

**CHANNEL 4  
TAKING RISKS  
CHALLENGING  
THE MAINSTREAM**



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How Channel 4's unique positioning and  
approach help power the UK's creative sector

A report prepared by Oliver & Ohlbaum  
Associates Limited in partnership  
with Channel 4

**“CHANNEL 4 HAS  
A WONDERFUL  
RESPONSIBILITY  
TO TAKE RISKS  
AND EXPLORE  
DIFFICULT IDEAS  
ON BEHALF OF  
ALL OF US.”**

Danny Boyle, Filmmaker

## Summary

### *Overview*

Channel 4 is a catalyst for risk-taking and innovation across the UK's TV and independent film sectors, helping them to develop the ideas, talent and the thriving, dynamic businesses that have helped the UK become among the most influential and creative forces outside the USA in the fast-globalising audiovisual media sector.

It represents a prime example of how a small-scale public intervention – in the shape of a focused statutory mission, coupled with allocated scarce spectrum, guaranteed channel prominence and the absence of a requirement to make a commercial rate of return – can help power innovation and risk-taking across a sector without cost to the taxpayer. This single intervention has helped create a range of new companies and stimulated the provision of valuable, globally attractive output. As such, it can be seen as a forerunner of many of the current initiatives to use small scale targeted intervention to stimulate innovation and growth in the wider UK economy.

Over the last 30 years, Channel 4 has had to adapt its approach to risk-taking to reflect the competitive dynamics of the UK's TV industry, the tastes and demands of audiences and advertisers, and the economic realities of the global film and TV industries. It has progressed from an organisation largely devoted to the independent and alternative ideas, talent and businesses in the four channel world of the 1980s, to one focused on finding innovative approaches to challenge, entertain and inform mainstream audiences in the competitive, on-demand TV landscape of today.

Channel 4 remains a unique institution among TV broadcasters across the world. It is the only broadcaster with a significant public service broadcasting (PSB) remit to be entirely commercially funded; it is the only PSB in the world to enjoy a high reach and

proportionately high share among the 16 to 34 age group; and it is the only major broadcaster in the world to source its programming entirely from external suppliers.

Channel 4 tries out more new ideas each year than any other channel in the UK; it sticks with the ideas that show some promise more than other PSB broadcasters and it relies least on long running “schedule bankers” to underpin its competitive position in the UK market, effectively having to reinvent itself every few years.

Creative risk-taking and innovation occur across three separate but interlinked dimensions: the format of the programme (e.g. rig shows such as *One Born Every Minute* and *Educating Yorkshire*); the approach to the subject matter (from mental illness with *Bedlam* to body image with *Gok’s Teens* and disability with *The Undateables*); and the talent used (e.g. bringing people from outside TV with *Bank of Dave*).

In recent years, Channel 4 has extended its creative risk-taking into the use of new technologies that enhance the ways viewers engage with programmes (*The Million Pound Drop*) and how they access and discover material (*4oD*).

Channel 4 has also broadened its backing of creative risk in individual projects through the new Channel 4 Growth Fund, which underwrites more sector-level risk with its commitment to use a wide range of suppliers from across the UK, including smaller production outfits. It has also managed to continue its 30-year commitment to underwriting the UK’s independent film sector by backing both experimental avant-garde projects such as *Under the Skin* and break-out global hits such as *12 Years A Slave* and *The Iron Lady*.

Going forwards, Channel 4 will continue to convert small-scale public intervention into broader creative and economic benefits – although it will always need to adapt its approach and business model to a changing, increasingly global, competitive context. Policies must reflect this need to adapt.

#### *From alternative to Alternative Mainstream*

The past 30 years have seen Channel 4 migrate from being a mainly alternative channel in a four-channel market to a more Alternative Mainstream channel in the on-demand and multichannel market of 2014. In the 1980s, its model was to fund truly alternative – but

often niche – programming, alongside mainstream US comedy and drama imports (*Hill Street Blues*, *Cheers*, *Golden Girls*), and (in the 1990s) with lifestyle programming (*Grand Designs* and *Location, Location, Location*) and younger skewed drama and entertainment (*TGI Friday*, *Hollyoaks* and the *Big Breakfast*). Over the last eight to ten years, the main channel has become a predominately Alternative Mainstream service aiming for relatively large audiences with programming addressing mainstream tastes but in challenging and alternative ways (*Big Brother*, *Embarrassing Bodies*, *Benefits Street*, *Gogglebox*, *24 Hours in A&E*).

While the main channel has moved more of its schedule towards this mainstream approach – the Channel 4 portfolio (Channel 4, 4Seven, E4, More4, Film4, 4Music), continues to reach and engage a disproportionately large 16 to 34 year-old audience, a unique achievement among the world’s PSB broadcasters. This helps sustain Channel 4’s advertising premium and its financial sustainability.

*Risk-taking and innovation baked-in*

Channel 4’s remit requires it to demonstrate innovation, experimentation and creativity in the form and content of its programming. The audience recognises its achievements in these areas, by scoring it much more highly than its PSB rivals in terms of “taking risks with programmes that other channels would not” (46 per cent versus 12 per cent), “being experimental” (35 per cent versus 13 per cent for nearest rival), “tackling issues other channels would not” (43 per cent versus 8 per cent), and “taking a different approach to subjects” (36 per cent versus 10 per cent). Channel 4 scores in all these areas have been rising consistently over the last three years.

Channel 4’s risk-taking and innovation is reflected in the structure of its schedule, its relationship with content creators and the ways it approaches programming.

In terms of schedule structure, 41 per cent of all commissioned titles on Channel 4 in 2013 were new that year, compared to 24 per cent for BBC1/BBC2. The proportion of hours within Channel 4’s schedule accounted for by these new titles has risen from 24 per cent in 2008 to 29 per cent in 2013.

Only 17 per cent of Channel 4 commissioned titles in 2013 have been in the schedule for more than ten years versus 39 per cent across BBC1/BBC2: proof that the channel effectively reinvents itself every five years.

In terms of its relationships with content suppliers, Channel 4 is still the leading peak-time-schedule customer for independent producers in the UK: the main channel alone commissions from 232 different companies, 90 more than any other PSB channel. Across the full channel portfolio, and including film and digital producers, Channel 4 engaged with a total of 367 creative partners in 2013. Its commitment to the independent supplier base goes beyond individual commissions to the new Growth Fund, and to help individual companies become market leaders in niche areas – for example Monterosa with second-screen TV and Maverick Television with public-health TV.

Within its programming commissions Channel 4 has innovated in format, in its approach to subjects and in its use of talent. Channel 4 has been at the forefront of using fixed-rig cameras (“rig shows”) to uncover unexpected truths – from shows such as *The Family to The Murder Trial*, as well as backing pure creative ambition through shows such as *The Plane Crash* and *Live From Space*.

In terms of new approaches to subject matter, Channel 4 brings mainstream audiences to a number of challenging subjects ranging from mental health (*Bedlam*, *4Goes Mad*, *World’s Maddest Job Interview*), to body image and disability (*The Paralympics* coverage, and factual entertainment titles such as *Embarrassing Bodies* and *The Undateables*), to sexual practices (*Porn on the Brain*, *Sex Box* and *The Campaign for Real Sex*). It has also addressed contemporary issues such as the impact of technology on human interaction, the role of the secret state, the challenges of modern day policing and the impact and motivation for mass murder through dramas such as *Black Mirror*, *Utopia*, *Babylon* and *Southcliffe*. Channel 4 has also not been afraid to address major social and political issues directly through *Dispatches* and *UnreportedWorld* as well as the ever challenging and agenda setting *Channel 4 News*.

Channel 4 continues to bring new talent and perspectives into mainstream TV with programmes such as *My Transsexual Summer* and *Bank of Dave* as well as the extensive use of presenting and performing talent from ethnic minorities, the LGBT community,



and people with physical or mental impairment, across all types of programming. Channel 4 also develops new global acting careers through the likes of *Skins* and *The Inbetweeners*, and new film directing careers through films such as *This is England*, *Shame* and *Four Lions*.

Channel 4 has taken the lead in areas of technological innovation from second-screen activity through *The Million Pound Drop* to its use of data-driven recommendations and targeted advertising on *4oD*.

Channel 4 continues to play a lead role in the UK independent film sector, where for 30 years it has combined its backing of purely experimental and alternative movie-making with support for Alternative Mainstream titles that have succeeded at the box office and achieved recognition from their peer group in the form of BAFTA and Academy Awards. This has often been achieved by supporting individual producers/directors such as **Danny Boyle** and **Steve McQueen** from experimentation through to mainstream success.

*The broader impact on the creative sector*

Channel 4's broader impact on the creative sector goes beyond its estimated £1.12 billion gross value added (GVA) contribution or even the 66 per cent of its revenue it spends on content. Its main impact is to convert a small-scale public intervention into a major source of TV sector innovation, which helps to power the global success of UK-based TV and film producers.

Channel 4 is where these producers come to pitch and secure funding for their most challenging ideas which, even if they don't work, inspire further innovation or imitation across the UK and global TV and film industries. Many Channel 4 shows have gone on to become global formats, and many programme makers and companies that got their first break with Channel 4 have gone on to become leading lights in the global TV and film sectors. While Channel 4's innovative programming may not have a direct and immediate counterpart on BBC1 or ITV, over time imitation and adaption on BBC2, BBC3, BBC4, Channel 5, ITV2 and some of the UK's many thematic channels ends up shifting the whole centre of gravity of UK TV towards a more innovative and dynamic core which makes UK television so influential internationally.

*Some public policy implications*

Government policy to encourage innovation is focused on providing support for small business to bring ideas to market and build the foundations for growing global businesses, and improving knowledge sharing. Channel 4 is an effective vehicle for achieving both in the creative industries.

Channel 4 can best be thought of as a public policy intervention which effectively drives innovation and growth in audiovisual content production; it exploits a publicly-owned asset (terrestrial broadcasting spectrum) to reach audiences and generate revenues, which it uses to back creative businesses in the form of development funding and programme commissioning. The production companies from whom Channel 4 commissions gain benefits including know-how and promotional support – an important example of knowledge sharing. Critically, producers also retain the rights to the programmes they make.

Channel 4's not-for-profit status means it can take risks on the content it commissions. A central contention of this report is that risk-taking by Channel 4 has driven innovation in programme-making, which has in turn created engaging content for viewers and saleable programmes and formats which have driven UK export earnings. A for-profit Channel 4 would reduce its appetite for risk-taking (and the creative dividend thereby generated) because the need to return a profit would be a significant constraint on risk-taking behaviour.

Channel 4's support for the creation and ownership of intellectual property in a not-for-profit model has contributed to a thriving independent production sector, with producers selling programming internationally, earning export revenues, and using the ownership of programme assets as a foundation for attracting external investment and expanding. If Channel 4 did not exist, the logical corollary of government policy on innovation is that a policy intervention with similar objectives would need to be developed to promote the growth of creative businesses in the audiovisual sector.

Channel 4 sees its future as the Alternative Mainstream channel. To occupy that space, it must:

- Be innovative and risk-taking
- Balance ambition in some segments of the schedule with the need to maintain audience and revenue in others
- Keep being radical on the main channel – in order to reach out to mainstream audiences

It also requires a renewed commitment from policy makers to support its business model, its mission and its remit, as an acknowledgement that Channel 4 is an important catalyst for innovation in the creative industries and a driver of export earnings.

A Channel 4 that achieves these goals will enhance audience choice, drive creativity across British broadcasting, and deliver economic benefits to the UK economy.

## Introduction

The remit of this report is to define, quantify and give examples of risk-taking and innovation by Channel 4, and explore how this impacts on its schedule, on the commissioning decisions of other domestic broadcasters, and the wider TV output of channels across the world. It also explores Film4's record of investing in promising ideas at an early stage and backing new talent.

This report was prepared by Oliver & Ohlbaum Associates Limited working in partnership with Channel 4.

This report takes an outside-in view of Channel 4's contribution to risk-taking in British broadcasting and film-making. To achieve this, the project team conducted more than 30 interviews with producers, directors, and channel executives in the UK and the US, and with thought leaders in the wider creative sector. Comments by those who were prepared to go on the record are reported through the document, while the comments of a small number of interviewees who wished to speak off the record have informed the thinking behind the preparation of this report. We are grateful to everyone who gave their time to be interviewed.

In order to get an objective view of Channel 4's contribution to TV and film in the UK, the project team also analysed schedule data for Channel 4 and the other Public Service Broadcasters to identify if Channel 4's schedule – and particularly its refreshment rate for peak-time strands – reflects a higher appetite for risk than that of the other terrestrial networks. We have also looked at how formats first commissioned by Channel 4 have been sold internationally, focusing particularly on those made for the US market.

Other coordinates we have used to determine Channel 4's impact on the broadcast ecology in the UK include programme reviews in the national press and awards won.

This data gathering and analysis are then placed in the broader context of public policy ambitions with regards to the development of innovation in the creative industries and initiatives by government to encourage risk-taking.

*Oliver & Ohlbaum Associates (O&O) is the leading independent adviser and expert on the opportunities and challenges facing the global media, entertainment and sports sectors in the 21st century. Since its formation in 1995, O&O has advised over 200 leading corporations, investors and regulators, and over 50 CEOs, on the major challenges facing their organisations. O&O combines high end analytical skills and techniques with both a deep knowledge and understanding of each of the media, entertainment and sports sectors across a large number of national markets, and practical experience of deal making and strategy execution.*

*O&O has made a significant contribution to the development of public policy and regulation of the media related sectors working on evidence to, and analysis for, governments, policy units, regulators and tribunals at a UK and European level. O&O people are recognised as leading thinkers on the regulation of the media and much of O&O's work in this area has been published. Areas reviewed include radio ownership rules, digital TV platform access terms, broadcast retransmission fee setting, terms of trade intervention for independent TV producers, the market impact of public service activities, the appropriate restrictions on advertising to children, the appropriate level and type of PSB intervention in broadcasting and TV content creation markets, measuring the economic contribution of the creative sectors, the internet and news media plurality.*



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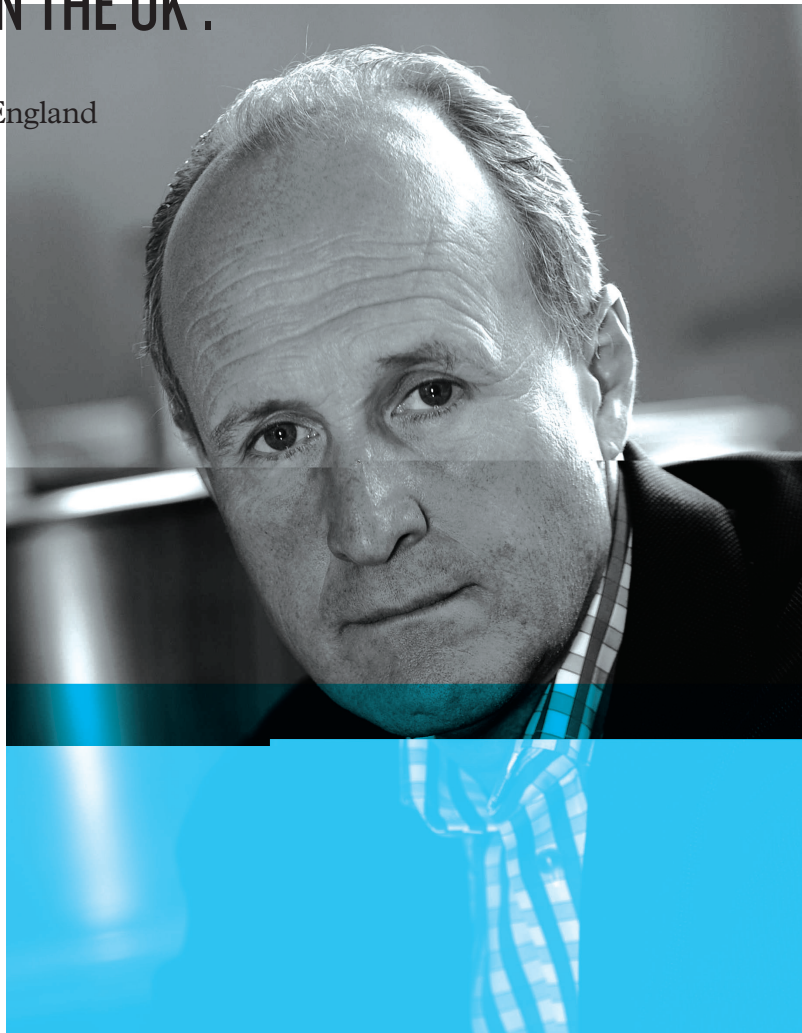


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**“CHANNEL 4 IS THE GRIT IN THE  
OYSTER – IT’S THE ANTIDOTE  
TO THE BBC AND YOU WOULDN’T  
FIND ANYONE ELSE DOING  
WHAT THEY DO IN THE UK”.**

Sir Peter Bazalgette,  
Chairman, Arts Council England



# 1. Remit, risk-taking and innovation

## *1.1 Channel 4's remit, role and positioning in 2014*

Channel 4 occupies a place in the mainstream of British broadcasting, with a reach and share of viewing that gives broad exposure to the programming it commissions. But it also has an ingrained ethic to be challenging and mischievous. Hence, it is uniquely positioned to bring alternative material to the attention of a wide viewership, and to innovate and take risks.

In this report, we look back at the evolution of Channel 4, from a radical upstart at launch in 1982, through the growth of multichannel TV, which forced Channel 4 to confront challenges on how to maintain audiences as channel choice grew, to a point five years ago when an advertising downturn and the growth of web-based TV forced it to adjust its approach once again.

Today, the Channel 4 Corporation (including Channel 4 but also E4, More4, 4Seven, 4Music, Film4 and 4oD) is confident of its direction and in the sustainability of its unique business model as a publicly owned, but self-sufficient and commercially funded, not-for-profit publisher broadcaster with significant public service objectives.<sup>1</sup> This report articulates Channel 4's position, which challenges and engrosses its audiences while generating income sufficient to finance a significant commissioning pipeline, in the "Alternative Mainstream" of British broadcasting as an alternative to the BBC and ITV.

<sup>1</sup>A publisher broadcaster has no internal programme production capacity and commissions all its content from external suppliers.

Innovation means creating new content that appeals to audiences, developing important new talent, and enhancing the distinctiveness of Channel 4's output. We explore how Channel 4 is innovating across its output, focusing on news and current affairs, Channel 4's coverage of the 2012 London Paralympic Games, factual entertainment, drama and film. We also explore how the corporation promotes new talent, its education outputs, and its innovation in

the use of technology to enhance the viewer experience and help discover new content.

Channel 4's contribution to risk-taking and innovation in broadcasting and related creative sectors (such as digital applications development) is placed in the context of Government policy across the wider economy to promote innovation. We also explore how Channel 4 influences the wider British broadcasting ecosystem. Because Channel 4 is part of the mainstream, albeit as a challenger to expectations and complacency, it forces other broadcasters to respond – influencing also the commissioning strategies and schedules of the other public service broadcasters (for the purposes of this report we define the Public Service Broadcasters [PSBs] as Channel 4 plus the BBC, ITV and Channel 5).

In short, Channel 4 rebalances the centre of gravity of the mainstream of British broadcasting, widening viewer choice and maintaining a level of experimentation in the broadcast ecology, which might otherwise be absent.

We also identify in this report how Channel 4 is influencing what is on television internationally (focusing particularly on the United States) looking at how content that was originally commissioned by Channel 4 is being shown on US networks and channels (either the original commission or a remake) and how that is then influencing what is commissioned in those markets. We also track how Channel 4 programmes have provided a springboard for key creative talent to work across other channels in the UK and secure international projects in film and TV.

### *1.2 Dimensions of risk-taking and innovation within the Alternative Mainstream*

A key hypothesis explored in this report is that Channel 4 drives risk-taking and innovation in programme making, which has an important impact in the UK and internationally. Channel 4 is constantly taking existing processes and approaches and applying them in imaginative new ways that create value for audiences and advertisers – in order to create new ways of looking at subject matter, and put across messages in ways that audiences find appealing and engaging.

Across this report, risk-taking and innovation are identified in three interlocking spheres of editorial influence:

— Subject matter: Channel 4 innovates in the way that it presents subjects: so, for example, questions about the way digital technology and social media are impacting our lives are explored through drama in *Black Mirror*; and questions that arise as a consequence of physical disability and learning difficulties are explored in a sensitive but engaging way in *The Undateables*. [Liz Warner](#), who produced the series for Channel 4, said:



**“NOT MANY PUBLIC SERVICE BROADCASTERS WOULD TACKLE LOVE AND DISABILITY, LET ALONE IN PRIME-TIME.”**

— Format: In factual, Channel 4 has led the use of remotely operated camera rigs in public spaces to create a new documentary format: the rig show. Series such as *One Born Every Minute*, *24 Hours in A&E*, *Educating Essex* and *Educating Yorkshire* explore in an unvarnished way the intricacies of human relationships; detail is magnified, bringing out the drama in situations, and the result is an unmediated examination of how people behave.

— Talent: Channel 4 promotes new talent across its output, and innovates in the way that it uses existing talent in new roles. For example, Turner Award-winning artist [Grayson Perry](#) wrote and presented a three-part documentary *In the Best Possible Taste* in 2012 exploring class differences in contemporary Britain.

[Perry](#) said of the experience:



**“CHANNEL 4 HAS ALWAYS BEEN INCREDIBLY ENCOURAGING. THEY’RE HAPPY TO LET ME DO WHAT I WANT, SO IT’S UP TO ME TO MAKE MY OWN BOUNDARIES.”**

We explore titles which exemplify how Channel 4 innovates in these spheres of innovation – and sometimes in multiple spheres; examples are given in Figure 1:

*Fig 1: Channel 4 programmes exemplifying the three spheres of innovation*

**BLACK MIRROR**

A satirical exploration about how our use of social media and personal devices is impacting our relationships and behaviours.

**GOGGLEBOX**

A regular cast of ordinary people watching TV – a light-touch social portrait of the UK.

**ONE BORN EVERY MINUTE**

Captures ordinary people at moments of extraordinary drama, and presents those experiences in a direct and unmediated format.

**PLANE CRASH**

A team of engineers and scientists crash a commercial jet in the Mexican Desert.

**MISFITS**

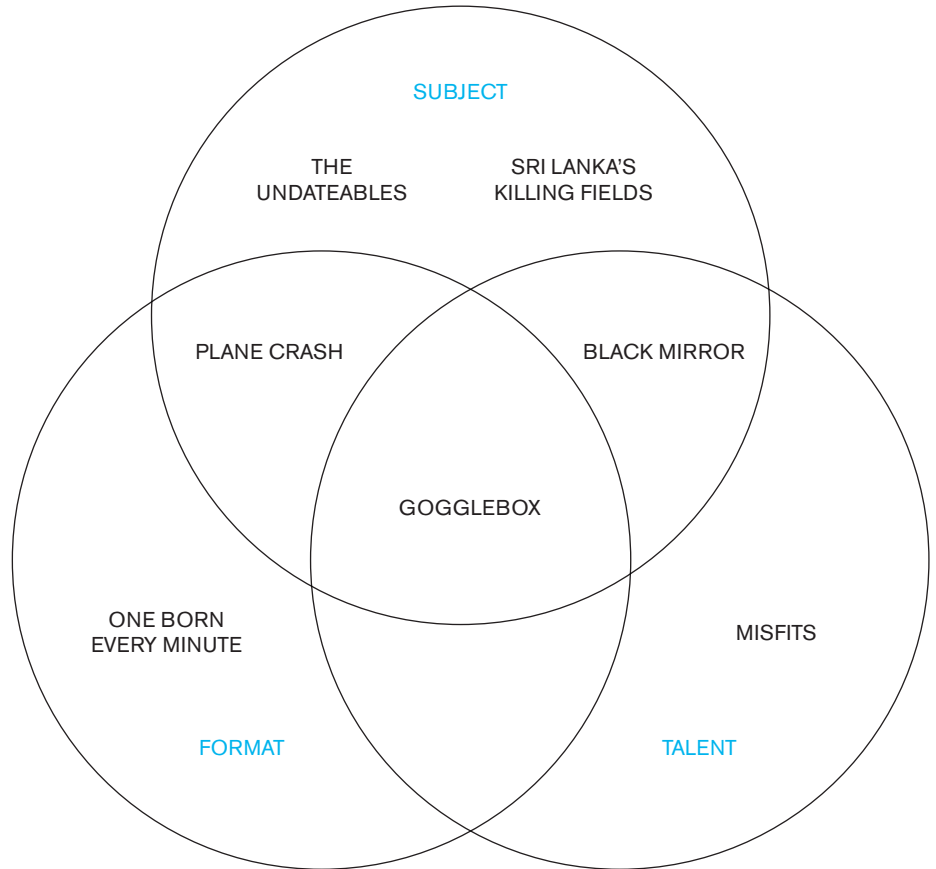
A teen drama with a strong ensemble cast of young British actors

**SRI LANKA'S KILLING FIELDS**

An investigation of crimes perpetrated by the Sri Lankan Government against civilians in defeating the separatist Tamil Tiger movement.

