



## **Response to Ofcom consultation on guidance for Channel 4 Corporation's Statement of Commissioning Policy**

**August 2025**

### **About TAC**

1. TAC represents independent TV production in Wales. With a value of £460m, our sector is a substantial component of the Welsh creative industries, and Cardiff alone has the third largest film and TV cluster in the UK. There are around 50 production companies in Wales, ranging from sole traders to some of the leading players in the UK production industry, all providing economic, social and cultural benefits. Our members produce content for the BBC (including radio), ITV, Channel 4, Channel 5 and Sky as well as other commercial broadcasters and platforms. Our sector is responsible for almost all the content on S4C.

### **Question 1: Do you have any comments on our proposals and proposed draft guidance?**

The move to in-house production for Channel 4 has profound implications for the independent sector

2. We note the Media Act requirements on both Channel 4 and Ofcom to put in place clear processes for commissioning and to monitor them. C4C must, with regard to Ofcom's guidance and in consultation with Ofcom, produce a Statement of Commissioning Policy (SoCP) setting out its proposals for the coming year and reporting on its performance in terms of carrying out proposals in previous statements. Additionally Ofcom needs to review and report on C4C's performance in discharging its new duties at a minimum of every five years.
3. In order to appreciate the importance of the proposals in this consultation, Ofcom needs to overtly acknowledge the full implications of the Media Act's removal of the prohibition on Channel 4 Corporation (C4C) making content in-house. In this context we note that Ofcom states, in paragraph 2.10 its consultation, that *"Now that the 'publisher-broadcaster restriction' has been repealed, C4C is able to produce its own programmes for Channel 4 (and other C4C services), should it choose to do so"*.
4. The removal of the prohibition actually goes further than this paragraph implies, in that it allows the soon-to-be-created Channel 4 Productions (C4P) not just to produce TV content for C4C and its other services, but also to produce content for *any* broadcaster or platform. Therefore, it is providing new competition to make TV content in a contracting market, putting additional pressure on the independent production sector in the process. Ofcom's recent report, in conclusion of its latest Public Service Media Review<sup>1</sup>, rightly recognised that the UK creative

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<sup>1</sup> [Transmission Critical: The future of Public Service Media. Ofcom, July 2025](#)

sector is “globally admired” but noted that there were increased difficulties both for PSBs and for the production sector, with the latter seeing declines in certain genres and that this in turn was leading to skills shortages.

5. In addition to the above point, the general effect of C4P’s creation on the independent sector is likely to be disproportionately high, given that the purpose of having an in-house production operation is to create IP from which C4C ultimately can profit. This was made clear in C4C’s statement about the development in May: *“Under the new strategy, Channel 4 will start to develop in-house production capabilities to create returnable, scalable formats focused in factual entertainment, reality and entertainment genres with international potential, allowing Channel 4 to benefit from global income streams to drive its investment into UK production.”*<sup>2</sup>
6. As Ofcom states in paragraph 3.6 of its consultation: *“apart from Channel 5, C4C spent the highest percentage of its commissioning budget on producers with a turnover of less than £25m”*. C4P’s focus on competing to make shows which are more likely to be profitable overall will therefore, assuming it is successful, have a disproportionately negative effect on the revenues of the independent sector.
7. Given the importance of C4P to C4C’s ongoing business goals, it must surely be the expectation of C4C that C4P will be commissioned by Channel 4 and its other services on a regular basis. It is therefore particularly important that Ofcom is scrupulous in ensuring that C4P has absolutely no advantage over the independent sector and that a fully level playing field is in operation in C4C commissioning, with robust ongoing monitoring.
8. In addition, production companies which are funded through the new Creative Investment Fund (CIF) will be ultimately owned by Channel 4 and therefore, in addition to C4P, it will be important that they too are competing on a level playing field with independent production companies. Attention will need to be paid to how CIF recipients are treated in the commissioning process and the proportion of Channel 4 commissions they receive. This should be part of any reporting Channel 4 makes to Ofcom.

