



£489m

invested in originated content from British producers (-4%)

£186m

spent on production companies based in the Nations and Regions (-1.5%)

154

independent TV production partners across our commissions in TV, film and digital media out of 274 suppliers (-10%)

Supporting creative businesses across the UK is what we're here to do. Our work and impact can be felt across the UK.

Supporting creative businesses

2019 ambitions

- 1** — We will continue to support production companies across the UK, with a host of regionally-produced programmes.
- 2** — We will deliver on our commitments set out in the Creative Contract, to be the most responsive, clear and collaborative partner for indies.
- 3** — Our Indie Growth Fund's focus will turn to investing in independent production businesses in the Nations and Regions as well as BAME and digital businesses.

As a publisher-broadcaster, we commission all our programmes from others, investing hundreds of millions of pounds into the UK creative landscape and working with hundreds of independent production companies across the country.

We're proud to play a unique and influential role in the UK's creative economy. This is not just helping to bring creative ideas to life: it's about supporting the sustainable growth of small and medium-sized enterprises (SMEs) across the country. The economic and cultural legacy that we're creating will last long into the future.

What's more, we're committed to being the best partners for production companies to work with. Our new Creative Contract is intended to strengthen the genuine creative partnership between Channel 4 and the production industry, helping the UK's creative businesses and those who work across all parts of the industry to flourish and achieve global success.

Supporting creative businesses (continued)

We nurture and bring to fruition new creative and digital ideas, and in the process we drive economic growth, create jobs and support hundreds of SMEs across the UK.



Gogglebox

£489m

in originated content from British producers

59%

of all first-run originations were from suppliers in the Nations and Regions

Our publisher-broadcaster model is unique among public service broadcasters in that everything we air on our portfolio of TV channels is commissioned from external production companies. Since our launch in 1982, we have commissioned from a huge range of independent production companies across the UK, and our renewed ambition in the coming years is to support and build a sustainable production sector outside London as we deliver our '4 All the UK' plan.

In 2018, we worked with 274 companies across our portfolio, investing £489 million in originated content from British producers. The independent producers that we work with retain the secondary rights to the programmes that they create (beyond Channel 4's first-run window). This gives our investment a multiplier effect, whereby our production partners can go on to monetise content in secondary markets, generating additional revenue streams for the sector.

We invested £186 million in programmes from the Nations and Regions, £3 million less than in 2017. While this was 1.5% down on last year's record figure, it is still higher than in any year prior to 2017 and is £37 million above its 2015 level. For the sixth successive year, more than half of all first-run originations were from suppliers outside of London (59%, up two percentage points year-on-year). Regional indies continue to deliver successful returning hits, including our biggest single commission *Hollyoaks* (Liverpool's Lime Pictures), *A New Life In The Sun* (Leeds' True North Productions), *Kirstie and Phil's Love It Or List It* (Glasgow's Raise the Roof Productions), *Extreme Cake Makers* (Cardiff's Boom Cymru TV) and many more. Some of our most significant new commissions this year came from indies in the Nations and Regions, including *My Family Secrets Revealed* (Northern Ireland's Big Mountain Productions), *Lee and Dean* (Letchworth Garden City's Bingo Productions) and *Britain's Most Historic Town* (Glasgow's IWC Media). We also changed the end credits of our programmes to highlight where in the UK the programmes were made, helping to showcase the national and regional diversity of the British independent production sector.

Our investment in programming made in the Nations and Regions isn't just about economic impact – just as important, it is also integral to ensuring that on screen we reflect a wide range of voices, experiences and stories drawn from across the UK.

For example, *Derry Girls* – which became Channel 4's biggest comedy launch since 2004 and the biggest series in Northern Ireland since modern records began – is a new comedy set in the early 90s during The Troubles. The comedy, which also received funding from Northern Ireland Screen, was a commission for Hat Trick Productions and has been a showcase of creative talent from Northern Ireland, entirely set and made locally. Awarding it the Best Comedy Programme of 2018, Broadcast highlighted its "authentic depiction of everyday life" as well as being "full of laughs".

Our most popular returning series also reflect British diversity. *The Great British Bake Off* showcased bakers from across the country: Bristol, County Tyrone in Northern Ireland, Leeds, London, Newport in Wales, Rotherham, Sheffield, the West Midlands and West Yorkshire. And each episode of *Gogglebox* features families drawn from a range of locations across the UK, including Caerphilly, Dorset, Bristol and the Wirral.

Our regional impact extends to film. *Peterloo*, directed by BAFTA-winning director Mike Leigh, was released in 2018 and tells the story of the infamous 1819 massacre at a peaceful pro-democracy rally at St Peter's Field in Manchester. The film was shot across a range of historical locations, from Lincolnshire to West Yorkshire and further afield, with many local talent cast as extras. The Film4-backed film's UK premiere was held in Manchester as part of the BFI London Film Festival – the first time that the festival has premiered a film outside of London.



It's a tremendous opportunity [for Derry] to be on primetime Channel 4. Plenty of other cities and towns would give their right arm for the opportunity. Another upside is that other writers and artists from within this city can use this as a great platform."

