



Rt Hon Oliver Dowden CBE MP  
Secretary of State for Digital, Culture,  
Media and Sport,  
4<sup>th</sup> Floor  
100 Parliament Street  
London SW1A 2BQ

19 July 2021

Dear Secretary of State,

The Channel 4 Board met on 15 July and has had the opportunity to review and discuss the Government's consultation on 'a change of ownership of Channel 4 Television Corporation' and this letter is written on behalf of the Board.

The duty and responsibilities of the Channel 4 Board as set out in statute are to ensure that the organisation delivers its statutory remit and remains financially able to do so.

I am delighted to report that Channel 4 is in demonstrably robust financial health and delivering strongly to its remit and public purposes, despite the exceptional challenges of the last 18 months. Channel 4 has achieved record growth in its digital viewing over this period and delivered the largest financial surplus in its 40-year history. We have laid out a clear plan, our Future 4 strategy, to adapt to the challenges of the future and to deliver economic benefit for all the UK. We have a strong, debt-free balance sheet and access to the capital we need for investment and growth for the foreseeable future.

As an independent, commercially-funded, state-owned broadcaster we are a very attractive commercial, strategic and creative partner to the major participants in the industry. We already work with all the PSBs in several important long term distribution and technology joint ventures, our sales house represents over 25% of all advertising on TV in the UK including exclusive representation for both UKTV and Discovery channels, and we are continually connecting with new audiences thanks to innovative new partnerships with Sky, Snap, YouTube and TikTok amongst many others. We also increasingly partner with venture capital and creative and early stage business entrepreneurs through our own innovative venture funds.

As you know, we have recently opened our new National headquarters in Leeds along with brand new creative hubs in Bristol and Glasgow. Through these we are directly and indirectly generating jobs in the creative sector across the country, investing in skills and training for young people entering the industry, and helping scale the production industry in the UK's Nations & Regions. On screen, we deliver British made programming and film about Britain, in a distinctive tone of voice, underpinned by strong public service values. Current examples include drama series like *It's A Sin* and our forthcoming coverage of the Tokyo Paralympic Games. We also continue to play a vital role in reaching young people with content they trust, thereby combatting some of the extreme misinformation sadly prevalent on social media platforms.

We share your ambition to ensure Channel 4 thrives for another four decades and retains its place at the heart of British broadcasting and understand why Government wants to periodically assess how to ensure its continued success and contribution. We are an organisation that thrives on change and embraces innovation – sticking with the status quo is not the *modus operandi* of Channel 4, and never has been.

However, it is difficult on reading and analysing the arguments put forward in your consultation document, to reconcile those objectives with the stated preferred outcome of a full sale of the corporation. The lack of any detailed analysis, evidence or impact assessment leaves us as a Board deeply concerned given our statutory responsibility to deliver Channel 4's remit. Indeed, we have serious concerns that the consequences will be very harmful, both to the UK's creative economy and to the choice and breadth of distinctive British-made content available to UK audiences.

The document sets out that private investment would result in 'more content' and 'more jobs', without providing any data to support this assertion. It proposes the removal of Channel 4's publisher broadcaster 'restriction' without any impact assessment having taken place to model what the effects of the removal of such an important piece of industrial policy might be – changes which could irreversibly damage a hugely successful part of the UK economy and put at risk thousands of jobs in our world leading creative sector.

We would also question if the desire to consolidate Channel 4 into a private-run enterprise is being prioritised ahead of the future delivery of Channel 4's public purpose. We as a Board have considerable experience leading commercially-run businesses. Many organisations are better served by being subject to the competitive disciplines of the private sector as I know from personal experience. However, Channel 4 is already subject to those disciplines; it is thriving without any taxpayer support and in addition is delivering a unique range of public obligations and broader economic benefits.

Channel 4 is not an inefficient state-owned monopoly, but an agile, innovative challenger with a public purpose at its heart. It is efficient, well run, and on a sure footing to tackle the future challenges facing the sector. Its profits are ploughed back into creative investment in the hundreds of small and medium sized independent businesses that make up the UK's creative sector and with whom it partners. There

is nothing in the consultation that explains how privatisation would aid the delivery of our remit or public purpose, and it is laden with risk of significantly damaging our ability to do so.

The Channel 4 Board shares your aspirations for its future. We are open minded about how best we can evolve further to meet current and future public obligations and continue to both support this country's brilliant creative sector, and deliver great programmes and films that reflect the lives of people in all parts of the UK. As a board, we are always open to consider proposals that speak to the perceived concerns about the future sustainability of the Corporation (notwithstanding our current strong position) but believe that there is plenty of scope to meet our shared objectives of strengthening Channel 4 for the future without embarking on the high risk and damaging path that would be the consequence of a sale to private ownership.

We look forward to engaging in a constructive dialogue with you and your department about the role Channel 4 can play in the long-term media landscape and to providing a comprehensive response to the consultation in due course. However, we are deeply concerned with the unsubstantiated assertion that a sale of Channel 4 is in the national interest. Without a transparent assessment of the implications of such a decision, the Government is in danger of sleepwalking into the irreversible and risky sale of an important, successful, and much-loved, British institution.

I would welcome the opportunity to discuss this letter with you in more detail.

Yours sincerely,

A handwritten signature in blue ink that reads "Charles Gurassa". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Charles Gurassa

Chair, Channel 4