



Department for  
Digital, Culture,  
Media & Sport

Rt Hon Nadine Dorries MP  
Secretary of State for Digital, Culture,  
Media and Sport  
4th Floor  
100 Parliament Street  
London SW1A 2BQ

E: [enquiries@dcms.gov.uk](mailto:enquiries@dcms.gov.uk)

[www.gov.uk/dcms](http://www.gov.uk/dcms)

9 June 2022

Rt Hon Sir George Howarth MP  
House of Commons  
London, SW1A 0AA

Our Ref:  
MC2022/05431/AL

Dear Sir George,

Thank you for your correspondence of 7 April on behalf of several of your constituents, regarding the future of Channel 4. I apologise for the delay in responding to you.

Channel 4 is a major pillar in the government's plans to deliver a new golden age of British TV and safeguard the future of public service broadcasting (PSB). Following an extensive consultation, I have come to a decision that, in today's intensely competitive economy, public ownership is holding Channel 4 back. Your constituent can read more about this in our White Paper, here: <https://www.gov.uk/government/publications/up-next-the-governments-vision-for-the-broadcasting-sector>.

Rapid changes in technology, viewing habits and the entry of global players into the market have introduced new challenges for British broadcasters that the government wants to help them meet.

Audiences are increasingly likely to consume content on non-linear platforms such as video-on-demand services. Moreover, streaming giants have significant financial and operational resources compared to UK PSBs, and they are driving up content costs and viewer acquisition costs across the sector.

Under its current public ownership model, Channel 4 has limited ability to borrow money or raise private sector capital by issuing shares to invest in new content and technology. It is effectively barred from exploiting its knowledge of youth audiences and strong brand by making any programmes of its own, as other public service broadcasters do. Instead it continues to make most of its money from linear TV advertising, albeit with a commitment to being digital first, and linear TV advertising revenues have fallen 31% sector-wide between 2015 and 2020 from £5.2 billion to £3.5 billion.

Over the last 40 years, Channel 4 has helped to foster a vibrant independent production sector, alongside the other PSBs. The landscape has changed beyond recognition - independent production companies are now less reliant on Channel 4 for commissions. Only 7% of the UK's independent production sector revenues come from Channel 4 commissions.

Now is the right time to equip Channel 4 with the tools and freedoms it needs to guarantee its long-term future, think big and amplify its impact in the UK and across the world. The investment to do this at scale and pace is best provided under private ownership, rather than leaving taxpayers exposed to the associated risk under public ownership.



Channel 4 is and will remain a free-to-air PSB, just like ITV, Channel 5 and STV which are privately-owned and hugely successful. However, the government will remove the restriction which stops it from producing and selling its own content so it can diversify its revenue streams and improve its long-term sustainability.

Whoever buys the broadcaster will inherit equivalent obligations to what it is subject to now - a requirement to support regional production outside London and England, commission a minimum volume of shows from independent producers, and to provide news as well as the original, innovative and risk-taking content it is known and loved for.

The government will look to use some of the proceeds from the sale of Channel 4 to deliver a new creative dividend for the sector.

Thank you again for writing to me on this important issue.

Yours sincerely,



Rt Hon Nadine Dorries MP  
**Secretary of State for Digital, Culture, Media and Sport**