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Lord Best
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I am writing to you to inform you about the government's announcement today on the future of Channel 4, as committed to you in the government's response to your committee's July 2016 report on Channel 4.

As you know, since late 2015 DCMS has worked with UK Government Investments (formerly the Shareholder Executive) to look at options for the future of Channel 4. We have looked at whether the Channel 4 model is still appropriate, and what its role should be as part of a fast-changing and challenging broadcasting landscape.

The government has concluded that Channel 4's public service model and remit, which are so vital to the continued strength of the UK's broadcasting ecology, would not be best served by privatisation.

However, while Channel 4 already delivers significant public value in different ways, the government believes there is scope for it to do more. In particular, the government recognises that the growth in the broadcasting and production sector has not been evenly distributed, with London and the South East – where more than two thirds of producers are presently based – seeing far more of the benefits than the rest of the UK. This limits the spread of wealth and opportunity, including in terms of regional growth, but it also limits the representation of local tastes and interests on television.

In light of this and government's broader strategy to deliver a stronger and fairer society where opportunity is available to all, the government believes Channel 4's role and purpose should evolve. We want to open a new chapter of success and public service for Channel 4 where it makes a greater contribution to regions beyond London and the South East.



As a result, the government will launch a 12 week consultation to seek views on how Channel 4 can most effectively increase its regional impact. Specifically, we want to look at:

- To what extent should Channel 4 be based outside London;
- Whether more programmes shown on Channel 4 should be made outside London;
- Whether Channel 4 should be able to make larger investments in production companies to support the development of emerging talent, including that from the regions, and potentially help bolster Channel 4's future financial position.

In considering these questions it will be necessary to ensure value for money and consider the potential impact on Channel 4's sustainability to ensure that it retains business flexibility and a robust financial position.

We are seeking the broadest range of views and evidence to inform our assessment, including from the broadcasting and production sectors, from regional authorities, and from audiences around the UK. Channel 4 is a key stakeholder in this process and the government will work closely with it throughout this process, including in finalising the consultation document. Alongside the consultation, the government will commission external analysis to look at the potential regional economic benefits resulting from the options under consideration.

Following the consultation the government will consider the evidence and determine the best way forward. I look forward to your committee's engagement on this issue over the coming months.



Rt Hon Karen Bradley MP
Secretary of State for Culture, Media and Sport