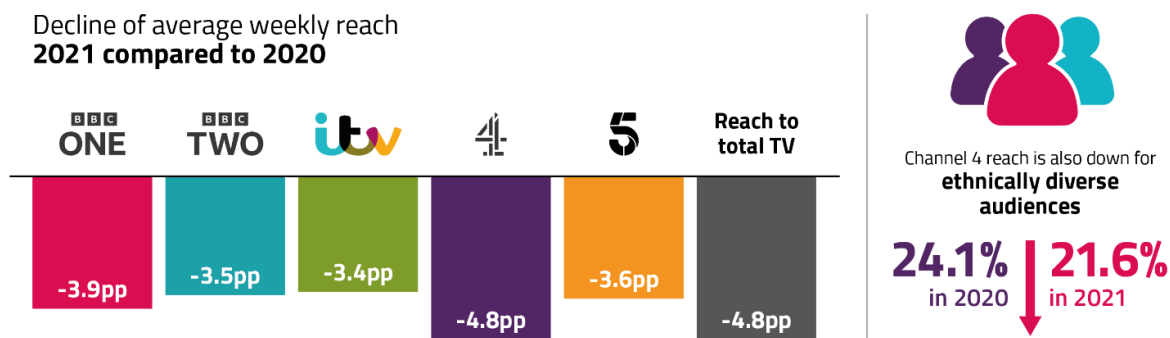
<sup>14</sup> Unless noted otherwise, all TV viewing data noted in this report, are sourced from BARB.

<sup>15</sup> Average weekly reach, 15 minutes consecutive, seven days consolidated.

in 2021 overall fell by 2.6 percentage points (pp) year on year, continuing the sharp decline in linear viewing experienced over the last decade. In common with the other PSB channels, Channel 4’s average weekly reach has continued to decline year on year. In 2021, the average weekly reach of the main channel<sup>16</sup> stood at 37%, down from 39.5% in 2020, and 38.9% in 2019.<sup>17</sup> Although the weekly reach of all main five PSB channels declined in 2021, as audiences continued to shift their viewing to non-linear platforms, Channel 4’s fell by 2.4 pp, with only BBC Two declining by more, at 2.8pp.

However, C4C’s family of channels (Channel 4 and its portfolio channels) still has a high overall reach among the UK population. In 2021, nearly half (48.8%) of all individuals watched C4C’s TV channels for at least 15 consecutive minutes each week on average,<sup>18</sup> and C4C notes in its Statement that viewing share performance across its entire portfolio of channels increased for the second consecutive year, up 0.2pp from 2020 to 10.3% in 2021.

16-34s are a crucial audience for C4C to reach for the delivery of its remit and media content duties, as well as being a core demographic for driving advertising revenues. Among younger audiences (16-34s), decline in average weekly reach to total television continued to fall sharply, down by 4.8pp year on year with Channel 4’s decline also at 4.8pp compared to BBC One 3.9pp, BBC Two 3.5pp, ITV 3.4pp and Channel 5 3.6pp (see chart below).<sup>19</sup>



Channel 4’s younger channel profile, means that it is more likely to feel the impact of these audiences migrating away from linear viewing. Nevertheless, despite this, in terms of audience reach it remains the third-largest UK broadcaster for 16-34s, behind only BBC One and ITV. Reach to Channel 4’s main channel also declined among ethnically diverse audiences, to 21.6% in 2021 from 24.1% in 2020.<sup>20</sup>

**In 2021, Channel 4 was successful in maintaining its viewing share relative to 2020 and 2019.** For all broadcasters there is a constant challenge of maintaining share of a reducing audience and as

<sup>16</sup> Excluding Channel 4 +1.

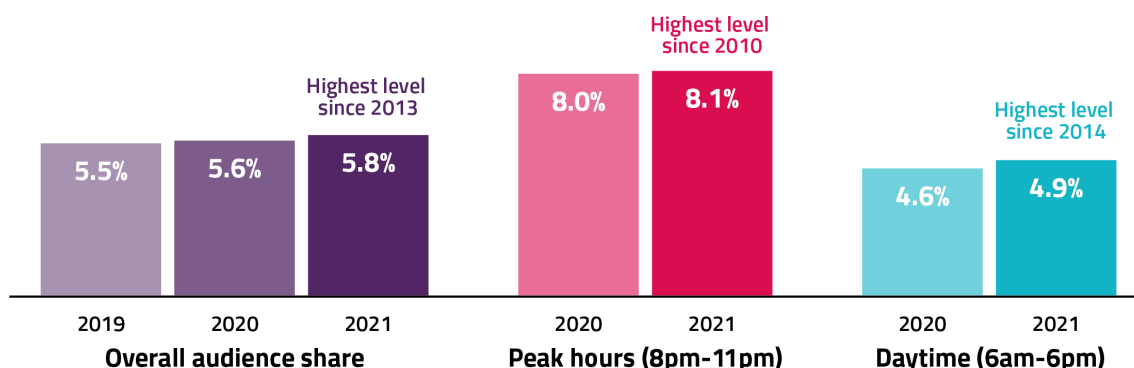
<sup>17</sup> Due to 2020 being an inflated year for television viewing due to various National Lockdowns, where possible and relevant, we will be including figures for 2019 as well, in order to paint a more accurate picture of overall trends.

<sup>18</sup> Average weekly reach defined as 15 mins consecutive, to C4C total channels (main and spin offs combined). All individuals are defined as those in homes with a TV or broadband and viewing includes live or catching up within a week of transmission.

<sup>19</sup> Excluding Channel 4+1.

