

Digital, Culture, Media and Sport Committee

Oral evidence: Channel 4 Annual Report 2018, HC 2205

Tuesday 9 July 2019

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Members present: Damian Collins (Chair); Clive Efford; Paul Farrelly; Simon Hart; Julian Knight; Ian C. Lucas; Brendan O'Hara; Jo Stevens.

Questions 1-139

Witnesses

I: Charles Gurassa, Chair, Channel 4; and Alex Mahon, Chief Executive, Channel 4.

Written evidence from witnesses:

– [Channel 4](#)

Examination of witnesses

Witnesses: Charles Gurassa, Chair, Channel 4; and Alex Mahon, Chief Executive, Channel 4.

Q1 Chair: Good morning. Welcome to the Select Committee's special hearing on the Channel 4 annual report. We will also be discussing questions relating to the Committee's new inquiry on reality television. We will probably discuss reality television first and then move on to talk about the annual report in more detail. For the benefit of the record, the Committee has agreed to publish further documents from television production companies that relate to the contracts offered to people who appear in reality television shows. Those documents are available on the Committee's website now.

I welcome Charles Gurassa and Alex Mahon to the Select Committee. Do you feel that reality-based TV programmes have become an increasingly dominant feature of television in the UK?

Alex Mahon: First of all, it is important to say what reality TV programmes are. They are a relatively narrow group of programmes. They are normally programmes in which the contributors are regular people, members of the public, who are removed from their day-to-day lives and put in a new environment, normally an environment that has been specially constructed for the making of the programme. If we look now at television, certainly at Channel 4, they are a less dominant feature of our programming than they were perhaps 10 years ago when we had shows like "Big Brother" that dominated large parts of the schedules.

Q2 Chair: Shows like "Big Brother" take up a lot of air time when they are on, but in terms of reality TV shows as a member of the public would define them, they are shows largely based around real people being asked to do something in a contrived setting or being filmed in their home environment. They are not actors or performers. It is not a scripted scenario. It is a scenario involving ordinary people. Do you feel that that has become a much more prominent part of the TV schedule now than was the case when "Big Brother" first started?

Alex Mahon: I don't think that for Channel 4 and our group of stations it has become a more dominant form of programming. You are definitely correct that we have a set of shows that are more observational documentaries or factual shows that are about people in their normal day-to-day lives: shows such as "One Born Every Minute" or "24 Hours in A&E", which are about regular participants doing things that they might do in day-to-day life. We have many of those shows on, which bring great insight into groups of people in the community and into groups of contributors or participants that you might not otherwise have seen on television, which obviously gives the public a lot of insight into groups they might not see in society. You can make a wider definition into factual



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programmes, and there have been, over the past 15 years, many of those observational documentaries. That is true.

- Q3 **Chair:** I was just looking at today's schedule. If we were sitting at home watching Channel 4, what would we be watching? We would be watching "Ramsay's Kitchen Nightmares USA"—a celebrity in a reality-based show. Then you get "Undercover Boss USA". We then have news and then "Couples Come Dine with Me" at 12.05 pm and "Posh Pawnbrokers" after that. There is "Countdown", which is a quiz show rather than a reality show but with members of the public, then "Coast vs Country", then "A Place in the Sun", and then "Kirstie's Celebrity Craft Masters". I suppose that has got celebrities in rather than members of the public, but it is still reality, you could say. Then at the peak, we move into a slightly more traditional area of television, with "The Simpsons" and "Hollyoaks", "Channel 4 News" and "Ackley Bridge", which is a drama series. Then, at 9 pm, we go back to "24 Hours in A&E", then "Drag SOS", then some cricket, and if we're still up at midnight, we go to "Celebrity Crystal Maze", "The Restaurant That Makes Mistakes", "Grand Designs New Zealand", "My Family Secrets Revealed", "Inside Out Homes" and "Kirstie's Vintage Gems".

Looking at the schedule, if you take out news and sport, you have got about two hours of programming that might be considered not to be reality-based. To me, that suggests that this format does dominate the schedule. I have just read out the Channel 4 schedule; I could quite easily have done the same with ITV. It wouldn't be that different. Do you feel that is a big shift and that increasingly, what people are watching on television outside of peak is just programmes about other people?

Alex Mahon: First of all, you would have had a wonderful day, if that is what you would have watched all day for 24 hours. I would go back to it: reality television is a definition about putting participants or contributors in a different environment. Many of those programmes are observational documentaries about what regular people are doing on regular days. They are about members of the public, they are about normal people, but often those shows are giving great insight for our viewers into what other people are doing in their lives. They are not a tight construct of people being taken out of their normal day-to-day lives and put in reality television situations; they are factual shows, documentary shows, observational shows. In that definition, yes, much of the schedule is about normal people, but that is part of the job of a public service broadcaster—to give insight into what other groups of people in society are doing.

- Q4 **Chair:** Was it always like this or has there been a shift? I looked at the Channel 4 schedule from when the first series of "Big Brother" was on in 2000. This is 4 September 2000. It is quite different. From 7 am, we have two hours of "The Big Breakfast". There is no equivalent programme on Channel 4 now. Some might argue whether this is better or not, but we then have a classic movie, then a factual programme, "20th Century Hall of Fame", then—Ian and Jo will like this—we go to the Oval for test cricket: England against the West Indies. Again, "Hollyoaks" is there, before highlights of the cricket. There is an hour of "Big Brother", with a



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highlights programme at 8 pm. We then have "Apocalypse Now", followed by another classic drama and then a late-night movie as well.

That schedule is totally different from what you would see today. People can argue whether it is better or worse, but it would seem to me to be quite a big shift away. That was in the era of the birth of reality television, where there is an hour in that day of reality TV, which is the "Big Brother" highlights show. The rest of it is movies, drama and live sport. That just seems like a world away from what the schedule looks like today.

Charles Gurassa: If I may make one observation, what has happened since then is that there is a plethora of digital channels, which enable you to go into a whole series of different genres in much greater depth. You talked about film, for example. We have a channel that shows film all day and all night, so you can access film in a completely different way to how you accessed it in 2000, when there were four or maybe five channels available. We have got More4, 4Music, E4 for younger people and Film4. So whereas before, it was all consolidated into a single channel, now the viewer has a much broader choice, including from us, including different genres of programmes.

Q5 **Chair:** I accept that there is more television and more Channel 4 television than there was 19 years ago, but has that led to a rise across the board in quality? Is what we see now on the main channel—the old terrestrial channel, Channel 4—a lot of stuff just there to pack out the schedules, which is quite cheap to make? You don't have to pay the members of the public what you pay an actor and you don't have to hire scriptwriters. It is a relatively low-cost format that is just filling the daytime schedules. You see it on ITV and on BBC2 and on Channel 4 as well. I would be interested in what the cost is to make these shows, compared to the cost of making an ordinary drama or comedy show or something else.

Alex Mahon: If you look back at the history of what has been on television in the past 20 years, it is definitely true to say that with the start of reality, if we approximate that to 2000 with "Big Brother", moving as a format throughout the world and made in every country, that was probably the first show that gave us significant insight into the day-to-day goings on in a reality household of normal people, if you call that a normal construct of life.

