



**RIG response to DCMS consultation on Channel 4:
'Increasing the Regional Impact of Channel 4 Corporation'**

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www.radioindies.org

Introduction

1. The Radio Independents Group (RIG) is the trade association for the independent audio-led production sector, representing nearly 100 SMEs based around the UK. RIG provides business affairs support, policy representation, and negotiates terms of trade with the BBC. RIG also produces the annual Audio Production Awards¹, which uniquely recognise and celebrate the production skills of radio and audio producers across the whole industry.
2. Initially in association with the Department for Business Innovation & Skills and Creative Skillset, RIG also runs the RIGtrain² programme which since November 2014 has provided 1,959 learner days to 1,089 individual learners. Of those attending around 58% are women, 22% rate themselves as other than white British, and 3% have a registered disability. In addition RIG has now established a Black Asian & Minority Ethnic (BAME) and disabled mentoring scheme to further help increase diversity in the sector³.
3. The radio/audio indie production sector is at an exciting time in its history, with the opportunity to bid to make a greater amount of BBC radio content - up to 60% by 2022. On the assumption that it wins a reasonable amount of these bids, this will in turn help to grow the sector. Independent audio producers are working with an increasing variety of commissioners, including platforms such as Audible, Acast and others. Audio indies continue to work with corporates, institutions and other on a variety of audio-based content, which can and often does extend into multimedia and TV productions.
4. On this basis some RIG members already work with Channel 4 and as the service looks to how it addresses its remit in the modern UK, RIG feels it is time for Channel 4 to look once again at commissioning audio content. With the opportunity to win more commissions from the BBC already bearing in fruit, with indies now lined up to produce programmes such as Vanessa Feltz on Radio 2, Britain's audio production is in a strong position to build creative capacity and service a broadcaster like Channel 4 with high-quality original content in the audio space.
5. RIG previously supported Channel 4's bid, via 4Radio, to run the second digital radio multiplex, and the broadcaster was announced as the successful party in July 2007. In particular RIG welcomed Channel 4's commitment to commission the majority of content from the independent audio production sector, for the three services that Channel 4 itself would operate on that multiplex. However as DCMS is aware economic impacts caused Channel 4 to have to change tack and discontinue 4Radio as a project.
6. We now live in a different time, in which there are many more ways of accessing and enjoying audio content, and this is driving up listening. For radio alone, RAJAR reported recently that:

'48.2 million adults or 89% of the adult (15+) UK population tuned in to their selected radio stations each week in the first quarter of 2017. This is up by approximately 400,000 adults on the same Quarter of the previous Year (Q1, 2016)'⁴.
7. And in terms of general audio consumption, Ofcom's 2016 Communications Market report stated that that:

'Considering the changes between 2014 and 2016 in time spent consuming audio in a day, all audio activities across the board increased, while time spent with television viewing, voice and text communications all fell'⁵.
8. Channel 4's audience is of the demographic that in particular is doing so, listening to an increasing amount of podcasts, audio drama, comedy and other content via mobile devices.
9. RIG therefore welcomes the Government's decision to take a fresh look at some aspects of how Channel 4 addresses its remit, and would like the Government to consider whether Channel 4 should be encouraged to add a limited amount of bespoke audio content to its offer, without the significant budgetary commitment of having to run a linear radio station. On the latter point, RIG fully accepts that such a commitment would not be a viable option for Channel 4 at this time.

¹ <http://www.audioproductionawards.co.uk/>

² <http://www.rigtrain.co.uk/>

³ <http://www.rigtrain.co.uk/index.php/diversity-scheme/diversity-mentoring>

⁴ RAJAR Data Release. Quarter 1, 2017

⁵ Communications Market Report. Ofcom, July 2016, p117

Answers to Questions

QUESTION 1

Question 1(i). To what extent do you agree/disagree that Channel 4's regional impact would be enhanced if more of its people and activities were located outside London?

Question 1(ii). Following on from Question 1 (i), what location(s), if any, would make a substantial impact and be suitable for an increased regional presence for Channel 4 outside of London?

Question 1(iii). To what extent do you agree/disagree that there are strong arguments for specific parts of the business remaining in London?

Question 1(iv). Following on from Question 1(iii), please state which specific parts of the business should remain in London, if any, and please set out the reasons why.

