

Constitution, Europe, External Affairs and Culture Committee

Evidence Session 23.06.22 – Channel 4

Submission provided by [Screen Scotland](#), part of [Creative Scotland](#).

Screen Scotland is the national body that drives development of all aspects of Scotland's film and television industries, through funding and strategic support. Screen Scotland is part of Creative Scotland and delivers these services and support with funding from Scottish Government and The National Lottery.

Summary

Screen Scotland has seen no evidence to suggest that Scotland would be advantaged by any change in the status of Channel 4. Nor has Screen Scotland seen any evidence that C4 would be more sustainable in private ownership.

There is no evidence that C4 would be better placed to deliver sustainably against the UK Government's aims for public service broadcasting if it were outside public ownership, nor is there evidence that any change in status would contribute positively to any levelling up agenda.

The current practice of privately owned PSBs in the UK is that they work with few suppliers, concentrate on commissioning content from internal production units, and do not operate to any significant extent outside of England.

By contrast the publicly owned PSBs – the BBC and Channel 4 - represent the core source of demand, financing and commissioning of TV programmes and documentary films made by Scotland-based producers.

Screen Scotland's evidence indicates that the Scottish economy would likely be impacted negatively by any sale of Channel 4 to a private owner, that production companies in Scotland would be at risk of job losses and business failure as a consequence of such a sale.

Privately Owned PSBs and Scotland

There are legitimate concerns that any sale of Channel 4 to a private owner would result in fewer commissions for independent production companies based in Scotland. It is likely that such a sale would see the new private owner concentrate commissioning activities internally, buying content primarily from production companies it owns. This would lead to job losses in the Scottish sector and potentially to the failure of some of our key production companies, who currently focus their efforts on C4.

Channel 4 currently commissions original programmes across its schedule, and across a range of genres, from producers based within Scotland. Tern TV, Mentorn Media, Firecrest, IWC Media, Remedy, Raise the Roof, STV Studios, Red Sky and Two Rivers Media are all regular suppliers of programmes and series to the Channel from Scotland.

Details of all TV content commissioned "outside of London" are published each year by Ofcom. The most recently published Ofcom "Made Outside of London" title

register was published in August 2021, covering 2020 (https://www.ofcom.org.uk/data/assets/pdf_file/0021/222861/made-outside-london-programme-title-register-2020.pdf). From Scotland's perspective this Register provides clear evidence that the publicly owned Public Service Broadcasters (PSBs), specifically Channel 4 and the BBC, regularly work with Scottish producers while the privately owned PSBs do not to anything like the same extent.

ITV is a privately owned PSB. It is recognised as one of the potential buyers for C4. ITV is one of the UK's two Channel 3 licensees. The ITV schedule is the dominant Channel 3 schedule across the UK, with STV "opting out" of that schedule to provide local C3 services in Scotland. Though it does not hold the C3 licence for Scotland, ITV content is transmitted across the UK as a result of this "opt out" model.

According to Ofcom's data, ITV commissioned just two titles from Scotland across 2020: *Catchphrase Celebrity Special*, and *The Masked Singer*.

While only two ITV commissions in 2020 came from Scotland, 68% of ITV's television output was produced by one company, ITV Studios.

According to trade paper, [Broadcast](#), "Since ITV has focused efforts on growing [ITV Studios](#), the proportion of programmes produced in-house has grown steadily and now accounts for 68% of output, only a few [percentage points] below its 75% cap." ([Channel 4's potential bidders assessed | News | Broadcast](#) (broadcastnow.co.uk)).

On the evidence of how privately owned ITV currently operates, it is unlikely that a privately owned C4 would result in more being spent in Scotland on original commissions, less is likely to be spent. Nor, based on the evidence of ITV's commissioning strategy, is it likely that C4 would continue to commission in volume from independent producers. Levelling up would, on the evidence of how privately owned ITV operates, be frustrated and independent production companies that currently supply C4 would be at risk of business failure.

C4 successfully contributes to the UK's levelling up agenda because it is a publisher broadcaster (meaning it commissions programmes, it does not produce them), because it has quotas within its remit that require it to commission from across the UK and from independent suppliers, because its commissioners live and work in London, Glasgow, Bristol and Leeds, and because it has spent years working with key suppliers based across the UK to develop their capacity.

Publicly Owned PSBs Contribute to the Scottish Economy⁵

The publicly owned PSBs (the BBC and C4) represent the core source of demand, financing and commissioning of TV programmes and documentary films made by Scotland-based producers. This evidenced by a new report Screen Scotland commissioned from Saffery Champness and Nordicity, *The Economic Value of the Screen Sector in Scotland* (published 23rd June, 2022).