From that, over the intervening 10 or 20 years, there has been a huge rise in television globally of the observational documentary in a formatted way—fixed rig documentaries, pieces that give us insight into different precincts, be that hospitals, police stations, prisons, social care, or into different groups of people doing things in society, such as childbirth or working in restaurants. There is a huge public appetite for that.

Is it important as public service broadcasters that we tell people challenging stories about life in Britain today in given circumstances? Yes. It is not necessarily cheaper to do than other things. Some genres of non-scripted programming are cheap—sometimes quizzes, if you make them in



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bulk—and some genres are very expensive, which are in the multiple hundreds of thousands per episode to make because they are very complex to construct.

If you take a programme such as “One Born Every Minute”—there are 10 or 11 series; it has won Baftas; multiple series have been made in the same hospitals, giving true insight into what childbirth is today and stories of those families and journeys—that is a very positive, life-affirming show that is incredibly interesting for audiences. It is certainly not cheap to make, because of the way we make it and construct it and film it, and the way we work with contributors, so I would refute the suggestion that we are doing that to fill schedules with cheap things. We are often doing those programmes to create insight into society.

- Q6 **Chair:** I think what you are saying differs slightly from what you said at the beginning. You feel there has been a big shift in television towards this more factual-based programming. Those two illustrative schedules would certainly suggest that. Has that happened because that is what the public want? Who is responsible for that shift and why have companies made that shift?

Alex Mahon: It is a good question. In some ways, over the past 20 years, the public, viewers and ourselves have more and more interest in different parts of society and seeing the experiences of others. Perhaps reality TV, as it was, started that insight into regular members of the public. In some places, technology has allowed that. The rise of the ability to create a fixed rig with multiple cameras in multiple places came out of the “Big Brother” technology originally. That gave us the opportunity to do that. In some ways, there is public taste and interest in that.

- Q7 **Chair:** With reality shows, who generates ideas—obviously production companies generate ideas for shows. Using a broad description of reality shows, you have a lot in your schedules. Does Channel 4 say: “We would like to do a reality show based on the genre. We would like companies to come forward with proposals on how they would make it,” or do people come to Channel 4 with the idea already formed?

Alex Mahon: Channel 4 is a publisher broadcaster, as you know. We work with over 200 production companies per year. We divide our commissioning team into multiple genres, so they look for things in factual specialist, factual art, science, factual entertainment, etc. The commissioners in those teams would be working in multiple rounds with production companies who will come in with ideas. Sometimes ideas in a specific area might come from us. Sometimes ideas of a fully formed programme might come in from a production company.

Those commissioning rounds and discussions go on every week and every day. Out of that comes a set of ideas that go into development and then into production. Sometimes we might put out a specific call for a tender for a quiz show or an afternoon quiz show, and there will be the specific development of that. Sometimes we might have said we want new faces and voices in science, so specific ideas come out of that. Sometimes we



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might have said that we think we require a documentary series or an access series about the police; we think that is an area that is missing on television, and then specific ideas will come out of that.

It is quite a long process and it can vary, depending on what we think viewers' tastes might be and what we think is an issue in society that needs to be responded to, or depending on some brilliant idea that a production company might come up with. It is really varied as to how they come in.

It is important to say that, as a public service broadcaster, we will be thinking about moral and ethical concerns and how they fit with our public service remit, as set by Parliament, from quite early on in that development process.

Q8 Chair: What is the genesis of a programme like "Sex Tape"?

Alex Mahon: "Sex Tape" itself is a format that has come out of the Israeli market; a show that has been made elsewhere that we have been able to see. As the discussion of that goes on with our commissioning team, we will think, "Is that an interesting show for our public? Does it address some issues within relationships? Can we make that in a way that we think is sensitive and interesting for the British viewing public? What are the pros and cons of doing that?" We will go through that discussion with the production company, our commissioning team and, indeed, with our programme lawyers who would get involved.

Q9 Chair: Is Channel 4's response saying, "We would like to look at relationships in a way we have not looked at before or other broadcasters have not done. There is this format that exists in another country; we will bring that in because we think that would work"? Or, in that case, is the company coming to you saying, "We have got this. Do you want it at Channel 4?"

Alex Mahon: It could be either.

Chair: In that case, which was it?

Alex Mahon: In that case, I can certainly get back to the Committee on how it originally came in. I do not know as I sit here today whether it came in from the production company or whether we went out proactively to look for an idea in that area.

If I think of other shows coming up this week: something like "Generation Porn", which is coming up this week, is trying to address in a contemporary way what is the impact on adolescents in our society of the widespread availability of porn, and to do that in a way that is accessible. It has people from the porn industry in it; it has teenagers in it. What is that doing to society and how do we ask questions of ourselves about whether we want that to continue?

Ideas can come either way. What we are trying to do with all of those shows is address them in a way that deals with issues in society and is



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appealing to the audience as well, without ever tipping over into the simply salacious.

- Q10 **Chair:** There is a show on at the moment, "The Restaurant That Makes Mistakes". Obviously, there was a proposal for that. If you are making a programme about dementia and you are putting people with poor short-term memory in an environment where having good short-term memory is critical to being able to do the job, that show could easily be seen as quite exploitative in some way. As a commissioner and broadcaster, how do you ensure that when these ideas are presented to you that they are going to be executed in a way that you find acceptable?

Alex Mahon: I think "The Restaurant That Makes Mistakes" is a very good example. It is a four-part show set in Bristol, dealing with people who have mental health issues, particularly vulnerable people who typically have Alzheimer's and dementia. They are quite young—the people are often in their forties or fifties—and have usually been unable to work for a period.

Setting up a restaurant that allows them to work in that environment is very difficult, with work, as you say, that they perhaps would not normally be able to take. It is a hugely successful programme that has led, as you will have seen from the final episode, to up to a threefold increase in how people feel positively about themselves as contributors.

There has been a significant impact on the individuals involved about a positive uplift in their own mental health, having had a valid job and been working. It has led to a campaign to work with national restaurant chains about whether they could take into their environments volunteers who have Alzheimer's or dementia to work. That has led to an uplift in understanding of those conditions.

To make that kind of show is really difficult. You are dealing with a very vulnerable group in society. Setting in place the right protocols is non-trivial but I think it is a really important show to make, because it is challenging some of the preconceptions that there might be in society about what it is like to be in a working environment with people from that group.

- Q11 **Chair:** I want to mention the protocols. You are chief executive of Channel 4. If Channel 4 decided to commission this programme, what guarantees do you have about the way in which people will be selected to take part in the show and how they will be looked after during the show? How do you ensure that the editing process for the show is a fair reflection of the people in it, and that people are not being exploited?

Alex Mahon: For the types of shows that are dealing with very vulnerable groups in society, we do a huge amount of work up front with our programme lawyers and the production team, and usually with specialised medical professionals in that area, to set in place what the right protocols are to make sure that we are caring for the contributors, and particularly to make sure that we have informed consent throughout the process. In that case, we would work with the carer for each of the people selected to



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make sure that the individuals in the show understood what they were getting involved in and that we had informed consent, and we would go through the show continuing to work with them and their responsible person or carer to ensure that they were comfortable with what was happening.

- Q12 **Chair:** Is that a carer who is a medical professional and works with that person anyway, or is that someone who the production company has brought in to work with the person?