Ofcom needs to review the new commissioning arrangements annually for the two years after their introduction

9. Paragraph 2.17 of the consultation confirms that Ofcom is required to review, at least every five years, the extent to which C4C has discharged its new duties to prepare an SoCP and prepare a report on its performance in carrying out those duties. We are concerned at this timescale and would ask Ofcom to go beyond the minimum five years requirement to review the new arrangements.
10. The additional period of change during which C4P begins operating and competing with the independent sector will be crucial and set the tone for what follows. It is therefore important that Ofcom is staying close to developments during the initial years, assuring the highest standards which will, provided our other recommendations in this response are followed, ensure the operation of a genuinely level playing field in C4C commissioning.

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<sup>2</sup> <https://www.channel4.com/press/news/channel-4-unveils-twin-track-approach-ip-ownership-move-house-production-and-launch>.

Accessed 14 July 2025

11. As this is such a major new step for the PSB landscape, Ofcom must therefore commit to initially reporting on how the new arrangements are working after each of the first two years of operation, after which it can move towards a longer period before the next review, though again perhaps sooner than five years. This reporting will necessarily require Ofcom to engage with the independent sector to ascertain how it feels the arrangements are working.

C4C and C4P must not be allowed to be fully or partly co-located

12. A crucial element of operating a level playing field in commissioning will be that producers' access to commissioning teams or staff, either formally or informally, must be completely even between independents, CIF-funded companies and C4P, and must be clearly seen to be so.
13. While in general we agree that the five core principles set out in the Commissioning Guidelines are sound, we do not believe it goes far enough in terms of operational separation. Specifically, paragraph 3.9 of the Draft Guidance states that: *"In instances where C4C commissioners and C4P staff may be co-located we would expect C4C to detail the steps it has taken to ensure that staff do not undermine any procedures it has put in place to facilitate fair competition, such as access to information about commissioning needs that is not available to the wider market, through their co-location."*
14. It is quite simply unacceptable to our members to suggest that C4C and C4P could operate a genuinely level playing field in a scenario where the two organisations are fully or partly co-located. Ofcom must be aware of the impossibility of there being no ad hoc contact between the respective organisations' staff in a situation where they are sharing the same building and/or facilities. It is equally impossible to assert with any confidence that such contact will not lead to informal discussions regarding commissioning plans and/or programme ideas. In addition, there are risks of access to confidential information if the two organisations shared the same IT systems or other back-end functions.
15. Whatever assurances are given or processes of separation put in place, it is clear from conversations with our members that they will never fully trust the commissioning system in a scenario where C4's commissioning and production staff are sharing the same building.
16. Ofcom therefore needs to ensure there is sufficient trust in the new arrangements, by adding to the Guidance a requirement that C4C and C4P must be based in fully separate geographical locations and that they cannot share back-end functions and facilities.

Ofcom must require C4C to set out how it will engage with independent producers around the UK

17. It is important for the diversity of Channel 4's content that it continues its efforts to work with a range of companies around the UK, including in the nations. In this context, we note that paragraph 3.15 of the Draft Guidance states that *"We expect that engagement with a wide range of producers, including from the nations and regions of the UK, will be in C4C's interests and the interests of audiences"*.
18. We do not believe that to 'expect' goes far enough and that the term used should be 'require'. For there to be equal access is crucial to ensure that there is regular and sufficient interaction with independent producers, particularly in Wales where, unlike in both Northern Ireland and Scotland, C4C does not have a base in the nation. Such access needs to be ongoing and structured, rather than piecemeal as we have seen in the past. In drawing up the detail of this

requirement, there is a case for there to be additional engagement with producers in Wales, to counterbalance the lack of a permanent C4C presence.

#### Ofcom must propose set timings for commissioning decisions

19. Given the tighter constraints on the sector in general, the importance of prompt commissioning decisions has become ever greater. We therefore welcome Ofcom's consultation noting the importance of timely commissioning decisions. Ofcom's consultation rightly states in paragraph 4.23 that producers: *"need to know whether an idea is likely to be taken forward or not in order to know whether to invest more time and money in an idea, or to move on to the next one"*.
20. In addition to that point, there is also the factor of producers potentially taking the same idea to another broadcaster or platform, and therefore needing to know whether C4C is interested as soon as possible.
21. In that context, Ofcom needs to go further than the current proposals, by setting firmer requirements. Paragraph 3.18 of the Draft Guidance states: *"that C4C should address the timeliness of decision-making relating to commissioning in its SoCP Plan, which could include setting targets for how quickly it aims to get back to producers after the initial submission of an idea."*
22. Given the importance of timely decision to production companies, Ofcom must be firmer. Instead of using the terms 'should' and 'could', we call upon Ofcom to replace these terms with the word 'must', thus making it clear this is a requirement not a suggestion.