Mark Durkan, former SDLP MP for Foyle

Supporting creative businesses (continued)

Expanding outreach in the Nations and Regions

While much of the focus on Channel 4 outside of London this year has been on the search for new creative bases, the dedicated Nations and Regions team continued to deliver best-in-class development funding, outreach, skills and training from their existing Glasgow office.

The Nations and Regions team is a strategic arm of the Commissioning division, whose purpose is to help companies across the country access Channel's 4's Nations and Regions spend as we move rapidly towards our voluntary 50% target.

This work is particularly aimed at small and emerging businesses, prioritising strategic input and partnerships, to help them win commissions and protect the Channel's 'diversity of supply' remit.

With the number of Nations and Regions companies that the department worked with tripling in 2018, the team was increased to five so they could expand the reach of their operations.

The number of out-of-London engagement events grew for another consecutive year, to 25, but more importantly involved not just Commissioners but other vital contacts at Channel 4 as well, including the Growth Fund, Legal and Compliance, and Commercial Affairs departments. Within this expanded outreach, the team also ran a new programme of networking opportunities for freelancers.

The '4 All the UK' pitch process of 2018 saw a galvanisation of creative partnerships in cities across the UK, and one of the Nations and Regions team's key pieces of work is to continue dialogue with these cities, exploring how Channel 4 can work more closely with each region to develop the creative sector and new talent across the UK on a long-term basis, to best achieve sustainable growth towards our 50% target.

To that end, one of the first strategies delivered by this team in November 2018 was for Northern Ireland. At the Belfast Media Festival, Deputy Head of Programmes Kelly Webb-Lamb announced that Northern Ireland would see a presence from Channel 4 every week, once the relocation phase is complete. She also promised £100,000 in Alpha funding would be ring-fenced for Northern Ireland-based companies and announced two brand new fully-funded, entry-level placements in Belfast and Derry.

Finally, the Nations and Regions team spent £385,000 through our Alpha Fund to provide development and talent progression funding to four independent production companies in Wales, five companies in Northern Ireland, five in the English regions and six in Scotland



We always want to be the place that takes risks on ideas where others wouldn't."

Ian Katz, Director of Programmes, Channel 4

TESTIMONIAL

"The Nations and Regions team have helped True Vision Yorkshire immeasurably over the last year. We were very fortunate to be selected to take an investigative journalist who is part of the Channel 4 Journalism Training Scheme, and he has already helped in securing key commissions for Channel 4.

"We also have received Alpha funding at a very crucial time for us in terms of our development strategy. We have some significant commissions on our plate for Channel 4, both in Documentaries and Current Affairs for the years 2019-20, which is incredibly exciting.

"What I have really valued about the Nations and Regions team is that they have been brilliant at supporting and encouraging a small indie to believe in itself and help us to be strategic about what we do!"

Anna Hall, Creative Director, True Vision Yorkshire



Derry Girls

A new Creative Contract

To foster clearer and more collaborative relationships with our indie partners, in 2018 we unveiled a Creative Contract that sets out the ways in which Channel 4 and the production community interact.

As the creators of all the content that we transmit, the relationship between Channel 4 and producers is at the heart of our success. We want to strengthen our creative partnerships – so they are empowering, collaborative and candid. To that end, we produced a new Creative Contract to spell out how we want to work together.

Channel 4's Creative Contract includes five practical commitments. These cover: how we respond to ideas, how we make decisions, a commitment to expediting editorial specifications and contracts, offering training to new and existing Commissioners, and sharing more audience insight and performance data with producers.

While our new comprehensive training scheme will enable new Commissioners to hit the ground running, we are also introducing bespoke training for existing teams in the interests of continual improvement.



Targeted investments

Our two main investment funds – the Indie Growth Fund and Commercial Growth Fund – support UK business growth through their targeted investments. Channel 4 now has 24 active investments.

The Indie Growth Fund has a remit to stimulate growth in the indie sector, investing in early stage production companies across the UK. This fund is now four-years-old and the existing portfolio continues to perform well.

The £20 million fund has invested in 14 companies, realising three exits so far: True North Productions was sold to Sky in 2017; Renowned Films, a BAME-led production company, was sold to Critical Content, also in 2017; and Arrow Media's management team bought back its shares from Channel 4 in May 2018. The fund also saw one of its investments, Popkorn TV, cease trading in March 2018 due to market volatility.

The Indie Growth Fund set a new investment strategy in 2018, geared to fast-growing independent production companies in the Nations and Regions as well as digital and diverse businesses across the whole of the UK.

The Commercial Growth Fund was launched in 2015 and invests in high-growth digital consumer businesses, offering media airtime in exchange for equity. To date, this fund has completed 14 equity investments and had a balance sheet value of £16 million at 31 December 2018.

In 2018, Commercial Growth Fund investments included: Festicket, a festival discovery and ticketing business; Rated People, a lead generation marketplace for tradespeople and homeowners; online property estate agent Emoo; and Crowdcube, the UK's leading equity crowdfunding platform. The increase in the fund's value was offset by fair value losses that relate to trading issues experienced by some of the fund's investments.