Alex Mahon: It is usually someone who works with the individual anyway. The carer is whoever is the responsible individual for the vulnerable person in that situation, who is already their responsible individual, and we would bring in medical professionals who are specialised in that area.

If you take something like "One Born Every Minute" or "24 Hours in A&E", we would work with the clinicians in the hospital and with the families of the people who are unwell or are being treated, and we would then have a patient liaison team on the production the whole way through. For example, on "24 Hours in A&E", there are five people full time on the patient liaison team who would work back and forth between those groups. They would work with our programme lawyers and our commissioning team, so the structure you have to put in place for working with vulnerable groups is quite extensive.

- Q13 **Chair:** Obviously, with something like "24 Hours in A&E" where you are in a medical setting, that would be pretty clear, but for a show like "The Restaurant That Makes Mistakes", you say there are medical professionals who are brought in to work on the show. Are those brought in by the production company, or do they work for Channel 4?

Alex Mahon: They are brought in by the production company. On a show like this, we would have a specialist psychologist; their credentials would be checked and overseen by Channel 4, and then they would work for the production company on the show. The protocols would be set by us in consultation with the production company and with medical professionals, and they would be continually updated as we make the show, either on a series or between series. Those protocols would then be overseen by our commissioning editors and by our programme lawyers.

- Q14 **Chair:** So, for "The Restaurant That Makes Mistakes", you say you'd have a psychologist there, but presumably there are people who are medical professionals and are experienced in dementia care.

Alex Mahon: Dementia and Alzheimer's, and any other specific issues that the contributors may have.

- Q15 **Chair:** Would Channel 4 then review with the production company the people they have brought in to fulfil those roles, to make sure that the correct people have been hired and they have met the obligations that were set out for them in the contract?

Alex Mahon: That is correct. We would do that mainly through the legal team and the lawyers who would oversee that, but also through the



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commissioning editors, and all of that would of course be in line with what is set in the Ofcom code.

- Q16 **Chair:** Finally, there is another programme coming up that I would like to cover off before bringing in other members of the Committee, which hasn't aired yet. That is "The Surjury". Some people might say—in fact, some people have written about the programme that again, it could be seen to be quite exploitative, because you are taking people who are attracted by the idea of free plastic surgery to come and pitch their case for getting it or not, whatever their personal reasons are for having it or not, and then a jury made up of members of the public and some experts make a decision on whether they get it or not.

Again, in a show like that, what is the role of medical professionals to make sure that people are not being exploited—vulnerable people who may have issues that they are concerned about that make plastic surgery attractive, but it might not be responsible for them to have it?

Alex Mahon: "The Surjury" is a show that, as you say, is coming up; it has not been on air yet. It is still in production, and it is a programme where ordinary members of the public who believe that they would like cosmetic surgery—plastic surgery—come to a group of members of the public and discuss the issue that they have, and talk about whether they should have it or whether they shouldn't.

Part of that is about the acceptance that in Britain today cosmetic plastic surgery is on the rise. We made a "Dispatches" the other night about breast implants; there are over 1 million people with breast implants in the country. One has to accept that there is a significant amount of cosmetic surgery going on in society.

The question for us is whether those people are treated sensitively. Often, as the show is made, the members of the public on the jury will say, "We don't really think you need this. We think you're okay." The idea of that is to be a positive experience.

Clearly, making a show such as this is quite complex. We have to make sure we have informed consent the whole way through. We have to make sure that the contributors are assessed and psych screened. We have to make sure they get support during filming and that they get after-show support. Should anyone go on to actually have cosmetic surgery, they will have to go through a full and standardised psych assessment by any clinician who performs that surgery.

- Q17 **Chair:** Again, your expectation for that show is that there will be all the correct medical professionals, psychologists and everyone else working with the production team to make sure that the people who feature in the programme are not being exploited.

Alex Mahon: Absolutely.

- Q18 **Chair:** Where do you draw the line with this? Is it just what people are prepared to do on television? It would seem that there is not much left of people's intimate lives that cannot be turned into some sort of show for



the entertainment of other people.

Alex Mahon: We are very creative. The question is: are we doing that in a positive way and are we putting in place considerations about how we portray people or are we exploiting them? Clearly, as Channel 4, we are trying to put in place positive protocols to ensure that contributors are protected and that we are not exploitative. That has positive impacts when we do it correctly.

If you take a show such as “The Undateables”, which is about a very difficult group of people to work with—vulnerable people with autism and neuro-diversity issues—and whether you can find them romance in society, it is very complex to put in place the correct protocols. I know the Committee has seen some of the care bear and other protocols, where we are going back over five series and connecting with contributors. We have the care bear individual constantly available to them; they have their mobile phone number, the email and the work number of that person all the time. We have to put specialist training into the production team to do it.

When we do that right, however, 90% of viewers said that it improved awareness of the difficulties that disabled people face; 80% of viewers said they were now more sympathetic to disabled people as a result; and 77% said they realised they had things in common with the disabled people on the show. When done correctly, as I think Channel 4 does, it has a massive positive impact on society. It is difficult and complex to do that, and it is not cheap programming, but when it is done well, it has a massive positive social impact.

Q19 **Chair:** Clearly the trend is changing. The public’s appetite for this type of programme has clearly changed, and equally, what would be considered acceptable to have on television has changed. Ofcom might have taken a different view of a show such as “Sex Tape” in 2000 from today. Who is driving that process? Is it being driven by the genuine desire and appetite of members of the public for such programmes to be made, or are the boundaries just being pushed by production companies trying to come up with ever-more creative or off-the-wall ideas to get commissioned?

Alex Mahon: I would counter that it might be going the other way. We are making a three-part documentary about the life of Jade Goody, which will be on this summer. As you know, she came out of the original “Big Brother”. When you look back at that and at what happened to Jade, how she was treated in the tabloid press and what was put on air, I would say that public taste has moved the other way. There are things in that show that we would probably question whether we would do now. In fact, Ofcom upheld a point about the show. The support we put in place, the protocols we put in place and the expectations of society are higher now. That has changed for the positive. Much of that negative discourse has moved on to social media, more than it has on mainstream television.

Q20 **Ian C. Lucas:** What are the positive impacts of “Naked Attraction”?



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Alex Mahon: “Naked Attraction”, as you know, is a Friday night show that we make that is about contributors in a studio who get to pick a date based on someone’s nudity and a few words from them, and then go on a date. That show is a reaction to the reality of the rise of Tinder, Grindr and other dating apps in society. As the digital landscape has changed, often people are picking a date, or someone to see that night, based purely on a constructed persona and on physical attributes. The lesson in that show is that the vast majority of the time when people go on a date based only on physical attributes, it does not result in them wishing to see each other again or anything further happening. The point of that show is that it is a comment on what is happening in society, and it is a very accessible way for many viewers, particularly 16-to-34 viewers, to see that impact on society.

Q21 **Ian C. Lucas:** Do you think that it is exploitative?

Alex Mahon: No, I don’t think it is exploitative. The contributors who come on “Naked Attraction” go through an extensive procedure. They go through a screening, a psych assessment, and informed consent procedures. We have contributor care in place. They do an initial audition, naked, and then they have a cooling-off period before we will take them on a show to consider the impact of that. Of course, you don’t have anyone going on the show who has not seen the show, so people are well aware of what the programme is.