⁵ This paragraph was left out of the paper as originally appeared online due to the timing of the publication of the Committee's papers three days before Screen Scotland's report was published.

This report looks at 2019 (a follow-up examination of 2021 is currently underway) and it finds that in that year the BBC and C4 were core to the financing and commissioning of television programmes and many films made by Scotland-based producers.

PSBs as a whole spent an estimated £196million on content production in Scotland in 2019. They generated a further £61million of economic impact in Scotland through their operating expenditures, such as transmission, sales and marketing, administration and other overheads. This provided a combined Gross Operating Expenditure in Scotland of £257million in 2019.

Between them the BBC television services and C4 accounted for 87% of all PSB expenditure in Scotland in 2019 (12% from C4).

Privately owned ITV accounted for just 1% of all PSB Gross Operating Expenditure in Scotland in 2019.

Screen Scotland and Channel 4

Screen Scotland works with Channel 4 to develop production companies from Scotland and to provide skills and talent training in Scotland.

Recent Screen Scotland/C4 joint activity includes:

Entertainment Pilot Production Initiative – Channel 4 and Screen Scotland are working with Scotland based independent production companies to develop five original format ideas, one of which will be commissioned as a one hour special for Christmas 2022, which a maximum “tariff” (budget) of £250,000. This intervention is designed to expand entertainment production from Scotland in the context of Kevin Hall opening as a TV production studio in Autumn 2022.

Indielab 2022 – Channel 4 and Screen Scotland are among the funders of Indielab, a business development initiative for independent production companies. Scottish companies selected to participate in the 2022 programme of events are Montrose Pictures, Oxford Films Glasgow, and Leith based Studio Something.

TRC Media – Screen Scotland, alongside Channel 4 and the BBC are the major funders of TRC Media. From its Glasgow base TRC is a leading provider of training courses and business development work across the UK’s nations and regions including: FormatLab, Factual Fast Track, Supersizer and RAD.

- RAD - rad is a paid eight-month traineeship within a Scottish independent television production company which includes full training throughout the placement. The programme is aimed at those who are underrepresented in the TV industry: those either with a disability, from black, Asian or ethnic minority communities or from disadvantaged backgrounds.
- FormatLab is a training programme that aims to create the next wave of entertainment development talent for Scotland. Previous experience in the television industry is welcome but not required. Participants take part in a nine month traineeship which includes top flight industry training, expert mentoring

from industry professionals and a fully paid production placement. FormatLab is funded by Screen Scotland, BBC, Channel 4 and Glasgow City Council.

- SuperSizer is a professional development programme for ambitious development executives based in the Nations and Regions who want to win high value commissions. First launched in 2017, it equips development executives who produce factual, factual entertainment or specialist factual programmes with the skills, knowledge, and connections to create bold, inspiring ideas and formats that have the potential to scale and return and transform indies in the Nations and Regions.
- Factual Fast Track is a reputation-building programme which fast tracks established producers for larger scale and bigger budget productions on the UK networks by raising their profiles, extending their skills and experience, and expanding their networks so they become business winning Series Producers and Executive Producers for Scotland and Northern Ireland. Funded by BBC, Channel 4, Screen Scotland and Northern Ireland Screen.

While the publicly owned PSBs – the BBC and C4 – regularly fund and participate in these development programmes neither ITV or Channel 5 (the privately owned PSBs) have done so in Scotland since the formation of Screen Scotland in 2018.

Recent jointly funded C4/Screen Scotland productions include:

Screw, Series 1 - a 6x60' drama from STV Studios, by BAFTA nominated writer Rob Williams. Prison set drama filmed entirely in Scotland, with a purpose built prison set constructed within Kelvin Hall.

Rescue: Extreme Medics – 5x60' documentary series from Glasgow's Firecrest Films following the work of the Scottish Trauma Network as it answers emergency calls spread across 30,000 square miles of land, some of which is extremely challenging.

What Killed the Whale – 1x90' specialist factual documentary from STV Studios following Biologist Ella Al-Shamahi investigates the rise in whale strandings along the UK coastline, joining the team performing an autopsy on a 40-foot sei whale washed up near Edinburgh.

Scotland: My Life in the Wild – 1x60' documentary from Hello Halo.

The Ardnamurchan peninsula on the west coast of Scotland is one of the most spectacular wildlife locations on the planet. This film follows wildlife cameraman Hamza Yassin as he endeavours to capture iconic species like red deer, pine martens, white tailed sea eagles and puffins that live on his doorstep.