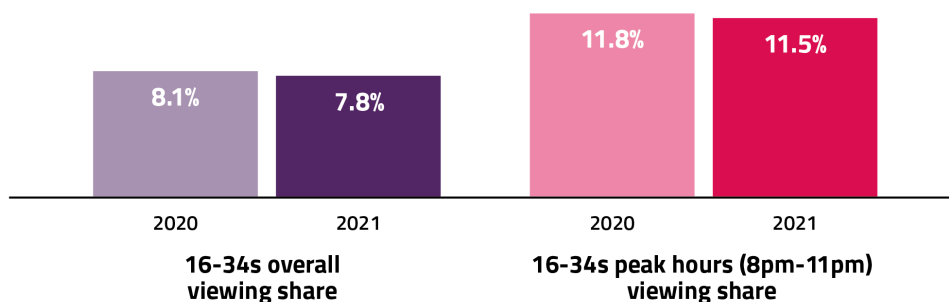
<sup>20</sup> Excluding Channel 4+1.

such, C4C continues to hold a strong position in the market. In 2021, C4C saw a continuation of the slight increase in share on the main channel, from 5.5% in 2019, to 5.6% in 2020 to 5.8% in 2021,<sup>21</sup> reported by C4C as its highest level since 2013.



C4C also noted in its Statement that the main channel saw an upward trend in 2021 across Channel 4's peak hours of 8pm-11pm at 8.1%, from 8.0% in 2020, reported as its highest figure since 2010.<sup>22</sup> Daytime share (6am-6pm) also increased in 2021, representing the highest weekday daytime share for Channel 4 since 2014.

**Among 16-34-year-olds, Channel 4 remained the third most popular TV channel behind ITV and BBC One, with a 7.8% viewing share.<sup>23</sup>** In line with the population more generally, 2020 saw a slight uplift in viewing share among 16-34s to the main channel, after audiences turned to it for news and entertainment when the UK went into lockdown. While 2021 saw share decline by 0.3pp, this figure was still higher than at any point between 2015 and 2019.



In terms of viewing between the hours of 8-11pm,<sup>24</sup> share declined by the same amount, 0.3pp, to 11.5% among 16-34s (see chart above), however, share of viewing increased in 2021 relative to 2019 which was 10.2%.

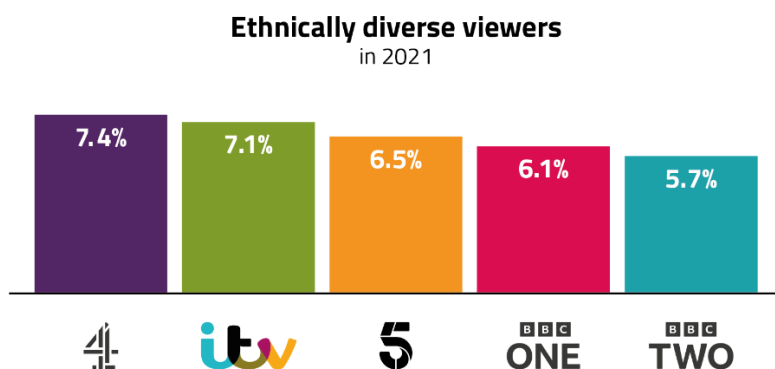
<sup>21</sup> This figure differs from the figure quoted by C4C as it includes Channel 4 +1 and excludes 4 Seven.

<sup>22</sup> We note that the increase in share is not statistically significant, as has been reported by C4C, Channel Four Television Corporation Report and Financial Statements 2021, p.93.

<sup>23</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.98.

<sup>24</sup> Defined by C4C as its peak-time hours.

The audience profile of the main channel continues to be the most representative of the total TV viewing population in terms of the proportion of ethnically diverse viewers which make-up its audience. Of the channel's total audience, 7.4% was accounted for by ethnically diverse viewers in 2021, this was higher than all the other PSB main channels.<sup>25</sup>



In 2021, C4C managed to increase viewing share to the main channel among ethnically diverse audiences marginally, at 5.0% from 4.9% in 2020, and 4.7% in 2019<sup>26</sup> stated by C4C as the highest level since 2010.

**Viewing share on the main channel among younger audiences increased** from 6.3% in 2020 to 7.3% for 10-14 year olds in 2021, and stayed the same at 6.7% for 14-19s.<sup>27</sup> However, peak time (18:00-22:30) share across both groups were down year on year, along with the portfolio channels' share of viewing across both groups.<sup>28</sup> C4C has noted in its Statement that the general decline in share in respect of younger viewers across the portfolio is disappointing and that it has started a programme of work to look at how to engage better with young people on linear TV.<sup>29</sup>

**Increase in share for the main channel has been driven by a mix of successful and distinctive new commissions and returning favourites.** C4C has been successful in growing share of viewing to the main channel through a mixture of distinctive, high performing programming, such as its award-winning drama *It's a Sin* (with an average audience across the series of 2.9m and 12% share of viewing), and *Help* (which C4C stated attracted a consolidated average audience of 3m viewers, making it its second best performing one-off drama after *Mo* in 2020).<sup>30</sup> Returning favourites including *Gogglebox* (which saw series 17 average audiences of 5.8m, and a viewing share of 24% - the highest recorded for the programme) and *The Great British Bake Off* (with the series 12 final reaching 8.8m viewers, and 38% viewing share) continued to attract large audiences.

<sup>25</sup> ITV (including ITV +1) and Channel 5 (including Channel 5 +1).

<sup>26</sup> These figures differ from the figure quoted by C4C as it includes Channel 4+1 and excludes 4 Seven.

<sup>27</sup> Includes +1 channel.

<sup>28</sup> Share of viewing (all time) to C4C total portfolio; 10-14 year olds 13.0% in 2021 from 13.3% in 2020 and 14-19 year olds 12.5 % in 2021 from 14.7% in 2020.

<sup>29</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.97.

<sup>30</sup> All programme viewing figures from BARB exclude viewing on Channel 4+1 and include catch up until 28 days after broadcast.