Q22 **Ian C. Lucas:** What feedback have you had from the contestants on “Naked Attraction” about their involvement in the show?

Alex Mahon: I am not aware of negative feedback from the contributors.

Q23 **Ian C. Lucas:** Have you asked?

Alex Mahon: We are in constant contact with contributors, and often the production company will go back—

Q24 **Ian C. Lucas:** So afterwards do you ask contestants on “Naked Attraction” what feedback they have?

Alex Mahon: I am very happy to come back to the Committee in writing on whether we have had any negative feedback on the show. I am certainly not aware of any as I sit here today.

Q25 **Chair:** You have managed to make “Naked Attraction” sound like a moral cautionary tale programme, rather than an entertainment show. Is there a pushback on these programmes? We are in a world where people can get paid—I don’t know how much—to have sex with their partner on television and have people sit around and talk about it. That is broadcast, and is part of the TV schedule. Is anyone saying, “Maybe we can do this within the Ofcom rules, but should we?”?

Alex Mahon: Clearly, many shows never come to television that we have moral and ethical discussions about at Channel 4, and that we decide do not show appropriate insight into society or would not have a positive effect on the audience. I think you have to look at the range of shows that



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we make. "Generation Porn" is coming up this week, as I said. "100 Vaginas" was on a couple of months ago, which was a very sensitive art film into the relationship between women and their bodies, and what that means in society. What does it mean for a woman who has been raped? What does it mean for a woman who has suffered from FGM? It may sound like a salacious title, but actually it is a really sensitive look at how women feel about themselves. We put on a wide range of things. You also have to think about how you can access these topics for the public, and how you can blend interest, contemporaneity and entertainment into quite serious topics.

Chair: It would be fascinating to know where the line is drawn between something that is informative and relevant and something that is seen to be too exploitative, or maybe seeking to turn someone's personal life into something salacious for other people to enjoy.

- Q26 **Ian C. Lucas:** Can I just ask you about one thing you said about the Jade Goody documentary that I thought was interesting. You said there were things that were shown on "Big Brother" when Jade Goody was on the programme that would not be shown now. Could you give an example of that?

Alex Mahon: Well, at the time, Ofcom upheld a complaint about offensive material in the show, so clearly mistakes were made in the programme, and we explore that in the documentary.

- Q27 **Ian C. Lucas:** But that was judged then. What I am interested in is something that you would judge offensive now that was not judged offensive then.

Alex Mahon: Obviously it is difficult because I have seen the documentary.

Ian C. Lucas: Well, you said it.

Alex Mahon: No—I meant more that the Committee has not had a chance to see it yet. I think there were ways, in what went on in the press and what went on in television then, about the cycle of how people would be discussed in the press that I don't think society would tolerate now. I think the expectations of the audience, and of us as broadcasters and producers, have moved to the point where we have much stronger contributor care protocols in place, and we would not let those things occur now.

- Q28 **Ian C. Lucas:** But can you give an example of something that was shown that you would judge not acceptable now, because I am trying to find out where your limits are? I have not heard where the limits are yet.

Alex Mahon: Clearly it was a mistake to broadcast racist and offensive material. That was upheld at the time. Aside from that, this is a show I was not involved in 10 to 15 years ago, so it is hard to be more specific.

- Q29 **Ian C. Lucas:** You raised it. You said that there were matters that were not considered unbroadcastable then, but would be now. I am just



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wondering what they are.

Alex Mahon: I cannot give you a specific item from the show as it was then, because it was "Big Brother" 15 years ago. Thinking about how that show worked and what the contestants were pushed to in it, I think the care protocols we have in place nowadays would not allow things to go as far as they did.

- Q30 **Brendan O'Hara:** Channel 4 should be and is rightly proud of what it has achieved in its existence, but in your pursuit of being innovative, daring and groundbreaking, how concerned are you about "The Surjury", where only a jury of peers and experts will decide whether someone gets life-changing procedures or not, "Sex Tape", where feedback and tips are given, "Child Genius", which is essentially a beauty pageant for bright kids, or "Big Fat Gypsy Weddings", which reinforced prejudice against a community? How concerned are you that in pursuing what you have done in the past, you are in fact becoming tawdry, voyeuristic, titillating and essentially exploitative? I cannot see how this insightful social commentary or therapy that you are using as a smokescreen actually covers the programmes we have discussed this morning.

Alex Mahon: We have in place extensive procedures and protocols to ensure that we are caring for contributors involved and we are not exploiting them.

- Q31 **Brendan O'Hara:** We will come on to your duty of care to contributors. I am talking about the ethos of Channel 4, where you are groundbreaking and daring. It appears from what you are broadcasting now that you are becoming tawdry, voyeuristic and exploitative.

Charles Gurassa: I would not accept that characterisation. If you take programmes such as "The Surjury", which is to be broadcast, or "Generation Porn" this week, they are dealing with big societal issues of today. They are issues, some of which we may not like in terms of how society has evolved, but they are real. The number of people who want or who are having cosmetic surgery is probably at record levels. The number of people who can access hardcore pornography through two clicks is at an extraordinarily high level. These are important social issues.

- Q32 **Brendan O'Hara:** I do not deny that for a moment; it is about your portrayal of them. "The Surjury", where someone wanting plastic surgery will have their life-changing procedure decided by a jury of their peers—surely you cannot defend that.

Charles Gurassa: Yes, I think you can. You are in a situation where you have individuals who want to have this surgery. Remember, there are some statistics out there now that show that more than 50% of young women are thinking about whether to have cosmetic surgery. You are putting that in a place where there is a public debate about whether that is a good thing to do or not. For us as a public service broadcaster, to put that issue in front of the public in a way that is informative, instructive and that people want to watch is the right sort of thing for Channel 4 to be doing.



- Q33 Brendan O'Hara:** How would you then respond to the justified accusation that you are exploiting or going after people who already have low self-esteem in terms of seeking this procedure, and you are trivialising what will be a life-changing procedure in the pursuit of ratings?

Alex Mahon: I do not think we are trying to trivialise it. I think we are trying to say, "Is this right? Do you need it? What are the wider questions of body image in society today." How people feel about themselves is declining in terms of body image, often fuelled by social media. Do people actually look normal and don't require it?" We are putting that into the public debate. We are not going after or targeting people. These people wish to have the surgery and are volunteering to apply to the show. They are tested and checked to make sure that it is not expected to have a detrimental effect on them. It is not intended to be exploitative or tawdry—it is bringing to the fore an important issue in society. That is not the full gamut of programmes we make.

- Q34 Brendan O'Hara:** You list this idea of insightful social commentary or therapy. It kind of falls down when it goes to a public vote as to whether somebody gets plastic surgery. Don't you think so?

Alex Mahon: It is not a public vote. It is a vote by selected people—by peers. That is an important distinction.

Charles Gurassa: It is an important reflection on a reality that is occurring in society today, and it is bringing that to a broader audience to consider the merits and demerits of decisions that tens of thousands of people are making every day.

- Q35 Brendan O'Hara:** Do you honestly think that this is the best vehicle with which to address those issues?

Charles Gurassa: "The best" is a very difficult judgment to make. Is it a very good vehicle for bringing a subject that is, in a way, not in the public domain to as broad an audience as possible? Yes, it probably is.