Limbo – award winning, Cannes selected, feature film from Edinburgh based director Ben Sharrock and Scottish producers Irune Gurtubai and Angus Lamount set in the Outer Hebrides. Funded by Film4, the BFI and Screen Scotland.

Deadwater Fell – 4x60' crime drama series from Kudos starring David Tennant, Cush Jumbo and Anna Madeley.

Screen Scotland's Recommendations for Channel 4's Future

Screen Scotland's view is that the publicly owned C4 is an improving and

sustainable success across the UK, but that Channel 4 could further improve its work in the nations and regions of the UK and with the independent production sector.

From a Scottish perspective, C4 is improving in terms of representation and the number of companies it works with, but it is doing so from a low base, in a limited number of genres and with too great a focus on single or short-run commissions. Drama commissions for C4 from Scotland are rare, though *Screw* is a notable success.

Screen Scotland believes that within C4's remit, the following should be protected/enshrined whether C4 remains in public ownership or not:

- That C4 remain a publisher broadcaster, operating within Terms of Trade.
- That at least 50% of C4's original programmes by volume and value are commissioned from qualifying independent producers.
- That at least 60% of its original programmes by volume and value are commissioned from production companies based outside of London.
- That at least 20% of its original programmes by volume and value are commissioned from production companies based outside of England, with a 10% from Scotland.
- That C4 remains committed to investing in training and skills development across the UK.
- That Film4, is protected, and that it continues to work with filmmakers based across the UK
- That the commissioning of multi-part and returning series – not just single films - from qualifying independent production companies based outside of London should be a condition of any new C4 licence, with potentially, at least 20% of such commissions from Scotland, Wales or Northern Ireland.

David Smith, Director Screen Scotland, 17.06.2022

FIRECREST FILMS
NOTE FOR THE CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE
COMMITTEE
THE SCOTTISH PARLIAMENT
20 JUNE 2020

Firecrest Films is an independent TV production company. We make factual programmes from our office in the former Fairfield shipyard in Govan, Glasgow. We currently employ 65 people and have seven series / 40 hours in production for the BBC, Channel 4 and Amazon. This week we were nominated as one of the best small indies in the UK by the Edinburgh TV Festival Awards, for the third year running.

Our recent titles include:

- *Murder Trial: The Disappearance of Margaret Fleming* (BBC Scotland / BBC TWO). A ground-breaking series with cameras inside Glasgow High Court relating the astonishing story of a vulnerable young woman who went missing for nearly 20 years without anyone noticing. With access to the police investigation, alongside the prosecution and the defense teams, the series won six awards including RTS and BAFTA Scotland for best Factual Series, and has had 3m views to date on TV and BBC player.
- *Murder Case* documenting the work of Police Scotland's Major Investigations Team, winner of six BAFTA Scotland and RTS awards. The series began on BBC Scotland and subsequently transferred to BBC TWO. Now in its third series it is the model for co-commissioning between BBC Scotland and network BBC, with 50:50 contribution from either side. It resonates strongly with young audiences – a third of iPlayer views across the UK are from 16-34 year olds.
- *Michael Palin: Travels of a Lifetime* – BBC TWO. Developed in the first lockdown, when filming and travel were tricky and viewers yearned for escapism and nostalgia, this series with Michael Palin revisiting his travel films was one of the highest rating new BBC titles in 2020 with an overnight audience of 2.7m. It was also a critical hit – Pick of the Day / Week in almost every paper. “*I watched Travels of a Lifetime twice, just for the joy of it*” Daily Telegraph; “*Excellent viewing... lucid, fascinating and informed*” The Times; “*Charming, entertaining and wistfully reflective, it's guaranteed to put a smile on your face.*” Sunday Telegraph.
- *Rescue: Extreme Medics*, premium Channel 4 series showcasing the extraordinary pioneering work of the Scottish Trauma Network. This scale and ambition of this project

made it a game-changing commissioned, offering extensive training opportunities for Scottish talent.

- *The Hunt For Bible John* - BBC Scotland / BBC TWO. The two-part series was named the best show on the BBC iPlayer by The Guardian in April 2022. The reviews have been outstanding: “*The best true-crime documentary of the year*” (The Guardian); *A chillingly brilliant piece of film-making. Rather than wallow in the details of the crimes (hello, Netflix!), [director Matt] Pinder focuses on the people and culture of the city. As a result, it becomes a far more fascinating and engrossing watch, showing how religion, popular culture and Glasgow's unique style of journalism shaped the reality and the myth surrounding this terrifying folk devil. Beautifully assembled, with a variety of rich subplots, this is a crime documentary par excellence and undoubtedly one of On Demand's shows of the year.*” (The Times).