**THE UNDATEABLES**

Follows a group of people with physical disabilities or mental-health issues as they search for a partner. It challenges preconceptions about disability.



There is also a fourth source of innovation: technology. Channel 4 is innovating in how it uses technology to build relationships with viewers and offer more targeted opportunities for advertisers to connect with audiences.

All innovation is allied to risk-taking. By trying new things instead of sticking with established titles and formats, Channel 4 is exposed to increased risk of failure. However, Channel 4 has consistently had more new titles in its schedule than any other PSBs, which is an important driver of new intellectual property creation by independent producers.

Simon Andreae, Executive Vice President at Fox Broadcasting, says:



“CHANNEL 4 IS THE SINGLE RICHEST SOURCE OF IP IN THE WORLD FOR TV; OUT OF THE PARADOX OF BEING A COMMERCIAL BROADCASTER WITH A REMIT TO EDUCATE IN PRIMETIME COMES A FLOOD OF INFLUENTIAL FRANCHISES LIKE WIFE SWAP, SUPERNANNY, KITCHEN NIGHTMARES, EMBARRASSING BODIES, GYPSY WEDDINGS AND MORE.”

### *1.3 Channel 4: risk-taking and innovation baked-in*

Innovation and risk-taking are central to Channel 4’s primary purpose as defined in the 2003 Communications Act:

“[T]he public service remit for Channel 4 is the provision of a broad range of high quality and diverse programming which, in particular:

- demonstrates innovation, experimentation and creativity in the form and content of programmes;
- appeals to the tastes and interests of a culturally diverse society; 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
- exhibits a distinctive character.”

The remit also includes a broader range of activities in which Channel 4 is expected to participate, including providing news and current affairs that stimulates well-informed debate; promoting alternative views and new perspectives; supporting the development of people with creative talent; and inspiring people to make changes in their lives. At various points through this report, we highlight how the remit is being delivered.<sup>2</sup>

<sup>2</sup>The full Channel 4 remit is at: [www.channel4.com/info/corporate/about/channel-4s-remit](http://www.channel4.com/info/corporate/about/channel-4s-remit)



Risk-taking is driven by a remit that demands innovation, experimentation, creativity and distinctiveness, pushing commissioners constantly to question ideas to find what is creative, to identify what is uniquely “Channel 4” and to serve audiences with risk-taking programming that is different to what is on other channels. Commissioners work alongside producers to develop and fine tune ideas so they are consistent with Channel 4’s restless search for authenticity in factual, and an originality in comedy that generates laughter but also challenges the viewer. In news and current affairs, Channel 4 pursues issues tenaciously and uses the format of its news programme to give space to debate.

[Stephen Lambert](#), Chief Executive of Studio Lambert and Chairman, All3media America, says:



**“IT IS WONDERFUL WHEN CHANNEL 4  
ALLOWS YOU TO MAKE A SHOW THAT HAS  
A COMPELLING NOTION AT THE CENTRE  
OF IT, BUT THE DETAILS OF HOW IT WORKS  
CAN ONLY BE FIGURED OUT BY ACTUALLY  
MAKING IT RATHER THAN WRITING  
ENDLESS TREATMENTS.”**

Channel 4 delivers its educational remit in imaginative ways – for example *Fresh Meat* is a comedy but is a “Trojan horse” for educational material: *Fresh Meat Unlocked* is layered with education content based around accessing the mobile phone of the TV series characters online. The content was devised to help teenagers acquire life skills. The example provides compelling evidence that hard-to-reach audiences (who might not respond to subject matter delivered in traditional PSB formats will engage in content that is imaginatively presented.)



Simon Andreae again:

**“CHANNEL 4 IS LIKE THE SEXY LOVECHILD OF STEVE JOBS AND STEPHEN HAWKING: ENTREPRENEURIAL AND COMMERCIAL, BUT ALSO INTELLECTUALLY RESTLESS AND PROVOCATIVE.”**

**“CHANNEL 4 AND FILM 4 HAVE PLAYED  
A GREAT ROLE IN CREATIVITY IN THE  
UK. FILM 4 HAS HAD A HUGE HAND  
IN MAKING FILMS THAT OTHERWISE  
WOULDN'T HAVE HAPPENED.”**

Andrea Wong, President of International Production,  
Sony Pictures Television



## 2. A brief history of a unique organisation - from alternative to Alternative Mainstream

### *2.1 Three sources of uniqueness*

Channel 4 is a unique institution in the context of the global TV industry. It is:

- the only broadcaster in the world with a significant public service remit to be entirely commercially funded;
- the only public service broadcaster in the world to enjoy high reach in the hard-to-please and light TV viewing 16 to 34 year-old age group – especially the educated 16 to 34 age group (most public broadcasters around the world appeal disproportionately to the over 50s and children); and,
- the only major broadcaster in the world to source its programming entirely from external production companies.

**Carolyn Fairbairn**, a non-executive director of the Competition and Markets Authority, and previously in strategy roles at both the BBC and ITV, sees uniqueness in the Channel 4 business model, which gives the Corporation more flexibility than the BBC but does not require it to deliver a profit like ITV. She told us:



**“CHANNEL 4’S BUSINESS MODEL MEANS IT IS NEITHER HIGHLY CONSTRAINED BY REGULATION NOR BEHOLDEN TO SHAREHOLDERS, ALLOWING IT FREEDOM TO BE RISK-TAKING, QUIRKY AND NAUGHTY – THESE ARE EXTRAORDINARILY VALUABLE THINGS TO HOLD ON TO.”**

Channel 4’s continuing ability to reach a young and demanding audience, to be financially self-sustaining and to do so on the back of a commercially orientated, independent production sector is based in large part on its reputation as an innovative and alternative broadcaster, and the value of this to both audiences and advertisers.

Channel 4 has survived, and often thrived, 25 years on from the start of multichannel TV, 20 years on from the start of the internet, and a decade on from the evolution of the web into an interactive and collaborative platform supporting social media and the delivery of TV on-demand services. That Channel 4 has done so is due to the organisation’s ability to adapt to this changing context and to mould how it delivers its remit to be different and innovative to the demands of each successive wave of industry change.

This process of adaptation has taken the organisation from being merely alternative to becoming the Alternative Mainstream. In so doing, it has moved from being an organisation that is different for the sake of being different, almost deliberately ignoring mainstream tastes, to an organisation primarily focused on provoking and influencing mainstream TV and wider society. Not only has Channel 4 helped to keep the UK’s TV industry the most creative and innovative in the world, it has become a world leader in the provision of new and compelling global TV content.

## 2.2 Market context: three phases of adaptation

Channel 4 has been through three phases of transformation and adaptation in its 32 year history:

- The alternative channel – 1982 to the early 1990s
- Younger skewed and lifestyle channel group – mid 1990s to mid 2000s
- The Alternative Mainstream channel group – mid 2000s onwards

Each phase represents an adaptation to a changing market context and shifting financial imperatives.

### 2.2.1 The alternative channel: 1982 to the early 1990s

From its birth in 1982 to the early 1990s, Channel 4 was alternative in almost all the things it did. It was founded primarily to increase the plurality of voices and views on British TV and challenge a duopoly that had existed since the late 1950s. It was charged specifically with providing programming genres and meeting tastes not catered for by the BBC or ITV, and was to be the first publisher broadcaster, an outlet for external production companies. At first Channel 4 was highly dependent on ITV regional production companies but, as the sector developed, it utilised the new breed of independent production companies, often set up by former ITV and BBC producers, for new programming.

While Channel 4 took advertising from day one, its schedule was paid for from a levy on ITV regional companies, and in return the ITV companies retained the advertising revenues raised by the channel. During this period, the levy on ITV income was greater than the contribution to ITV revenues from advertising on Channel 4, making it a cross-subsidised entity focused on its editorial objective of being alternative and different from the rest of TV in the UK.

In the four-channel world of 1980s UK television, Channel 4 proved to be alternative in almost everything it did. It introduced alternative and improvised comedy to television with *Saturday Night Live*, *Whose Line is it Anyway* and *The Comedy Store*. It provided co-funding for independent UK films such as *My Beautiful Launderette* (Channel 4 was given a dispensation to show theatrical movies it financed prior to the usual three-year delay that applied to TV film showings up to that point). It provided new voices in TV documentaries and factual

programming, both from the radical left and the new right in equal measure. It provided a new kind of soap that owed more to the gritty reality traditions of UK indie film makers than the theatrical playhouse tradition of most TV drama producers, and it provided new forms of youth television in *Network 7*, *The Tube* and *The Word*.

Lastly, and important financially, it provided a much more mainstream but differentiated approach to daytime TV – through shows such as *Countdown* and *Channel4 Racing*, and gave UK audiences a chance to see a wide range of top US comedy and drama programmes, such as *Hill Street Blues*, *Cheers*, and *Golden Girls*.

Nicola Mendelsohn, vice-president of Europe, the Middle East and Africa (EMEA) at Facebook and Co-Chair of the Creative Industries Council is a fan of Channel 4:

**“THE BIRTH OF CHANNEL 4 WAS A SIGNIFICANT MOMENT; TO HAVE A BROADCASTER WHOSE CORE VALUES ARE BEING INNOVATIVE, DISRUPTIVE, MISCHIEVOUS AND WILLING TO TACKLE TABOO IS GREAT. CHANNEL 4 HAS ALWAYS MANAGED TO CAPTURE THE ZEITGEIST INCREDIBLY WELL.”**

#### *2.2.2 The younger skewed and lifestyle channel group*

By the early 1990s things were changing in UK television and for Channel 4. The Government of the day decided that Channel 4 should become financially independent from 1993, and set up the Channel 4 Television Corporation as an editorially independent and financially self-supporting entity. Ministers also forced the BBC and ITV to open up to independent producers through the introduction of a 25 per cent independent production quota. Pay TV, which was first introduced on satellite and cable in the UK in the late 1980s, began to grow rapidly with the launch of Sky TV by News Corporation and the subsequent takeover of BSB to create BSkyB. Meanwhile, the regulatory framework was established across Europe in 1989 with the TV Without Frontiers Directive. The overall impact of these changes was to make the high-margin US programming Channel 4 relied upon more expensive and

less unique, to provide more competition for the skills of the independent producer sector and to put pressure on Channel 4 audience reach and young demographics.

Channel 4 responded by reinforcing its core demographics within the network TV market, so its audience profile remained a lot younger than either those of the BBC or ITV, and more educated than either ITV or satellite TV. This won over key advertisers, who needed to counterbalance the older, down-market audiences provided by ITV, but also needed higher reach of the younger demographic than the satellite channels – still in fewer than half of UK homes – could offer. The destabilisation of ITV following the enforced franchise auction of 1991 also helped, as ITV focused more on financial margins and less on programming investment and audience share expansion.

Channel 4's financial independence allowed it to make significant financial surpluses and build up the reserves necessary to allow it to enter the multichannel world. Channel 4 responded to the satellite and cable challenge with the launch of the Film4 channel in 1998 and E4 in 2001 (first as pay TV channels carried on BSkyB, cable operators NTL and Telewest, and ITV's new DTT pay service – OnDigital). Both channels were designed to reinforce Channel 4's strong position with younger and upmarket audiences. On the main channel, programmes such as *Ali G*, *The Big Breakfast*, *TGI Friday*, *Sex and the City*, *Father Ted*, *Trigger Happy TV*, and *Hollyoaks* (all introduced between 1992 and 2001) were aimed at super-serving an under-40 demographic and supporting Channel 4's advertising prices, which in turn helped to subsidise the remaining alternative and niche programming in the schedule.

At the same time, Channel 4 responded to the increasing cost of relatively high-rating US acquisitions by developing lifestyle and leisure programming as a cost-effective alternative route to mainstream audiences. Programmes such as *Grand Designs*, *Location, Location, Location* and *Time Team* were all launched in this period, and were particularly good at attracting slightly older and more up-market audiences that were traditionally the heartland of BBC2.

However, by 2002, circumstances had started to change again. The dotcom boom of the late 1990s had turned to bust in late 2001, with a subsequent TV advertising recession from 2002 to 2004. The internet, which was beginning to attract advertising at scale, posed a longer-term challenge to TV advertising. At the same time, multichannel pay TV was beginning to gain UK market reach, and BSkyB was emerging as a dominant platform which could squeeze the amount it paid to third-party channels such as E4.

The period from 2002 to 2005 was marked by retrenchment and cost cutting at Channel 4, and a switch of the new pay channels to broadcast free-to-air on the back of the relaunched Freeview DTT platform, including More4, which was launched in 2005. Channel 4's relative position in the UK advertising market was still strong, and the switch of its thematic channels to advertising funding only, had helped the channel group's overall share of commercial viewing and advertising. Meanwhile, the imposition of the Contract Rights Renewal (CRR) that put advertising-selling constraint on ITV had probably helped weaken it as a challenger for Channel 4 audience and revenue.

### *2.2.3 The emergence of Alternative Mainstream*

A growing portfolio of younger skewing satellite channels – such as Sky One, Comedy Central, Dave and MTV – started investing more in programming; this, combined with the launch of BBC3 in 2003, targeting the 16 to 34 audience, put pressure on Channel 4's unique demographic positioning. From 2005 to 2010, a lack of confidence in Channel 4's ability to find a commercially sustainable way of achieving its role led to an unfulfilled diversification into commercial radio and an appeal for government subsidy. The situation worsened from 2008 as financial crises yielded a new TV advertising recession and a drastic cut-back in programming budgets.

Yet, in the midst of cost-cutting and upheaval between 2002 and 2010, a newly reinvigorated independent sector was emerging. This renaissance was driven by Government intervention, the original objective of which was to promote the growth and sustainability of a nascent domestic independent production sector. Under the so-called 'terms of trade', independent producers were given control of their own secondary and ancillary programme rights — essentially transferring intellectual property from PSBs to small production companies. Channel 4, as a publisher-broadcaster, had a unique impact on the success of the policy.



As well as leading to a raft of great programmes, the switch of rights to the indies and the capital investment and mergers/takeovers that followed created groups focused on expanding the global market for their IP. The success of the policy has driven a significant expansion in exports of programmes and formats, creating large entities with substantial production and distribution functions. That these businesses are now attractive targets for international channel and platform businesses suggests that the original objectives of the terms of trade have been achieved and it may be time to look again at the way the terms operate in order that the policy benefits continue to accrue to UK plc.

The trickle of the UK's TV ideas going global turned into a flood, led by indie producers such as Shine, Shed, All3media and RDF, and the super-indies such as Fremantlemedia and Endemol (which, while they had always been more global in their outlook, were now set on using UK-sourced and owned IP to drive their global businesses). These businesses were keen for the UK's TV industry to maintain or increase its new TV strand development (already high by global standards) and act as on-screen R&D for their global ambitions.

A new, more globally orientated indie sector and the response from BBC Worldwide and ITV Studios led to strands such as *Big Brother*, *Wife Swap*, *Supernanny*, *Survivor*, *Masterchef*, *Pop Idol*, *Who Wants To Be A Millionaire?*, *The Weakest Link*, and *Strictly Come Dancing* amongst many others, becoming truly international hits.

Today, within this new, more global TV ecology, Channel 4's innovative spirit manifests itself most obviously in the number of new ideas it is willing to try out each year, and in its approach to the three dimensions of innovation identified in this report – subject matter, formats and talent. Channel 4 has become both a vital source of direct R&D and innovation for the UK's TV sector, and an indirect spur to the rest of the UK's channels.

Channel 4 was interested in programmes that appealed not just to the 16 to 34 demographic – especially for its main channel – but more so in programmes that combine its remit to be different with the ability on occasions to win large audiences (often with a younger but not purely young skew). And it is also true that as indie producers became more commercially focused, they wanted to make programmes that were less purely alternative, less about

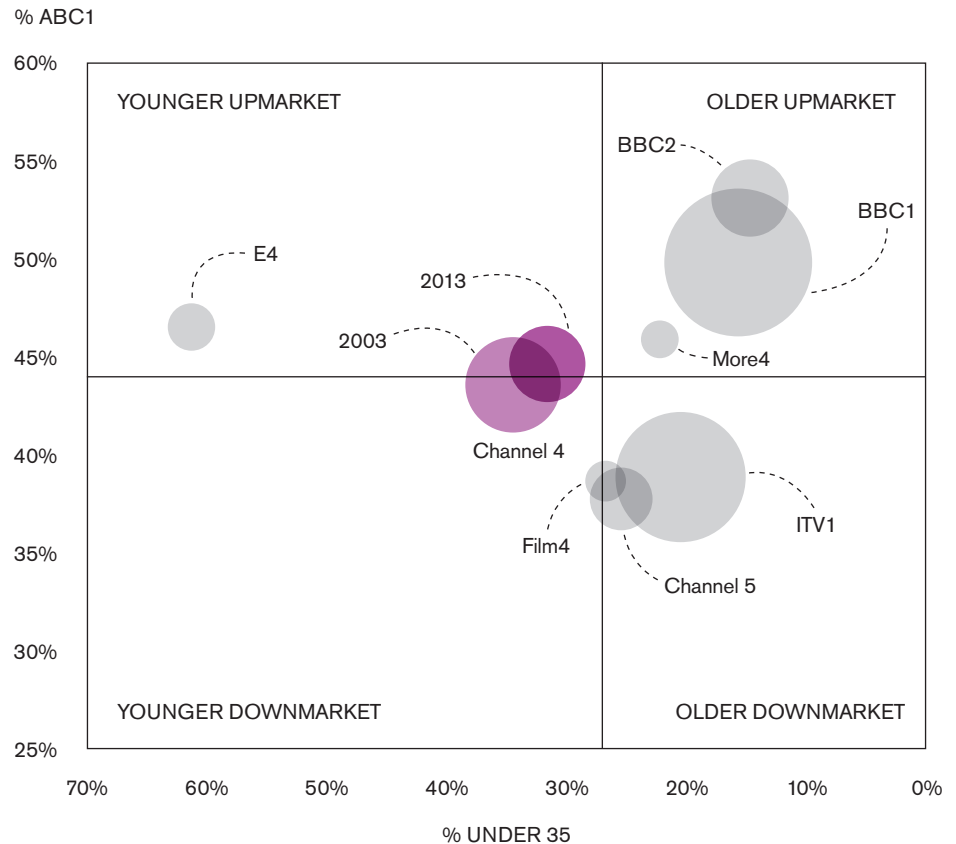
solely appealing to a young sub-demographic and more about being innovative within mainstream TV tastes.

From the mid 2000s, in the midst of this challenge, Channel 4's Alternative Mainstream approach to its remit was born (building on existing successes in this area such as *Big Brother*), eventually emerging as the defining characteristic of the channel from 2010 onwards. The approach is evident in programmes as diverse as *Embarrassing Bodies*, *Shameless*, *Skins*, *Ramsay's Kitchen Nightmares* and *Secret Millionaire* – to, more recently, *The Inbetweeners*, *Educating Essex and Educating Yorkshire*, *Benefits Street*, *The Undateables*, and *Gogglebox*.

This adjusted approach to its remit fits well with how Channel 4's role in film has developed over the years, helping film makers such as [Danny Boyle](#), [Steve McQueen](#), [Kevin Macdonald](#) and [Shane Meadows](#) move from the UK indie sector towards the kind of Alternative Mainstream films that gain box office success and critical acclaim for the UK's film-making fraternity.

While Channel 4 remains the only large network in the UK with a young audience profile, and remains disproportionately more attractive to ABC1 viewers than commercial rivals ITV and Channel 5. It is now closer to the network TV heartland audience than ten years ago, engaging in Alternative Mainstream programming and rebalancing away from overt demographic-targeting or alternative niche-programming (although still doing some of both).

*Fig 2: TV channel demographic positioning in the UK in 2013, and the shift in Channel 4 since 2003*



Size of bubble represents size of average audience. Crosshairs denote average of all TV viewing (i.e. it includes viewing of other channels not shown on this graph)

Source: BARB, Attentional Limited, Oliver & Ohlbaum analysis

### *2.3 From R&D to risk-taking and innovation with purpose and economic value*

As Channel 4's remit has changed so has the role and purpose of its innovation and risk-taking. In the alternative channel era of 1982 to the early 1990s, Channel 4 provided programming that was different to the mainstream channels in subject matter and style. If audiences were sometimes small, this was paid for by high-rating US programming unique in the UK TV market at the time, although occasionally the alternative did break out to become a bigger hit, such as *Whose Line Is It Anyway*.

In the demographically differentiated era between the mid 1990s and mid 2000s, a lot of R&D, innovation and risk-taking was focused on finding the writing and performing talent that could attract sizeable, young audiences. Programme acquisitions targeted a younger or more educated audience, and factual programming was commissioned that might appeal to an upmarket, professional audience – *Location, Location, Location, Grand Designs, Heston, Jamie Oliver*.

As the Alternative Mainstream era establishes itself, Channel 4 is focusing on innovation to engage mainstream audiences with something alternative to the main channels – and, above all, something challenging. This form of innovation and risk-taking is perhaps the hardest to deliver, as it needs to attract a more conservative, mainstream audience by taking well-known subjects and approaching them in a different way, or by taking extraordinary people and experiences and getting mainstream audiences to engage and empathise with them.

If done properly, innovation to engage mainstream audiences with challenging alternatives to the main channels is probably the most economically valuable for the UK's TV and film sectors as it provides a portfolio of IP which, while different and challenging, can engage the sizes of audiences needed by TV channels across the world. This form of innovation requires Channel 4 to stay in touch with the latest waves of creativity from the UK's art schools, political/social protest movements and the YouTube generation as its remit would always have required it to do, but to then adapt these forces to engage a wider, more mainstream audience, the type of audience only network television engages in the Web age. This new approach to the remit and innovation is consistent with approaches being adopted by governments across the developed world in the "race to the top". The UK has always had a strong academic research sector, a plethora of inventors, and wave after wave of "art school" type creative movements from the 1960s' pop and satire, Progressive Rock, Punk/Ska to Britart. What the UK has sometimes lacked is the ability to turn this taste for innovation and the eccentric into world-beating IP and global companies through consistent and managed risk-taking.

This is the gap Channel 4 is now bridging with its Alternative Mainstream approach. Channel 4, with its distinctive remit and willingness to embrace new ideas, the reaction of the rest of the

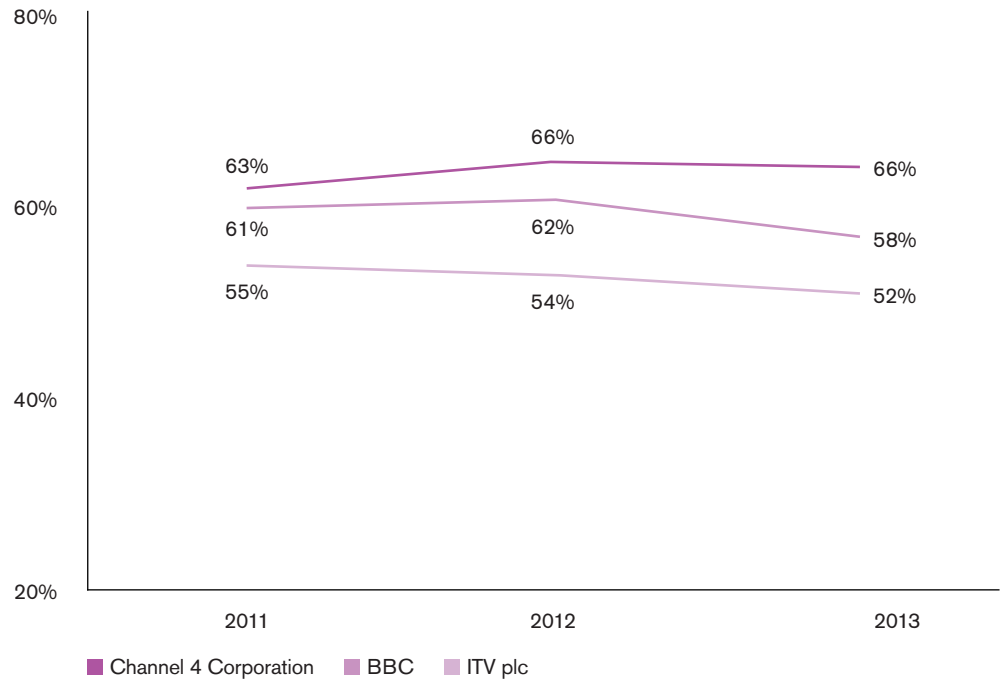
TV sector to the challenge Channel 4 is setting, and the financial and commercial resources of the TV production sector, are combining to build a world beating UK IP sector.