- Q36 Jo Stevens:** I just wanted to follow up on something being asked by Ian earlier about where you draw the line to get a sense of what you think is and is not appropriate. You mentioned that a lot of reality TV programmes don't get commissioned and broadcast by you. To give us an understanding of where that line is, can you give us an example of something that you have refused to commission because you felt it crossed that line?

Alex Mahon: I am trying to think of the name of a show. It often wouldn't get that far if we didn't think it would progress. You are trying to define the line. We are happy to take risks editorially and to take risks in terms of innovation, but we do not want to take risks with the welfare of our contributors. We wouldn't do anything that we feel would be pushing towards a level of risk with the welfare of those contributors because it is simply not in our interests to put people on television who don't want to be there, and who wouldn't enjoy being there. Often, the protocols, the commissioning, the legal involvement and the social, moral and ethical



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questions early on are to make sure that we are not pushing in the direction of exploiting or taking risks with the welfare of contributors.

- Q37 **Jo Stevens:** But can you give me an example? Can you tell me about the number of ideas pitched to you around reality television? What percentage of them do you say no to because you feel that they cross over that line you just described?

Alex Mahon: No, I could not possibly give you a number of ideas. Tens of thousands of ideas come in at all kinds of stages. That is the constant day-to-day work of our teams: to think very early on about whether this idea could be right for Channel 4.

- Q38 **Jo Stevens:** You get tens of thousands of ideas pitched to you for reality TV?

Alex Mahon: No, within a year, approximately. Reality is really specific for us. "The Circle" is our big reality show, and you might argue that something like "SAS: Who Dares Wins" or "Hunted" is in the realm of that constructive environment of reality. They are few and far between, and they are big undertakings.

- Q39 **Jo Stevens:** You cannot give me an example of what you have said no to, and you cannot tell me what proportion of ideas pitched to you for reality TV you say no to? I am trying to get a sense of whether you actually do draw a line.

Alex Mahon: But part of the issue is that the commissioning team say no to ideas all day on a day-to-day basis, and those ideas would simply never make it to me. That is part of the issue: I am not involved in the detail of show-by-show pitches.

Jo Stevens: If you have any information, and if you discuss it with colleagues, it would be helpful to know.

- Q40 **Clive Efford:** Do any advertisers refuse to be associated with particular reality TV shows?

Alex Mahon: To my knowledge, in my tenure I have not heard of advertisers refusing to be involved in breaks, or in sponsoring the shows we put on. I am not aware of that on Channel 4.

- Q41 **Clive Efford:** Is that a yes or a no?

Alex Mahon: That is a no as far as I am aware.

- Q42 **Clive Efford:** Would it be the other way round—do advertisers crave reality TV shows because it is better for the product that they are trying to sell?

Alex Mahon: Advertisers are always looking to reach their audience. The value of television is that it is a mass vehicle and they get out to the 16-to-34 demographic. Whether that is Domino's sponsoring Hollyoaks or Hillarys Blinds, one of our other sponsors across factual shows, they are always very willing to be involved with us. I have not seen incidences of

advertisers being concerned about what we put on air to the extent that they wouldn't want to be involved.

- Q43 Clive Efford:** The Chair was saying at the opening of this session that more and more hours are being allocated to time for programmes that are based around people's real lives. Is there no link between the type of show that you drifted towards and the cravings of advertisers to drive their products? Do the two just sit comfortably beside one another?

Alex Mahon: As a broadcaster who earns our revenues from advertising, we are always looking to put on air a range of popular programmes that garner audiences and fit with our public service remit. Advertisers are always looking to be associated with popular programmes because they appeal to the widest audience, so they get them the best ROI. Clearly we are always looking for popular programmes that perform well, and so are advertisers, but we are not being pushed by advertisers into the realm of reality television.

- Q44 Clive Efford:** What data do you collect on the people who watch the programmes?

Alex Mahon: We collect on a daily basis what the ratings have been—how many people watched a particular programme the night before, collected through BARB in a highly moderated system. We then look at those after seven days and after 14 days to see how much they consolidate up, because so much viewing now is not live—it is done through PVRs or All 4. Then we will collect specific analysis about what demographics—what age groups—were watching, and what the split was between male and female watching. Some advertisers target specific groups within that. There is a wide range of data.

On specific shows, we do bespoke research about what the public value-added was and how the public reacted. On a daily basis, we look at viewer inquiries and complaints. There is quite a lot of data about who is watching and viewer reactions.

- Q45 Clive Efford:** If you are collecting that data on a demographic, is there a demographic you are aiming for?

Alex Mahon: Channel 4 is aiming particularly for hard-to-reach audiences, 16-to-34s on game audiences and particularly for 16-to-34s and ABC1s for advertisers.

- Q46 Clive Efford:** With the evidence we got from ITV, there was an extensive questionnaire for programme participants—asking all sorts of questions, even down to instructing the person carrying out the questionnaire to google the person's school. Do you look into the background of the participants in that way?

Alex Mahon: "The Circle" is probably the most reality of the programmes we make—season 2 is coming back in the autumn. The contributors are put in a block of flats. It is quite a comment on social media that they are not allowed to meet and are only allowed to interact with each other through a bespoke social media network. If you have seen the



programme, you will know that the whole show is about the difference between your real self and the self you construct on digital and social media. In the procedures we put the contributors through, we have a psychiatrist assessment, and we make sure that everyone is DBS checked. We go through a screening of what they themselves have posted on social media. We take references from multiple members of friends and family, to make sure that they understand the show and are suitable to go on it. We ask for a GP referral and we put them through a medical screening. That is the kind of assessment procedure we would make sure people go through, to make sure that they understand what the show is, that they are robust enough to go on the show, and that their background is in line with what they have said.

- Q47 **Clive Efford:** Okay. Moving on to questions on what you said about social media, in this day and age, where social media dominates so much, would a programme like “Big Brother” be commissioned?

Alex Mahon: “Big Brother” has been on Channel 5 until last year.

- Q48 **Clive Efford:** But would it have been commissioned by Channel 4 today?

Alex Mahon: It is really hard to answer that question. Obviously, it was on Channel 4 for multiple years and “Celebrity Big Brother” was on Channel 4. As I said to Mr Lucas, the environment has probably changed since. It is really hard to say what we would do if faced with that programme now—would it even be innovative today compared with what it was in 2000? Similar shows that give you that exposure to people’s lives are on air today. “The Circle” is our re-imagining what that might be for the modern day. I don’t think that a show that somebody came up with 20 years ago would feel fresh on television today.

- Q49 **Clive Efford:** Channel 4 has moved on, as we have heard, to lots of other types of reality TV shows. Do contributors contact you often for support after being attacked on social media or being trolled in any way?

Alex Mahon: Often the contributors would contact the production company that they have worked with. As a publisher broadcaster, we are not making the shows direct. With each of the shows that fall into that category, we would have quite extensive aftercare protocols in place with the contributors, and the production company would keep in touch with them, whether that is over a 12-month or 18-month period. If they required assistance particularly on social media or with PR or with an agent, the production company would ensure that they were supplied with that.

- Q50 **Clive Efford:** We have seen reports that people who were on “Benefits Street” received death threats. What support was given to them?

