

New plans to boost Britain's broadcasters and protect viewers on video-on-demand channels

- Plans to consult on sale of Channel 4 to ensure its future success and sustainability
- Review of regulation of video-on-demand services also in the pipeline
- Moves will feed into the government's wider review of public service broadcasters

As part of an ongoing strategic review of the UK public service broadcasting system, the government will review the ownership model and remit of Channel 4 and consider tightening regulation of video-on-demand services such as Netflix, Disney+ and Amazon Prime Video.

With a fast-evolving media landscape, increasing competition and changing audience habits posing imminent challenges, moving Channel 4 into private ownership and changing its remit could help secure its future as a successful and sustainable public service broadcaster.

The government will also consult on whether the regulation of video-on-demand services such as Netflix and Amazon Prime need strengthening so they are subject to similar rules as traditional "linear" broadcasters such as the BBC, ITV and Sky.

It will consider whether new rules are needed to protect viewers of video-on-demand services – such as changes to age ratings and addressing impartiality and accuracy rules for documentaries and news content – alongside measures to level the playing field so public service broadcasters can compete with international rivals.

This will help ensure the country has a diverse, free and pluralistic broadcasting landscape with high standards.

The reviews will come ahead of a broadcasting white paper due in the autumn. The white paper would consider the future of the country's broadcasting landscape with the ultimate aim of making sure it serves listeners and viewers on all platforms and across the UK.

Digital Secretary Oliver Dowden said:

Technology has transformed broadcasting but the rules protecting viewers and helping our traditional channels compete are from an analogue age.

The time has come to look at how we can unleash the potential of our public service broadcasters while also making sure viewers and listeners consuming content on new formats are served by a fair and

well-functioning system.

So we'll now be looking at how we can help make sure Channel 4 keeps its place at the heart of British broadcasting and level the playing field between broadcasters and video-on-demand services.

Channel 4

At present Channel 4 is entirely commercially funded, but it has been publicly-owned since it began broadcasting in 1982.

It has delivered its original aims, including supporting the independent production sector in the UK and creating diverse, varied and risk-taking programming.

But four decades later the broadcasting landscape is unrecognisable. Online streaming and digital terrestrial TV have flooded the market with new and varied content while at the same time intensifying the competition for advertising and being able to raise huge sums for subscriptions.

More than 90 per cent of Channel 4's revenue comes from advertising – which is traditionally cyclical in nature – and from events-driven sponsorship activities. This makes it particularly vulnerable to market fluctuations and the decline in linear TV advertising spend.

Moving Channel 4 into private ownership could allow it to access new capital, create strategic partnerships, and reach international markets only available through the private sector. Changes to the model may also allow Channel 4 to diversify its income streams, enable it to invest in new technology and produce new content and programming.

This would better allow Channel 4 to compete and strengthen its role as a public service broadcaster and secure the long-term benefits it can bring to the creative industries and to audiences.

Video-on-demand services

Video-on-demand services available in the UK are not regulated to the same level as “linear” television channels and some services such as Netflix and Apple TV+ are not regulated in the UK at all.

Only content on the BBC iPlayer is subject to Ofcom's Broadcasting Code, which includes enhanced protections to audiences from harmful or offensive material and rules on accuracy and impartiality.

Existing audience protections on UK-regulated video-on-demand services are primarily focused on children and rules preventing content which incites hatred. Some services have introduced their own voluntary procedures – such as Netflix's voluntary age ratings partnership with the British Board of Film Classification (BBFC).

The current landscape makes for an inconsistent, ad-hoc and potentially

harmful gap in regulation between video-on-demand services alongside a potential competitive disadvantage between UK broadcasters and their internationally-funded online counterparts.

It is also almost twenty years since the UK broadcast sector's regulatory framework was introduced in the Communications Act 2003, which was designed before the arrival of online companies such as Apple+, Amazon Prime and Netflix in their current form.

The government will also take forward existing commitments to legislate to strengthen public service broadcasters' "prominence" online so that their video-on-demand content can easily be found and accessed on smart TVs and other platforms and devices.

ENDS

Notes to Editors:

- The UK's system of public service broadcasting (PSB) is the result of a series of regulatory interventions designed to make sure UK audiences can enjoy a wide range of high-quality programmes which meet people's needs and interests. There is no single piece of legislation covering public service broadcasting, but the Communications Act 2003 provides many of the key building blocks. For example, it designates certain broadcasters as 'public service broadcasters' – the BBC, ITV, Channel 4 and Channel 5, alongside STV in Scotland and S4C in Wales.
- Channel 5 and ITV are examples of successful privately-owned commercial public service broadcasters. In November 2020 the government announced that it was bringing together a [Public Service Broadcasting Advisory Panel](#) made up of experts from broadcasting and other related sectors. The panel will support the government in taking forward the recommendations in the reports from both the House of Lords Communications Committee and the DCMS Select Committee, as well as Ofcom's PSB Review.
- Ofcom published its [review on prominence in July 2019](#) which made a number of recommendations, including the need for new legislation to keep PSB content prominent online. Ofcom's PSB Review builds on this, and Ofcom's recent consultation on the future of public service media (closed 16 March 2021) has specifically sought views on the requirements around the availability of public service on-demand content.
- The [Digital Radio and Audio Review](#) was launched in Feb 2020 and is due to report to Ministers this summer. The Review is examining future trends and will consider how radio should adapt to the growing challenges and opportunities from the latest audio technologies – e.g smart speakers, as well as the impact of new consumer behaviours such as streaming.
- The White Paper will also be influenced by Ofcom's ongoing PSB review, the government's own strategic PSB review as well as the recommendations of the Digital Radio And Audio Review which will report this summer.