**2021 was a year which demonstrated C4C's continued commitment to sport, bringing audiences a range of sporting events which attracted large audiences on Channel 4.** C4C was recognised for this by being named Sports Network of the Year at the [British Sports Journalism Awards](#). C4C negotiated several rights deals, and short-term partnerships at pace, to bring high-profile sporting events to free to air TV in the UK. This included coverage of Test Match cricket which, for the first time in 16 years, was available free to air, and attracted 9m viewers across the series between England and India. Others included, Emma Raducanu's appearance in the Women's US Open tennis final in partnership with Amazon (which attracted 6m viewers and a 37% viewing share) and coverage of the title-deciding last Grand Prix of the season, which attracted 3.2m viewers and 28% viewing share. Both made it into the top 10 programmes across the channel in 2021.<sup>31</sup> C4C's long standing commitment to the Paralympics has continued to deliver significant audiences: despite the time difference to Tokyo, C4C have reported that the Paralympic Games attracted 20m viewers, both live and on demand.

**Although reach<sup>32</sup> to C4C's digital channels<sup>33</sup> declined, to 30.0% in 2021 from 32.7% in 2020, share of viewing was maintained at 5.0%.** Last year we reported that E4, as the largest of these channels, had been under pressure in recent years because of the continued competition for younger audiences and that 2020 had been a particularly challenging year which saw the channel's viewing share among this key demographic (16-34s) drop to its lowest in the last decade at 3.9%.

C4C has stated that in 2021, the continuing impact of coronavirus restrictions on production sets, the necessity to ensure Covid-safe environments and various absences due to illness has led to continued disruption to the channel's top performing programme, *Hollyoaks*. This has affected both specific storylines and the quality of output which has in turn, impacted viewing figures. Despite these challenges, E4 maintained its share of viewing among this demographic year on year, helped by programmes such as *Married at First Sight: UK* and it remained the second most watched digital TV channel in the UK among 16–34-year-olds in 2021.

C4C told us that it has invested more into E4 in the last 12 months, bringing the channel's budget back up to pre-pandemic levels. E4 now has its own channel-specific commissioning editor, which C4C has told us will ensure that it is getting the best format ideas from the indie sector for the channel. E4 has [committed to several new Factual and Reality series](#) to air in 2022, focusing on subject areas which C4C say young audiences care most about and seek out on All 4: body image, money and career growth, relationships, health and well-being, mental health and personal development.

C4C told us that E4's contribution to All 4's views increased year on year, and that in 2021, 25% of total viewing on All 4 came from E4 content (up from 21% the year before). Looking at new E4 content only; in 2020, only 9% of All 4's views came from new E4 content, whereas in 2021 this grew to 17%. Therefore, while E4's linear share has remained stable year on year, viewing to E4 content via All 4 continued to grow.

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<sup>31</sup> Excluding Channel 4 +1.

<sup>32</sup> 15 minutes + consecutive.

<sup>33</sup> Channel 4+1, E4, More4, Film4, The Box, Box Hits, 4Music (now E4 Extra), Kerrang, Kiss TV, Magic TV.

In addition, C4C has recently launched [E4 Extra](#) as a way to strengthen the E4 brand among young audiences. As a result, E4 will skew towards Factual and Reality content, while E4 Extra will prioritise Comedy and Entertainment. C4C has told us that having a second channel aimed at younger audiences will enable it to deliver a richer and fuller offering to young audiences.

## Performance in delivering remit and media content duties

### **Audiences continue to rate Channel 4 highly for the distinctiveness and creativity of its content.**

Channel 4's remit requires it to make a broad range of high-quality and diverse programmes that demonstrate innovation, experimentation, creativity and distinctiveness. Both Ofcom and C4C's research continues to show that audiences rate Channel 4 highly for its distinctiveness.

Findings from Ofcom's 2021 Public Service Media (PSM) tracker demonstrate that viewers value Channel 4's offer as one that is distinctive and creative. For instance, when asked how well or badly PSBs deliver on '*programmes that are different in their approach to other providers*', Channel 4 had the highest proportion of viewers saying it performed well compared to other PSB channels, with 50% of viewers in the last six months saying they think it performs well on this statement, with only 6% saying it performs badly.<sup>34</sup> Similarly, Channel 4 TV channels also perform well on the statement '*programmes that help me see things from a different angle/perspective*', with 51% of viewers in the last 6 months rating it highly, and only 6% of viewers saying it performs badly.<sup>35</sup>

As part of C4C's Statement, it reports how it performs against the other main PSB channels across a series of tracker statements aligned to its public service remit. These are a useful additional way of assessing how well it is delivering against its requirements for creativity and distinctiveness. This year C4C's annual reputation tracker research continues to show that audiences think that the main channel performs strongly and outperforms the other PSBs in key remit areas. In 2021, there were joint record high scores for statements highlighting C4C's distinctive personality: '*Makes me think about things in new ways*', where its lead over the average of the other PSB channels was 32ppts and '*Takes risks with programmes others wouldn't*' where its lead over the average of the other PSB channels was 15ppts.<sup>36</sup>

## Restoring spend to pre-pandemic levels allowed C4C to deliver a mix of high-quality, originated content across a range of genres

We reported last year that the levels of first-run and originated content on the main channel had significantly reduced in 2020 due to the decisions that C4C had to take to protect the sustainability of the business during the pandemic. In 2021 C4C restored investment in, and volume of, first-run originated content, broadcasting 3,171 hours of first-run originated content across its TV portfolio. This represents a notable increase of 11% compared with 2019 and by 40% compared with 2020.

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<sup>34</sup> Source: [Ofcom Public Service Media \(PSM\) Tracker](#) 2021: Q24 Question: Q24- How well or badly does it provide programmes that are different in their approach to other providers? NB Rating well is a score of 7-10 out of 10, rating neutral is a score of 4-6, rating badly is a score of 1-3.

