

Channel Four Corporation ('C4C') response to Ofcom's consultations:

- 1) **Statement of Programme Policy and Statement of Media Content Policy draft guidance**
- 2) **Designation of Public Service Broadcaster Internet Programme Services**

Overview and recommended principles for Ofcom's regulatory approach

We welcome Ofcom's publication of its draft guidance on Statements of Programme Policy (SoPPs) and Channel 4's Statement of Media Content Policy (SMCP), and its draft statement of methods for designating Internet Programme Services (IPS). These two documents represent a key stage in Ofcom's implementation of the Media Act, and will underpin how PSBs deliver their remits in a flexible way that meets the needs of different audiences across linear and online platforms. Given the significant overlap between the draft SoPP/SMCP guidance and Ofcom's approach to IPS designation, we have combined our response to both consultations as a single document.

Whilst these additional reporting requirements are a necessary element of the Media Act's reforms to modernise the PSB framework and to help it remain sustainable, they will entail additional resource requirements and regulatory burden for PSBs. Ofcom's proposed approach in these consultations is a positive sign that Ofcom recognises the need for a pragmatic and flexible approach to holding PSBs accountable for remit delivery. By setting clear, baseline requirements but allowing a degree of flexibility on the specific information that PSBs can provide to meet these requirements, Ofcom appears to have found the right balance.

It is crucial that Ofcom retains this flexibility in practice as well as in theory, and resists potential calls for more prescriptive rules that would constrain PSBs' ability to adapt their services and maintain appeal to audiences in a highly competitive market. We would urge Ofcom to prioritise the following principles in its approach to holding PSBs accountable for delivering their remits across their relevant services, and in meeting the conditions for IPS Designation:

- 1) **Proportionality:** Ofcom should seek to minimise the administrative and resource burden of new reporting requirements on PSBs wherever possible, whilst ensuring PSBs deliver on essential accountability and transparency. Ofcom should also make a commitment that it will be more flexible in its approach if in practice it leads to disproportionate resource burdens for PSBs.
- 2) **Protecting confidentiality:** whilst the plans will set out broad approaches / principles underpinning content strategy, PSBs should not be required to provide commercially sensitive details about specific commissions, or disclose any other information that would put us at a disadvantage to our competitors.
- 3) **Flexibility:** whilst the main features of a plan will be clear/fixed, Ofcom's approach must allow for the fact that content and scheduling plans are fluid and subject to change, including in response to external factors beyond our control.
- 4) **Recognising full range of remit content:** PSBs must be able to promote the full range of public service remit content on their IPS, which includes the most popular and commercially successful programmes as well as programmes that deliver strongly on a range of remit goals. This is essential for our ability to attract large audiences, maintain impact, and raise the advertising revenues that support our content investment.

Our overall view is that Ofcom's draft SoPP/SMCP guidance, and its draft approach to IPS designation, appears to be compatible with these principles.

C4C comments on draft SoPP/SMCP guidance

The changes brought in with the Media Act enable PSBs to deliver their individual PSB remits and the overarching PSB remit using both linear and online audiovisual services. Whereas this is a significant change for ITV and Channel 5, it is less of a dramatic departure for C4C. Since the Digital Economy Act 2010 we have been required to deliver against a broad and varied set of Media Content Duties, to which all of our activities can contribute – including our streaming service, our output on social platforms, Film4 and other areas. Our Media Content Duties sit alongside, and overlap significantly with, the Channel 4 PSB remit and the overarching PSB remit.

C4C is therefore long accustomed to delivering public service goals across all of our output in a flexible way. We set out our approach to delivering our remit and our media content duties annually in our Statement of Media Content Policy (SMCP), which forms part of our Annual Report. Ofcom publishes an annual review of our SMCP alongside our Annual Report. There is significant overlap between our existing SMCP and the new requirements for PSB SoPPs under the Media Act. This creates a risk of duplicative and burdensome reporting requirements for C4C, and we therefore welcome Ofcom's confirmation that C4C can meet both its SoPP and SMCP requirements together in the form of a 'Combined Plan' and a 'Combined Review'.

Nonetheless, producing the Combined Plan will entail additional resourcing burden for C4C, in addition to the already extensive resourcing required by our existing reporting in our Annual Report and SMCP. Whilst we have yet to fully determine our approach to publishing our Combined Plan, it may be necessary for C4C to publish our Combined Plan separately from our Annual Report, at a later stage in the year, in order to meet the requirements of the Combined Plan in full. The draft guidance implies that the Combined Plan can be published separately from the Combined Review, but we would welcome clarity from Ofcom that this is indeed the case. Publishing the Plan at a later stage in the year (rather than alongside our Combined Review) would enable us to set out our plans for the coming year with more certainty, and indeed appears necessary to meet Ofcom's proposed timetable for initial IPS designations in Q3/Q4 2025.