#### *2.4 A tangible economic impact*

The economic benefits are substantial: Research by Oxford Economics in 2011 (and discussed in more detail in Section 5.7) estimated that Channel 4 contributed £1.12 billion in gross value added to the UK economy, primarily as a consequence of its spending on independent TV and film production. The researchers also estimated that Channel 4 supported 28,000 jobs and generated £0.5 billion in tax receipts. Additional supply-side improvements in the performance of the independent production sector (so-called “catalytic” effects) Channel 4 generates – such as encouraging innovation, increasing the pool of suppliers and thereby fostering competition – were estimated to contribute a further £329 million to GDP.

Channel 4’s status as a not-for-profit organisation, commercially funded by advertisers – instead of government or mandatory licence fee – also helps ensure the maximum investment in content and new IP. When other broadcasters have focused more on profitability, diversification and delivery, Channel 4 continues to focus on content investment, as Figure 3 shows.

*Fig 3: Content spend as a proportion of income – 2011 to 2013*



Source: Company annual reports.

BBC is calculated as content spend on TV, radio and online as a percentage of total PSB group income. BBC figures are for the 12 months to 31 March of the following year (i.e. 2013 data is for the year ending 31st March 2014). ITV plc is scheduling costs as a proportion of broadcast and online segmental revenues.



**“AN ABSOLUTELY BRILLIANT SUCCESS.  
IT WASN’T QUITE GOING BEYOND THE  
PALE BUT IT WAS DONE IN A TASTEFUL  
MANNER THAT IS FRONTIER-PUSHING.”**

Sir Philip Craven, President of the  
International Paralympic Committee  
(in reference to *The Last Leg*)

### 3. Channel 4: risk-taking and innovation in practice

This section provides a showcase of Channel 4 risk-taking and innovation across genres including news and current affairs, factual, and drama, and its support for developing new talent in TV and film.

#### 3.1 *Fearlessly tackling major social and political issues*

To deliver its news and current affairs remit, Channel 4 has a distinctive nightly news programme that explores stories in depth; its award-winning *Dispatches* strand brings together investigative journalism of the highest order, and *Unreported World* gives exposure to important issues from around the world that do not make the nightly news.<sup>3</sup> Across its output, Channel 4 is tenacious in pursuing and exposing injustice; it is impartial but prepared to challenge orthodoxies, and has a distinctive flavour and edge: it brings alternative points of view into news presentation to give fresh perspectives and enhance understanding of stories.

<sup>3</sup> Channel 4's basic obligations in news and current affairs are set out in its OFCOM licence; they are to provide 208 hours per annum (four hours per week) of news in peak time that is "accurate, impartial, authoritative and comprehensive, in terms both of geography and subject matter" and 208 hours per annum (four hours per week) of current affairs programming "of high quality and dealing with both national and international matters", of which 80 hours should be in peak-time.

*Sri Lanka's Killing Fields* demonstrates Channel 4's tenacity in bringing news to international attention and continuing to pursue issues after they drop off the 24-hour news cycle. Channel 4 News first aired amateur video-footage by Tamil refugees on mobile phones of atrocities by Government forces, bringing the story to prominence and prompting initial investigation by the United Nations into the claims. Over a period of three years thereafter, Channel 4 obtained footage and testimony of egregious crimes against civilian Tamils displaced by the fighting, including aerial bombardment of refugee camps in areas designated as safe zones, shelling of hospital facilities: rape, torture and murder of civilian women as well as Tamil leaders.



Channel 4 aired *Sri Lanka's Killing Fields* (narrated by [Jon Snow](#) and produced by [Callum Macrae](#) for ITN Productions) in 2011. It won awards including the One World Media Television Award 2012 and the Association for International Broadcasting 2012 award for Best Investigative Documentary, Television, about which the judges said: "Sri Lanka's Killing Fields brings a truly shocking story to light through excellent and balanced journalism."

A follow-up documentary (*Sri Lanka's Killing Fields: War Crimes Unpunished*), also from ITN, was broadcast in 2012, winning the Broadcast Award for Best News and Current Affairs Programme in 2012 and a Peabody Award, in 2013.

The United Nations recognised the role played by *Sri Lanka's Killing Fields* in highlighting the atrocities; the premiere of the film during the UN Human Rights Council's 17th session in Geneva in 2011 was acknowledged to have been particularly powerful in informing Member States about the violations. The film was also screened at the UN in New York and shown to politicians from the House of Commons, the European Parliament and the US Senate.

*Sri Lanka's Killing Fields: War Crimes Unpunished* prompted uproar in both the Indian Houses of Parliament: the upper house's session was adjourned after politicians from the south of the country, which has a large Tamil population, criticised the government's failure to pressure Sri Lanka to investigate war crimes as part of a reconciliation process.

The documentary feature film *No Fire Zone* consolidated Channel 4's reportage and brought the story up to date with the Commonwealth Heads of Government Meeting in Colombo in 2013. In March 2014, partly in response to the evidence uncovered by Channel 4, the UN Human Rights Council voted in favour of a comprehensive independent investigation of alleged war crimes and continuing human rights violations in Sri Lanka. The UK-led resolution reflected Prime Minister [David Cameron's](#) determination to see the issue addressed when, accompanied by journalists including [Jon Snow](#), he visited Sri Lanka, in late 2013.

*Channel 4 News* is at the heart of Channel 4's news provision. Occupying a 7pm slot between the other channels' main 6pm and 10pm bulletins and current affairs programming later in the evening, *Channel 4 News* provides a balance of news, discussion

and debate. An hour in length, the programme’s editorial policy is to focus on fewer stories but give space to explore these topics in more detail.

There is an edge to the journalism, as [Richard Sambrook](#), Professor of Journalism and Director of the Centre for Journalism at Cardiff University, puts it:



“CHANNEL 4 ARE PREPARED TO APPROACH NEWS WITH ATTITUDE IN A WAY NO OTHER PUBLIC SERVICE BROADCASTER COULD DO. I’M NOT ENTIRELY SURE HOW THEY GET AWAY WITH IT, BUT IT ENRICHES BRITISH BROADCAST JOURNALISM.”

*Channel 4 News* coverage utilises independent producers and backs talent not seen on UK screens before – such as [Guillermo Galdos](#), who reports on current affairs issues in South America. His recent reports include extended segments on the drug trade in Brazil, child prostitution in Peru, and gangland violence in Honduras.

Deciding to broadcast *Channel 4 News* from Tehran during the Iranian Elections of 2013 was an innovative way of giving context and colour to coverage of a news event with global significance. The location of the broadcast enabled ordinary Iranians to tell their stories and provided a different perspective on a nation that is more usually presented in terms of its leadership and geo-politics.

*Channel 4 News* has pursued reporting in Syria with vigour despite the risks to journalists in such an unstable environment. *The Battle For Homs* – a series of reports by Channel 4 about the destruction of the city as it was laid siege by the Syrian Army – received an International Emmy for News in 2013.

*Dispatches* – the long-running current affairs strand – is Channel 4’s other distinctive contribution to Britain’s strong record in investigative journalism. It brings together programmes made by different producers under a single banner and gives them space to

uncover inequality and injustice. For example, *Dispatches* (as well as *Channel 4 News*) conducted an in-depth investigation of the events surrounding the resignation of the Conservative Chief Whip, [Andrew Mitchell MP](#), in October 2012 – “Plebgate” – leading to the arrest of eight people including five police officers, one of whom is now serving time in prison.

Coinciding with Channel 4’s coverage of the Sochi 2014 Paralympic Winter Games, run as part of the *Dispatches* strand, *Hunted* filmed a homophobic vigilante gang in Russia carrying out brutal attacks on gay men and posting the video footage online. In an extended sequence, the production team, which gained access to one of the vigilante groups, film the group as they trick a gay man into a flat where he is overpowered and forced to carry out humiliating acts. As [Lucy Mangan](#) of the Guardian said, this powerful and difficult-to-watch documentary “did an admirable job of neither flinching from nor sensationalising the appalling story”.

Developing Channel 4’s coverage of the Syrian crisis, *Syria: Across The Lines*, was a *Dispatches* documentary which took viewers to the front-line of the Syrian conflict and reported on the impact of the conflict in rebel-held and pro-Government areas on opposite sides of the Orontes River valley in central Syria. By covering the conflict at the level of individual communities and following individuals caught up on both sides of the struggle, the documentary presented the sectarian divisions – and the cost of the conflict in terms of the casualties on both sides – on a human scale. It received a Broadcast Award for Best News and Current Affairs Programme in 2013 and documentary producer and director [Olly Lambert](#) was winner of the Grierson Award 2013 for Best Documentary on Current Affairs.

*Unreported World* is another innovative contribution to Channel 4’s current affairs coverage, which uncovers stories from around the globe that may not be in the news but that warrant attention. In *Mexico: The Abandoned*, reporter [Ade Adepitan](#) and director [Daniel Bogado](#) filmed atrocious conditions in Mexico’s psychiatric institutions, and followed the work of a small group of people – themselves former patients with ongoing mental health problems – to expose the abusive and inhumane conditions inside. [Adepitan](#) also fronted *Ade Adepitan: Journey of My Lifetime* in which he returned to Nigeria to investigate why it is one of the few places where children still contract polio. [Adepitan](#) caught polio as a young child

in Nigeria and is now a wheelchair user; he was a medal-winning athlete in the British Paralympic Team and has gone on to forge a new career in TV presentation, including for Channel 4 in the Paralympic Games coverage, which we discuss in section 3.2 below.

### 3.2 *Meet the Superhumans: the London 2012 Paralympic Games*

Channel 4 broadcast over 150 hours of coverage of the London 2012 Paralympic Games, in what was the biggest broadcast event in the channel's history; events were broadcast live every day across Channel 4, More4 and online. Channel 4's chairman, **Lord Burns**, said in advance of the games: "For Channel 4, the London Paralympic Games will be the main event, not a sideshow to the Olympics; the games will define our year in 2012 and take over Channel 4 for their duration".

#### 3.2.1 *Marketing the Games*

Channel 4's coverage comprehensively challenged notions of Paralympic sport as less competitive or dynamic than able-bodied competition.

Channel 4 developed an imaginative marketing campaign – its largest ever – to draw attention to the Paralympics, starting with the tongue-in-cheek "Thanks for the warm-up" posters and press campaign as the London 2012 Olympics were ending. **Trevor Beattie**, partner at Beattie McGuinness Bungay, thought it reflected the tone of Channel 4 beautifully:



**“THE PARALYMPICS CAMPAIGN WAS CHEEKY AND INTELLIGENT WHILST PROMISING SOMETHING GREAT.”**

There followed a gritty, hard-hitting 90-second film – *Meet the Superhumans* – produced by the in-house 4Creative agency, which captured the power, drive and attitude of Britain's Paralympic athletes. The advert, which focused on athletes including **Hannah Cockroft**, **Jody Cundy** and **Ellie Simmonds**, was previewed across major commercial channels simultaneously.

Nicola Mendelsohn of Facebook, told us:

“CHANNEL 4 KNOW THEIR BRAND AND THEY ARE PASSIONATE ABOUT IT, AND THEIR WORK REFLECTS THAT. THE SUPERHUMANS CAMPAIGN FOR THE PARALYMPICS WAS MESMERISING AND WAS TRUE TO THE SPIRIT OF THE GAMES. IT CAPTURED PEOPLE’S IMAGINATION IN A WAY WE’D NEVER SEEN BEFORE.”

According to Campaign magazine, *Meet the Superhumans* was seen by 86 per cent of the UK population, with 72 per cent of adults who saw the trail saying it showed that the Paralympics were as exciting as the Olympics, and 87 per cent going on to watch the Paralympics. The campaign won a Grand Prix at the 2013 Cannes Lions International Festival of Creativity.

### 3.2.2 Developing new talent

A line-up of presenters, including [Clare Balding](#) and TV presenter and former Paralympic wheelchair basketball medallist [Ade Adepitan](#), was augmented through a talent search that identified new presenters such as former Royal Marine [Arthur Williams](#), former Paralympic swimmer [Rachael Latham](#), sports reporter and wheelchair basketball player [Jordan Jarrett-Bryan](#) and sports journalist [Alex Brooker](#), who featured in Channel 4’s witty evening show *The Last Leg* alongside [Adam Hills](#).

### 3.2.3 Bringing the Paralympics to the Alternative Mainstream

The Paralympics coverage was a confident demonstration of Channel 4’s remit to champion alternative voices and fresh perspectives, and challenge people to see the world differently. The opening ceremony attracted peak audience of 11.6 million – Channel 4’s largest audience for ten years – and the coverage throughout the 12 days of the games won Channel 4 a TV BAFTA for Best Sport and Live Event in 2013 – a category also contested by the BBC’s coverage of the Olympics opening ceremony and Super-Saturday.

Survey data from the Office for National Statistics show that more than two thirds (68 per cent) of the UK population believe that attitudes to disability have improved since the Paralympic Games in 2012. In a separate survey conducted for Channel 4, 83 per cent of viewers surveyed agreed that Channel 4’s coverage of the Paralympic Games would improve society’s perceptions of disabled people, while 64 per cent of viewers said they felt more positive towards disabled people as a results of watching the Games on Channel 4.<sup>4</sup>

<sup>4</sup>Paralympic data from the ONS Opinions and Lifestyle Survey, ONS, July 2014; Channel 4 Annual Report, 2012

BBC Director of Television [Danny Cohen](#) told us:



“THE PARALYMPICS COVERAGE AND ITS MARKETING WAS EXCEPTIONAL”

and [Sir Philip Craven](#) said:



“CHANNEL 4’S COVERAGE OF THE 2012 GAMES PUT THE PARALYMPICS ON THE MAP AS PURE SPORT”.

This ambition continued through coverage of the Sochi Winter Olympics in 2014, where Channel 4 was not afraid to highlight Russia’s attitudes towards homosexuality in *Gay Mountain*, and, as we noted earlier, the *Dispatches* documentary *Hunted*. Channel 4 will continue its coverage of the Paralympic Games in Rio in 2016.

### *3.3 Delighting in difference: giving voice to those on the outside*

Channel 4’s remit is to create factual output that stimulates well-informed debate, challenges established views, promote new perspectives and inspire people to make changes in their lives. In this section we explore how Channel 4 places difficult subjects in the spotlight and approaches them from angles that are innovative and that audiences find engaging.

*4 Goes Mad* was a week of programming in Summer 2012 designed to challenge audiences’ thinking about mental health. Eight volunteers – some with serious mental-health problems – featured in popular Channel 4 programmes including *Come Dine With Me*

and *Location, Location, Location*. At the end of the week all eight were brought together in *World's Maddest Job Interview* and were assessed by would-be employers to decide which might make good employees.

*World's Maddest Job Interview* forced mainstream audiences to think about an issue that affects one in four people and, by focusing on the workplace, the programme confronted the persistent problem of discrimination at work. The format was innovative: Sue Baker, Director of Time to Change, England's national mental health anti-stigma programme run by the charities Mind and Rethink Mental Illness, said: "It's encouraging to see a major broadcaster tackle this deep-seated taboo. We realise that, at its heart, this is an entertainment season but we hope it will turn the spotlight onto a subject that desperately needs to be de-mystified and open it up to a much wider audience."

Other programmes in the *4 Goes Mad* season included *Jon Richardson: A Little Bit OCD*, in which the comedian explored the world of Obsessive Compulsive Disorder, and *Ruby Wax's Mad Confessions*, in which she breaks down the stigma that surrounds mental illness. A dedicated website, launched to accompany the *4 Goes Mad* season, offered additional information about mental-health issues and interactive elements to engage the audience.

*Bedlam*, a four-part series by The Garden broadcast in 2013, challenged expectations about mental illness through unprecedented access to patients and staff at the South London and Maudsley NHS Foundation Trust – the world's oldest psychiatric institution. Dr Martin Baggaley, Medical Director, said of the filming of *Bedlam*: "My principal purpose in agreeing to this was to show people what really happens here, as preconceptions about mental health care are often based on myth and misunderstanding. The series shows that it is possible to live with and recover from serious mental illness if you receive the right treatment and support."

*Bedlam* was a provocative title and, by eschewing typical documentary approaches in favour of a bolder, more engaging style, the series brought mental-health issues to a wider audience. The production team won a BAFTA for Best Factual Series in 2014.



*Embarrassing Bodies* by Maverick TV is a long-running Channel 4 strand that explores common health issues in an open and entertaining way. The programme is, according to the [London Evening Standard](#): “admirable, unpalatable, fascinating and repulsive in roughly equal measure”.

A million people have used the STI (sexually transmitted infections) checker on the programme website and more than 400,000 viewers have taken an online autism spectrum test, creating the world’s largest test of its kind. The latter forms part of an interactive site – My MindChecker – which features eight mental-health self-tests covering a range of conditions from ADHD, Depression, OCD to Dyslexia. Channel 4 is innovating to create a multiplatform future – spikes in *Embarrassing Bodies*’ web traffic during the show demonstrate that viewers are watching with their laptops open, tapping their own questions into the message boards, using online resources such as clicking through the “vulva gallery” or applying to be on the show.

*The Undateables* (Betty TV) follows a group of people with physical disabilities and mental-health issues as they search for a partner. The programme title challenges preconceptions about disability and the attention around the series has helped to stimulate debate around the issues the programme raises. The third series of *The Undateables* in 2014 averaged 3 million viewers.

Liz Warner said:

**“THE UNDATEABLES IS TYPICAL OF CHANNEL 4’S WORK, MADE WITH A CHALLENGING EDGE, GRATING AGAINST THE MAINSTREAM AND CHALLENGING CONVENTIONAL THOUGHT.”**

Sarah Rainey of The Telegraph wrote that *The Undateables* is: “charming, poignant but with a dose of reality...it was eye-opening, refreshing and brutally honest. The format – interviews and footage of the dates – was simple and unobtrusive. More needs to be said about dating with disabilities – the vital role of minders, the paucity of reputable agencies – and *The Undateables* (the clue’s in the unapologetic name) is going the right way about it.”



All the titles considered here innovate with their subject matter and, by having input from people who work or live with mental illness or physical disability, allow the viewer to enter into a world they would otherwise not experience.

As [Roy Ackerman](#) of Fresh One Productions puts it:



**“THE INNOVATIVE SHOWS ON CHANNEL 4 ARE PROVOCATIVE, AND THE AUDIENCE TURN ON FOR THE WRONG REASONS, BUT STAY TUNED FOR THE RIGHT REASONS. THEY REALIZE THAT THERE IS SUBSTANCE BEYOND THE SENSATION.”**

The subject matter is often uncomfortable to watch – the titles are caricatured by some as “freak shows” – but by putting those with an illness or disability as the protagonists and not the subjects, they are given space to tell their own stories, which allows them to connect with an audience on common ground. By making some of the approaches humorous, Channel 4 also helps to humanise the participants, proving that they are real people with real emotions and ambitions, the same as everyone else.

#### *3.4 Uncovering opinions, witticisms and unexpected truths*

Channel 4 has a strong commitment to factual entertainment programming that brings new approaches to familiar subject-matter and shows a willingness to confront difficult topics. According to [Zoe Collins](#) of Fresh One Productions:



**“CHANNEL 4 ARE DEFINITELY ALTERNATIVE AND THEY ATTEMPT TO TACKLE UNIQUE AND DIFFICULT TOPICS IN AN INTELLIGENT MANNER.”**

Simon Andreae of Fox TV points out how Channel 4's style is

**“SUFFICIENTLY COMMERCIAL THAT THEY MAGNETISE YOU TO THE SCREEN BUT SUFFICIENTLY PURPOSEFUL THAT THEY THEN SNEAK IN A USEFUL PIECE OF LEARNING”.**

Channel 4 has pioneered the use of automated camera “rig” technology first used in *Big Brother* to create a directness in factual entertainment that audiences find enthralling. Shows such as *One Born Every Minute* and *24 Hours in A&E* capture ordinary people at moments of extraordinary drama, and present those experiences in a direct and unmediated format. *Educating Essex* and *Educating Yorkshire* applied the learnings of these earlier shows in an education setting, and the ability of the rig documentary to catch moments of great intensity naturally and unobtrusively was recognised in *Gogglebox*, which won a BAFTA for Best Reality and Constructed Factual Show, and *The Murder Trial*, which won a BAFTA for Best Single Documentary in 2014.

The potential of rig show technology was first evident in *Big Brother*, in which contestants shared a house together and were filmed 24 hours a day. The rig meant that producers could dispense with an onsite production team; instead, small wall- and ceiling-mounted cameras are installed and the fixed, multi-camera production is controlled remotely. Once the cameras are installed, people soon forget their presence and behave as if they are not being observed. Innovating in format, Channel 4 and the production companies it worked alongside – including Dragonfly, The Garden and Twofour – applied the concept to documentary subjects to create honest and unmediated factual entertainment.

*The Family* provided a fly-on-the-wall view of the lives of an ordinary family, uncovering moments of warmth, humour, stress and anger that resonated with audiences' experiences of their own lives. *One Born Every Minute* and *24 Hours in A&E* applied the concept in hospital settings. According to Nick Curwin, joint chief executive of The Garden, who was involved in the production of these early titles:



“THE DEVELOPMENT OF THE FAMILY, ONE BORN EVERY MINUTE AND 24 HOURS IN A&E ARE GREAT EXAMPLES OF BROADCASTER AND COMPANY WORKING TOGETHER TO CREATE GENUINELY INNOVATIVE TELEVISION.”

*Educating Essex* was commissioned from Twofour in 2011. The series is a clear move away from the narrated documentary style that may be typically associated with this content. The use of a fixed-rig gave the viewer an honest portrayal of an insight into British school life. The candid nature of the programme led to wide praise and in 2012, [David Clews](#), Twofour’s Head of Documentaries, was awarded a BAFTA Television Craft Award for his outstanding work directing *Educating Essex*.

The success of *Educating Essex* led to *Educating Yorkshire* and more recently *Educating the East End*. Among the highlights was the moment when young student Musharaf overcame his stutter with the support of teachers and staff at the school and was able to hold a conversation, which was essential for his English GCSE oral test. [Melanie Leach](#) of Twofour highlights how the success of the *Educating* format, along with the collaborative effort and support of Channel 4,



“HAS ALLOWED US TO CREATE A FULL-TIME RIG-SHOW FORMAT TEAM WHICH IS DEVELOPING CONSTANTLY”.

*Gogglebox* is produced by Studio Lambert; it is the culmination of experimentation that began with *The Audience*, a show produced for Channel 4 in 2012 by The Garden, which observed a group of people as they found out about individuals with a major decision to make in their lives. The audience then helped the individuals to solve their dilemmas; examples include a disabled woman considering adopting a child, and an office worker deciding whether to quit his job and go travelling. *The Audience* showed that there was potential in formats

which in a non-judgemental way follow people who are themselves watching something and forming opinions.

In *Gogglebox*, people are captured in their own home watching – and responding to – TV from the previous week. The first series attracted 1.2 million viewers but Channel 4 persevered and series two and three have become TV to talk about. *Gogglebox* is a light-touch social portrait of the UK: celebratory, mischievous, exemplary; and in uncovering opinions, witticisms and unexpected truths it has made minor celebrities of its participants.

Farah Ramzan Golant, former Chief Executive of All3media, told us:

**“GOGGLEBOX IS AN EXAMPLE OF CHANNEL 4 AT ITS BEST – EXEMPLIFYING THE VIRTUES OF ACTING WITH VIGOUR. THEY TOOK IT, LET IT BREATHE, MADE IT LONGER, AND IT’S NOW 3 MILLION [VIEWERS] ON A FRIDAY NIGHT.”**

The *Gogglebox* format has been sold in territories including Australia, China, Germany, The Netherlands and Norway. In the US, the show has been remade as *The People’s Couch* on Bravo, first as a pilot in late 2013 and then as a full series produced by Studio Lambert and All3media America.