<sup>35</sup> Source: [Ofcom Public Service Media \(PSM\) Tracker](#) 2021: Q24- How well or badly does it provide programmes that help me see things from a different angle/perspective?

<sup>36</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.121.

**Increased investment and volume of programming was spread across many different genres.**

Three genres increased by more than 100 hours; Entertainment was up by 160 hours, Factual increased by 259 hours and Sport was up by 402 hours, the latter in large part due to coverage of the delayed Tokyo 2020 Paralympic Games. Other notable increases– were Drama, up by 53 hours, and programmes for older children, which rose by 15 hours to 20 hours. Educational programming increased marginally from 18 to 21 hours in 2021. Although only a small increase, this has reversed the long-term decline in education programming that we have highlighted over recent years.

**We are pleased to see the balance of output between originations and acquisitions and between first-run content and repeats, return to pre-pandemic levels,** with first-run originated content making up 32% of output on the main channel, up from 24% in 2020 and 28% in 2019. Across peak time<sup>37</sup> this increased to 72%, up 7pp on 2020. Total originations (first-run and repeats) comprised 81% of output on the main channel, up 2pp year on year, and significantly higher than Ofcom's quota of 70%.

Our analysis shows that C4C's network originations, continue to draw significantly larger audiences to the main channel, E4 and More4, than its acquisitions do. C4C noted in its Statement that network originations represented 67% of all hours across the schedules of the main channel, E4 and More4 in 2021, the highest reported figure since 2008 and a 5pp increase year on year.<sup>38</sup> However, viewing of network originations accounted for 76% of total viewing, the highest figure reported since 2013.

The amount of new and one-off programmes commissioned each year provides another indication of C4C's commitment to creativity and experimentation. While established titles, such as *'The Great British Bake Off'* and *'Gogglebox'* help drive viewing to Channel 4 and continue to attract large audiences (see viewing figures above), it is important that C4C continues to commission a variety of new titles, both for the main channel and for All 4. Focussing on the hours between 6pm-midnight on the main channel, C4C reported 149 new or one-off programmes broadcast across the period, a 10% decline from 165 year on year. C4C has told us that this reduction was because of a large number of one-off, coronavirus-related programmes broadcast in 2020 (more than 25 in 2020 compared with fewer than 10 in 2021.) Nevertheless, C4C outperformed both BBC One and ITV on this metric, and only Channel 5 broadcast more new and one-off programmes across the period.

**Expansion of its supplier base is another indication of C4C's commitment to innovation and experimentation.** Across the period, across film, digital and TV, C4C worked with 294 production companies of which 164 were qualifying independent TV production companies.<sup>39</sup> Both these figures represent increases year on year. Across all types of content, 38 companies were new suppliers to C4C in 2021. Focussing on digital media, in line with its Future4 strategy, C4C worked with 55 online suppliers, a substantial increase from 20 suppliers in 2020.

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<sup>37</sup> Ofcom's definition of peak time is 1800-2230

<sup>38</sup> Channel Four Television Corporation Report and Financial Statements 2021 p.102

<sup>39</sup> A company not tied to a UK broadcaster through significant common ownership. The Broadcasting (Independent Productions) Order 1991 (as amended) states that an independent producer is: (i) not employed by a broadcaster; (ii) does not have a shareholding greater than 25% in a UK broadcaster; or (iii) in which no single UK broadcaster has a shareholding greater than 25% or any two or more UK broadcasters have an aggregate shareholding greater than 50%.

## Audiences continue to rate C4C highly for how well it appeals to a culturally diverse society

The diversity of the broadcasting industry continues to attract debate within the industry and outside, with [widespread recognition](#) that while there has been improvement, broadcasters need to go further both in appealing to a diverse range of audiences and in needing to increase diversity both on- and off-screen.<sup>40</sup>

C4C has made it clear to us in its past Statements that it aims to promote diverse voices and perspectives, reflecting the diversity of the UK, across all C4C's programming and not solely through programmes specifically about diversity. However, it does report on the hours of programming on the main channel which cover diversity issues within its Statement each year. The volume of specifically diverse content<sup>41</sup> on the main channel increased in 2021 to among its highest ever levels.<sup>42</sup> There were 403 hours of originated diversity programming on the main channel, up from 184 hours in 2020 and from 266 hours in 2019. This large increase was in part driven by C4C's extensive coverage of the 2021 Paralympic Games.

**We commend C4C's coverage of the 2021 Paralympic Games.** C4C said this brought together the largest ever team of disabled on-screen talent in the UK<sup>43</sup> to cover the Games and provided more hours of coverage than ever before.<sup>44</sup> We would specifically draw attention to C4C's attempt to reach younger audiences via social media with C4C reporting that its 'Tik Tok Paralympics Hub' drew 4.1m views.<sup>45</sup> The Hub featured bespoke content created by C4C's 4 Studio especially for Tik ToK, including behind the scenes access with athletes, event and medal highlights and Q&A series with athletes. C4C's marketing and promotions were [particularly successful](#), despite the difficulties the pandemic caused in filming and production. The campaign won a number of awards, including [Campaign Magazine's BIG Award](#).

C4C claims that its coverage of the Games reached a third of the UK population (viewing figures on page 12) in total, and over a fifth of 16–34-year-olds (22%). We also note that its coverage was praised by Mike Sharrock, CEO of British Paralympic Association who credited it with improving society's perceptions of disabled people.<sup>46</sup> C4C's audience research showed that 80% of viewers agreed that the coverage of the Paralympics helped to bring important but difficult messages to mainstream audiences and 73% agreed that it made them think about the challenges facing disabled people in a different way.

**C4C's strong commitment to reflecting the diversity of the UK and giving a platform to under-represented voices was shown via several other notable commissions broadcast in 2021.** These included the 1980s themed drama about the AIDS crisis *It's a Sin*, Tom Daley's *Alternative Christmas Message* which explored themes around sexuality, inclusion and acceptance, *Ackley Bridge* exploring

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<sup>40</sup> See Ofcom, [Five-year review: Diversity and equal opportunities in UK broadcasting](#), 29 September 2021.