We welcome Ofcom's general approach to setting out the information that PSBs should include in their SoPPs. The draft guidance sets high-level mandatory requirements, accompanied by detailed, non-mandatory guidance concerning the types of information that PSBs could set out to meet those requirements. This approach is helpful because it provides sufficient clarity to PSBs and other stakeholders on the baseline requirements, whilst allowing PSBs the flexibility to meet the reporting requirements in a way that is consistent with how their businesses operate in practice. This means the guidance is likely to stay relevant and fit-for-purpose over time: it allows scope for PSBs to evolve how they operate as the wider market and audience behaviour continues to change.

Ofcom's approach appears to allow PSBs the flexibility to describe plans for programming in a broad way, without requirements to publish specific information about individual commissions. It is crucial that PSBs are not required to provide commercially sensitive details about specific commissions, or to disclose any other information that would put us at a disadvantage to our competitors. We carefully plan our programming announcements to ensure maximum viewer and stakeholder impact at a particular moment. This means that in some cases we may not be in a position to reveal details of programmes which are central to our planned remit delivery in the coming year in our Combined Plan. Ofcom should account for this in its assessment of the Combined Plan.

Flexibility is also crucial to allow for the fact that our planned schedule for the year ahead across linear and streaming is never fully fixed, and even as late as Q4 in the prior year (the latest stage at which we could prepare our Combined Plan) there will still be some slots available in the schedule. We also may not yet know whether a given show will be released in the next year or the year afterwards; production delays are not uncommon and we need to be able to schedule a show's release at the optimum moment commercially based on our assessment of our competitors' activity. This also means that some of the more specific non-mandatory information suggested in Ofcom's guidance – such as providing specific forecasts of programming hours and spend in different genres – may not be feasible for us to provide. It is essential that the final guidance is clear that these non-mandatory elements of Ofcom's guidance do not become de facto benchmarks for compliance.

With regard to SoPP Reviews, we note that our existing SMCP measurement framework is derived from our remit and media content duties taken together. Whilst we expect the existing measurement framework to naturally evolve over time, we believe that it continues to be an effective means of holding C4C accountable for the delivery of our remit and media content duties under the updated regime.

C4C comments on Ofcom's draft approach to IPS designation

As with Ofcom's draft SoPP/SMCP guidance, we welcome Ofcom's proposed approach to IPS designation and believe it strikes the right balance between delivering clear accountability from PSBs for remit delivery, without imposing restrictive requirements.

With regard to Ofcom's approach to assessing whether PSBs have met the first condition for designation ("does the IPS make, or is it capable of making, a significant contribution to the PSB's individual remit"), we agree with Ofcom's general expectation that all content from PSB relevant services will be available on the designated IPS. It is helpful that Ofcom recognises that there may be exceptions where it is not possible for an IPS provider to make available specific content that contributes to the PSB's remit on its IPS. We cannot rule out certain instances where programming may not appear on the IPS, or where it appears only for a short period of time – for example, live events may have different rights that mean we do not have the same flexibility to distribute it across platforms as we do for most of our content. There are also cases where some content contributes to C4C's media content duties, but does not appear on our IPS nor contribute specifically to the Channel 4 formal remit; for example, short news videos delivered via TikTok. Given the complexity of C4C's overlapping duties, Ofcom is right not to take an absolute approach on assessing compliance with condition 1 ("Does the IPS make, or is it capable of making, a significant contribution to the PSB's individual remit?").

We also agree with Ofcom's approach to assessing how PSBs will meet condition 2 ("Is the public service remit content included readily discoverable and promoted by the IPS?"). Our streaming service is a direct reflection of our content strategy, which has remit delivery at its heart. Our editorial approach ensures that a broad range of content is promoted and discoverable in the highest-traffic areas of Channel 4 streaming, including key programming which is particularly important for remit delivery (but which may drive comparatively lower commercial returns).

Alongside this content it is essential that we are also able to promote our most commercially successful content in high-traffic areas, to ensure that Channel 4 has a compelling and competitive streaming offer for audiences. Similarly, personalisation in the range of content shown to users is now a basic expectation of audiences and it is essential for maintaining user engagement. Ofcom's approach appears to allow sufficient flexibility for us to maintain an effective balance between promoting our most strongly remit-driving content and engaging users

through strong commercially performing shows and personalisation. Striking this balance has always been at the heart of our approach to curation on streaming and will continue to be the case as our streaming service evolves.