Alex Mahon: As you know, “Benefits Street” was on in 2014, well before my time at Channel 4. I can’t comment on that and I don’t know if anyone was contacted or not at the time, but I am very happy to follow up. It wasn’t a reality show—it was an observational documentary about life on a street that already existed. The vast majority of the people who lived on the street were on benefits—it had the highest rate of unemployment in



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the country, and I think it had had the highest rate for the previous eight years. No Ofcom complaints about it were upheld. Ofcom praised the contributor care protocols that we had in place at the time.

- Q51 **Clive Efford:** When people are in a distressed state, living on benefits, where do you draw the line between that insight into people's lives and the impact on someone's life? For instance, White Dee on "Benefits Street" was attacked in the press for not working and Fungi was reported to have had benefits taken away from him as a consequence of being on that programme. How much is the interference in people's lives justified to make the programme?

Alex Mahon: The important thing is that people are in the show on a voluntary basis—no one who didn't want to be filmed for the show was put on it—and that contributor care was in place to make sure that the contributors had support afterwards. It is important to make sure that anyone on a show has an understanding of what the programme is. That informed consent can often go on all the way through the programme—making sure that they know what they are getting involved in, that we have assessed medically to ensure that they are robust enough and understand enough what the programme is and making sure that we have got the appropriate aftercare in place. Certainly, from what I have heard, we did have the correct contributor care protocols in place on that programme.

- Q52 **Clive Efford:** How much does the desire to make a dramatic programme and to create something that is going to capture interest influence what the product is at the end of the day and influence the editing to create that drama, which perhaps at times loses touch with the reality? How much is it driven by the desire to make a programme that is going to be attractive to people to watch? Where are the corners cut that take us away from the reality of these people's lives?

Alex Mahon: In that sense, there are two things that are important to say. One is that we have a very clear code from Ofcom, which is a prescriptive code, but not an overly restrictive one, about where they will judge things. It is about informed consent. It is about making sure that people are treated fairly, particularly with respect to vulnerable groups and minors. It is about making sure that we avoid unjustified offence. That consideration, alongside our own moral and ethical questions as a public service broadcaster, is taken into account by the production company, by the protocols, by the commissioning editor and by the legal team all the way through the programme, and that is particularly true when going through the edit. As you go through multiple rounds of an edit, there will be multiple screenings, both by commissioning editors and our legal teams and with the editors on the programme, where they will make sure at every cut that we are not exploiting people, and that we are doing things in line with taking care of contributors, not causing unjustified offence, and creating insight into what that group might face in society, and that is a difficult process.

- Q53 **Clive Efford:** In your programme, "The Circle", you use something called



"catfishing". How is that consistent with making an observational documentary?

Alex Mahon: In "The Circle", which I would say is a reality programme, not an observational documentary, the programme is about what happens when people try to win a social media popularity contest versus a real-person interaction. It makes a comment and a construct of what that is on social media. What you will see is that people create either artificially heightened or completely false personas in order to win the game. I think that explanation of what catfishing is or what it means to people on the other side is exactly what we are trying to comment on with the programme and to exploit for the public to show the differences between the real self and the digital self. When you go back to viewers who watched it, predominantly young people—there is a very high rating of 16 to 34s—some 70% of viewers say it made them feel differently about who to trust on social media; 20% said they had changed their privacy settings as a result; and among teenagers, a quarter of them said that they had defriended someone that they were friends with on social media who they did not even know as a result of watching a programme. So I think it did exactly what it set out to achieve, which is to show the complexities of operating in a digital environment as a version of yourself and the dangers of it.

Q54 **Clive Efford:** What about a participant who said that as a result of being catfished on this programme, they felt humiliated and that their emotions had been toyed with? You don't recognise that?

Alex Mahon: It is important for us to make sure that we've got the right care in place for contributors in the show and that we give them the right support post the show.

Q55 **Clive Efford:** So it's all all right, and it's okay to do that to someone?

Alex Mahon: I think it is important for us to make sure that there is appropriate support in place and to make sure that we continually update that to make sure we get it right. For example, in this season of "The Circle", following our first year of it, we are now bringing in previous contributors to talk to contributors, and we are doing more social media workshops with them in advance to make sure that we optimise outcomes for them.

Q56 **Clive Efford:** But this construct seems almost certain to cause people distress and humiliate them publicly.

Alex Mahon: I would refute that. It is not in place to cause them distress or humiliate them, and I would not expect anyone to go on to "The Circle" who has not seen season one of it and understood exactly what the construct of the show is. As I said, when we go to do psych assessments, to get friends and family letters, to do DBS checks, and to get social media screen stamps, we make very sure that contributors understand what the show is, and we have quite significant support on site while we make the show. We have a team that works with each contributor, breaks during the day, psychologists on site, and a medic on site should we do it. The whole



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production team is trained in mental health first aid and looks out for any signs of distress. We do a huge amount behind the scenes to try and take care of contributors and ensure that they are not put in a position where they feel vulnerable.

- Q57 **Clive Efford:** Is there anything about the reactions on social media to people who have participated in your programmes that has made you say, "We are going to stop doing that", "We can't continue with that programme", or "We've got to change this format"? Is there anything you could point to to say that the reaction of people on social media, where they have attacked participants, has caused you to change anything?

Alex Mahon: That is a good question. How does one deal with the reactions of the public on social media?

- Q58 **Clive Efford:** Let's start with do you care?

Alex Mahon: Of course we care—of course we do. In fact, some of my comments earlier in response to Mr Lucas's question, which was "Would you allow elements of what happened in Big Brother to happen today?", were to do with the way that people were vilified in the press. I think that would be more dangerous now, because it's more active on social media and it's more of a kind of frequent loop that people can't escape from.

So, often with contributors for us, we do care—we do monitor it. However, we cannot control the reactions of the public on social, and some of the dangerous areas where attacks can occur. We are often bringing in support to contributors or contestants, or sometimes celebrities, in terms of social media management, and press, PR and agents, to help them manage their own social profile themselves, because social media means that when people come off television programmes they cannot necessarily go back to normal life in quite the way they could 10 or 15 years ago.

- Q59 **Clive Efford:** I have just one more question on social media. On this "Surjury" programme—presumably the programme comes from the play on the word and then you construct the programme around the name, which is obviously a good way to start—doesn't this play into the hands of exactly what everyone is concerned about on social media, which is that you are inviting this individual to put themselves up there to be commented on? The whole construct of the programme is about people passing comment on someone, and isn't that just bound to invite a whole avalanche of comment on social media?

Alex Mahon: You are correct to say that one has to be very careful about how one makes a show editorially. However, as Charles has pointed out, there are also huge volumes of cosmetic surgery in society and there have been shows dealing with cosmetic surgery on air for decades, such as "Extreme Makeover", and we have to accept that many members of the public are having voluntary cosmetic surgery all the time. The question is this: can we create a useful discussion about what that means in society and whether the current rates of cosmetic surgery are right or acceptable?

- Q60 **Chair:** I just wanted to ask one question for the record, following Clive's



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questions. This is a question that we put to ITV Studios about psychological support for people during programme-making. With "The Circle", you set out in your answer the support and the screening that are put in place for participants, and there is more information about that in the document we have published today, which is Studio Lambert's contract and terms and conditions.

