



Rt Hon Nadine Dorries MP
Secretary of State
Department for Digital, Culture, Media and Sport
100 Parliament Street
London
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13 June 2022

Dear Secretary of State,

We are writing regarding the Government's proposal to privatise Channel 4. As unions representing the UK's creative workforce, we strongly oppose this decision and urge you to reconsider the sale of a much-loved, highly successful cultural asset.

Channel 4 is a major success story, consistently pushing the boundaries of entertainment and thought-provoking news content for British audiences. This success is built on the back of the current model, which supports a thriving independent production sector and allows commissioners a degree of risk and creativity, of which the viewing public reap the benefits.

It's not just the quality content that proves its value – the numbers speak for themselves. The broadcaster's unique remit allows it to directly invest £12 billion into the UK production industry, creating 10,000 jobs in the supply chain, with a third of these in the nations and regions.

It is a completely self-sustaining broadcaster, that invests 100 per cent of its revenue back into the organisation, at no cost to the taxpayer. After 40 years in public ownership, we're dismayed that the Government now wants to prioritise the interests of shareholders ahead of public service.

It's difficult to understand the decision to insist on selling off such a profitable network. The economic argument for privatisation, including the assertion that 'a change of ownership will give Channel 4 the tools and freedom to flourish and thrive', simply doesn't stand up – Channel 4 is demonstrably already thriving on its own. In 2021 it reported a surplus of £101 million, and is a strong force for economic growth, boosting skills, creating jobs and stimulating growth across the creative industries.

It invests heavily in the UK's world-leading film and TV sector and supports independent production across the country, generating the resources to produce hit TV shows such as Derry Girls, It's a Sin, and Gogglebox, to name just a few. The UK's world class reputation in TV production and filmmaking is fundamental to achieving our Global Britain ambitions and the Government's levelling up agenda. Channel 4's unique remit allows it to take risks on independent productions, something which would not be guaranteed under a private model.

Any change to the Channel 4 remit would very likely impact the indigenous Britain Film Industry and the sale or closure of Film4, with an annual budget of £25 million, would have a devastating effect on the UK film industry given Channel 4 spends more on British film than any other UK broadcaster.

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Channel 4 ensures that its investment is spread across the country, with its Nations and Regions strategy resulting in 50% of commissioning being outside of London. The opening of headquarters in Leeds brought significant investment to the region and led to 200 jobs, not to mention a wealth of opportunities for film and TV workers across the North. Additionally, some of the UK's largest production companies, such as Sky Studios and Workerbee, established new offices in Leeds, and creative clusters were set up in Glasgow and Bristol to bring about new production companies and boost existing ones. Why is the Government willing to put at risk this significant contribution to its own levelling up agenda?

Channel 4 News is an award-winning source of news and current affairs. Its coverage of the pandemic attracted record audiences across 2020 – up 17 per cent for individuals and up 49 per cent for the critical demographic of 16-34-year-olds, with three quarters of a million views of the coverage on social platforms. Ofcom found Channel 4 News to be one of the most trusted media sources of information on the pandemic.

We have also already seen its success in diversifying into the digital and younger markets. All 4 is the UK's biggest free streaming service, generating 1.25bn views in 2021, and 80 per cent of UK 16-34 year olds are registered. 19 per cent of Channel 4's revenues are from digital advertising, well above the market and the competition.

The Government's consultation on privatisation received 60,000 responses, 91% of which were opposed to privatisation, and clear, united opposition from the industry. Pushing forward with privatisation displays a disappointing willingness to ignore the very real concerns of those who are embedded in, work for and champion the creative industries, and strong public sentiment. The Government is also yet to articulate any real evidence that demonstrates how a change in ownership would benefit Channel 4, the creative industries and the public.

The move to sell Channel 4 will also deal a major blow to jobs of UK freelancers, who are critical to the success of the broadcasting sector. Independent analysis by Ernst and Young LPP indicates that the creative industries could be £2 billion worse off under privatisation, as well as 2,400 jobs in the creative industries being at risk and at least 60 production companies at risk of closure.

We are again dismayed that the Government is unwilling to heed this warning; as you well know the creative industries were amongst the hardest hit by the pandemic and continue to face a chronic skills shortage. Coupled with the current cost-of-living crisis, the likes of which many of us have never experienced, we must ask why your Government is willing to risk people's livelihoods in this way.

We are deeply concerned that the sale of such a profitable network that gives so much to the UK's broadcasting and independent production sector will have major consequences for the UK broadcasting landscape. Channel 4 costs the UK taxpayer precisely nothing, yet gives us a thriving independent production sector, thousands of jobs and world-renowned, innovative content.

We urge you to reconsider your plans and keep this uniquely British institution in public hands.

Yours faithfully,

Philippa Childs, President of the Federation of Entertainment Unions and Head of Bectu

Paul Fleming, General Secretary of Equity

Michelle Stanistreet, General Secretary of the National Union of Journalists

Naomi Pohl, General Secretary of the Musicians' Union

Ellie Peers, General Secretary of the Writers' Guild of Great Britain