#### The specified contents of the SOCP Review must be mandatory

23. We welcome that C4C has indicated that, as part of the SoCP reporting, it will report on the number of commissions that were awarded to C4P versus other producers, with a breakdown by nation. Paragraph 3.27 of the Draft Guidance states that: *"We consider that it would be useful for the SoCP Review to cover the following areas"*, and provides eight different areas all of which are, from the point of view of the independent sector in Wales, crucial to ensuring C4C is complying with the spirit of operating a level playing field in commissioning.
24. Again therefore, in order to ensure the right high standards are present from the outset and subsequently maintained, Ofcom needs to be firmer and require all of the specified information to be included in the SoCP as a matter of course, as opposed to it being optional. The line quoted above must therefore be amended to:  
  
*"It is required for the SoCP Review to cover the following areas"*
25. Having clear set requirements of this nature, to be met consistently on an annual basis, will allow Ofcom to be able to track C4C's performance year-on-year and prevents the possibility of inconsistent reporting over a multi-year period. This will make for far more efficient and robust regulation of C4C's commissioning arrangements.

**Question 2: Do you have any comments on our impact assessments underpinning our proposals, as set out in Annex 2?**

#### Ofcom's statements on impact and competition are not accurate

26. We are concerned by Ofcom's assertions in paragraph A2.4 of the consultation: *"The most direct impact of our guidance will be on C4C, as it will need to have regard to our guidance as it prepares its SoCP plan and review. Clearly setting out its processes relating to its new duties in the manner outlined in this consultation should also have an impact on production sector stakeholders, because transparency and accountability as regards to C4C's commissioning processes and decision-making may be improved. Indirectly, our proposed guidance may also benefit audiences as greater competition for commissions could increase the quality of the programming shown on C4C services."*
27. For Ofcom to state that the 'most direct impact' of the guidance will be on C4C may on the surface appear logical, however it is arguably more fundamental to the independent sector which, due to the reasons we set out in paragraphs 2-4 above, is seeing a huge change to the way that C4C, a major source of commissions, is going to be operating.
28. We also question Ofcom's assertion that C4P will constitute 'greater competition' in terms of adding to the sources of different programme ideas. C4P will only provide one single additional source of programme ideas, perspectives and talent in a market where there is already an independent sector of hundreds of companies, around 50 of whom are based in Wales alone.
29. This move could in fact be detrimental to diversity of supply, as C4P will almost certainly only be based in one location (which of course Ofcom must require to be entirely separate from C4C) and that location is highly unlikely to be one of the devolved nations, especially Wales, where Channel 4 has no permanent presence of any kind. The presence of C4P will, as we stated earlier in this response, be detrimental to the independent sector overall in terms of providing additional competition for programming which is more profitable.

The SoCP must be required to be published in both English and Welsh

30. We disagree with the assertion in paragraph A2.14 of Ofcom's impact assessment that *"We consider that our decisions to include the statement "C4C may publish SoCP in Welsh and English" within our draft guidance and to publish the consultation in Welsh will have a positive impact in regard to treating the Welsh language no less favourably than the English language"*.
31. There is absolutely no question in reality that C4C will not publish its SoCP in English, therefore in effect, by using the word 'may', Ofcom is essentially making publishing in Welsh optional. This does not to us represent *"treating the Welsh language no less favourably than the English language"*. In order to ensure parity therefore, Ofcom must make publishing the SoCP in Welsh mandatory.
32. Welsh is the first language of our members, and one in which they communicate through some of the programmes they make, not just for S4C but also in some cases in joint S4C/C4C programmes. The Guidance should therefore state that C4C 'must' publish in Welsh and English, rather than 'may'.