10. C4 is working well to have a strong brand presence across various platforms, but it is not active in the audio content space. Given that audio/podcasting is growing exponentially and people are consuming more audio content through a variety of devices, there is a real opportunity for C4 to engage with its audience on these platforms. This is especially the case given that audio/podcasting fits well with C4's remit of being innovative, experimental and distinctive.
11. So RIG proposes C4 is required to pilot an audio content service, of around 2-3 hours per week, commissioned from independent production companies around the UK, as a cost-effective way of increasing the number and range of voices that C4 is able to give an opportunity - such content could be hosted on its existing All4 platform, in a similar way to existing brand spin-offs.
12. In doing so C4 could potentially take advantage of the Government's public service contestable fund, which it is hoped will include audio content in its range of content to be commissioned.
13. This service could be officially based outside London and therefore be a good example of a new non-London-centric service which C4 was setting up (note in reality it would be easy enough for a commissioner to split their job between London and say Birmingham, thus providing better access to producers in areas such as the South-West, East Anglia and South Wales).
14. Clearly Channel 4 would want to ensure that audio content was able to recoup costs, and Britain's independent production sector is experienced at putting together advertising and sponsorship around programmes, for example TBI Media's *The Manuscript: A Foolproof Guide to Being A Modern Man*, aired on Absolute Radio, was a Radio-2 standard comedy panel show which sponsorship built around a men's hair-care brand. And audio content such as podcasts offer an increasingly attractive platform for advertisers with pre- and mid-programme adverts or incorporated sponsorship messages. Figures accessed in June 2017⁶ from Audioboom showed that: '11 million Britons have listened to a podcast in the last month', and that: '93% of podcast listeners downloaded a podcast and listened to it all the way through'.

Question 2(i). To what extent do you agree/disagree that increasing Channel 4's nations commissioning quotas would be an appropriate and effective way to enhance Channel 4's impact in the nations?

Question 2(ii). To what extent do you agree/disagree that increasing Channel 4's regions commissioning quotas (in relation to England) would be an appropriate and effective way to enhance Channel 4's regional impact?

Question 2(iii). Following Question 2(i) and (ii), what level of increased quotas do you think should be considered (if appropriate)?

Question 2(iv). Do you think that Channel 4's regions and/or nations commissioning quotas should change in any other way?

⁶ Figures from Audioboom website. <https://audioboom.com/advertisers>. Accessed 23rd June 2017

15. To ensure Channel 4 was investing in a wide range of companies around the UK, allowing many different voices, perspectives and stories to be heard, RIG recommends the Government set a minimum level of 50% any spend on audio content to be on companies based outside the M25.
16. RIG also suggests that Channel 4 be required or encouraged to supply a specific nations / regions audio strand, in order to ensure audiences outside London are overtly served with programmes that address and reflect their own lives and issues.

QUESTION 3 - To what extent do you agree/disagree that Channel 4 taking shareholdings in production companies in excess of 25% would be an appropriate and effective way to enhance Channel 4's sustainability and regional impact?

17. The independent audio sector would welcome C4 extending its current indie development fund to audio production companies around the UK. However we are cautious about recommending that Channel 4 be allowed to increase its stake in any individual company for fear this would be contradictory to its remit of working with a wide range of producers and helping new companies to develop.

QUESTION 4 - Do you have any views on whether more could be done, including by the commercial PSBs, to strengthen regional creative clusters and provide for audiences outside London, thereby strengthening the regional impact of the public service broadcasting system as a whole?

18. In general the independent audio production sector would benefit from ensuring that PSBs encourage creative hubs around the UK.
19. In addition RIG welcomes Ofcom's decision to set specific levels of spend on non-news radio programming outside London as part of its new role regulating the BBC. Ofcom's proposes that:

'In respect of the UK Public Radio Services, the BBC must ensure that in each Year at least one third of relevant Expenditure is incurred outside the M25 area'⁷.
20. RIG will concur with Ofcom that this is a worthwhile measure and discuss further ways Ofcom can ensure audio production companies outside London can expect a level playing field with their counterparts within the M25 when it comes to BBC commissioning. To this end RIG is seeking to work with the BBC on a clearer nations and regions policy, including establishing a Nations and Regions Working Party⁸, on the mechanics of which discussion is still taking place, due to recent BBC restructuring.

⁷ Extract from: Holding the BBC to account for the delivery of its mission and public purposes: Consultation. Ofcom, March 2017, Ofcom, March 2017, page 16, para 2.46

⁸ BBC Radio launches new working party to look at relationship with independent sector in the Nations and Regions. <http://www.bbc.co.uk/mediacentre/latestnews/2015/radio-nations-regions>. Accessed 20 February 2017