Do you know whether any of the psychological team—the mental health therapists who work on the show—are registered with the Health and Care Professionals Council, which was considered best practice? That was a question that we put to ITV about the making of "Jeremy Kyle".

Alex Mahon: Yes. At Channel 4, we insist that on all our programmes the experts used are registered with HCPC.

Chair: Thank you. Paul Farrelly and then Simon Hart.

Q61 **Paul Farrelly:** Thank you, Chair. I am sorry for being late; I had another meeting.

On this Committee and elsewhere here at Westminster, Channel 4 has great defenders, not least when there was a threat of privatisation. We were all rushing to the barricades, because you occupy a really valuable niche in the ecology of broadcasting in this country. And as for "Derry Girls", I don't think I have laughed so much so often at any programme that I can remember. And I do like, on occasions, to look at "MasterChef".

However, when I was looking at the brief that's always prepared by the Committee staff for these sessions today, before this session, I was just surprised at how much of this stuff is being run on Channel 4. When I got to the part about this new programme "Surjury", I just had to shake my head, quite frankly.

With questions about that sort of programme, Mr Gurassa, you elevated something that seems to be predicated on the fact that there are lots of people having plastic surgery—"let's make a programme about plastic surgery that will get a lot of ratings"—into something that was on a heavenly plain. You said it's dealing with "great big societal issues". Then I turned to the advert for people to take part in this programme, and it says this: "Have you been seeking a cosmetic procedure? Would you like the chance to be given your life-changing surgery for FREE? This new TV show could make your surgical dreams come true. For your chance to receive the surgery you've always wanted, get in touch!...email us now freesurgery@gobstopperTV".

It goes on to say, "Or do you have views on cosmetic procedures? Would you like the chance to decide whether somebody is granted the surgery of their dreams. For your chance to be part of our jury email us now...thejury@gobstopperTV".

I do not see much indication of "big societal issues" and their exploration in the advert that is going out for this programme.



Charles Gurassa: The question for us is how you engage an audience in issues in a way that not only informs and stimulates debate but entertains and attracts. You could make a “Dispatches” on cosmetic surgery. It would be a one-off show, and it would largely draw the audience that “Dispatches” always draws. Therefore, your ability to reach a broader audience and engage them would be very limited. If you take “Hollyoaks”, which is a soap, it has been brilliantly successful over many years with young audiences in bringing to their attention big societal issues. If we ran the documentary, that audience would not come to us. We have to look at a range of different mechanisms to enable big questions to be addressed. Yes, this is in a format that we hope will attract a broader audience, but it has a serious question at its heart.

Q62 **Paul Farrelly:** Where is the indication of the serious questions in the advert to take part in the programme?

Charles Gurassa: It said, for example—I have not seen that particular advert—

Q63 **Paul Farrelly:** I have just read it out to you in its entirety.

Charles Gurassa: I understand. It said, “Do you have views? If you want to take part as a member of the public, do you have views? Do you think cosmetic surgery is a good thing, a bad thing or something that needs to be considered very carefully?” That is simply going to the public and saying, “Do you want to engage?” It is up to the programme editors, our commissioners and the support we put around to create a programme that is insightful, instructive, at times controversial, and entertaining. That will bring audiences to issues where otherwise they simply would not come.

Q64 **Paul Farrelly:** Ms Mahon, would you like to comment on the phrasing of the adverts and compare that with what you said? I think you said this programme was about having a useful discussion of what this means for society. Where is that reflected in the advertisement?

Alex Mahon: Clearly, should someone reply to the advertisement, we would gather a list of people who might be interested in the topic. Then those people themselves would learn more about what the show is and go through more information levels about what we are actually making as a programme. Then they would be assessed. If they were still interested in what the programme really was, they would get a lot more editorial detail. Then they would be psych assessed. Then the issues that they were interested in surgically would be assessed by a clinician. Then, if they went through all those phases and they had the appropriate GP and medical referrals and they wanted to take part—you have to go through quite a lot of levels to get to that point. Clearly, not all those levels are addressable in the first advertisement about gaining interest in the general area, but it is important that we have those protocols in place to ensure that we are not making something exploitative.

Q65 **Paul Farrelly:** I find the advert by Gobstopper TV gobstopping, quite frankly, but no doubt we will judge the programme against your heavenly plane when it airs. My serious question is this. Having got the impression



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that there is so much of this on Channel 4, and since you have three different categories that you put these programmes into, I would be very interested to put my first impressions into context. Do you have any data on the hours of programming over time so we can see whether the percentage of programming devoted to these sorts of programmes is the same as previously or whether it has increased, and make a judgment on how you are fulfilling your remit?

Alex Mahon: Are you suggesting data on what is reality TV, what is constructed factual and what is documentary?

Q66 **Paul Farrelly:** Yes, in the three categories. If you can give us some data over the last 10 years—

Alex Mahon: Yes. I do not have it to hand, but I am very happy to follow up.

Q67 **Simon Hart:** I want to go back to your comments about the care and attention that you devote to your contestants and participants in those programmes. Does that extend to people in their immediate circle of friends and family? It strikes me that while the individual may be a willing participant, their aged parents or impressionable children may not be. What provision do you make for them?

Alex Mahon: I think it depends on the type of programme. To give you a bit more detail, for something like “The Circle”, for which I think the Committee has the full procedures, we go out to a group of friends and family to ensure that the perspective of whether that person should appear in the programme is widely shared and supported, and that the references are in line with what the contributors told us. If we take something more like prison or a show that might be about offenders, we will look very carefully before screening that episode at making the victim, and their family and the prisoner’s family, aware that the episode is going out. They may have screened it in advance to be aware that we are taking seriously that duty of care to that wider group. It depends, show by show.

Q68 **Simon Hart:** If there is an example of a child who is connected with or related to a family in one of your shows coming in for undue online intimidation and bullying at a later stage, will you include them in your support? How do you know if that is an issue? What do you do about it if you discover that it is?

Alex Mahon: I cannot think of a particular example where that has occurred, but we would have had the production company in touch with the contributor, and perhaps the wider family through a liaison team, depending on the show. We would try to give them the support that might be required. If we thought that more support was needed, we would bring that in through social media, PR support or perhaps an agent. It depends on the specific nature of the support involved. I can think of shows where we have had to offer that. If more support was needed, we would think about what expert professionals we could bring in. Often, that liaison would be through the production company because it has dealt with the contributors, since we are a publisher and broadcaster. Sometimes, the



contributor might come directly to us, and that is how we have been made aware of it. We always take our duty of care very seriously, thinking about what support we could put in place.

Q69

Q70 **Simon Hart:** On that point, you make quite a play of the fact that you have extensive mental health expertise and assistance on hand in and around the making of those programmes. Does that suggest that you are aware that there is quite a risk attached? In a sense, is that an admission that these things can have quite a significant detrimental effect? Does it concern you that you need to have those experts on hand?

Alex Mahon: It depends on the programme. For anything that involves medical procedures and hospitalisation, such as "One Born Every Minute," you would expect the contributor often to be in a vulnerable position. Therefore, you would want significant medical advice from both an independent expert and from the clinicians there, to make sure that you are always considering what might be in the best interests of the patient. They may not always be in a position where they can judge that themselves.