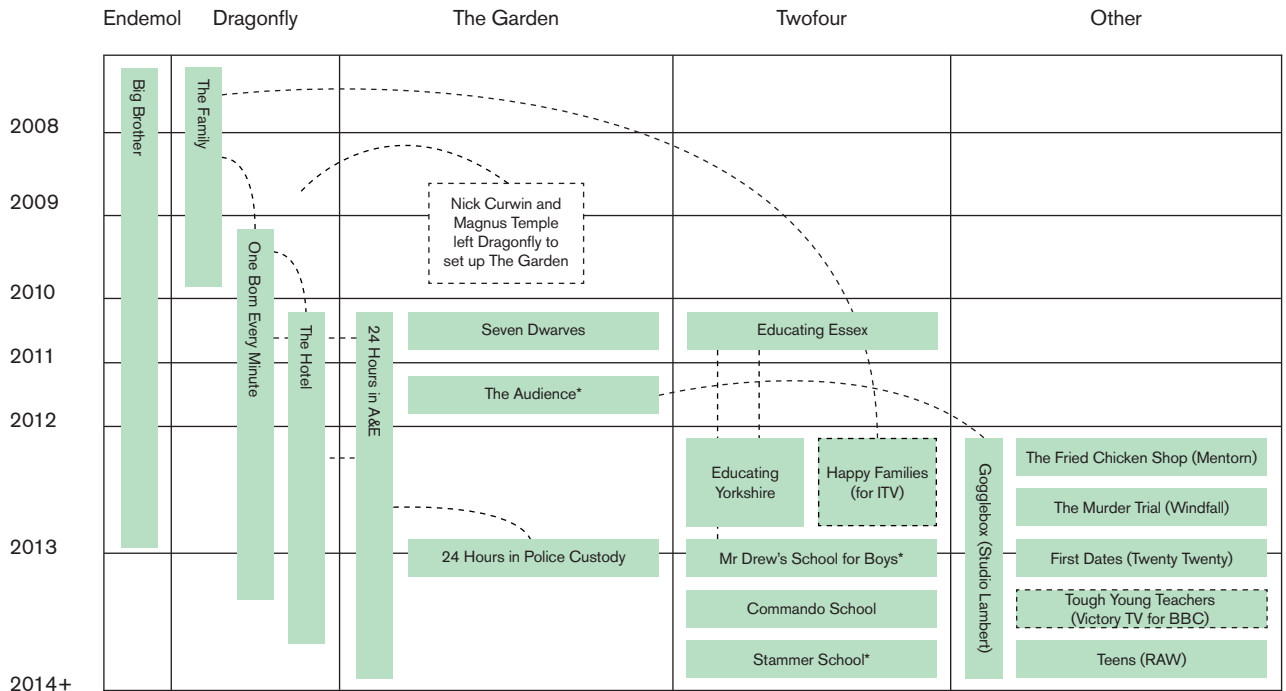
*The Murder Trial*, aired in 2013, presented new territory for Channel 4 and indeed for the UK production industry as a whole. It was to be only the second time footage of a British trial was shown on national television and the first British murder trial to be aired. The programme covered the retrial of a man convicted for the murder of his wife.

The audience were provided with an open view into the British legal system; Catherine Baksi wrote of *The Murder Trial* in The Law Society Gazette: “The media is supposed to be the eyes and ears of the people, and having the camera in court enables this to be done and the public to get a glimpse of the trial process in an unobtrusive a way as possible.”<sup>5</sup> It was this openness that provoked debate,

<sup>5</sup>[www.lawgazette.co.uk/channel-4-was-right-to-screen-the-murder-trial/71740.article](http://www.lawgazette.co.uk/channel-4-was-right-to-screen-the-murder-trial/71740.article)

raising questions over the undermining of justice and anonymity. In addition to this risk, producers at Windfall Films evidently had to steer clear of sensationalist programming by avoiding cases with particularly sensitive issues or potentially vulnerable witnesses. In spite of potential difficulties, *The Murder Trial* received widespread critical acclaim and its commissioning was justified by winning the 2014 BAFTA award for Best Single Documentary.

*Fig 4: Evolution of Channel 4 rig show titles and example ITV and BBC responses*



\*Not a rig show

Channel 4 is continuing to promote technological innovation in the rig shows format. Recent programmes such as *The Secret Life of Students* represent the breaking of new ground in the use of technology in programme-making. In utilising a “D-rig”, or digital rig, which focuses on monitoring the protagonists’ mobile devices and computers, the audience is brought right into the heart of the students’ first year of university.

Other factual entertainment strands that did not rely on rig cameras were *Benefits Street* and *The Campaign for Real Sex*.

*Benefits Street* is a Channel 4 documentary series which opens a window into the lives of those on benefits. Filmed in a single street in Birmingham, it followed the sometimes chaotic lives of a number of families drawing benefits over a twelve-month period in five hour-long episodes. The programme, by Love Productions, was among Channel 4's highest profile recent documentaries; it kindled a national debate about the rights and wrongs of the welfare model and whether it prevents destitution or encourages dependency.

Grayson Perry told us:

**“BENEFITS STREET WITH ITS INFLAMMATORY TITLE BROUGHT GREAT DEBATE FROM THE AUDIENCE”.**

Andrew Mitchell MP said in the House of Commons that *Benefits Street* “did a huge service to public broadcasting... It is tough, difficult and hard to re-craft welfare policy, but in that Channel 4 programme we saw why it is essential to tackle the issue.”<sup>6</sup>

<sup>6</sup>Hansard: House of Commons Debates, 19 March 2014, col 818.

*The Campaign for Real Sex* was a season in keeping with Channel 4's ambition to tackle difficult issues and commission programmes with significant social impact. This is particularly evident with the social and psychological studies and experiments performed throughout *Porn on The Brain* and *Sex Box*, both prominent features of *The Campaign for Real Sex*. They shed light on an element of our modern society that is often pushed out of mind. *Porn on the Brain* explored in depth the science of addiction to pornographic content, through various studies that provided useful insight into how addiction to pornographic content comes about and how it is manifested. *Sex Box* was a brave attempt to approach the physical and emotional elements of sexual relations from a fresh and immediate angle – in discussion with couples immediately after sex – though it was not broadly acclaimed.

### 3.5 Backing creative ambition: *The Plane Crash*

Channel 4 is widely regarded by producers as the channel that is most likely to take risks and back ambitious ideas. *The Plane Crash*, in which a team of engineers and scientists crash a commercial jet in the Mexican desert, is evidence of both risk and scale of idea.

The documentary was compelling TV and a meaningful contribution to aviation safety, due to the presence on the show of crash investigators and research scientists to set up cameras and measuring equipment to evaluate the effect of the impact on passengers. Channel 4 coupled the programme with a website that covered safety instructions on how to improve the likelihood of surviving a crash, as well as information on the 727 aircraft and facts surrounding crashes. The website, built by Rckt (see case study in section 3.9), featured an interactive element that allowed viewers to “check-in” and select their seat on the flight and then revealed what would have happened to the occupants of those seats in the crash.

[Alex Mahon](#), of *The Plane Crash* producers Shine, noted that



**“[THE DOCUMENTARY WAS] TOTEMIC IN TERMS OF INNOVATION AND CREATIVITY, A REAL BANNER FOR WHAT YOU CAN ACHIEVE CREATIVELY”.**

Production encountered many complications over the four years it took to develop and produce *The Plane Crash*. Primarily sourcing a suitable location and gaining subsequent permission from local authorities proved to be one of the most difficult factors to overcome, with constant setbacks forcing the producers to relocate various times. Due to the lengthened timescale, production costs escalated, and co-production partners reviewed their commitment to the production. [Alex Mahon](#) reflected on Channel 4’s display of support by saying:

**“IT WAS AN ENDLESS EXPERIENCE, EVERY TIME WE OVERCAME A PROBLEM, TWO MORE POPPED UP, BUT C4 STAYED COMMITTED.”**

[Adrian Michaels](#) of The Telegraph captured the essence of the excitement surrounding *The Plane Crash*, and wrote: “It was all compelling viewing in an extremely old-fashioned televisual way:

we were watching something thrilling that had genuinely never been shown before.”

### *3.6 Backing authentic voices: Channel 4 drama*

Channel 4 drama allows the most distinctive creative people to have their voice, giving them space and freedom to pursue their personal vision; the results are authentic and brave. In a broadcast market where softer drama tends to proliferate on other channels, its output is highly distinctive. Film4, meanwhile, consistently produces award-winning movies and its appetite for risk is widely praised, as is covered in section 4.

Carolyn Fairbairn neatly sums up the challenges and the importance of high quality drama in the schedule:

**“THE SCALE OF THE BETS A BROADCASTER NEEDS TO MAKE TO SUCCEED IN DRAMA – WHERE A SERIES CAN COST WELL OVER A MILLION POUNDS AN HOUR TO MAKE – ARE ENORMOUS. BUT DRAMA BUILDS A STRONGER EMOTIONAL CONNECTION THAN ANY OTHER FORMAT, ENHANCING AUDIENCE AFFECTION AND LOYALTY AND CONTRIBUTING TO UK CULTURAL LIFE.”**

Channel 4 drama is typically high quality, co-funded output with international potential. Its uniqueness is in the tone of the drama – often dark and awkward, sometimes witty and satirical. Channel 4 drama is also more author-driven than other channels which often use a team of writers to construct a drama series; Channel 4 gives writers and directors scope to tell their stories, giving a consistency and intimacy of feel to its output.



As [Paul Lee](#), President ABC Entertainment Group, puts it:



**“CHANNEL 4 IS UNCOMPROMISING IN ITS RISK-TAKING, AND ITS STORY-TELLING IS A BEACON OF BRITISH CULTURE THAT IS IMPRESSIVE FROM ABROAD.”**

*Utopia* writer [Dennis Kelly](#) said:



**“THERE ARE PLENTY OF PLACES ON TV WHERE YOU CAN SEE SOAPS AND COMEDY, BUT THERE SHOULD ALSO BE PLACES WHERE IT IS POSSIBLE TO EXPLORE WHAT IS ONLY ACCEPTABLE ON THE PERIPHERY – CHANNEL 4 AT ITS BEST IS THAT PLACE.”**

*Southcliffe*, from writer [Tony Grisoni](#) and director [Sean Durkin](#), explores, from different perspectives, the events of a spree killing in a UK village. There is an authenticity of experience in the treatment of the subject-matter and the non-interventionist standpoint is morally ambiguous. [Gerard O’Donovan](#), writing in *The Daily Telegraph*, said: “*Southcliffe*’s power has been its unique insistence on bringing into our living rooms a harrowing sense of the grief, numbness and trauma of mindless murder, shoving it in our faces and refusing to let us look away.”

*Utopia* is a dark, enigmatic conspiracy thriller in which an unconnected set of people find themselves in possession of the drafts of a legendary graphic novel, which puts them in grave danger as they are pursued by a shadowy organisation bent on recovering the manuscript.

[Julia Raeside](#), writing in *The Guardian*, said of *Utopia*: “It’s a drama cleverly peopled with truly likable yet totally unknowable characters. You invest in them, then they do something unspeakable. You’re

constantly asked to adjust your moral take on what you're seeing.”

Its writer [Dennis Kelly](#) said:

**“THERE WAS NO TEMPLATE FOR THE SHOW:  
WHAT WE WERE TRYING TO DO WAS TO MAKE  
SOMETHING THAT WAS ITS OWN WORLD, AND  
CHANNEL 4 ACTIVELY TOOK ON THAT RISK.”**

*Black Mirror* is a satirical exploration through extended drama about how our use of social media and personal devices is impacting our relationships and behaviours. Writer [Charlie Brooker](#) creates sharp observations, leavened with sly humour, about how technology is changing – and sometimes taking over – our lives. *Black Mirror* is produced by Zeppotron for Channel 4 and was an International Emmy Award winner in 2012.

*Babylon* innovates in its genre by examining policing in a metropolitan area using a fly-on-the-wall approach more familiar in documentaries. The pilot broadcast in 2014 was witty and satirical, and ultimately poses big questions about how we are policed and the meaning of truth in the context of 24-hour news provision.

[Claudia Connell](#) in *The Daily Mail* said of *Babylon*: “The action is fast-moving and the script is sharp and clever. It is wryly amusing rather than laugh-out-loud, mostly because it’s entirely possible to believe that the situations playing out on screen could so easily be real”.

*Babylon* director [Danny Boyle](#) said:

“CHANNEL 4 SHOWED TREMENDOUS SUPPORT FOR BABYLON, WHICH REPRESENTED A DIFFICULT AND TONALLY AWKWARD PROJECT. CHANNEL 4’S WILLINGNESS TO TAKE ON BABYLON DEMONSTRATES AN AMBITION TO EXPLORE INTERESTING IDEAS THAT REFLECT ON OUR SOCIETY AND ARE PERTINENT TO OUR DAILY LIVES.”

*Babylon* writer [Jesse Armstrong](#) told us:



“FROM A CULTURAL POINT OF VIEW, AS A VIEWER, THE UK WOULD BE A MUCH BLANDER PLACE WITHOUT CHANNEL 4. AND AS A WRITER, I WOULD FEEL BEREFT IF I DIDN’T HAVE CHANNEL 4 TO PITCH TO.”

*Misfits*, a science fiction drama on E4, explored the premise that five teenagers on community service were given supernatural powers during an electrical storm. The powers gained by each teenager enable themes affecting young people to be explored from unusual angles – so for example Curtis (played by [Nathan Stewart-Jarrett](#)) can rewind time to erase actions that have led to feelings of regret, and Alisha (played by [Antonia Thomas](#)) gains powers of clairvoyance. [Gerard O’Donovan](#), writing in *The Telegraph*, said *Misfits* had “one of the most engaging ensembles of young British talent seen on screen for some time”. The series was made by Clerkenwell Films and won a BAFTA for best Television Drama Series in 2010; [Lauren Socha](#), who plays Kelly Bailey in the series, won a BAFTA for Best Supporting Actress in 2011.

*The Returned* is a supernatural thriller. Channel 4 was brave enough to risk airing this French drama by producers Haut et Court for Canal+ in prime-time. It was broadcast with English subtitles, attracting 1.8 million viewers. *The Returned (Les Revenants)* was an International Emmy Award winner in 2013.

### 3.7 Developing new creative talent

Channel 4 exists to support the development of people with creative talent, in particular those involved in the film industry and at the start of their career. Roy Ackerman of Fresh One Productions said to us:

**“CHANNEL 4 IS A STARTING BLOCK FOR BIG TALENT, THEY BUILD PEOPLE WHO BECOME HUGE AND ARE CONSTANTLY LAUNCHING NEW PEOPLE.”**

#### 3.7.1 Developing talent in the film industry

Film4 is widely respected for its risk-taking and its ability to consistently create exceptional works leveraging budgets that are small compared with the major studios. John Smithson at Arrow Media and producer of *Touching the Void* told us that



**“FILM4 NURTURES BRITISH TALENT AND IT’S A CATALYST FOR MAKING GREAT FILMS HAPPEN.”**

Pathé UK’s Managing Director Cameron McCracken described Film4 as “distinct...younger, edgier and more out there”. He explained that the UK film industry looks to Film4 to bring new talent through and establish them:



“THE MOST IMPORTANT THING WITH FILM4 IS SUPPORTING NEW TALENT OR INDEED OLD TALENT THAT IS SAYING SOMETHING NEW.”

### 3.7.2 People at the start of their career

E4 has a strong track record of spotting and developing young talent, particularly in content that appeals to the tastes and interests of older children and young adults; many of these talents have gone on to other more prominent roles on Channel 4 (Figures 5), other channels and international in TV and film (see Figure 18 and 21 later in this report).

*Fig 5: Example titles developing young talent*

TITLE	DESCRIPTION	EXAMPLE TALENT	SUBSEQUENT WORK
THE INBETWEENERS	Sitcom	Simon Bird	Friday Night Dinner Chickens (Sky) The Inbetweeners Movies
		Joe Thomas	Fresh Meat Chickens (Sky) The Inbetweeners Movies
		Jessica Knappet	Drifters
HOLLYOAKS	Soap	Emma Rigby	Fresh Meat Prisoner's Wives (BBC1) The Counsellor (US Movie) Once Upon A Time in Wonderland (ABC)
		Roxanne McKee	Game of Thrones (HBO)
MISFITS	Teen comedy drama	Nathan Stewart-Jarrett	Utopia
SKINS	Teen drama	Kaya Scodelario	Southcliffe The Maze Runner (20th Century Fox)
		Dev Patel	Slumdog Millionaire The Newsroom (HBO)
		Hannah Murray	God Help the Girl (HanWay Films) Game of Thrones (HBO)

**Richard Ayoade** played Maurice Moss in Channel 4's *The IT Crowd*, and has gone on to present the factual show *Gadget Man*, also on Channel 4, and captain one of the teams on the quiz show *Was It Something I Said?*. Ayoade has been supported by Film4 Productions to develop his writing and directing talent – first on his feature debut *Submarine* (2010) and more recently *The Double* (2014), which he adapted from a novella by **Fyodor Dostoyevsky**.

### 3.7.3 *Established talent*

In addition to launching new talent, Channel 4 gives existing voices space to explore new subject matter.

**Steve McQueen**, whose most recent movie *12 Years a Slave* won Best Movie Oscar in 2014, is a former Turner Prize winner whom Channel 4 supported as he explored film-making as a medium for expressing a quite unique vision about how individuals cope with adversity.

*Fig 6: Channel 4 and Film4 contribution to the development of Steve McQueen's movie career*

<p>TURNER PRIZE 1999</p> <p>✓</p>	<p>Turner Prize awarded for ICA installation including short films:</p> <ul style="list-style-type: none"> <li>— Deadpan 1997</li> <li>— Drumroll 1998</li> </ul> <p>Coincidentally, Channel 4 was the Sponsor and broadcaster of the 1999 Turner Prize</p>
<p>HUNGER 2008</p> <p>✓</p>	<p>Film4 backs Steve McQueen in his first major movie</p> <p>Supporting a significant British talent—but at some risk because McQueen had no track record in feature length film-making</p> <p>Hard-hitting subject matter—a fictional account of IRA hunger-striker Bobby Sands</p> <p>Start of a thread in McQueen's output—individuals who are outsiders in extreme circumstances</p> <p>Winner of Camera d'Or at Cannes Film Festival and a BAFTA</p>
<p>SHAME 2011</p> <p>✓</p>	<p>Film4 back Steve McQueen's second major release</p> <p>Film follows disintegration of a sex-addict</p>
<p>12 YEARS A SLAVE 2013</p> <p>✓</p>	<p>Oscar / Golden Globes / BAFTA award winning movie</p> <p>Based on the memoirs of a black musician sold into slavery in pre-Civil War America</p> <p>Film4 an associate producer, providing major development support over a period of years to bring the project to production</p>

Another Turner Award winning artist, **Grayson Perry's** three-part documentary *In the Best Possible Taste* explored class differences, looking first at tastes in working-class Sunderland, then visiting Tunbridge Wells to understand middle class tastes before unravelling the tastes of the upper class in Gloucestershire. Alongside the show, **Perry** created a series of artworks articulating observations about class mobility based on the people he met during the series. **Perry** said of the relationship:

## “CHANNEL 4 TAKES RISKS, GIVING NEW TALENT THE SPACE TO GROW AND THE OPPORTUNITY TO DEVELOP.”

### *3.7.4 Unconventional routes into television*

We have seen already how Channel 4 gives voice to those on the outside, and part of fulfilling that approach includes putting people without experience of TV in front of the camera to tell their own story. This willingness to take risks has put memorable new personalities on screen.

As already described above, the London 2012 Paralympic Games and the late night topical comedy show *The Last Leg*, have made presenter [Ade Adepitan](#) and journalist and comedian [Alex Brooker](#) familiar faces. [Sir Philip Craven](#), President of the International Paralympic Committee, said:

## “CHANNEL 4 RECOGNISED THAT EACH ATHLETE, PRESENTER OR MEMBER OF THEIR TEAM, EVEN IF THEY HAVE AN IMPAIRMENT, ARE INDIVIDUALS, ALL EQUAL MEMBERS OF SOCIETY.”

[Adepitan](#) has subsequently been involved in other projects for Channel 4 including, as we have already seen, *Mexico: The Abandoned* for *Unreported World*. Brooker recently co-presented Channel 4’s reality show *The Jump*; [Jordan Byron Barrett](#) is now a sports reporter on *Channel 4 News* and [Arthur Williams](#) has presented several documentaries.

*My Transsexual Summer*, broadcast in 2011, followed seven transgender men and women as they came together to share experiences of changing gender. Employing a format similar to *Big Brother*, participants were brought together in a communal retreat over five weekends to share experiences; the production



provided a different angle on transgender to a majority of documentaries which focus on the operative moment. Two of the participants in the programme have formed their own production company subsequent to their participation in *My Transsexual Summer* and are now in discussion with Channel 4 about developing a production.

*Bank of Dave* followed the efforts of local businessman [Dave Fishwick](#) to set up a bank. Channel 4 backed the production despite [Dave Fishwick](#) having no experience as a TV presenter and there being no certainty that he would succeed in setting up the bank. Significant investment was required, with 12 months filming over two years to complete the show, and Channel 4's legal team helped defend [Fishwick](#) against legal action which could have derailed the programme and put [Dave](#) in prison. [Dave](#) said:



**“BANK OF DAVE WAS ABOUT MAKING TELEVISION THAT MAKES A DIFFERENCE TO PEOPLE’S LIVES... CHANNEL 4 STOOD BY ME AGAINST INSURMOUNTABLE ODDS.”**

*3.7.5 Renewing the talent commitment*  
Stephen Lambert told us that:

**“THERE’S NO DOUBT CHANNEL 4 HAS GIVEN NEW TALENT MORE BREAKS THAN ANY OTHER BROADCASTER; THEY OFTEN DEVELOP TALENT WHO LATER MOVE TO A MORE POPULAR BROADCASTER.”**

Some we spoke to felt that Channel 4 could do more to promote new talent. A typical comment was “talent-wise it has been hard to find new faces on the channel recently.” Figures that Channel 4 brought through in the past such as [Sacha Baron Cohen](#), [Ricky Gervais](#), [Jonathan Ross](#) and [Graham Norton](#) have all become a

huge part of the cultural landscape. However, today names such as [Richard Ayoade](#), [Simon Bird](#), [Joe Thomas](#), [Kaya Scodelario](#) and [Jack Whitehall](#) are the new generation of talent developed by Channel 4, as illustrated in Figure 5 and Figure 18, showing the development of talent through multiple projects with Channel 4.

[Danny Boyle](#) challenged Channel 4 to continue to lead in representing of the audience it serves. He said:

**“IT’S IMPORTANT THAT CHANNEL 4 ARE UNDER PRESSURE TO LEAD IN MULTI-ETHNIC AND GENDER REPRESENTATION IN OUR INDUSTRY. SO MUCH PROGRESS ORIGINATES FROM THE CHANNEL. IT’S CRUCIAL THAT THEY PLAY A CONSTANT AND LEADING ROLE ON THIS ISSUE. AND THAT WE KEEP THEM UNDER PRESSURE TO ENSURE A PUBLIC SERVICE BROADCASTER PROPERLY REPRESENTS THE PROFILE OF ITS AUDIENCE AND THE REGIONS IT WORKS IN AND SERVES.”**

### *3.8 Education: using entertainment as a Trojan horse*

Channel 4 has obligations to provide educational output, and in achieving this it focuses particularly on school-aged teens from 14 to 19 years old. Channel 4 is seen by young people as “alternative” compared with other public service broadcasters, which puts it in the privileged position of being able to communicate educational messages to hard-to-reach groups of young people who are not heavy viewers of network television.

Channel 4’s educational focus is to help young people to develop life-skills and knowledge, and it uses Channel 4, E4 and online channels to achieve this.

In 2013, Channel 4 broadcasted 21 hours of new commissioned output, an increase of 17 per cent from the previous year, at a cost of £8 million. Innovative collaboration with the drama commissioning team led to *Youngers*, *My Mad Fat Diary*, and *Don't Blame Facebook*.