Firecrest has enjoyed strong commercial success. The business has expanded every year, even through the tough challenges of the pandemic. Established in 2008 to produce short investigative films for Channel 4 News, Firecrest began as a one person operation, run from our spare room. Four years later we took premises in Govan when Channel 4 commissioned the first of many Dispatches films. Our output for Channel 4 Dispatches has included some of the strand's highest rating episodes, as well as award winning investigations like *Low Pay Britain* and the undercover expose *Inside Facebook: Secrets of a Social Network*. This work cemented the company - and Scotland - as a key supplier to Channel 4 current affairs; in 2020 Firecrest was the department's biggest supplier.

Channel 4 has been central to Firecrest's growth. At every stage of expansion, Channel 4 has been there, supporting the business with funding, advice and talent schemes. In 2015 Channel 4 provided development finance through their Alpha fund which led to our first returning series, *Supershoppers*. Returnable business is holy grail of independent TV companies as it provides dependable income. It means we can offer secure employment in predominantly freelance industry. *Supershoppers* ran for seven series, winning both BAFTA Scotland and RTS Scotland awards and providing a stable income stream which enabled further growth.

Subsequent Channel 4 Alpha funding in 2016 allowed Firecrest to diversify into documentary, with series like the award-winning *Lifers Behind Bars* filmed at HMP Shotts, Barlinnie and Castle Huntley, showcasing the very different approach the of the Scottish Prison Service to the rest of the UK.

Channel 4's support has also been key to the growth of the talent pool in Scotland. The broadcaster has part funded nine posts at Firecrest for new entrants from diverse backgrounds, providing year round training and mentoring. (C4 provide similar opportunities at other Scottish companies). They have also financed senior talent

development, allowing us to grow Executive Producers and Series Producers. No other broadcasters works with us in this way.

Five years ago, Channel 4 took an investment stake in Firecrest through their Indie Growth Fund, the first investment the fund made outside England. This new relationship supercharged the company, allowing us to expand our creative team and diversify further. It is much more than a financial investment in our business – the IGF provide management and commercial advice, mentoring, and strategic development which has been invaluable, putting us in touch with industry giants and creative leaders who have grown their own businesses successfully.

In the first year after investment our turnover trebled to £3m, growing again to £4m in the following year. In 2018, the company was named the fastest growing independent production company outside London.

The business grew again during the pandemic although more modestly. We have emerged from that tough period in good health, with our key series renewed and new business commissioned. Last month we announced our first streamer project, a three-part documentary series for Amazon, the first indie in Scotland to make this breakthrough. Made by an all female team, this will cement our reputation not only as a premium factual producer in Scotland but also a key player across the UK.

In terms of Screen Scotland, we have received support from the Broadcast Content Fund, including for slate development. We have had two tranches of development support; the first led to the ground-breaking commission of *Rescue: Extreme Medics*, and the second was the lifeline that kept our new business pipeline running through the pandemic.

The Broadcast Content Fund has supported two productions: *Rescue: Extreme Medics* and the BBC Scotland series *One Night At the Museum*. Both had a wider benefit to the Scottish sector. Neither would have happened without Screen Scotland support.

I also wanted to add a note about public value. We have filmed inside many of Scotland's key institutions – the courts, police, hospitals, ambulance service, schools and prisons. All have invited us back to work together again. There is a strong public interest in opening up the workings of these bodies to viewers in Scotland and beyond, fostering greater understanding and showcasing the different approaches we have here to the rest of the UK.

Looking to the future, the proposed privatisation of Channel 4 presents a real challenge to Scottish independent producers. But it is not the only concern. All of the public service broadcasters (PSBs) face significant pressures, and together they represent Scottish indies' biggest customers. Changes in viewing habits across the PSBs have accelerated

in the pandemic as people move away from linear TV. Ad-funded and subscription funded models are also precarious with the cost of living crisis.

Indies are grappling with reduced programme tariffs at the same time as inflation and wage costs are rising. Increasingly, broadcasters are not fully funding projects but asking us to look elsewhere for the remaining budget. It is harder than ever for productions companies to make any margin at all on production.

This means international distribution is more important than ever. It is vital that Scottish indies are able to retain and exploit high value IP and benefit from selling our programmes around the world. Getting a foothold with streamers like Amazon has also been crucial for us. Although the streamers usually take all IP they offer high tariffs and generous production fee in recompense.

Without IP or true compensation for it we can't grow and invest our profits back into Scotland. We can't continue to reflect and promote Scotland to the rest of the UK and world. We would struggle to sustain the business and continue to employ people in Govan, meaning a contraction in growth in the sector here and reduced opportunities for people from all backgrounds to work in this world leading industry.