<sup>41</sup> C4C definition of diverse content includes covering issues relating to religion, multiculturalism, disability and sexuality.

<sup>42</sup> Channel Four Television Corporation Report and Financial Statements 2021 p.115

<sup>43</sup> <https://www.channel4.com/press/news/channel-4-coverage-tokyo-2020-paralympic-games>

<sup>44</sup> Over 300 hours of coverage on Channel 4 and More4, with over 1000 hours on 16 lives streams on C4C's Paralympics website.

<sup>45</sup> Channel 4, [Tokyo 2020 Paralympic Games](#), p. 8.

<sup>46</sup> Channel 4, [Tokyo 2020 Paralympic Games](#), p. 15.



multiculturalism, *Trip Hazard: My Great British Adventure* with comedian Rosie Jones which explored issues around disability and *We are Lady Parts* a comedy exploring multiple themes including religion, ethnicity and gender.

**C4C also continued to focus on initiatives to increase its appeal to an ethnically diverse audience.**

One of its key initiatives was the [Black to Front project](#). This project saw Channel 4's entire schedule on 10 September 2021, both programmes and commercials, showcase Black talent, both on and off screen. C4C reported that this project reached 11.6% of the overall TV population. Its research showed that viewers thought that it was a positive and impactful event, with 60% agreeing that it highlighted the breadth and depth of Black British talent and 51% acknowledging that it made them think about the challenges faced by Black people in a different way.<sup>47</sup>

**In June 2020, as part of its anti-racism strategy, C4C announced its commitment to double the number of ethnically diverse led indie commissions by 2023** from a baseline of 8 in 2019.<sup>48</sup> This target was achieved by the end of 2020, three years early, when the number doubled to 16. In 2021 the number rose again to 22. We are pleased to see that C4C has committed to continue to work with the industry to [build on the success](#) of the Black to Front initiative both in terms of developing and commissioning programmes but also in terms of developing Black talent off-screen. It's clear that such initiatives have helped C4C [grow its share of viewing](#) among this audience group in 2021 (see page 11).

**Our audience research also indicates that Channel 4 viewers think that C4C performs well in reflecting the diversity of the UK**, which is a key element of its remit. In 2021, Ofcom's PSM Tracker found that 57% of those who have watched Channel 4 TV channels in the last 6 months rated it highly for delivering '*programmes which feature people from different backgrounds*'.<sup>49</sup> C4C's own research found that 29% of viewers considered Channel 4 to perform better than other PSB channels for '*showing the viewpoints of minority groups*', a 20pp lead over the combined average of the other main PSB channels. It's research also reinforced Channel 4's reputation as being the best channel for '*showing different kinds of culture and opinions*' with almost a third of respondents (32%) selecting Channel 4, a 21pp lead over the average of the other main PSB channels.

**C4C continues to focus on improving the diversity of its staff and increasing opportunities across the industry for those from under-represented groups.** Ofcom's *Diversity in Broadcasting five-year review* showed that among all the main PSB channels, C4C had the highest proportions of employees who self-identified as disabled, as women, and as religious.<sup>50</sup> It had the second highest proportion of women in senior management positions, of employees from a minority ethnic background in senior management positions, and the proportion of LGB employees.

As part of C4C's commitment to increase opportunities across the industry for those from under-represented groups, it published [best practice guidelines](#) on working with disabled talent in December 2021, and it has also committed to [developing a mentor scheme](#) to support disabled

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<sup>47</sup> Research undertaken via C4C's [Core4 membership panel](#).

<sup>48</sup> C4C define 'ethnically diverse' commissions as being from production companies where the main shareholders, the leading decision makers or the creative leaders comprise those from a Black, Asian and minority ethnic background.

<sup>49</sup> Source: [Ofcom Public Service Media \(PSM\) Tracker](#) Question: Q24. Rating well (score of 7-10) Summary - How well or badly does it provide programmes that are different in their approach to other providers?

<sup>50</sup> [Five-year review: Diversity and equal opportunities in UK broadcasting](#), p.42.

talent. The findings of our five year review showed that 59% of employees working in television in 2020/21 had parents working in professional occupations when the employee was aged 14, compared to the national average of 33%.<sup>51</sup> This demonstrates a clear challenge in opening up the industry to people from a diverse range of social backgrounds. We are therefore pleased to see that C4C in response to this finding, has launched its [4Schools initiative](#) in a bid to provide a long-term strategy to reach out to young people from diverse backgrounds. Overall, we believe that C4C continues to perform strongly in this area and continues to drive change both internally and across the wider industry.

## **C4C works well with producers and the creative sector across the UK**

**In 2021, C4C's new HQ in Leeds was officially opened, joining new bases in Bristol and Glasgow, with almost 400 roles relocated from London so far.** In 2018, C4C launched its [4 All the UK](#) strategy, the aim of which was to expand C4C's footprint outside of London into the Nations and Regions (N&Rs) of the UK both through increased investment in commissioning outside London and moving staff out of London to new regional HQs. This includes many high-profile creative roles such as the Head of Drama, Head of Sport, and the Head of Content for 4Studio in Leeds, Head of Daytime and Features in Glasgow and Commissioning Editors for Factual, Daytime and Features, and Drama in Bristol. To date, we consider that C4C has made excellent progress against its '4 All the UK' plans.

**In 2021 C4C surpassed its voluntary target to ensure that 50% of spend on first-run originated content on the main channel is commissioned from suppliers outside London.** As part of the '4 All the UK' strategy, C4C aimed to achieve 50% by 2023, yet in 2021 C4C spent 55%, up from 47% in 2020, surpassing its target two years ahead of schedule. Overall, in 2021 C4C spent £222 million across its TV portfolio on content commissioned from production companies based in the N&Rs, a 57% increase from 2020.