*Youngers* is a drama on E4 produced by Big Talk Productions aimed at 10 to 14 year olds and provides engaging and aspirational black role models. It is an authentic portrayal of South London young black teenagers whose ambitions are to become successful rap artists. As their careers take off and success beckons, challenges the groups has to overcome arise. By presenting a diverse group of young people as they attempted to navigate their way through teenage lives, *Youngers* gives on-screen role models to young people who can relate to the experiences and opportunities of the main characters.

*My Mad Fat Diary* innovates in that it tackles issues – such as mental health and body image – in the context of a witty drama that school-aged teens can relate to. Produced by Tiger Aspect for E4, *My Mad Fat Diary* follows obese teenager Rae Earl, who is played with great naturalism by new talent [Sharon Rooney](#) (who received a Breakthrough Brits award by BAFTA in 2013 for her portrayal of Earl). It is an innovative handling of a difficult subject area. [Brian Semple](#) of Rethink, the mental-health charity, said in a blog for The Independent: “My Mad Fat Diary[...] marks a genuine highpoint in the way mental illness is represented on screen.”

*Don't Blame Facebook* was a factual entertainment show with the serious purpose of helping young people to understand – and be able to avoid – the pitfalls of social media.

In 2013, 2.1 million 14 to 19 year olds watched Channel 4's dedicated education TV content.

*Fresh Meat Unlocked* is layered, education content based around accessing the mobile phone of characters from the TV series. The content was devised to help 14 to 19 year-old audiences acquire life skills, and handles health questions such as contraception, sexually transmitted infections and drug taking, psychological issues such as mental health and building relationships, and political questions such as gender equality. The content is imaginatively presented for

audiences who might not respond to subject matter delivered in traditional PSB formats. Looking forward, Channel 4 is developing an online hub for content for 14 to 19 year olds around the theme “Am I Normal?” with tailored content addressing sex, relationships, family and friendships.

But it is important to appreciate the general educative value of Channel 4’s broader output: shows such as *Embarrassing Bodies*, *D-Day: As It Happens* and *Live From Space*, for example (all covered elsewhere in this report) are rich educational tools as well as being popular factual entertainment.

### 3.9 Innovation in format: audience interaction

Channel 4 is leading in multiplatform commissioning to create programming that viewers can engage with, in real time, via smartphones or tablets. Examples include the test for autism on the *Embarrassing Bodies*’ website and *Seven Days* and *Bedtime Live* which, increased understanding of the opportunities for audience engagement using social media tools. Channel 4 has taken the learnings and applied them to more ambitious multiplatform shows such as *D-Day: As It Happens*, *Easter Eggs Live*, and *Live From Space*, enabling the viewer to participate in real time.

Trevor Beattie said of *Seven Days*:

**“SEVEN DAYS WAS WAY AHEAD OF ITS TIME, A VERY PERSONAL SHOW. I THOUGHT IT WAS BRILLIANT.”**

The *Easter Eggs Live*, natural history strand, examined the biology of eggs and utilised a bespoke online platform to enable continuous streaming of footage of a large number of hatching eggs over a period of weeks.

The strand began online, with 24-hour streaming from incubators and other locations where the eggs were hatching. Audiences could interact via Facebook with the two live shows.

The streamed content attracted 450,000 online views prior to the live shows and peaked with more than a million page views on each day of live broadcast. A shark’s egg, which failed to hatch

over Easter, became a focus for attention on social media and streamed content was extended for almost three weeks to enable viewers to see the egg finally hatch.

In *D-Day: As It Happens* Channel 4 brought together programme production company Windfall and digital agency Digit to produce a full 24 hours of interactive content sandwiched by two hour-long programmes covering the assault on the Normandy beaches on 6th June 1944. The premise of the show was to utilise modern news dissemination via a breaking news style website and individual Twitter feeds to tell the story of D-Day from the perspective of various participants in that day's events. This innovative approach allowed audiences to follow events in real time. The project attracted 14,000 Twitter followers who posted messages as the personal stories of those involved unfolded, and won an International Digital Emmy Award for Best Non-Fiction Programme in 2014.

*Live From Space* was an ambitious series produced by Arrow Media that helped viewers to understand space travel from the perspective of astronauts on the International Space Station.

The centrepiece *Live from Space: Lap of the Planet* was complemented by two documentaries, *Astronauts: Living in Space* and *Astronauts: Houston We Have a Problem*. The former looked at what it's like to live and work in space through personal experience of the astronauts and their families. The latter focused on the work of the flight controllers, scientists, engineers, and doctors who support the crew.

The three-part series culminated with the live two-hour broadcast from the International Space Station (ISS) as it orbited Earth. Twitter users were given the chance to have a question answered by a live astronaut.

The show was not without risk: initially whether NASA would agree to provide access for the production, and then the challenge and unpredictability of interacting with astronauts while they are working in space. [John Smithson](#) of Arrow Media said of the show:

“IT WAS A GOOD EXAMPLE OF CHANNEL 4 SEIZING THE POTENTIAL. IT WAS ADMIRABLE TO EMBRACE SUCH AN UNPREDICTABLE AND TECHNICALLY CHALLENGING TOPIC.”

We look at Rckt, the digital agency behind the multimedia content accompanying the series, below.

Channel 4 has also experimented with audience interactivity beyond factual strands. *The Singer Takes It All* is a Channel 4 gameshow that gives total control to the audience via a mobile app. Users applied for the show by using karaoke-style software to sing an audition into their mobile phone. Almost 10,000 performances were uploaded by the public and shown in the app for other users to judge. The selection process was entirely by other users – with the best rated singers who made it to the top of the weekly chart invited onto the show.

On the live TV show, viewers rated the performance of contestants as they sang on a moving track. Under this real-time voting model, viewers saw their votes impacting on the programme live on TV. On average, more than 100k people voted each episode, with peaks of over 2.4million votes cast for a single show. The app was downloaded 600k times.

### 3.9.1 *Evolving the genre*

Audiences can now engage with a growing roster of Channel 4 multiplatform programmes via social media in real time. Through early risk-taking in shows like *Seven Days* and *Bedtime Live*, right up to *Live From Space*, Channel 4 and the network of companies from which it commissions are identifying and refining the elements of immersive multiplatform content that draw in and involve an audience.

Channel 4 has brought a new generation of viewers to diverse subjects and encouraged inclusivity amongst its audience and created communities open for discussion and participation.

Channel 4 has played a key role in bringing together expertise from the separate creative spheres of television production and digital

platform development to explore new programme ideas together. Channel 4 provided development funding for eight such pairings to build skills and relationships, promote integrated thinking across the sectors and fast-track multiplatform development. One of the greatest challenges looking forward is how to anticipate future consumer technology trends and develop in order to meet them.

*Case study: Collaboration with Rckt creative digital agency*

*Sheffield-based digital agency Rckt has collaborated with Channel 4 and programme producers to create memorable and compelling multiplatform experiences alongside Channel 4 programming including Live From Space, and Embarrassing Bodies: Live from the Clinic.*

*Rckt, working closely with Live From Space programme producers Arrow Media, Channel 4 and NASA, created strong interactive content and a tailored website to allow viewers to make a connection between themselves and the astronauts aboard the International Space Station (ISS). The centrepiece was a web-based interactive game, which allowed viewers to share the experience of micro-gravity in space. With NASA's agreement, the astronauts set up their own version of the game which they played for real on the ISS, with highlights shown on the TV programme.*

*For Embarrassing Bodies: Live from the Clinic, Rckt worked with producers Maverick TV to develop the MyMindChecker app, which viewers were encouraged to try out for themselves on their tablet or mobile phone while the show was on-air. The app determined if a person's was at risk of developing or suffering from certain mental health conditions based on answers the user gave to a short questionnaire; over 200,000 people tried the app during the show, and the findings were given live at the end of the programme. In total, two million people used the app over the course of the series.*

*According to Nick Crossland, Senior Digital Producer at Rckt, the Channel 4 relationship provides a foundation which has enabled the company to think creatively and innovate, to develop in-house expertise to execute those ideas, and to take on and train new staff in order to expand – this is a growing sector in which the UK can develop a world-leading position: “Channel 4 has been very influential in the direction that Rckt has taken.”*



**“FILM4 HAVE BEEN INCREDIBLE. THEY TOOK A RISK ON ME WITH HUNGER - MY FIRST FEATURE - AND THEY’VE SUPPORTED ME, HELPED ME REALISE MY VISION FOR EACH FILM I’VE MADE THROUGH TO 12 YEARS A SLAVE. I WON THE BEST PICTURE OSCAR FOR THAT FILM BECAUSE OF CHANNEL 4’S INVESTMENT AND BELIEF IN MY WORK.”**

Steve McQueen, Filmmaker

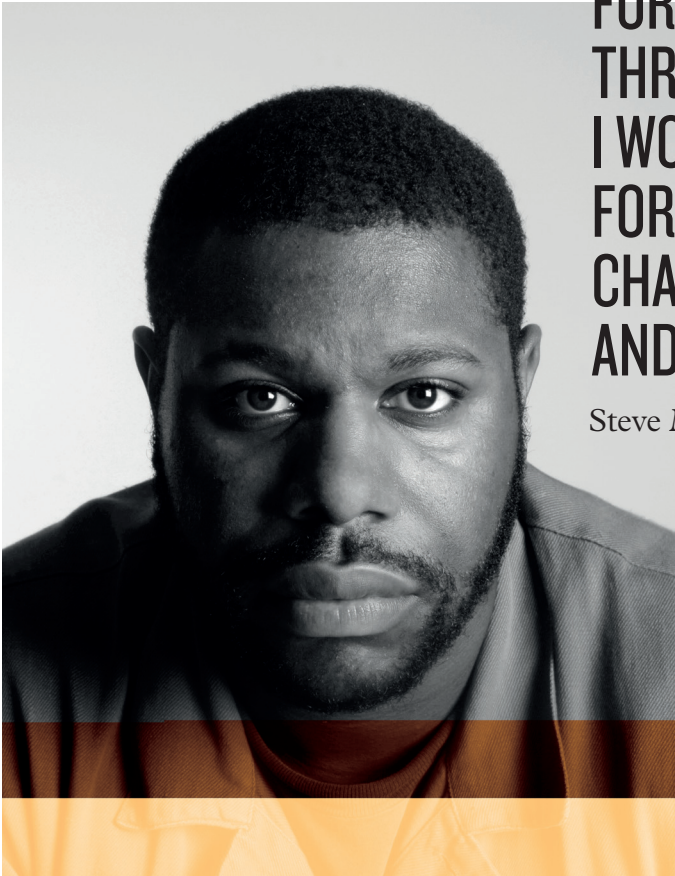


Image credit: Thierry Bal



## 4. Film4 – thirty years of risk-taking

### *4.1 Film4's role as an early backer of ideas*

Film4 Productions, was created at the inception of Channel 4 in 1982 to play a role in supporting independent British film production – a role which continues today. Film4 includes Film4 Productions, the Film4 channel and its online presence; it plays an important role in developing distinctive contemporary film produced by UK talent. While Film4 does not operate on the scale of the largest international film distributors, its approach to supporting innovative ideas has led to its involvement in a large number of successful films including two Oscar-winning films *Slumdog Millionaire* and *12 Years A Slave*.

Film4 is an early backer of film projects, investing development finance, time and expertise to support the writer and director in shaping ideas, defining the scale of ambition and the tone of the production, and identifying possible cast. This is the highest risk stage of the whole production process, since there is no guarantee of a project making it to production and most directors find that the first investor is the hardest to engage.

Film4 manages the risk of early-stage investment by backing talent whose interesting ideas, commitment and passion it respects. But for Film4, the prospect of a commercial return is not the sole driver of investment decisions, and commissioners look for interesting stories. Director **Kevin Macdonald** told us:



**“FILM4’S FOCUS IS NOT PURELY COMMERCIAL, AND THEIR WILLINGNESS TO BACK PASSIONATE AND COMMITTED WRITERS AND DIRECTORS TO MAKE-OUT THERE AND EXTREME FILMS IS RARE ANYWHERE ELSE IN THE ENGLISH-SPEAKING FILM INDUSTRY.”**

Danny Boyle told us:

**“FILM4 TOTALLY SUPPORT A PROJECT VISION; THEY HAVE REAL PATIENCE AND A DESIRE TO NURTURE PROJECTS, COMBINED WITH AN INCREDIBLE INSTINCT TO FOLLOW TO THE HEART OF A PROJECT AND NOT TO FOCUS ON THE COMMERCIAL OUTCOME...WITH THE DNA OF PUBLIC SERVICE BROADCASTING, FILM4 IS IN A UNIQUE POSITION TO SPOT THE POTENTIAL OF GREAT STORY-TELLING IN LESS OBVIOUS PLACES AND TO EXPLORE THIS CORRIDOR OF UNCERTAINTY ON BEHALF OF ALL OF US.”**

With the backing of Film4 and its support to develop an idea (often over many months or even years, as with *Slumdog Millionaire* for example), it is easier for a production team to secure financing for the rest of the production process. The support Film4 gives to develop projects also means that the ideas pitched to later stage investors are robust and less susceptible to outside pressure to change the movie to make it more mainstream or commercially focused.

Kevin Macdonald told us:

“I WOULD BE VERY SORRY TO SEE FILM4’S CULTURAL CONTRIBUTION LESSENERED IN THE CHASE FOR BOX OFFICE SUCCESS – IT CAN BE A MISTAKE TO LOOK FOR COMMERCIAL FILMS AND FREQUENTLY IT’S THE UNLIKELY PROJECTS LIKE TOUCHING THE VOID THAT SUCCEED...FILM4 PRODUCING TWO FILMS THAT WON BEST PICTURE OSCARS (SLUMDOG MILLIONAIRE AND 12 YEARS A SLAVE) IN FIVE YEARS IS A GREAT ADVERTISEMENT FOR ITS ABILITY TO FIND GREAT STORIES AND SUPPORT THEM TO FRUITION, AND FOR A PUBLIC SERVICE BROADCASTING ETHOS WHICH SUPPORTS SUCH RISK-TAKING.”

## 4.2 *History of Film4*

### 4.2.1 *Early years*

The very first Film on Four, *Walter*, directed by Stephen Frears and starring Ian McKellen, was broadcast on Channel 4’s launch-night in 1982. A disturbing depiction of the experiences of a man with learning disabilities, it set the template for uncomfortable drama on Channel 4 and unorthodox, challenging film-making that has been a feature of Film4 Productions.

This willingness to back ideas that are not obviously commercial is exemplified by *The Crying Game* (1992), which won an Oscar

Award for best original screenplay. Written and directed by **Neil Jordan**, the plot centres on the kidnapping of a British soldier by IRA members and the relationships which develop between the soldier and his captors, played out first against the backdrop of sectarian violence in Northern Ireland and then in a London of bedsits and seedy clubs. It explores questions of race and gender, and the sometimes opposing forces of political affiliation.

#### 4.2.2 *Spectacular successes and willingness to take risk*

Film Four International's backing of *Howards End* (1992) and *Four Weddings and a Funeral* (1994) demonstrated that the organisation could also spot winners. *Howards End* is a beautifully directed story of class relations in Edwardian England, based on **EM Forster's** novel of the same name, with pin-sharp depiction of social mores. It won three Oscars including Best Actress for **Emma Thompson** and Best Art Direction for **Luciana Arrighi** and **Ian Whittaker**.

*Four Weddings and a Funeral* (1994), a gentle comedy written by **Richard Curtis** and directed by **Mike Newell**, is best known for its delightful settings and the central portrayal by **Hugh Grant** of a bumbling upper middle-class Englishman unable to commit to marriage. It won BAFTA awards for Best Film, Best Director, Best Actor and Best Supporting Actress (for **Kristin Scott-Thomas**) and has grossed almost \$250m in box office receipts, putting it among the highest grossing British movies of all time.

*My Beautiful Laundrette* (1985), directed by **Stephen Frears** and written by **Hanif Kureishi**, captured the political and social climate of Thatcherite Britain. Pakistani immigrant Omar invites Johnny, a British working class lad who has been drawn into a group of racially abusive right-wing extremists, to help renovate a laundrette owned by Omar's uncle. The film addresses issues of race, homosexuality and the divergent ambitions of immigrants and their parents, in compassionate and frequently comic terms. Produced by Channel Four Films and Working Title, *My Beautiful Laundrette* won the Evening Standard British Film Awards Best Film category.

But Film4 was also supporting other cutting edge movies, among which **Danny Boyle's** debut feature, *Shallow Grave* (1995) and its follow-up in 1996, *Trainspotting*, demonstrate an appetite for taking risk on new talent that would ultimately pay dividends in 2008 with the spectacular success of *Slumdog Millionaire*. Film4's contribution to **Boyle's** career is highlighted in the case study below.

*Case study: Danny Boyle; Shallow Grave to Slumdog Millionaire*  
*Danny Boyle* told us that a first movie is often the best – it's the only time a director is ever making a movie for the first time, which can result in a work of great freshness. *Shallow Grave*, *Boyle's* directorial debut, is a story about Edinburgh friends who find themselves in possession of a dead flatmate and a suitcase full of money. Shot rapidly and on a tight budget, it is at times dark, witty, and violent; it won *The Alexander Korda Award for Best British Film* at the BAFTAs.

Channel 4 Films also backed *Boyle's* follow-up, *Trainspotting* (1996), the cult classic of heroin addiction, again located in Edinburgh and shot on a small budget. Its helter-skelter pacing and unapologetic realism appealed to audiences and it was the highest grossing British film of 1996.

2008's *Slumdog Millionaire*, which was co-produced by Film4 Productions, won eight Oscars including Best Film and Best Director for *Danny Boyle*. It also won seven BAFTAs including best film and best director. Film4 invited *Boyle* to direct the movie, the script for which had been prepared by *Simon Beaufoy*. A feel-good movie with a socially aware edge, it follows *Jamal Malik* (played by *Dev Patel*, who was first discovered by Channel 4 in the E4 drama *Skins*), a young man from the *Juhu* slum area of Mumbai, as he plays the Indian version of *Who Wants to Be A Millionaire?*. Made with a budget of £7.5m, *Slumdog* has grossed in excess of \$375m globally.

#### 4.2.3 The new millennium – a run of Great British films

In the late 1990s and at the turn of the new Millennium, Film4 had a string of successes, which were recognised with BAFTA awards – winning Best British Film in 1996 (*Secrets and Lies*), 1998 (*Elizabeth*), 1999 (*East is East*) and 2001 (*The Warrior*). Each is a very different work, demonstrating that Film4 does not rely on a formula for spotting successes but instead is willing to explore across genres.

*Secrets and Lies*, written and directed by *Mike Leigh*, explores questions of family and belonging through a well-educated young black woman who was adopted as a child and decides to find her real parents. *Brenda Blethyn* won a Best Actress BAFTA for her portrayal of the mother.

*Elizabeth* is a sumptuous period drama exploring the early adult years of Queen Elizabeth I, for which *Cate Blanchett* won a BAFTA for Best Actress.

*East is East* is a comedy of race relations that examines how second generation immigrants in a Pakistani community in Salford in the early 1970s balanced the expectations of their parents and the opportunities opening to them through education and new friendships. *The Warrior* is a movie in Hindi by British-Indian film maker **Asif Kapadia**, which Film4 distributed in the UK.

2003's *Touching the Void* won a BAFTA for Best Film. Directed by **Kevin Macdonald** and produced by **John Smithson**, it is a documentary about the near-fatal ascent by Joe Simpson and Simon Yates of Siula Grande in the Peruvian Andes. **Macdonald** told us: Film4 backed **Macdonald** again to make *The Last King of Scotland* (2006) for which **Forest Whitaker** won Best Lead Actor Oscar for his portrayal of the dictator Idi Amin.

**“FILM4 TAKES A PERSONAL AND PASSIONATE INTEREST IN PROJECTS AND THEY ARE CLOSELY INVOLVED, GIVING TALENT SPACE TO NURTURE THEIR IDEAS AND SUPPORT TO DEVELOP THEM.”**

**Shane Meadow's** picture about young working class Britons – *This is England* (2006) – was funded by Film4. It is a realistic, at times bleak, presentation of the interlinked lives of young people with limited life choices in the early 1980s. *This is England* is consistent with all that is best about Channel 4 – a young, untried cast, the exploration of themes which are not immediately commercially obvious, and an honesty in drawing attention to those who are not receiving their share of the opportunities in contemporary society. *This is England* won best British film at the BAFTAs and has spawned a series of sequels on Channel 4.

#### 4.2.4 In 2010s – Still Backing New Talent

Film4 continues to back new talent. In a case study below we highlight how Film4 has supported **Steve McQueen** to make difficult movies; the first collaboration, *Hunger* (2008) was recognised by the BAFTA committee with an award for a Special Achievement by a British director, writer or producer in their first feature film. Since 2010, other film makers backed by Film4

have been awarded a BAFTA for Outstanding Debut by a British writer, director or producer – **Chris Morris** for *Four Lions* (2010), **Paddy Considine** for *Tyrannosaur* (2011) and **Bart Layton** and **Dimitri Doganis** for *The Imposter* (2012).

*Four Lions* is a dark comedy about a group of would-be jihadists in Sheffield, Yorkshire. Directed by **Chris Morris**, who wrote and starred in acclaimed comedy *Brass Eye*, it was written in partnership with **Sam Bain** and **Jesse Armstrong**, who have also written *Peep Show* and *Babylon* for Channel 4.

*Tyrannosaur*, financed by Film4, is a drama about Joseph, a man plagued by violence and a rage, who earns a chance of redemption through a chance meeting with Hannah, a Christian charity shop worker (a performance by Olivia Colman that won huge plaudits and transformed her career). In addition to the BAFTA, **Considine** won the World Cinema Award for Directing at the Sundance International Film Festival, and Best British Independent Film at the British Independent Film Awards.

*The Imposter* is a documentary based on Frédéric Bourdin, a con-artist who in the late 1990s persuaded a family in Texas that he was their 16 year-old son who had gone missing three years earlier.

**Peter Bradshaw**, writing in the Guardian, said of *The Imposter*, “When this film was over, I felt as if I had been holding my breath for 99 minutes. It is pure, delicious suspense.” The film won Best Documentary in the 2012 British Independent Film Awards.

*The Inbetweeners*, a movie spin-off from the successful E4 sitcom written by the same team of **Damon Beesley** and **Iain Morris**, directed by **Ben Palmer** and produced by Film4 Productions, Bwark and Young Films, enjoyed the most successful opening weekend ever of a comedy in the UK, and went on to gross almost \$90 million worldwide. A sequel was released in August 2014.



*Case study: 12 Years a Slave*

*12 Years A Slave is the third collaboration between Film4 and Steve McQueen. Based on an original memoir, the movie tells the story of the abduction of Solomon Northup into slavery in the pre-Civil War in United States. It is a brutal account of his captivity and his struggle to stay alive and retain his dignity.*

*Mark Kermode, writing in the Observer, praised McQueen for using the medium of film “for its highest purposes: to elevate, educate and ultimately ennoble the viewer by presenting them with something that is visceral, truthful and electrifyingly ‘real’”.*

*Film4 backed the movie early on, giving McQueen the space and encouragement to develop the original memoir into his distinctive vision for the movie, and they put additional funding into the production when McQueen needed extra reshoots to complete the picture.*

*The film won the Academy Award, BAFTA and Golden Globes for Best Picture. Lupita Nyong’o won the Oscar for Best Supporting Actress, John Ridley was awarded the Oscar for Best Adapted Screenplay, and Chiwetel Ejiofor won the BAFTA for Best Actor.*

*Steve McQueen said:*

**“NO IFS, BUTS OR MAYBES ABOUT IT, FILM4 WERE INTEGRAL IN GETTING 12 YEARS A SLAVE OVER THE LINE; AT A CRITICAL MOMENT THEY STEPPED IN AND PUT UP MORE MONEY WHICH SAVED THE PRODUCTION.”**

*4.3 Film4 innovation initiative*

In 2011, Film4 moved to support its approach to developing British film by launching a digital innovation initiative with special focus on talent development, production and audience engagement. It commissions film projects that have the potential to explore the spaces and relationships between traditional media, digital platforms and the real world.



This has led to a number of innovative film concepts, as well as support for the independent British film production sector more broadly. Recent films made with Film4's digital innovation support include the hybrid film *20,000 Days On Earth*, directed by **Iain Forsyth** and **Jane Pollard**, and **Ben Wheatley's** *A Field In England*, which was the first film to be released in cinemas, on DVD, on TV and video on-demand on the same day. Other Film4 digital initiatives include an Innovation Forum to bring together the UK industry to share best practice and new ways of engaging with audiences; its "Scene Stealers" competition, which aims to uncover the next generation of film makers; and support to Tate Modern and Google's collaborative storytelling experiment *The Exquisite Forest*. All of these initiatives develop the ecosystem surrounding UK film makers and help them to achieve global success.

