Channel 4 privatisation ‘ends restriction on producing and selling own content’

The privatisation of Channel 4 will remove a restriction on the broadcaster which “effectively prohibits” it from producing and selling its own content, according to the Government.

As part of its newly published plans to reform British broadcasting, the Department for Digital, Culture, Media and Sport (DCMS) said it would pursue the sale of the station, which Culture Secretary Nadine Dorries said would remove it from the “outdated shackles” of public ownership.

DCMS said under public ownership Channel 4 would allow it to access greater investment to grow and to “diversify its revenue streams and improve its long-term sustainability”.

Established in 1982, Channel 4 is publicly owned and receives its funding through advertising. The broadcaster then reinvests money it makes into new shows, mostly produced by independent UK production companies.

Under the proposals, the Government said Channel 4 would still be required to commission a minimum volume of programming from independent producers, in line with the quotas placed on other public service broadcasters, to protect its contribution to the sector.

It added Channel 4’s existing obligations in terms of regional production outside of London and England would be maintained, which it currently facilitates through creative hubs in Bristol and Glasgow, as well as its national HQ in Leeds.

Channel 4 would also need to continue to provide “distinctive, educational, innovative and experimental programming" as well as "high quality news and current affairs."

The Government has said it would look to use some of the proceeds from the sale to deliver a new dividend for the creative sector.

Channel 4 said it would study the proposals before offering a "considered response".

It added: "Channel 4 remains committed to upholding and maximising its remit and public service purpose that has enabled it to shape Britain's creative culture and make a significant contribution to the creative industries, while also investing across the UK's nations and regions to create local and regional economic and social benefit."

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The move to sell off the channel has drawn criticism from MPs from both sides of the House of Commons, as well as from within the television production industry.

Labour has warned that Channel 4 would be “gobbled up” by US streaming giants. Shadow culture secretary Lucy Powell questioned the reason for the sale, telling MPs: “Is it to help level up the country? Well given that Channel 4 commissions half their budget outside London creating a pipeline of talent across the nations and regions and stimulates the creative economy in places like Leeds, Glasgow and Bristol, of course it is not.

“It is to create more British jobs in our world-leading creative industries? She and I both know that likely buyers are going to be the big US media companies, looking for a shop window for their own content.”

Conservative MPs have also voiced concerns including Sir Peter Bottomley who warned the “Government could do best by leaving it alone”.

Prominent voices within Bristol’s creative sector previously told *BusinessLive* the impact on independent production companies was being “missed out” in discussions surrounding the proposed sale.

Bristol-based TV historian David Olusoga – the co-founder of production company Uplands Television – said early stage independents developing new programmes and formats to sell around the world, would be made “fundamentally vulnerable.”

Grant Mansfield, founder of award-winning Plimsoll Productions, said privatising Channel 4 would be “a very bad thing for the UK creative economies.”

He added it was “doubtful” Channel 4’s Bristol base in Finzels Reach and other UK cities would exist had the broadcaster been in private hands.