**C4C has also [significantly increased](#) the proportion of hours of original content commissioned for the main channel, by producers based in the N&Rs.** This figure rose from 58% in 2020 to 66% in 2021, almost double its current licence quota of 35%. Sourcing content from a diverse and genuinely UK wide supply base is an important way to support the growth of smaller independent producers and to help get innovative ideas on screen. We consider that the amount of spend and the volume of hours produced outside of London is a significant success story for C4C and underlines its importance to the broader creative economy outside of London.

**Beyond levels of output and investment, in 2021 C4C continued to engage and work with the creative industry across the UK to support and [further develop talent outside London](#).** As part of C4C's 4Skills programme, it stated that for the first time in 2021, its [Production Training Scheme](#) was based solely in the Nations and Regions.<sup>52</sup> C4C also noted in its Statement that in 2022, it plans to [invest heavily](#) in furthering development and training opportunities in the Nations and Regions.

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<sup>51</sup> [Five-year review: Diversity and equal opportunities in UK broadcasting](#), pp. 31-33.

<sup>52</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.47.

Continuing to seek out and develop the next generation of diverse talent is important for C4C to continue to create content that appeals to and engages with audiences from right across the UK.

Our view is that, overall, C4C has made a very strong impact in the Nations and Regions during 2021, particularly in terms of surpassing its quotas on both spend and hours of original content and its commitment to developing talent and building new relationships in the creative industries across the UK. However, our audience research suggests that C4C could be doing more to represent the different UK regions within its programmes. Ofcom's PSM tracker 2021 found that 29% of those who have viewed Channel 4 TV channels in the last six months say it performs well on delivering 'programmes that feature my region/country'; 34% rated it neutral, and 16% say it performed badly.<sup>53</sup> Those in Northern Ireland are more likely than average to rate Channel 4 TV channels badly (26%), while those in London more likely than average to say it performed well on this measure (46%).

## C4C is spending more on content for older children, but lacks a strategy for younger audiences

C4C has a duty to provide content that appeals to older children and young adults. C4C defines these groups as 10-14 year olds and 14-19 year olds respectively. Ofcom's PSM Tracker demonstrates that audiences continue to consider that it is important that Channel 4 provides a wide range of high quality and UK made programmes for older children, aged 12-15. Four in five (80%) of parents/guardians of children who had watched Channel 4 in the last 6 months considered that it was important.<sup>54</sup> While there has been a continuing trend for these audiences to move from linear TV to online and on-demand services, recent Ofcom research showed that 61% of 12-15 year olds still watch live broadcast TV.<sup>55</sup>

C4C's strategy has been to cater for these audiences through programmes in peak-time, pre-watershed, slots on the main channel, which cover themes that older children can relate to, but which also have a broader audience appeal, such as *Hollyoaks* and *Ackley Bridge*, which both perform well among these age groups. In 2021, the entire new season of *Ackley Bridge* was also made instantly available to watch on All 4 as a box set, and C4C noted in its Statement that it was its highest youth-skewing drama since 2015.<sup>56</sup>

**The volume of first-run originated educational content and content for older children increased in 2021, as well as the overall spend across both genres.** We again highlighted the need for investment in high quality content for children and teenagers, which had fallen year on year, in our response to C4C's Statement last year. We are therefore pleased to note that there has been an increase in volume as well as the overall spend across both genres in 2021 and would like to see this highlight a renewed commitment to increase investment in these areas. Programming made for older children increased from £1m in 2020 to £5m in 2021 and Education increased from £4m to

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<sup>53</sup> Source: [Ofcom Public Service Media \(PSM\) Tracker](#) Question: Q24. How well or badly does it provide programmes that feature my region/country?

<sup>54</sup> [Ofcom Public Service Media \(PSM\) Tracker 2021](#); Q32. And how important, if at all, do you think it is that Channel 4 provides a wide range of high quality and UK-made programmes for older children?

<sup>55</sup> Ofcom, [Children and parents: media use and attitudes report 2020/21](#), 28 April 2021, p. 3.

<sup>56</sup> C4C noted that series four attracted 5.8m views and was watched by 2m 16-34 year-olds.

£9m across the same period. Given the limited amount of educational content for teenagers provided across the broader TV landscape, C4C's role here is valuable and it is also an important component of its remit delivery.

However, our view remains that C4C still appears to lack a coherent strategy for younger audiences. For example, last year C4C noted that plans to launch an online strand for teenagers as part of its digital strategy had been delayed due to the pandemic and would instead launch in 2021. This online strand has still not launched, although we note that in March 2021, C4C announced that four production companies had been selected to [produce new online content for teens](#), to run across its E4 social platforms. We will be discussing this further with C4C during this year.

## **C4C's award-winning news provision continues to play a vital role in the UK news market**

C4C's news output in 2021 retained a strong investigative edge and coverage reported on a broad range of international matters. C4C's Statement draws on highlights including; "Lindsey Hilsum's on-the-ground reporting from Afghanistan; Jamal Osman's coverage of the Tigray conflict in Ethiopia; and Ayshah Tull's reports on the St Vincent volcanic eruption. Krishnan Guru-Murthy also hosted the first UK-wide televised debate of Scotland's main party leaders."<sup>57</sup> C4C's ongoing coverage of the Ukraine war is [evidence of its success](#) in reaching audiences through its evening bulletins but also via its social media channels, and we will report more widely on this next year.

Continued commitment to long-form journalism<sup>58</sup> may not always deliver the large audiences that the more mainstream news bulletins do, however this output provides an important public value, and we support C4C's approach in this space. In 2021, C4C broadcast 359 long-form News and Current Affairs programmes in peak-time, compared to the combined total of 172 programmes across the other main PSB channels. C4C's spend on News and Current Affairs increased across both genres, in 2021.<sup>59</sup> C4C has shown further its commitment to Current Affairs by announcing a [new in-house investigative unit](#), to work across its Dispatches strand.