#### *4.4 Wide approval of Film4's contribution to British film*

Film4 is consistently lauded as a producer of exceptional movies and demonstrates a willingness to invest in riskier ventures, confident in its judgement about talent and stories.

**Paul Lee** told us:

**"THERE IS NO QUESTION THAT FILM4  
REVOLUTIONISED BRITISH STORY-TELLING.  
ITS ENTREPRENEURIAL APPROACH  
AND CREATIVE STORY-TELLING REALLY  
RESONATES IN THE US AND ROUND  
THE WORLD."**

Pathé UK's **Cameron McCracken** said:

**"FILM4 ARE MORE EDGY AND POLITICALLY  
ENGAGED THAN MOST."**

Danny Cohen, BBC Director of Television, said:

**“FILM4 HAS BEEN AN INCREDIBLE THING. IT’S HAD A HUGE CREATIVE IMPACT, TAKING RISKS AND ACHIEVING GREAT QUALITY PRODUCTIONS.”**

John Smithson (Arrow Media) told us:

**“FILM4 NURTURES BRITISH TALENT AND IT’S A CATALYST FOR MAKING GREAT FILMS HAPPEN.”**

Jesse Armstrong, who with Sam Bain co-wrote the Film4 production *Four Lions*, said:

**“FILM4 IS AN EXTRAORDINARY POWERHOUSE FOR BRITISH FILM. I’D SAY RIGHT NOW IT IS IN A UNIQUE POSITION IN TERMS OF THE QUALITY AND NUMBER OF FILMS IT BACKS.”**

The importance of Film4 to British film-making is summed up by Danny Boyle:

**“THE PUBLIC PROFILE FILM4 GENERATES FOR BRITISH FILM IS PRICELESS. BY NURTURING WORKS OF A CERTAIN STANDARD THAT ARE ALWAYS INTERESTING TO TURN TO, FILM4 GIVES A PERMANENT HOME AND A CALLING CARD TO THE INDEPENDENT BRITISH FILM INDUSTRY.”**

And [Kevin Macdonald](#) acknowledges the wider impact:

**“FILM4 HAS A HUGE IMPACT AT INTERNATIONAL LEVEL AND A REPUTATION FOR QUALITY GLOBALLY.”**

Recognition of Film4’s role in nurturing new talent is not a recent phenomenon – there is neat symmetry in the fact that the first BAFTA awarded to a film backed by Film on Four was an outstanding newcomer to film award for [Phyllis Logan](#) in 1983 for her role in *Another Time, Another Place*. Film4 continues to back writers, directors, producers and on-screen talent. As [Harvey Weinstein](#), The Weinstein Company and Founder Miramax Films, puts it:



**“FILM4 PUNCH ABOVE THEIR WEIGHT BECAUSE THEY SPOT GREAT IDEAS EARLY ON AND GIVE SPACE TO TALENTED WRITERS AND DIRECTORS TO CREATE GENUINELY ORIGINAL AND COMPELLING MOVIES.”**

**“I AM PERSONALLY A MASSIVE FAN OF THE INDIE FUND...I THINK IT IS INCREDIBLE AS AN ACCELERATOR FUND, AND AN INTERESTING WAY TO SUPPORT CREATIVITY IN ITS NASCENT FORM. IT PROVES YOU CAN PUT MONEY INTO GRASS ROOTS DEVELOPMENT”**

Farah Ramzan Golant,  
Former Chief Executive of All3media



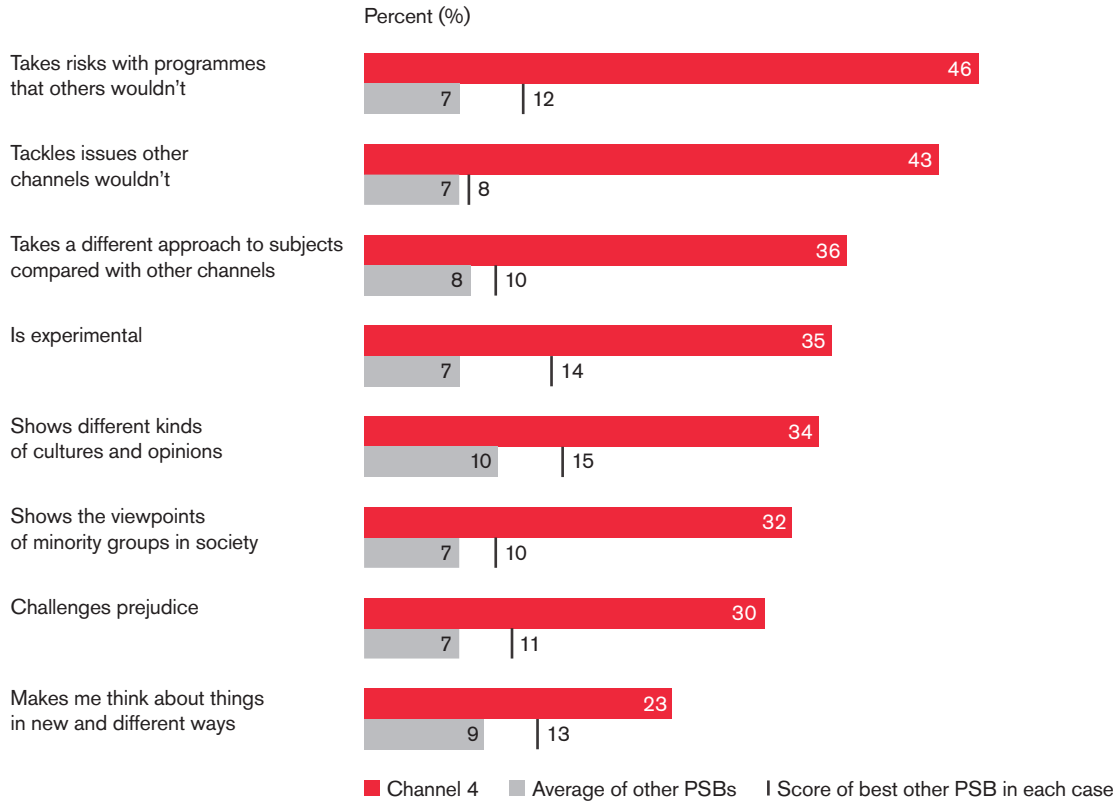
## 5. Channel 4 risk-taking and innovation – the vital statistics

Previous sections have looked at Channel 4’s unique approach to risk-taking and innovation in TV and film. This section reviews the basic metrics: audience perceptions and understanding of Channel 4’s role and achievements, rates of refreshment of programme ideas and its greater willingness to nurture promising ideas. It also reviews Channel 4’s new Growth Fund and its push into new technology, which together help underwrite more sector-based risk-taking, and Channel 4’s more traditional role in supporting project level risk-taking through the development of its supplier base. Finally, it summarises Channel 4’s overall economic impact and its unique ability to engage 16 to 34 year-old audiences with PSB output through its distinctive approaches to programming.

### *5.1 Audience understanding of Channel 4 risk-taking and innovation*

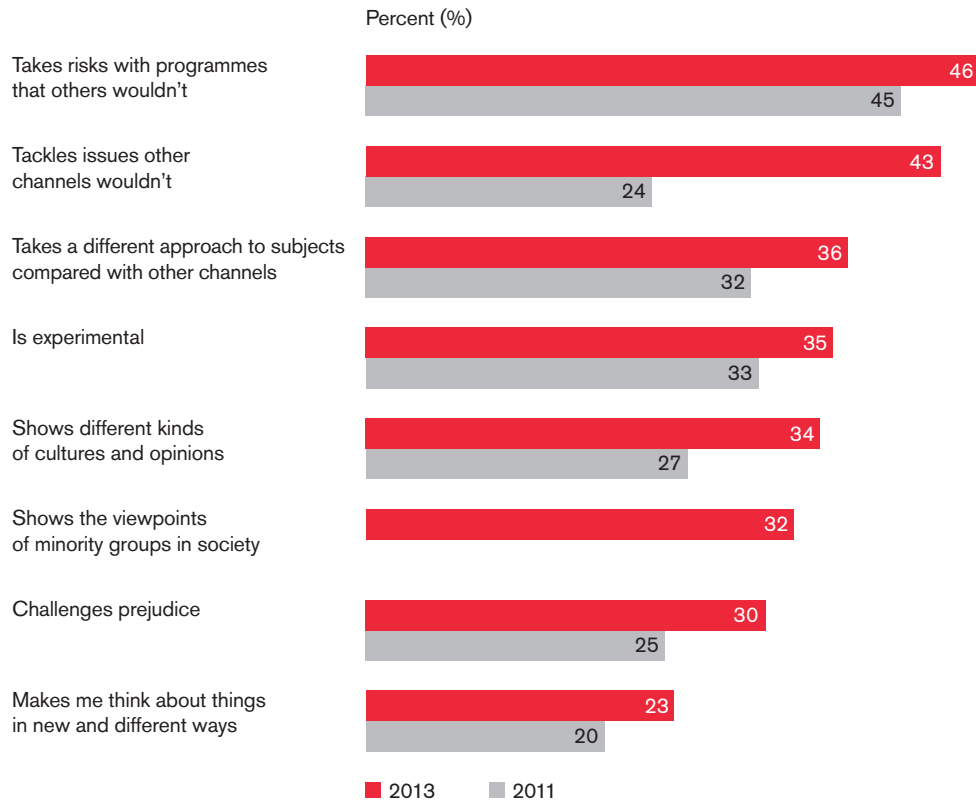
Market research commissioned by Channel 4 annually clearly demonstrates that audiences recognise Channel 4 for its risk-taking and differentiation (Figure 7). The chart shows that, in a series of questions put to the public about risk-taking in broadcasting, Channel 4 consistently outperforms the other PSB channels (BBC1 and BBC2, ITV1 and Channel 5) in terms of its reputation for being experimental and taking risks others would not.

It also performs well on specific dimensions of risk-taking and innovation such as its approach to subjects, taking on difficult issues and accessing alternative voices.

*Fig 7: Audience opinions about Channel 4*

Source: Ipsos Mori, commissioned by Channel 4.  
Previously presented in Channel 4 Annual Report 2013

Channel 4's strong performance against these measures have improved in the last three years as its Alternative Mainstream approach really starts to deliver in challenging mainstream audiences and not just those looking for something purely alternative and avant-garde. As Figure 8 demonstrates, Channel 4's reputation as a service that approaches difficult subjects in a new way and which reflects a diversity of viewpoints has strengthened markedly in the last three years.

*Fig 8: Audience views of Channel 4 performance*

Source: Ipsos Mori, commissioned by Channel 4.  
 Previously presented in Channel 4 Annual Report 2013  
 and 2011 Question "Shows the viewpoints of minority  
 groups in society" not asked in 2011

### *5.2 Commissioning practice: encouraging and nurturing project based risk-taking and innovation.*

We use two simple measures to see the extent to which Channel 4 encourages and nurtures risk on a project-by-project basis compared with other PSB channels.

— Encouraging risk-taking has been measured in terms of the proportion of new ideas on screen each year;

— Nurturing risks is measured by the extent to which Channel 4 sticks with ideas after the initial commission and the number and reliance on long running "schedule bankers"

### 5.2.1 Channel 4 tries more new ideas out

Channel 4 commissions more new strands each year than ITV1, BBC1 and BBC2. As Figure 9 shows, Channel 4 has commissioned on average over 350 new programme titles per year over the past five years, which is 20 per cent more than BBC2 and approximately twice the number of new strands commissioned on average by BBC1. Both BBC1 and ITV1 have long-running titles that dominate the schedule (*EastEnders*, *Coronation Street*) and popular series which are regularly recommissioned (*Strictly Come Dancing* or *X-Factor* on a Saturday evening, or drama titles such as *Silent Witness* or *Midsomer Murders*), reducing the space in the schedule and the budget to commission new strands. Channel 4, consistent with greater risk-taking, refreshes titles sooner even when they continue to be successful (*Big Brother*, for example, was not recommissioned in 2010 but has continued to attract an audience on Channel 5).

*Fig 9: New programme titles commissioned per year by broadcaster (average 2008–2013)*

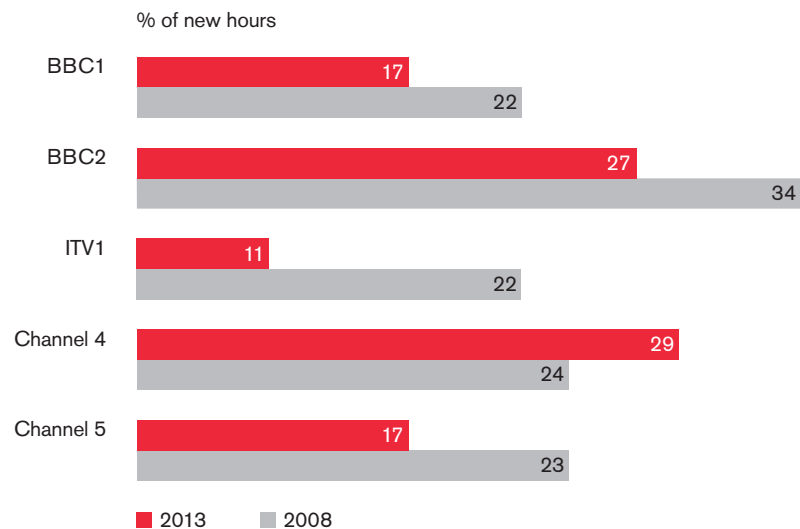


Source: BARB, Attentional Limited, Oliver & Ohlbaum analysis



While Figure 9 presents the count of new titles commissioned by each of the broadcasters, Figure 10 presents the hours of television that this represents, expressed as a proportion of the total schedule, going back to 2008. Figure 10 shows that, in 2013, Channel 4 had a higher proportion of its schedule devoted to first runs of commissioned output than any of BBC1, BBC2 or ITV. While it would be expected that there might be an ebb and flow in volumes of new titles and that this formed part of a phase of creative renewal at Channel 4, it is noted that it is the only one that has increased the share of new commissions in the schedule compared with 2008.

*Fig 10: First run commissioned hours as a proportion of broadcasters' total schedule, 2008 and 2013*



Excludes news and sport

Source: BARB. Attentional Limited, Oliver & Ohlbaum analysis

### *5.2.2 Nurturing promise, not relying on long-running bankers*

The second project-by-project level measure of risk covers a channel's willingness to stick with programmes that show some kind of promise versus only re-commissioning out and out initial successes, Figure 11 and Figure 12 present a breakdown of the 2013 output of Channel 4, BBC1 and BBC2 combined by genre, and then by the age of the titles in that genre. So on Channel 4, for example (Figure 11), 35 per cent of current affairs programmes

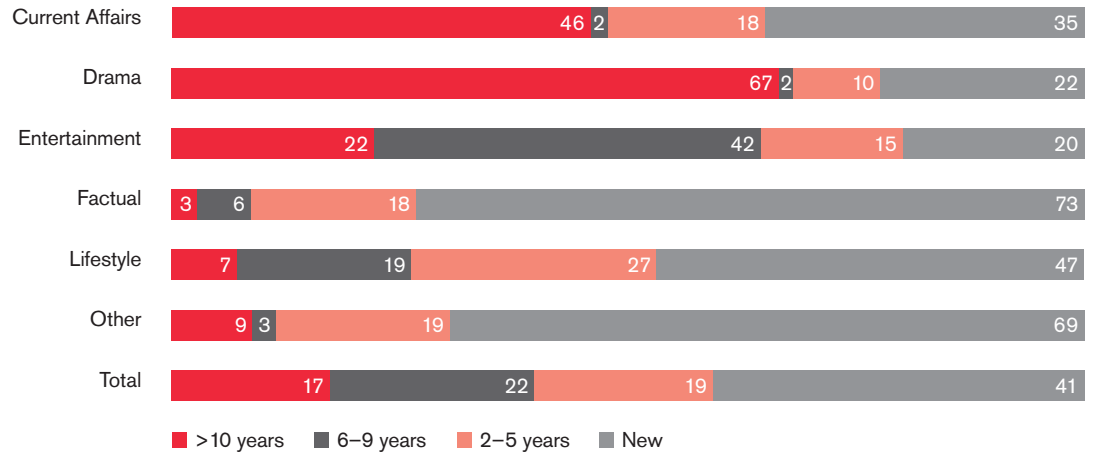
were new strands in 2013, whereas 46 per cent of programme titles were more than ten years old. Channel 4 displays a high proportion of new titles in the factual, lifestyle and “other” genres. In total, 41 per cent of Channel 4 titles in 2013 were new, and 60 per cent were less than six years old.

On BBC1 and BBC 2 combined, by comparison, 57 per cent of all programme strands are more than five years old and almost two in every five titles are more than ten years old. This pattern suggests a more settled schedule in which existing titles live longer and are replaced more slowly (Figure 12). Only 24 per cent of all programmes titles on BBC1 and BBC 2 in 2013 were new titles.

Our rationale for comparing Channel 4 with BBC1 and BBC2 (as opposed to either channel on its own) is because Channel 4 is trying to achieve innovation and refreshment with one lead high-reach network while the BBC has two high-reach networks. The BBC often uses BBC2 to test new types of programming before transferring them on to BBC1 (e.g. *Miranda*, *The Apprentice*, *Have I Got News for You*, etc.), and also uses them to complement each other. On this basis, it is appropriate to compare the BBC’s approach across the two channels with Channel 4’s one lead channel.

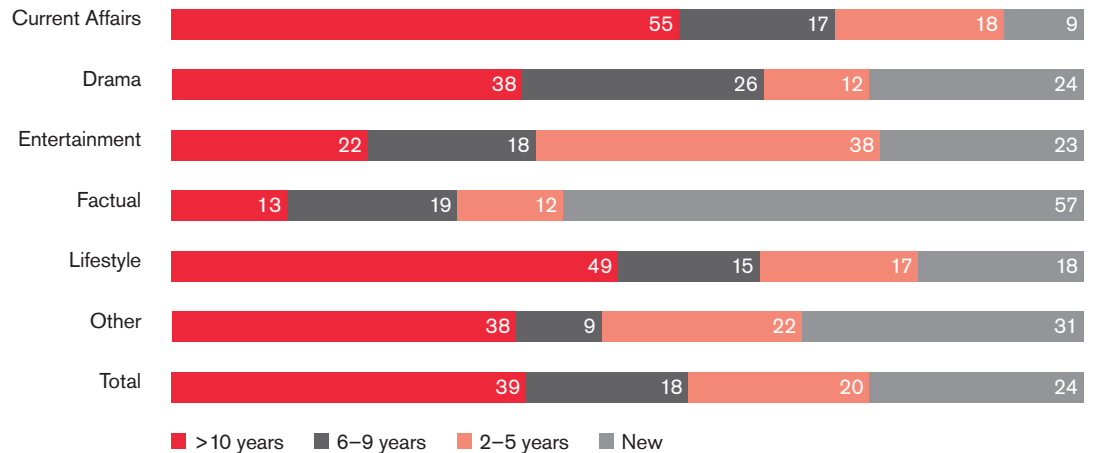
However, even taking BBC2 (the more risk-taking of the BBC’s main networks) 36 per cent of titles were new in 2013 (compared with 41 per cent on Channel 4), but BBC2 had a high proportion of titles more than ten years old, 44 per cent versus the average across BBC1 and BBC2 of 39 per cent and only 17 per cent on Channel 4.

*Fig 11: Channel 4 strands by years since first commissioned by genre, 2013*



"Other" includes special events, religion, education, arts and classical music  
Source: BARB, Attentional Limited, Oliver & Ohlbaum analysis

*Fig 12: BBC1 and BBC2 Strands by years since first commissioned by genre, 2013*



"Other" includes special events, religion, education, arts and classical music  
Source: BARB, Attentional Limited, Oliver & Ohlbaum analysis

### *5.3 Channel 4 versus the BBC: very different approaches to risk and PSB*

Underlying much of the preceding analysis are two very different approaches to risk and PSB between the BBC on its main networks and Channel 4. Channel 4 demonstrates: (1) a willingness to try more new ideas out on its main channel than either BBC1 or BBC2; and (2) a pattern of refreshing much more of its schedule – every five years or so – than the BBC networks.

Overall, while Channel 4 tries out a large proportion of its new ideas on its main channel, the BBC has tended to use BBC3 and BBC4 over the last ten years to introduce new types of programming and more risky ideas. The ones that show some signs of success on these channels in engaging a larger audience are then often moved to BBC2 (or the talent that created them are given new projects on BBC2), which along side migrating these shows and talent to wider audience, has a prime purpose of covering a range of programme types and subjects that the main networks such as BBC1 and ITV1 can not do. If a programme succeeds in gaining a large audience on BBC2, it may then find itself moving to BBC1.

This approach to risk management is characteristic of larger corporate entities, where new ideas are tried out in “test markets” then rolled out slightly wider, and finally taken to the mass market once signs of broadly based popular appeal take shape. This approach makes sense in the context of the BBC’s core purpose, which is not to challenge and take risks but rather bring a wide range of high quality material to UK viewers that fit its public purposes (such as informing viewers about the world, helping to promote British cultures, increasing levels of understanding, etc).

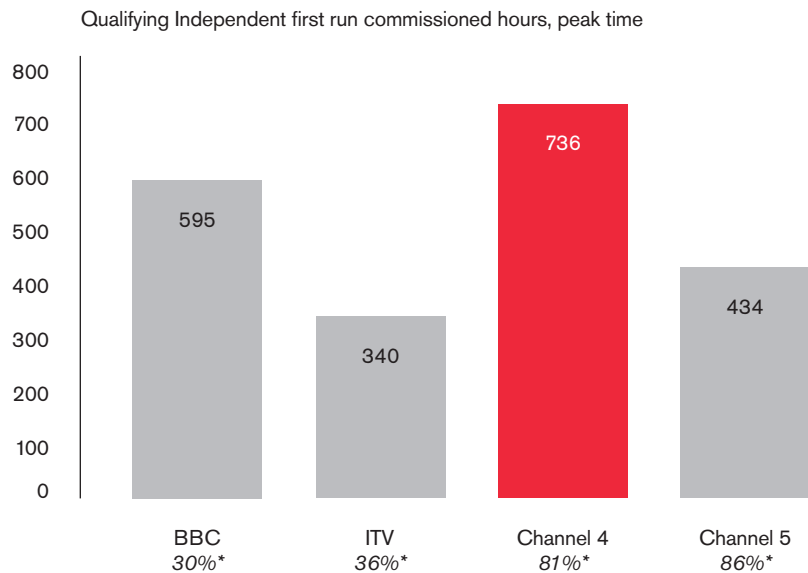
Channel 4’s approach to product development is much more akin to a venture capitalist. Channel 4’s role is first and foremost to challenge and take risks, which leads it to try out more risky ideas and different approaches to familiar subjects and issues. Rather than use its spin-off channels as nursery slopes for new programming before trying them out on a larger audience. Services such as E4, More4 and Film4 are used largely to repeat the programming initially commissioned by the main channel, and/or to help reach the younger or more upmarket audience demographics in volume that sustain its economic model.

#### 5.4 Commissioning in practice: developing the sector wide supplier base

In addition to underwriting project by project risk and innovation, Channel 4 is helping to underwrite the risks of the supply sector as a whole by: (1) sourcing from a diverse ranges of producers; (2) helping them gain a reputation for risk-taking and innovation as companies (witness the recent sale of The Garden to ITV Studios and Love Productions to BSkyB); (3) specifically making growth funds available for smaller independents to make it to the next stage and spend money on development; (4) helping to nurture sector defining specialists in certain areas of programming; and (5) embracing the use of new technology to engage audiences and enhance programme access and discoverability on new platforms.

In this sub-section we cover the first two of these, with the remaining three areas in the next section.

*Fig 13: First run original independent output hours by broadcaster, peak, 2013*



\* Proportion of hours that are commissioned from independent producers

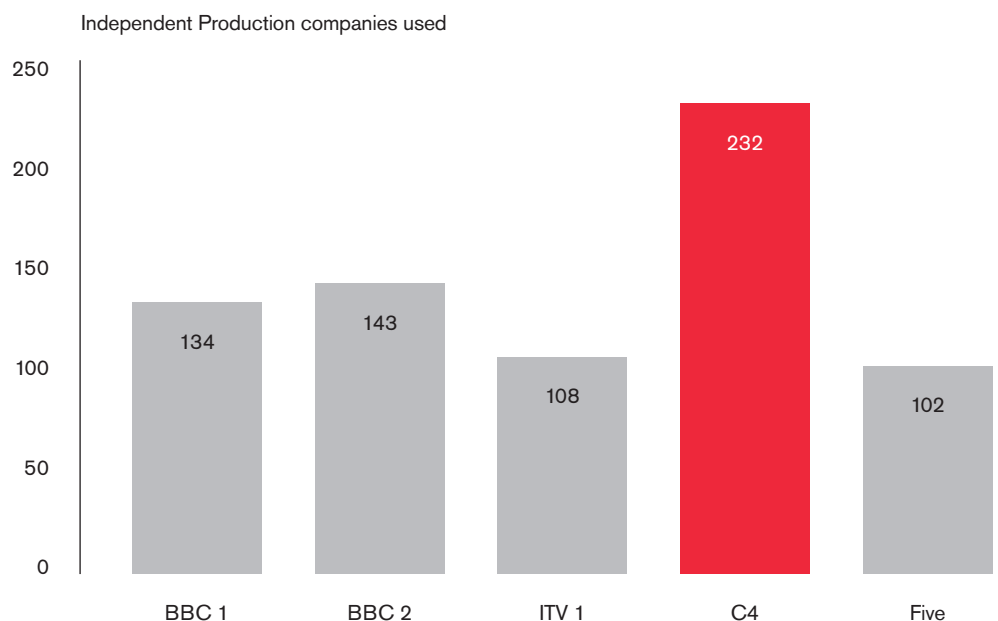
Source: BARB, Attentional Limited, Oliver & Ohlbaum analysis

Channel 4 commissions more hours of programming from independent producers than either the BBC or ITV in peak time – 736 hours in 2013 compared with 595 hours across BBC1 and BBC2 and 340 hours on ITV1 (Figure 13). In non-peak, Channel 4 commissions more hours from independent producers than ITV1, but the combined commissioning of BBC1 and BBC2 from indies is greater than that of Channel 4.

This should not surprise when Channel 4 has no in-house production capability and commissions all production externally, but Channel 4 also commissions from a wider range of independent production companies. Channel 4 Corporation did business with 367 creative partners in TV, digital and film in 2013 – including 240 independent TV production companies. To obtain a comparison with other public service broadcasters, we have analysed schedule data from 2013 to see how many different independent production companies each used (Figure 14). The comparison shows that Channel 4 uses a substantially wider pool of independent suppliers than its public service broadcaster competition – 232 compared with 143 for BBC2, 134 for BBC1, 108 for ITV1 and 102 for Channel 5.<sup>7</sup>

<sup>7</sup>The difference between the 240 independents used by Channel 4 Corporation in total and the 232 different companies with original output represented in the Channel 4 schedule may reflect: (a) the schedule data captures only Channel 4; and (b) the schedule data captures only those producers whose material was broadcast in 2013 (others whom Channel 4 used in 2013 may have material in production or awaiting scheduling).

*Fig 14: Independent producers employed by broadcaster in 2013*



Therefore, overall:

- Channel 4 audiences benefit from more new programme strands each year than on any other PSB channel as Channel 4 draws on programme ideas sourced from a wider range of suppliers than any of the other networks.
- Channel 4 commissions more peak time content from independent producers than any other PSB channel, and also uses more suppliers.

The wide range of producers who work for Channel 4 get two benefits as a result of a Channel 4 commission in addition to the funding of the programme: rights and reputational halo.

- Rights: In common with the regulatory framework applicable to all PSB networks, Channel 4 has agreed terms of trade with independent production companies, the primary effect of which is that the rights to intellectual property in a programme are owned by the independent producer and licensed to Channel 4 for a limited term. The production company can then distribute the programme and exploit the IP internationally as it wishes, sharing any net receipts from secondary exploitation with Channel 4. This has been a driver of export earnings from the UK as independent producers seek to maximise the value of the rights internationally. It also encourages investment because the production companies hold assets in the form of programme rights.

- Reputation: There is strategic value to a Channel 4 commission above and beyond the immediate income from the programme production. Because Channel 4 is willing to support risk-taking, back big, ambitious ideas and encourage innovation, producers can create iconic programming that showcases their creativity and acts as a calling card for future commissions. As one producer put it: “A Channel 4 commission is worth a lot. When we didn’t have one, I actively went about getting a commission.”

## 5.5 Corporate initiative: backing innovation and risk across the sector

### 5.5.1 Creating new market leading specialist companies

In developing new areas of programming addressing subjects matters in different ways and in a different format from other broadcasters, Channel 4 can start to nurture new market leading specialists in certain types of production. For instance, Maverick's *Embarrassing Bodies* franchise has not just become a global format, it also has allowed the company to move into health-based TV services.

#### *Case study: Specialisation by Maverick TV*

*Maverick TV produces the Embarrassing Bodies franchise for Channel 4. Having initially started in healthcare programme production with Embarrassing Bodies, Maverick has grown into something of a healthcare specialist producer, using its experience from Embarrassing Bodies to deliver healthcare related television style content for the NHS and integrate content from the NHS Choices website. Since then Maverick has developed multiplatform services for the NHS, operating as the lead in a consortium under the Locally Healthy brand (formerly NHS Local), which allows patients to access information on their conditions and share their experiences with others online.*

### 5.5.2 Underwriting corporate risk – the growth fund

In addition to Channel 4's broad use of independent suppliers, it recently acknowledged the importance of the ideas and programming they provide by launching a £20 million Growth Fund to support smaller independent production companies. The fund aims to help independent production companies to develop their businesses and allows Channel 4 to stimulate growth in the sector outside of the normal commissioning cycle, by providing an alternative to other forms of equity and debt funding used for smaller creative companies. It will also allow the investors to retain control of their businesses and allows Channel 4 to share in their eventual success - whilst helping to meet a need that market has not.

The funding is expected to be distributed over the next three years in a broad portfolio of television production and digital companies, with stakes held for in the region of five years and all returns used to fund further investments in the independent production sector or invested back into UK programming.



### *5.5.3 Pushing into new technologies*

Channel 4 has also supported innovation in engagement and discovery helping independents achieve both technology firsts to exploit elsewhere around the world and to access wider audiences.

Through Channel 4's The Million Pound Drop commission they have helped Monterosa, a small UK start up, become a world leader in second screen engagement.

Channel 4's on demand service 4oD asks users to register for an account that allows Channel 4 to identify users and suggest programmes based on their previous viewing, helping to identify new audiences for its challenging and Alternative Mainstream schedule. 4oD also provides better targeting for advertisers, which raises revenue to all Channel 4's shows and provides more information on viewer tastes and preferences. The data gathered via 4oD will allow Channel 4 to identify the audience's appetite for the challenging and innovative, whereas other broadcasters developing targeting technology are more likely to use it to satisfy the audience's appetite for similar and predictable follow-ons.

#### *Case study: Monterosa and audience interaction*

*Channel 4 has collaborated with interaction specialist Monterosa on a number of projects to stimulate viewer participation and interaction. The audience data gathered from apps such as those developed by Monterosa can be analysed in real time to give new ways of understanding and engaging with audiences.*

*The Million Pound Drop is produced by Remarkable Television – part of Endemol UK – for Channel 4. Its innovative use of multiplatform interactivity – enabling viewers to play along in real time – has changed viewer expectations about prime-time quiz shows. The Million Pound Drop app – developed by Monterosa – has been downloaded more than three million times, and has won a BAFTA for Digital Creativity.*

*Monterosa's Horse Tracker app has enhanced significantly the way racing fans watch and interact with Channel 4's coverage of the Grand National, the world's most famous steeplechase.*

*For many viewers the Grand National is the only horse race they watch all year; it is an unpredictable race over a course of 2 ¼ miles and 16 fences – each of which (with the exception of Water Jump and The Chair) is taken twice – and features a large field. Horse Tracker has made the*

*race simpler to follow by giving users access to live updates on every horse throughout the race, as well as an option to follow any horse throughout, never missing a jump.*

*In its first run, Horse Tracker had 165,000 unique users. Tom McDonnell, CEO of Monterosa, noted the significance of the app in bringing a complex sport closer to viewers:*



**“HORSE TRACKER TOPPED THE APP STORE WITH 4.5 STARS AND 18 MONTHS LATER ON, NO ONE HAS PRODUCED ANYTHING LIKE IT.”**

*Channel 4 is leading the way in digital innovation to enhance the television viewing experience – Tom McDonnell again:*

**“IT WOULD BE FAIR TO SAY THAT, TECH-WISE, CHANNEL 4 ARE ONE STEP AHEAD OF OTHER BROADCASTERS. THEY’RE WILLING TO TAKE RISKS AND GIVE THINGS A SHOT. THEY’VE BEEN PIONEERS IN AUDIENCE INTERACTION.”**

*Case study: Building one-to-one relationships with viewers via 4oD*

*In 2006, Channel 4 was the first broadcaster in the world to launch a video on demand service: 4oD. Since then, ten million UK viewers have registered to use the service – including more than half of all 16 to 24 year olds. Users who register can access a deep archive of content more than thirty days old, and view a range exclusive on-demand content, premieres and new episodes. A majority of all viewing to 4oD online is now by viewers who are logged in.*

*Channel 4 is exploring how to engage with these viewers to personalise the service they receive. The information that Channel 4 is able to gather about the viewing habits of registered 4oD users supports personalised recommendations generation which, while commonplace online, is still in its infancy among broadcasters. Ultimately Channel 4’s*

*vision is to provide viewers with a personalised home screen and recommendations for viewing that are carefully tailored to their viewing history and interests.*

*Users provide basic personal data during the registration procedure; thereafter, Channel 4 is able to build up a detailed picture of their viewing habits as they use 4oD, and this data-set becomes a powerful predictive tool of viewer interests and drives detailed socio-demographic segmentation, which provides information and insight that advertisers value highly (Channel 4 is transparent in the way it captures, stores and exploits the data gathered via 4oD, and users can at any time adjust their privacy settings or opt out altogether). This is set out in its award-winning “Viewer Promise”.*

*In the traditional one-to-many broadcasting market, advertising is sold in broad demographics. Channel 4’s predictive modelling of user-profiles based on their viewing habits enables 4oD advertisers to target users more efficiently than ever. Research among consumers shows that the targeted adverts served during on-demand viewing to 4oD also have high brand recall, which is enabling Channel 4 to sell advertising slots around its 4oD service at a substantial premium to other digital advertising inventory.*

*Pat Younge, founder of WeCreate Associates and former BBC Productions Chief Creative Officer, told us:*

**“WHAT CHANNEL 4 IS DOING WITH 4oD IN TERMS OF DEVELOPING FRESH ADVERTISING PROPOSITIONS USING DETAILED DATA CAPTURE AND ANALYSIS IS VERY FORWARD-LOOKING. PROVING DELIVERY OF VIEWERS IN THE 16–35 DEMOGRAPHIC TO ADVERTISERS HAS REAL ECONOMIC VALUE OVER AND ABOVE PURE RATINGS.”**

*The innovative ways in which Channel 4 is capturing, analysing and monetising data about viewing habits via 4oD relies on a workforce that is highly skilled in data handling and statistical analysis, and motivated to think creatively about how data can be used. Channel 4 is addressing skills shortages in these areas through partnerships with University College London and Skillset.*

*In collaboration with UCL, Channel 4 fully funds a five-year PhD programme giving graduate students hands-on experience in Audience Technology and Insight. Students on the Channel 4 Scholarship Programme are supported to develop their thinking in real time analytics and predictive modelling.*

*In collaboration with Skillset, Channel 4 fully funds a 20-month Masters degree in creative leadership, in which post-graduates are trained in techniques to extract value from data in a commercial setting and develop their leadership skills at the same time.*

*Channel 4 is well placed to assume a prominent role in encouraging young people to choose quantitative subjects at school and pursue them to degree level because it has unique reach and reputation among the 14 to 19 year old demographic.*

*Both collaborations stem from the identification of an emerging skills gap and concern that the UK's leading position in a critical growth sector could be eroded – and move overseas – if the skills are not developed at home. Through these academic partnerships, Channel 4 is bridging the gap between research and development on the one hand and the practical application of innovative ideas in a creative industry on the other.*

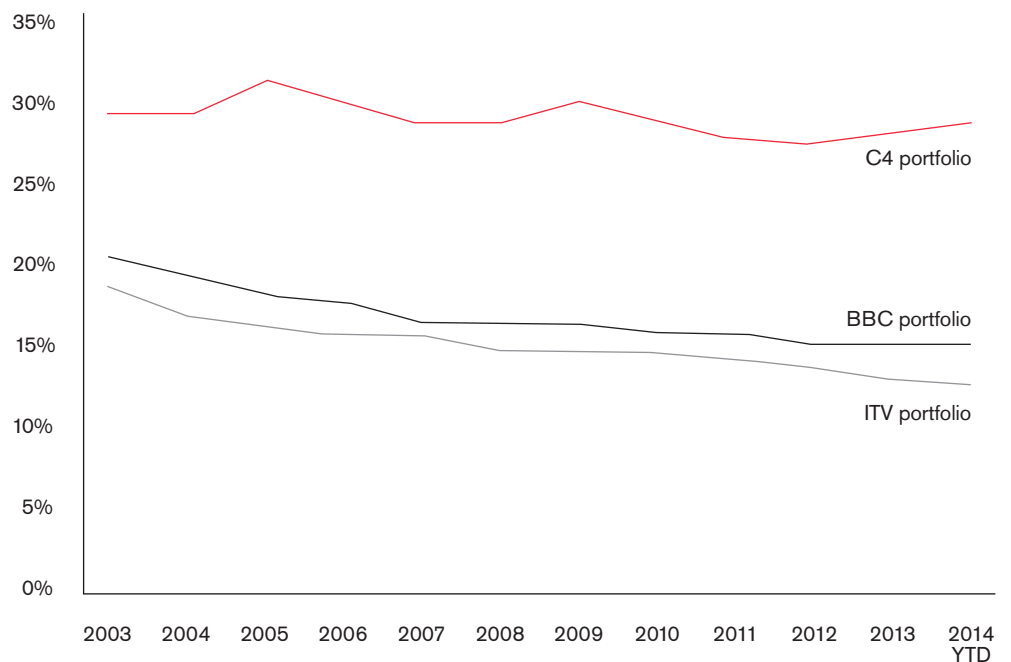
### **5.6 Attracting a younger audience to PSB**

PSB broadcasters across Europe find it difficult to attract audiences in the 16 to 34 age range, and most PSB channels' audiences are older than the TV viewing public as a whole in their market. Meanwhile the main commercial networks are also often older skewed. Broadcasters have sought to target the 16–34 audience with ancillary channels which have a younger skewed audience but lower audience share than the main networks. TV3 in Scandinavia, Canal 5 in Italy, or Net 5, RTL5 and RTL7 in the Netherlands all skew young compared to the lead mass audience commercial networks in their respective markets, while the PSB channels appeal to an older demographic.

Channel 4 is unusual in that it has high share and reach yet also appeals to a younger and slightly upmarket demographic. Across Europe, perhaps only M6 in France has similar share and channel positioning, but it is heavily commercial and has less direct competition than Channel 4.

Looking at the main PSB channel portfolios in the UK, Channel 4 has a significantly younger skewed audience than either the BBC or ITV. 28.5% of viewing to the Channel 4 family of channels is by people between the ages of 16 and 34; by comparison, only 12.6% of viewing to the BBC family of channels is by this age group and the equivalent for ITV is 15%. This is shown in Fig 15.

*Fig 15: 16–34 viewing as a % of total hours of PSB portfolios*



Based on total 16–34 viewer minutes as a % of all individuals' viewer minutes.  
Source: BARB

### 5.7 *The economic contribution*

<sup>8</sup> The Economic Contribution of Channel 4 Corporation, a Report for Channel 4; Oxford Economics, June 2011

Research by Oxford Economics in 2011 quantified the economic contribution made by Channel 4 Corporation to the UK economy.<sup>8</sup> The authors estimated that Channel 4 contributed £1.12 billion in gross value added to the UK economy in 2010 (GVA is a measure of the contribution of an individual company or sector to national Gross Domestic Product or GDP).

The largest source of value added is the boost to activity in the independent film and TV production sectors created by Channel 4's commissioning spend and film financing. Overall Channel 4's activities were estimated by Oxford Economics to support 28,000 jobs and generate £0.5 billion in tax receipts.

The report also identifies how Channel 4's spending drives supply-side improvements in the performance of the creative sector, and these improvements are termed "catalytic effects":

- Channel 4 fosters diversity and experimentation in the UK TV production market by working with a broad supply base, by providing newcomers with their first commissions and taking creative risks
- New independent production companies enhance the pool of programme ideas and formats, which benefits viewers because there is more variety of programming on screen
- By increasing the number of suppliers, Channel 4 fosters increased competition for commissions

These and other catalytic effects generated by Channel 4's activities are tentatively estimated to contribute a further £329 million to UK GDP in 2010, a majority of which is the output independent production companies dependent on Channel 4 for their survival make for other broadcasters.

Adding this estimate of the catalytic impacts to the standard economic impact analysis, the authors concluded that Channel 4 and Film4 supported a contribution over £1.4 billion to UK GDP in 2010.





**“CHANNEL 4 IS A FANTASTIC EMBODIMENT OF WHAT’S GREAT ABOUT THE UK CREATIVE SECTOR, BRINGING TOGETHER AND ENGAGING PEOPLE FROM ACROSS THE CREATIVE INDUSTRIES.”**

Nicola Mendelsohn, VP EMEA, Facebook,  
and co-chair, The Creative Industries Council

## 6. Risk-taking and innovation – the broader impact on the creative and TV ecology

### *6.1 Introduction*

In this section we look first at innovation and risk-taking as part of the UK economy and why recent UK Governments have focused on it as the main area where some intervention can be used to spur on the generally free UK economy. We then go on to review how this has been applied to the creative sectors and Channel 4's general role, before finally reviewing the specific ways in which C4 risk-taking and innovation helps stimulate the sector as a whole, either directly or indirectly.

### *6.2 Risk-taking, innovation, and the UK economy*

#### *6.2.1 The innovation framework*

The OECD defines innovation as “the implementation of a new or significantly improved product or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations”. As this definition implies, innovation can occur at any point in a product or process lifecycle.

Figure 16 shows the various stages of innovation, from invention through research and development, commercialisation of the innovation and bringing the product to market.



*Fig 16: Schematic view of the innovation process*

CONCEPTION

1

Invention or ideation

Takes place in commercial and academic settings

May be driven by strong individuals

Innovation as new ideas or application of existing ideas in new settings

R&D

2

Research to test, refine and evaluate ideas or inventions

Applied research to begin exploring utilisation of ideas in practical settings

Development of a prototype

COMMERCIALISATION

3

Moving ideas from the test bench to commercial settings

Requires financing to turn prototypes into commercial applications

Often integrating individuals or organisations with different skillsets

Proof of concept—does the product or process add value and does a market exist?

PRODUCTION

4

Ramping up product production to industrial scale

Implementation of novel processes in commercial settings

DIFFUSION

5

Commercial exploitation of the innovation

Moving into new geographical markets and adjacent sectors

Me-too products or processes developed by competitors

The UK excels at activities in the early stages of the innovation process – our universities and research facilities are acknowledged as among the best in the world – but, as [Sir James Dyson](#) identified in 2010, “while the UK excels at basic research, there are often breaks in the chain of development that mean we do not fully capitalise on this expertise.”

The House of Commons Science and Technology Select Committee termed the gap between R&D and commercialisation “the valley of death”: “The UK has a world class science base but there remains a need to attach world class exploitation mechanisms to leverage their research to gain economic benefits.”

Part of this gap is explained by the UK’s failure to develop organisational capabilities to commercialise ideas – so while we have excellent individuals innovating in their respective fields, we are not developing sufficient corporate know-how to bring innovations to market and export them.

### 6.2.2 *The Public Policy Agenda*

The Government’s approach to innovation is led by the Department for Business, Innovation, and Skills (BIS). Its *Innovation and Research Strategy for Growth* (published in December 2011) sets out a strategy to support business research and development in areas where the UK excels.<sup>9</sup> The strategy champions innovation by funding research, improving the interface between higher education institutions and business, and delivering a better environment for commercialising research.

<sup>9</sup>Department for Business, Innovation & Skills, *Innovation and Research Strategy for Growth*, December 2011

BIS initiatives to support the strategy include:

— *Support for small business to bring ideas to market and build the foundations for growing global businesses.* BIS’s GrowthAccelerator programme and Innovation Investment Fund offer financial support to small businesses. The GrowthAccelerator programme, launched in May 2012, is designed to help small businesses by providing support in overcoming barriers to growth and getting their ideas to market. The Innovation Investment Fund is providing £330 million of funding for investment in growing small businesses. These initiatives acknowledge the importance of small businesses, across all sectors, in making the UK a world leader in innovation.

<sup>10</sup>For example, BIS commissioned the Wilson review into collaboration between business and universities: Professor Sir Tim Wilson DL, *A Review of Business-University Collaboration*, February 2012

— *Improved knowledge sharing and interaction between business and academia*: BIS’s policy includes initiatives to facilitate better knowledge sharing.<sup>10</sup> Initiatives include establishing university enterprise zones to encourage interaction between universities and business, and creating a network of seven “Catapult Centres” to provide businesses with access to equipment and expertise which would otherwise be out of their reach. Through these initiatives BIS aims to help small businesses get their ideas to global marketplaces.

The Technology Strategy Board (TSB) - recently rebranded as Innovate UK - plays a key role as the UK’s innovation agency. Innovate UK is an executive non-departmental public body, reporting to BIS, with a stated aim to accelerate economic growth by stimulating and supporting business led innovation. It invests in commercialising new ideas with business and targeting technologies and areas where there is the greatest scope to improve business, the economy, and society.

### 6.2.3 Strategy for the Creative Industries

According to data published in 2014 by the DCMS, the creative industries generated £71.4 billion of gross value-added in 2012 and were responsible for 1.68 million jobs.<sup>11</sup> Innovate UK’s strategy for the creative industries, launched in September 2013, acknowledges that the sector makes up one of the UK’s leading industrial sectors.<sup>12</sup> The creative industries are also recognised as playing an important role in catalysing innovation across the wider economy, through the products and services they provide as well as a means of originating and spreading new ways of working. They are seen as having a halo effect on the UK’s brand reputation overseas benefiting other export activities.

<sup>11</sup>The DCMS Statistical Release *Creative Industries Economic Estimates January 2014*. The statistical release also estimated that 5.6% UK jobs are in the Creative Industries

<sup>12</sup>The Technology and Strategy Board, *Creative Industries: Strategy 2013-2016*, September 2013

Innovate UK strategy identifies opportunities to encourage creative businesses, and SMEs in particular, to take risks and establish new markets:

— *Convergence*: the migration of content across different media networks and platforms provides the opportunity to extend services, interact more with audiences, target new demographics and develop completely new service and experience formats.

— *Capturing value and managing transactions*: content producers now have greater access to distribution than ever before, with

potential to reach a global audience immediately and understand their customers thoroughly. However, there are barriers to an ecosystem of smooth effortless transactions.

— *New approaches to data*: use of metadata has increased rapidly in recent years, enabling new ways of driving content discovery, licensing, consumption and new business models. It can help to understand audiences, pilot products, and increase the efficiency of production processes.

These themes are supported by the Innovate UK's Knowledge Transfer Network for the creative industries, which provides a place for innovators to meet, share ideas, and work together.

#### *6.2.4 The Creative Industries Council*

The Creative Industries Council (CIC), a joint forum between the creative sector and the Government, comprises senior figures from the creative and digital industries including TV, computer games, fashion, music, arts, publishing and film. The CIC focuses on tackling barriers to growth, such as access to finance and skills shortages.

The CIC strategy, published in July 2014, outlines a vision of industry and government working together to develop the UK's creative industries to their full potential to 2020. Areas for action that the report identifies include better access to finance for creative businesses, improving the skills base, investing in the UK's communications infrastructure to support business development, strengthening the application of the UK's intellectual property framework, and growing exports.