**In 2021, Channel 4 News's reach fell back to pre-pandemic levels, but its presence on digital and social media platforms continued to grow.** C4C noted in its Statement that in 2021, the reach of Channel 4 News fell back to 2019 levels (7.8m), reaching an average of 7.7m people.<sup>60</sup> This was down from 9.8m in 2020 when Channel 4 broadcast extended news programmes and viewers tuned in for updates on the pandemic, this uplift and subsequent downturn was replicated across all the PSBs.

C4C [continued to expand its digital news presence](#) in 2021, its main focus being on building its TikTok profile and consolidating its presence on Snapchat. C4C's strategy has been to focus on

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<sup>57</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.51.

<sup>58</sup> Defined as news programmes and single-story current affairs programmes with a duration of 45 minutes and 15 minutes respectively, shown on the main channel in peak time (18:00 to 22:30).

<sup>59</sup> Spend on news genre in 2021 was £30m vs £29m in 2020 and spend on current affairs genre in 2021 was £27m vs £22m in 2020.

<sup>60</sup> Reach figure is based on individuals who watched Channel 4 News for at least 15 consecutive minutes each month on the main channel, across the main weekday evening programmes and the daytime and weekend bulletins.

delivering high quality news through short-form videos distributed on these key platforms. These videos, seek to cover serious political, international, and social topics as well as key stories on subjects relevant particularly to younger audiences, such as needle spiking in clubs. There is evidence that this has helped to attract audiences with C4C reporting that these stories attracted over 1m likes across the main social media platforms (Facebook, YouTube, Twitter, Instagram, Snapchat and TikTok).<sup>61</sup> It is positive to see C4C innovating with its news content and experimenting with different formats to engage better with younger audiences. It has shown the ability to react quickly to adapt and evolve its content to better connect with users (for example, changing the format of the Ukraine war explainer videos on social media as interest wanes). C4C note in its Statement that its Podcasts (*The Fourcast* and *Ways to Change the World*) also continued to build its audiences in 2021. Across the various social media platforms, Channel 4 News had over 10.1m followers/subscribers by the end of 2021, which C4C note in its Statement, is higher than any other UK news programme.

**Channel 4 News performed strongly for ethnically diverse audiences in 2021.** C4C reported that the main weekday programme achieved a viewing share of 7.6% among this demographic, which was the second highest figure (behind 2020) recorded. It continues to appeal strongly to this demographic with 17% of the audience to the programme represented by ethnically diverse viewers, compared to an average of between 6-8% of the viewing profiles of the other PSB's main news programmes.

**Channel 4 News' audience profile continues to be younger than the audience profiles of the other PSBs main news programmes:** 16-34-year-olds accounted for 8% of Channel 4 News's audience in 2021, compared to between 5-7% for the corresponding viewer profiles of the other main PSB channels' national news programmes. However, share of viewing to Channel 4 News' among this group, was down year on year continuing the downward trend, across total television, as these audiences continue to migrate at pace to online and social media for their news consumption.

**Our audience research suggests that regular *Channel 4 News* viewers rate it highly for being trustworthy (71%) and for helping viewers engage/understand the political process (68%).**<sup>62</sup> Sixty-seven percent of regular *Channel 4 News* viewers also rated it highly for 'offers a range of opinions' – higher than the ratings regular viewers of news on BBC TV and Channel 5 gave those PSB channels. C4C's own research suggests that 80% of regular viewers to Channel 4 News regarded it as being independent from government, 8pp higher than the average across the other PSB channels, including Sky News.<sup>63</sup>

**C4C also has a duty to provide high-quality current affairs programming.** It delivers this mainly through two titles, *Unreported World* and *Dispatches*. Its episode of *Dispatches - Rape: Who's on Trial?* won the 2022 RTS award for Single Documentary. Viewing figures for *Unreported World* have remained broadly flat, but among 16-34s viewing has declined from an average audience of 113,000 across the series in 2020 to 60,000 in 2021. Overall, viewing figures for *Dispatches* have declined across all individuals as well as the younger 16-34 age group. Last year, C4C stated its ambition to

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<sup>61</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.51.

<sup>62</sup> Ofcom, [News consumption in the UK: 2021 report](#), slides 75 and 76.

<sup>63</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.127.

find new ways of engaging younger audiences with its current affairs content, beyond its linear current affairs programming and announced that it [plans to launch](#) a current affairs strand aimed at 16–34-year-olds as an All 4-first commission in early summer 2022, with episodes to then be shown on its linear channels.<sup>64</sup>

C4C's own research suggests that audiences think it is performing well in this area. C4C tracks audience perceptions across five reputational statements across the main current affairs shows on the main PSB channels. C4C notes in its Statement that with average scores of 45%, across the five statements, both *Dispatches* and *Unreported World* were perceived as joint best performing current affairs shows, with BBC's *Panorama* in second place.<sup>65</sup>

## International programming was affected by coronavirus-related travel restrictions

C4C has a duty to support and stimulate well-informed debate on a wide range of issues, including by providing information and views from around the world. C4C has told us that international-themed programming this year remained affected by coronavirus-related travel restrictions and conditions in other countries that limited its ability to commission new shows, which contributed to the decline in hours.<sup>66</sup> The number of first-run hours on the main channel covering international matters decreased by 44% from 76 hours in 2020 to 43 hours in 2021.<sup>67</sup> Current Affairs was the main genre which contributed to the total of first run hours of international programming, at 57% of all international themed output up from 27% in 2020. History was the second biggest genre, at 27% up from 5% in 2020.<sup>68 69</sup>

C4C's *Walter Presents* series which delivers foreign language drama, shown on the main channel and More4 reached 6.5 million viewers in 2021. Although this figure represented a decline year on year of 7%,<sup>70</sup> C4C noted in its Statement that there was a corresponding increase in views of this series' content on All 4, which rose to 47 million programme views. This example supports C4C's digital strategy, the aim of which is to increase views to content on the All 4 platform.