#### *6.3 Innovation and risk-taking in the creative sector; the pivotal role of Channel 4*

Public policy is underpinned by a number of important themes – (1) the need to go from initial product development and launch to full scale market role out, (2) the need to encourage clusters of businesses and expertise, (3) the need to provide finance and development support to get small companies to go to the next stage, and (4) to do this through a range of public/private partnerships rather than creating large and unwieldy public institutions.

Channel 4 has been following all four of these main themes since it launched in 1982, and as such can be seen a forerunner of appropriate models of public intervention to stimulate innovation and growth.

Channel 4's original location in Charlotte Street, close to London's Soho media hub of producers, talent managers, recording studios and post-production facilities, was an early example of a very successful creative cluster. Channel 4 today continues to build networks and supports innovation in the “valley of death” identified by the Select Committee, in that it helps innovators in the creative sector to bring their ideas to market. Examples include:

- Providing development support and creative input to production companies to explore new formats, so that ideas like *The Audience* and *Gogglebox* can be explored and refined. This support helps writers and producers to move from the ideas stage to a well defined concept that can be put into production. Ultimately, ideas which succeed become lucrative formats which are sold internationally, generating valuable export income for the UK.
- Bringing together programme producers with digital agencies to create new concepts in the space between live broadcast and viewer interactivity. Channel 4 has expressly brought together partnerships to drive new programme formats like *The Million Pound Drop*, helping to expose production companies to the possibilities of social media and build a knowledge-base about TV production in the digital community.
- The Channel 4 Growth Fund, which has been set up to support small and medium sized independent production companies. The fund aims to help independent production companies to develop their businesses and allows Channel 4 to stimulate growth in the sector outside of the normal commissioning cycle by providing an alternative to other forms of equity and debt funding used for smaller creative companies.

#### *6.4 Impact on UK competitors: a complex ecology*

Channel 4 faces a challenge of its own to maintain its lead in innovation and creativity. As audiences increasingly expect radical and edgy content, the BBC and ITV are also looking to independent producers to submit ideas that will surprise and provoke audiences. As radical increasingly becomes mainstream, Channel 4's challenge is how to remain distinct: [Farah Ramzan Golant](#), formerly of All3media, puts it thus:

## “CHANNEL 4 WON’T HAVE EXCLUSIVITY OVER QUIRKY, EDGY MAVERICK CONTENT FOREVER.”

But Channel 4 is still a very distinctive voice in British broadcasting, with a licence to be different, experimental and to appeal to younger people. It has, since its inception, played an important role in influencing the behaviour of the BBC and ITV.

[John Smithson](#) (Arrow Media) captures a widely-held view:

## “IT’S EXTRAORDINARILY HEALTHY FOR THE UK CREATIVE ECONOMY TO HAVE BOTH THE BBC AND CHANNEL 4, THE TWO KEEP EACH OTHER ON THEIR TOES. WITHOUT CHANNEL 4, IT WOULD BE EASIER FOR THE BBC TO BE SAFE.”

According to [Liz Warner](#) at Betty TV:

## “YOU NEED C4 TO BE THE TROUBLEMAKER THAT IS NIPPING AT THE ANKLES OF THE OTHERS.”

The risk which many in the production community articulate is that, without Channel 4, the BBC could afford to take fewer risks, because there would be nowhere else for the audience to go to consume more engaging content. Channel 4 keeps the BBC on its toes and challenges it to produce similarly lively and inventive programming. Conversely, without Channel 4, ITV1 could become more profit-driven because there would be less competition for audience and advertising.

The specific impact Channel 4's approach and initiatives have on their nearest rivals is hard to pin down exactly and is not merely a matter of drawing a timeline of subjects and approaches on Channel 4 followed by a reaction on the BBC, and then a longer term more subtle change on ITV. Causality is particularly difficult to pin down as the BBC may be more willing to take the initiative in some riskier areas of programming in anticipation of Channel 4's approach. Similarly, Channel 4 often innovates and takes risks by taking a subject the BBC has introduced and then approaching it in a different way – so the interaction is both ways.

While in the past, one can point to (1) how BBC2 and then BBC1 copied Channel 4's championing of alternative comedy and comedians or (2) the careers of people like [Jonathan Ross](#) or [Graham Norton](#) as a testament to how Channel 4's original backing of different types of presenter in the 1980s and 1990s provided the mainstream TV hosts of 2014, or (3) more recently Channel 4's introduction of physically impaired presenters throughout their sports and entertainment schedule being followed by similar initiatives from the BBC – in many cases the exact interaction is hard to track.

Channel 4's more adventurous approaches to subjects such as sex, body image, ill health, death, welfare, race relations may well have encouraged the BBC to move into these areas around the BBC 2, 3 and 4 schedules in a bigger way than it might have done in the absence of Channel 4, while the BBC's more standard-approaches to covering British history subjects or period drama may encourage the levels of interest that allow Channel 4 to try *Richard III: The King in the Car Park*.

### 6.5 International impact

Channel 4's risk-taking and innovation both have direct and indirect global impact. In terms of direct global impact, many C4 commissioned shows go on to become some of the world's top formats being made across Europe and in the USA.

Channel 4 is the original commissioner of 11 of the top 100 TV formats across Europe, measured by value created, and 11 out of the 36 UK originated formats in the top 100.<sup>13</sup> Together, these formats, which include iconic factual series such as *Wife Swap*, *Undercover Boss*, and *Come Dine With Me*, grossed over \$0.5 billion in estimated European broadcasting revenue in 2013. These are

<sup>13</sup> TV Formats in Europe: 2014 Edition; ETS, Madigan Cluff and Digital TV Research

shows which have influenced US network TV – *Undercover Boss*, for example, which airs on CBS, was the top-rating new show in the US in its first season (2009–2010) and won Emmys for outstanding reality programme in 2012 and 2013. *Kitchen Nightmares* is an established favourite, running for seven series on Fox, and *Wife Swap* on ABC ran for over 100 episodes between 2004 and 2010, and spawned *Celebrity Wife Swap*, which has run for three series.

*Fig 17: Top European formats 2010 to 2013 – originally commissioned by Channel 4*

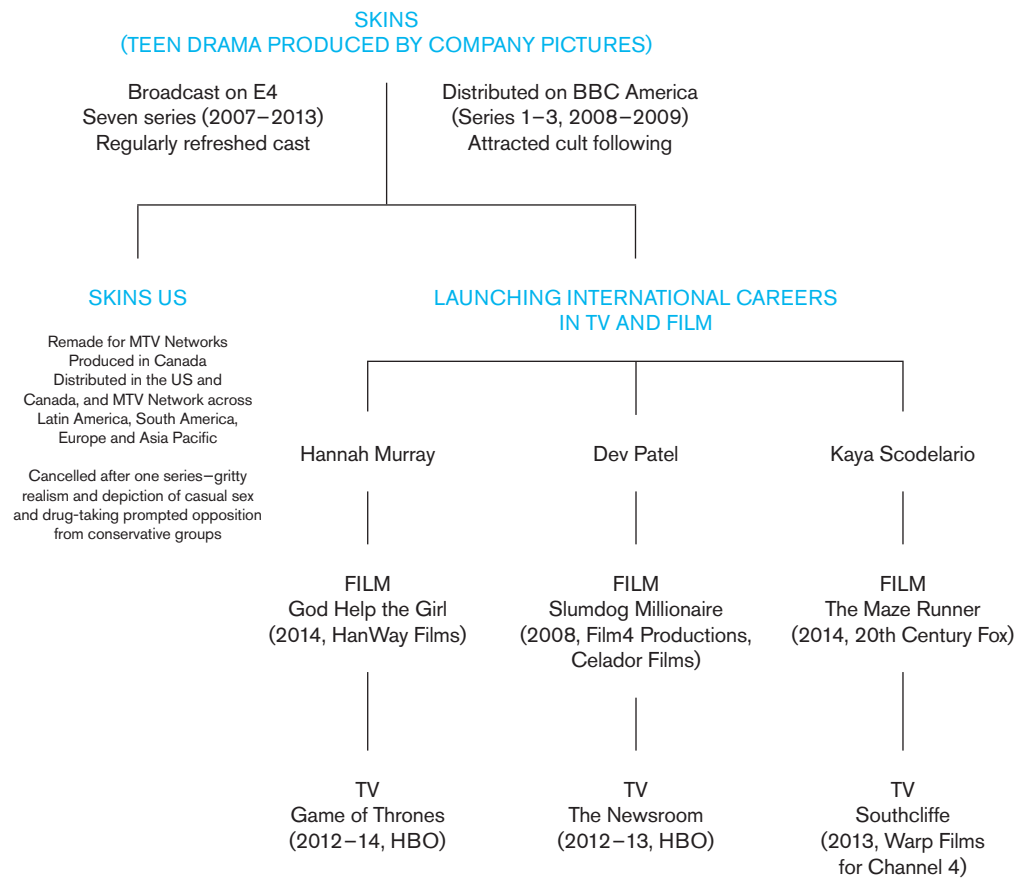
TITLE / PRODUCER	DISTRIBUTOR	LAUNCH ON CHANNEL 4	US CHANNEL ACQUIRING THE FORMAT	MEASURES OF SUCCESS IN THE US
<b>FIFTEEN TO ONE</b> Regent Productions	FreemantleMedia	1988		
<b>WIFE SWAP</b> RDF Media	Zodiak	2003	ABC	Ran 2004-2010 and recommissioned in 2013; <i>Celebrity Wife Swap</i> spin-off
<b>RAMSEY'S KITCHEN NIGHTMARES</b> Optomen	All3media	2004	Fox	Ran to seven series in the US as <i>Kitchen Nightmares</i> and starring Gordon Ramsey
<b>COME DINE WITH ME</b> ITV Studios	ITV Global	2005	Lifetime	First Series in 2013
<b>SECRET MILLIONAIRE</b> RDF Media	Zodiak	2006	ABC	Dropped by Fox; picked up by ABC for second series and then recommissioned
<b>EMBARRASSING BODIES</b> Maverick TV	Zodiak	2007		UK version airs on Discovery Fit and Health
<b>UNDERCOVER BOSS</b> Studio Lambert	All3media	2009	CBS	Emmys for Outstanding Reality Program in 2012 and 2013
<b>ONE BORN EVERY MINUTE</b> Dragonfly	Shine	2010	Lifetime	Narrated by Jamie Lee Curtis; recommissioned for second series
<b>THE MILLION POUND DROP</b> Remarkable Television	Endemol	2010	Fox	Million Dollar Money Drop (was cancelled after one series)
<b>THE AUDIENCE</b> The Garden	ITV Global	2012		
<b>THE UNDATEABLES</b> Betty Productions	Zodiak	2012		UK series broadcast on BBC America (but no US remake)
<b>GOGGLEBOX</b> Studio Lambert	All3media	2013	Bravo	Renamed <i>The People's Couch</i> ; first full series on Bravo TV in 2014

Source: ETS, Madigan Cluff and Digital TV Research; company websites



More indirectly, Channel 4 titles have also supported UK talent to build their profile and succeed internationally. The E4 series *Skins*, for example, has provided a launch pad for young British actors like [Dev Patel](#) and [Kaya Scodelario](#) over successive generations of the show, which ran between 2007 and 2013.

*Fig 18: Skins has launched international TV and movie careers*

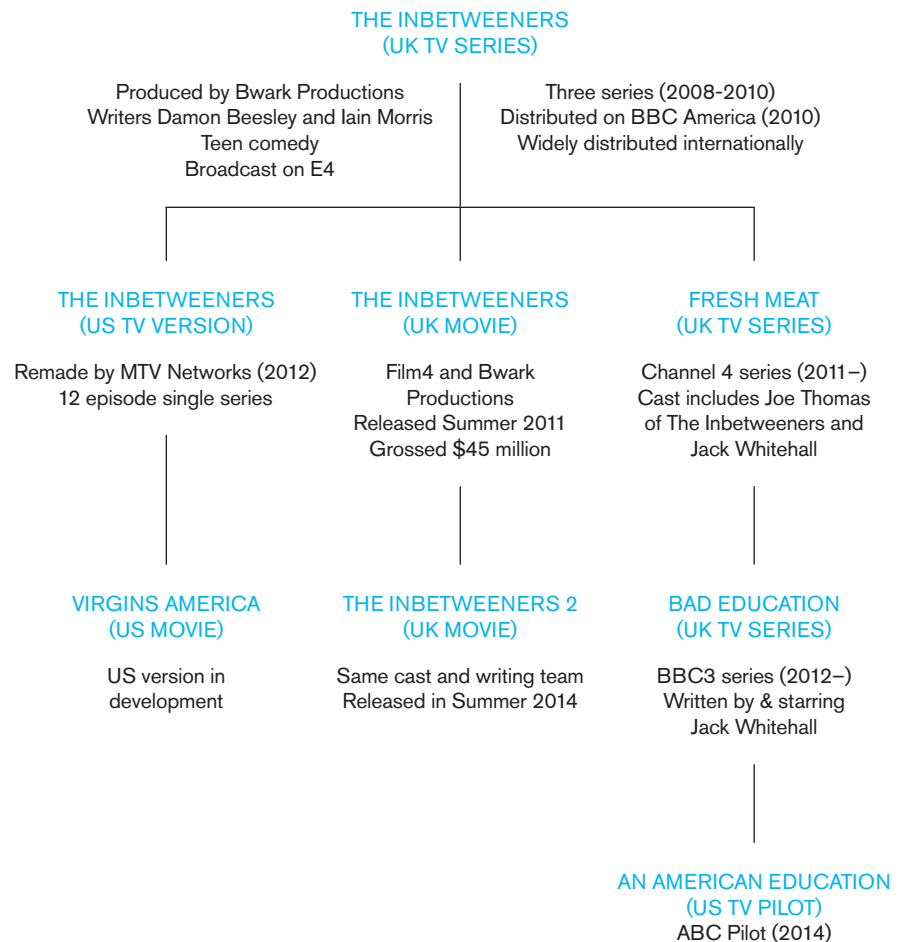


### 6.6 Combining UK and international impact

Perhaps the most interesting way in which Channel 4 helps the UK sector develop across the globe is with a combination of UK and international responses. In many areas, Channel 4 has developed new talent or new approaches to programming that has then been emulated by the BBC, and sometimes ITV, which then gives rise to a new programming idea that itself becomes a global hit. See Figure 19 below for *The Inbetweeners* as an example.

In this way, it is Channel 4's appetite for initial risk-taking and innovation that helps the less risk-taking (although still PSB) UK TV ecology to develop similar ideas and approaches once tried on Channel 4, which it can then turn into more mainstream programming for a global market. If Channel 4 did not take the initial risk, the whole chain of development and global exploitation would slow down and falter. A fairly modest risk-taking intervention creates a much broader and bigger impact on the UK economy, exactly what broader innovation policy is trying to do across the whole economy has been going on in TV through Channel 4 since 1982, providing the stimulus for a large number of new waves of creative innovation in film and TV and giving rise to the £3 billion UK indie sector exporting globally.

*Fig 19: The Inbetweeners has created international franchises*



**“CHANNEL 4 PLAYS A CATALYTIC  
ROLE IN BRITISH BROADCASTING  
- IT TAKES RISKS ON NEW  
IDEAS FROM INDEPENDENT  
PRODUCERS, AND THE VALUE  
OF ITS COMMISSIONING AND  
MARKETING SPEND CREATES  
SUBSTANTIAL THIRD-PARTY  
EQUITY THAT BENEFITS UK PLC.”**

Pat Younge, WeCreate Associates



## 7. Some public policy implications

### *7.1 Channel 4, innovation and risk-taking*

Government policy to encourage innovation is focused on providing support for small business to bring ideas to market and build the foundations for growing global businesses, and improving knowledge sharing. Channel 4 is an effective vehicle for achieving both in the creative industries.

Channel 4 can best be thought of as a public policy intervention which effectively drives innovation and growth in audiovisual content production; it exploits a publicly-owned asset (terrestrial broadcasting spectrum) to reach audiences and generate revenues, which it uses to back creative businesses in the form of development funding and programme commissioning. The production companies from whom Channel 4 commissions gain benefits including know-how and promotional support – an important example of knowledge sharing. Critically, producers also retain the rights to the programmes they make.

Channel 4's not-for-profit status means it can take risks on the content it commissions. A central contention of this report is that risk-taking by Channel 4 has driven innovation in programme-making, which has in turn created engaging content for viewers and saleable programmes and formats which have driven UK export earnings. A for-profit Channel 4 would reduce its appetite for risk-taking (and the creative dividend thereby generated) because the need to return a profit would be a significant constraint on risk-taking behaviour.

Channel 4's support for the creation and ownership of intellectual property in a not-for-profit model has contributed to a thriving independent production sector, with producers selling programming internationally, earning export revenues, and using the ownership

of programme assets as a foundation for attracting external investment and expanding. If Channel 4 did not exist, the logical corollary of government policy on innovation is that a policy intervention with similar objectives would need to be developed to promote the growth of creative businesses in the audiovisual sector.

In Figure 20, we have created a map of Channel 4 innovation in which three interlocking circles contain innovation in subject, format and talent, and the space in the centre where all three circles overlap is the area of innovation in all three dimensions. We then map the different areas of thematic innovation onto this matrix.

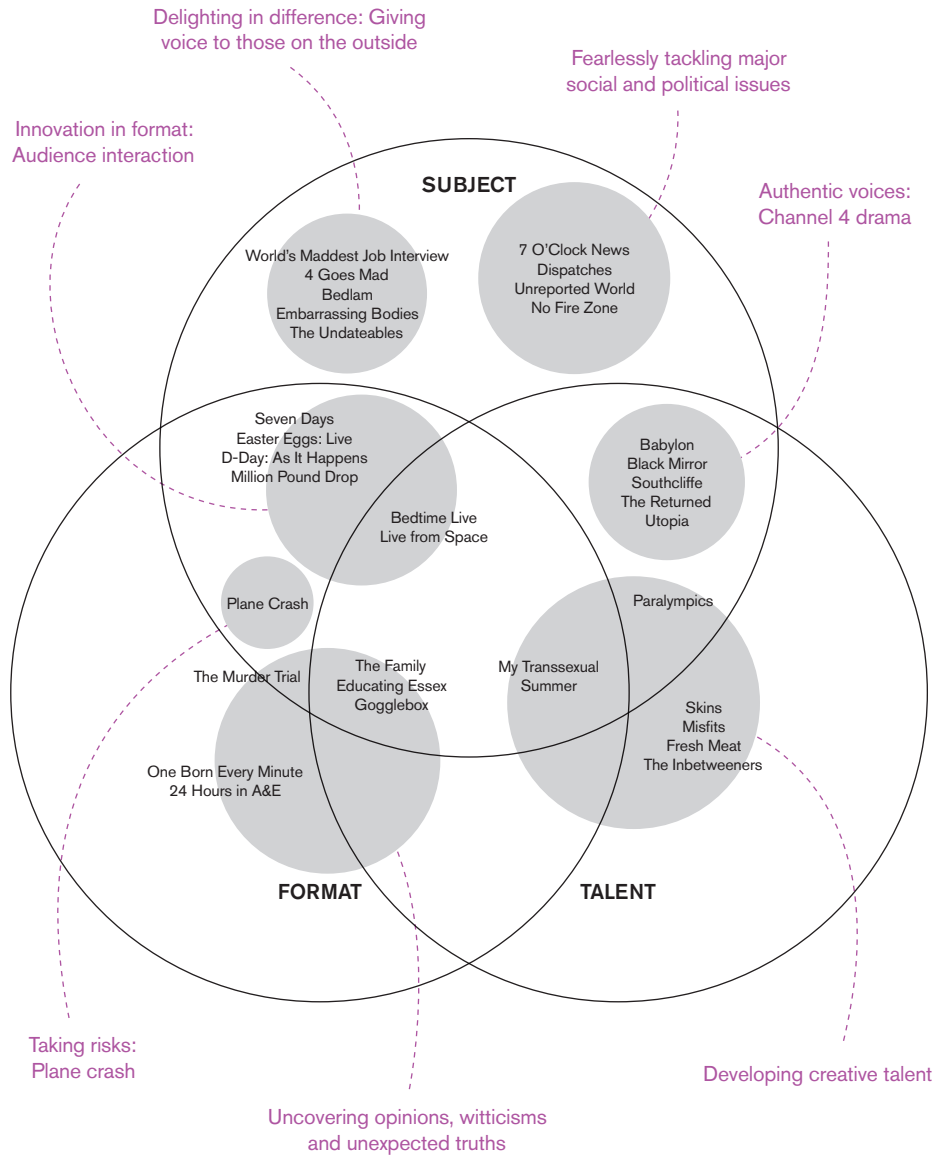
The outcome is a visual image of how Channel 4 innovates across all dimensions, which shows that in certain titles Channel 4 is innovating in multiple dimensions at the same time, for example:

*Live From Space* uses technology innovatively to bring alive the experience of astronauts on the International Space Station. Innovating in how the subject matter is usually covered, engaging audiences to communicate directly with the crew and focusing on the astronauts' everyday experience creates a personal, intimate view and, by making them the centre of the series, Channel 4 is risk-taking with talent by placing individuals without TV experience centre-stage.

*My Transsexual Summer* tackled difficult subject matter in a sympathetic way, and by using the *Big Brother* format was able to capture honest exchanges and intimate admissions of emotional uncertainty that a more conventional documentary might miss. The unmediated format, placing the focus on people without TV experience brought together for the purpose of the series, was a risk to take in a factual show.

*Gogglebox* uses an unmediated reality format to capture ordinary people watching – and discussing – TV shows. What seems an unpromising idea fascinates because the format uncovers people's opinions and their emotional responses in a very natural way, while making household names of the new talent on screen. It is a fresh approach to factual entertainment.

Fig 20: The Channel 4 innovation and risk-taking map



### *7.2 Looking forward*

Today, Channel 4 has a renewed sense of creative purpose. To thrive in the Alternative Mainstream is a more difficult prospect than Channel 4 faced 30 years ago when it launched because there are many channels filling niches that Channel 4 previously excelled in and, with more competition, Channel 4 needs to build schedules that are commercially viable. But occupying the Alternative Mainstream – a place that is more radical than other networks but still attracts sufficient audience to finance a significant commissioning pipeline – is the grit in the oyster that triggers ambition across British broadcasting.

To occupy the Alternative Mainstream, Channel 4 must:

- Be innovative and risk-taking
- Balance ambition in some segments of the schedule with the need to maintain audience and revenue in others
- Keep being challenging and risk-taking on the main channel, so it touches mainstream audiences

It also requires a renewed commitment from policy makers to support its business model, its mission and its remit, and acknowledgement that Channel 4 is an important catalyst for innovation in the creative industries and a driver of export earnings.

A Channel 4 that achieves these goals will enhance audience choice, drive creativity across British broadcasting, and deliver economic benefits to the UK economy from international programme distribution and format sales.

## Appendix: Sources

### *Interviews*

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Roy Ackerman	Fresh One Productions
Simon Andreae	FOX Broadcasting Company
Jesse Armstrong	Writer
Lee Bartlett	Discovery Studios
Peter Bazalgette	Arts Council England
Trevor Beattie	Beattie McGuinness Bungay
Peter Bennett Jones	PBJ Management
Danny Boyle	Director
Danny Cohen	BBC
Zoe Collins	Fresh One Productions
Sir Philip Craven	International Paralympic Committee
Nick Crossland	Rckt Digital Agency
Nick Curwin & Magnus Temple	The Garden
Michael Edelstein	NBC Universal
Carolyn Fairbairn	Non-executive director; Lloyds Banking Group, The Competition and Markets Authority; previous roles at BBC and ITV
Jane Featherstone	Kudos
Peter Fincham	ITV
Dave Fishwick	Burnley Savings and Loans Limited
Tim Hincks	Endemol UK
Roly Keating	British Library
Dennis Kelly	Writer
Stephen Lambert	Lambert Productions
Chris Law	Warner Brothers Entertainment UK
Melanie Leach	Twofour
Paul Lee	ABC Entertainment
Tom McDonnell	Monterosa
Steve McQueen	Director
Kevin Macdonald	Director
Cameron McCracken	Pathe
Alex Mahon	Shine
Nicola Mendelsohn	Facebook
Grayson Perry	Writer
Farah Ramzan Golant	All3media (until Sept 2014)
Richard Sambrook	University of Cardiff
John Smithson	Arrow Media
Liz Warner	Betty TV
Andrea Wong	Sony Pictures Television
Pat Younge	WeCreate Associates



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