## 2021 was a successful year for Film4 Productions

Film4 Productions has an annual budget of £25m and is one of three main sources of independent film financing in the UK, along with BBC Films and The British Film Institute. Film4's remit, to support a wide range of filmmakers through different stages of development, has a direct impact on the UK independent film sector.

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<sup>64</sup> See also [Channel 4 appoints commissioning editor for Current Affairs new Youth Strand](#), 24 February 2022.

<sup>65</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.128.

<sup>66</sup> *'Travel Man'* was postponed due to travel restrictions and *'Work on the Wild Side'* was not recommissioned.

<sup>67</sup> This figure excludes news, but includes hours of the *True Stories* strand broadcast across the C4C family of channels.

<sup>68</sup> Examples of Current Affairs shows, aside from the *Unreported World* and *Dispatches* strands, include the series *'The Man Putin Couldn't Kill'* and *'Taken: Hunting the Sex Traffickers'*. Examples of History genre programmes included *'Bin Laden: The Road to 9/11'* and *'Empire State of Mind'*.

<sup>69</sup> Channel Four Television Corporation Report and Financial Statements 2021, p.114.

<sup>70</sup> C4C told us that this was due in part to fewer programmes having launched.

2021 was a successful year for Film4 Productions, co-funding, and producing multiple films which went on to win awards at the BAFTAs and Oscars including *The Father* and *Rocks*. The winner of the Palme d'Or at the 2021 Cannes Film Festival *Titane* was, co-distributed in the UK by Film4 Productions. It was also a year in which Film4 Productions expanded on existing partnerships to further support the UK film industry and British talent. Film4 partnered with Park Circus to create a [summer programme](#) of "retro classics", designed to encourage audiences back to the cinema. C4C further supported this initiative by creating and running an on-air, and across digital, promotional campaign. Film4 Productions has also continued to support emerging British talent and, as part of C4C, teamed up with an organisation called We are Parable to create a [training and mentoring programme](#) aimed at supporting Black British filmmakers across the industry. The new scheme will run UK-wide across a number of cities in 2022.

## Conclusion

As our analysis has shown, overall, 2021 was a successful year for C4C in which it recovered strongly from the unprecedented challenges of 2020, was able to restore its content investment to pre pandemic levels and delivered strongly against its remit and media content duties. Notably, it is delivering well against its major strategic priorities, '4 All the UK' and 'Future4', accelerating its presence outside London and significantly exceeding its regional production quotas while growing digital revenues strongly. Our research continues to show that audiences rate C4C highly, in particular for its experimentation and distinctive content and for how it appeals to a culturally diverse society.

Our Small Screen: Big Debate review (2021) highlighted the growing challenges to all PSBs, given the pace and scale of change in the market and in audience behaviours. Government has indicated that it will legislate to set a new remit for public service broadcasting with, additional flexibility in how PSBs deliver their remits allied to new prominence regime for PSBs on-demand services on the major Smart TV platforms. We will engage closely with C4C on the implications of new legislation for the delivery of its obligations over the medium term. As it continues its digital transformation, we welcome C4C's ongoing engagement with us in refining its analysis and measurement metrics, to enable more accurate and insightful evaluation of its delivery of its remit and media content duties through a broader range of services. We acknowledge that some of these future metrics are still in development, and we will expect to review them in more depth next year.

# C4C's public service remit and media content duties

## **PSB Remit (section 265(3) of the Communications Act 2003) – applies to main channel**

The public service remit for Channel 4 is the provision of a broad range of high quality and diverse programming which, in particular:

- a) demonstrates innovation, experiment and creativity in the form and content of programmes;
- b) appeals to the tastes and interests of a culturally diverse society;
- c) makes a significant contribution to meeting the need for the licensed public service channels to include programmes of an educational nature and other programmes of educative value; and
- d) exhibits a distinctive character.

## **Media Content Duties (section 198A of the Communications Act 2003) – relevant across all services**

1. C4C must participate in:
  - a) the making of a broad range of relevant media content of high quality that, taken as a whole, appeals to the tastes and interests of a culturally diverse society,
  - b) the making of high quality films intended to be shown to the general public at the cinema in the United Kingdom, and
  - c) the broadcasting and distribution of such content and films.
2. C4C must, in particular, participate in -
  - a) the making of relevant media content that consists of news and current affairs,
  - b) the making of relevant content that appeals to the tastes and interests of older children and young adults,
  - c) the broadcasting or distribution by means of electronic communications networks of feature films that reflect cultural activity in the United Kingdom (including third party films), and
  - d) the broadcasting or distribution of relevant media content by means of a range of different types of electronic communications networks.
3. In performing their duties under 1) and 2) C4C must:



- a) promote measures intended to secure that people are well-informed and motivated to participate in society in a variety of ways; and
  - b) contribute towards the fulfilment of the public service objectives (as defined in section 264A of the Communications Act 2003)
4. In performing their duties under 1) to 3) C4C must:
- a) support the development of people with creative talent, in particular –
    - i) people at the beginning of their careers in relevant media content or films, and
    - ii) people involved in the making of innovative content and films
  - b) support and stimulate well-informed debate on a wide range of issues, including by providing access to information and views from around the world and by challenging established views,
  - c) promote alternative views and new perspectives, and
  - d) provide access to material that is intended to inspire people to make changes in their lives.
5. In performing those duties C4C must have regard to the desirability of -
- a) working with cultural organisations,
  - b) encouraging innovation in the means by which relevant media content is broadcast or distributed, and
  - c) promoting access to and awareness of services provided in digital form.