Q71 **Simon Hart:** Is it ever in the best interests of the patient?

Alex Mahon: Well, we allow the patient and the clinicians to decide. That is why we have the extra layers to make sure that editorially we do not push in a direction that they would not be comfortable with and that would not be good for them. In other cases, such as "The Circle," often we put in place those protocols to ensure that nothing happens, while predicting that there is a risk that something could occur. We are trying to put in place preventive measures to ensure that we are well informed and stop doing anything that might cause damage. There are often layers that are continually updated, renewed, refined and improved, to ensure that we are not causing harm.

Charles Gurassa: There is always a balance to be struck between public and private interest in these matters. We are very conscious and work very hard to ensure that people have understanding and support during the process, but we also think it very important that a number of issues that we cover are available for the public, to see what the world is like in reality, in our hospitals, for our police force—

Q72 **Simon Hart:** Public interest or of interest to the public? The two are quite different.

Charles Gurassa: I think both, actually.

Q73 **Simon Hart:** You make it sound like you are doing us a favour.

Charles Gurassa: We are a public service broadcaster and our obligation is to put in front of you issues that are relevant, important and significant in a way that stimulates public debate. That is what you in Parliament ask us to do. A series such as "24 Hours in Police Custody" is extraordinary television and gives really deep insight into the challenges both for our law



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enforcement officers and for those involved in the world of crime or accusation of crime.

Alex Mahon: An example is the show "SAS: Who Dares Wins". We have people who have worked in the SAS. If you come to compete in that show, you are knowingly and willingly putting yourself into very tough psychological conditions because you are interested, as a contributor and participant, in seeing if you can survive that and push yourself physically and mentally. Everyone who goes on that show is very extensively screened and is very aware of what they are getting involved in. Generally, everyone who goes on the show enjoys it.

We must put in place quite extensive psychological debriefing and monitoring for acute stress reactions or post-show PTSD, just as you would if you put people in the SAS. That is a clear example of how we must have those procedures in place. We and the participants are aware that there is a possible risk and that we have to put everything in place to give them support afterwards, but they are willingly participating.

- Q74 **Simon Hart:** Are you seriously trying to suggest that "24 Hours in Police Custody" and "The Surjury" are offering a similar public service and are entirely comparable in terms of the impact that they might have on participants or their families?

Charles Gurassa: As I said before, we have a range of formats in which we seek to stimulate debate around big public issues. Some can be straight news or documentary issues; some can be in much more entertaining formats or soaps. They vary, but as a public service broadcaster, when we make a programme we are absolutely conscious to think about what its purpose is and the contribution that it will make towards delivering the remit that you ask us to deliver.

- Q75 **Simon Hart:** Where do you draw the line between producing stuff that simply appeals to voyeuristic tendencies in your audience and producing something that genuinely stimulates debate? Some of the examples that we heard earlier, such as "Benefits Street", may have generated debate of interest to the public, but arguably, it is debateable whether that is in the public interest. People suffered significant embarrassment and hardship. I question whether you knew that all along and are subsequently dressing it up as some kind of public service when the real reason was that it is titillating telly, and you know it.

Charles Gurassa: First, on that particular show, neither Alex or I were at Channel 4 at the time, so it is a little bit hard for us to comment on that. In my time, I have never seen evidence of the organisation wanting to produce things that are, as you describe them, voyeuristic or titillating—absolutely never.

- Q76 **Julian Knight:** I want to come in briefly on the move to Leeds, with reports of up to a 90% attrition rate. Is that rate acceptable?

Alex Mahon: As you know, we have a three-point plan: moving a set of people to Leeds, Bristol and Glasgow, a set of Channel 4 jobs; spending



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50% of the spend on content outside of London; and moving the news to be co-broadcasting from outside of London multiple nights a week. About 300 Channel 4 jobs are moving to outside of London, and we expect to support about 3,000 jobs in the wider creative community. We have always expected that, of the people who are offered when their role moves elsewhere, we would have a fairly high degree of people who would not be able to take up that offer, or not choose to.

As I said to the Committee last year, we know that when the BBC moved divisions to Salford, the attrition rate was about 70%; and with the ONS to Newport and the BBC to Birmingham, it was about 90%. We have always expected it to be in the 70% to 90% range. That is because people often have their children in school, do not wish to sell their house or are in a dual-income family, so they simply cannot.

We are seeing rates completely in line with that, as expected, so we face redundancies of staff and rehiring in the nations and regions. There are clearly pros and cons to that. Cons are a loss of experienced staff in Channel 4, and loss of colleagues whom we would not want to depart. Pros are that we are able to hire people who are already based in the nations and regions—people who might be from Yorkshire, Glasgow or the west country. There are pros and cons, although it is a difficult time for the organisation. I would expect that attrition rate of people to be completely in line with that 70% to 90%.

Q77 Julian Knight: It has been many years since the BBC move to Manchester now. Have you learned anything from its experience about retaining staff? It seems extraordinary to see nine out of 10 staff not moving with you. Did you see anything in their experience to make you think, "Actually, we can do that better", or are you literally just taking that as, "This happened to them, therefore it'll happen to us. We have nothing to learn"?

Alex Mahon: The BBC has been extremely helpful in sharing its experience of going to other places, as have other organisations—HSBC and others—and of course we are building on that experience, not just saying, "There you go."

We have been positively surprised to see several senior individuals moving whom I thought might not be able to take up the office move. Equally, I am not surprised, because people who work at Channel 4 are quite young and cannot necessarily make that change in life at this time. What I have also been positive about is that we have managed to recruit some great people already: Caroline Hollick, our head of drama, who is based in Leeds; Pete Andrews, our head of sport, who is based in Leeds; Sinead Rocks, our head of nations and regions, and on my executive team, who will be based there as well. The fact that we have managed to get such great individuals into the organisation is a credit to us. It is a complicated time to move from an effectively one-site organisation to a multi-site organisation, and it is not surprising that people cannot take up the offer, but it is definitely not a case of us not caring and just saying, "Those are



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the rates"; we are working through a complex programme of moves and redundancies.

- Q78 **Julian Knight:** Top bosses are not moving, and you said that the reason why is that they are almost too small a tranche of people, therefore people stay within London. How much time do you think executives will spend there? Is the impression going to be created that, effectively, there is one rule for one and another rule for another, that you are hiving off these people up to Leeds and then you will sit in south London? What is your commitment, in terms of not just your staff but your executive team, to ensuring that when you make this transition, you will be there in the forefront, rather than just in London and going up occasionally on the train?

Alex Mahon: Good question. It is a significant switch in the organisation, moving to multi-site working. Clearly, I have one member of my executive based there, Sinead Rocks, as head of nations and regions, and I have a number of senior creative decision makers based outside of London, because that is how we will ensure that we deliver on our 50% spend and on jobs in the production community.

I am delighted to see, actually, that organisations such as Pact, Endemol Shine and *The Guardian* have all just opened offices in Leeds, so they are supporting us in the move. I will be in Leeds, Glasgow or Bristol at least once a week every week, so I will have at least 20% of my time there, and maybe 25%. We will have board meetings and executive committee meetings on a regular basis in the Leeds, Glasgow and Bristol offices, and I have an expectation on all of my executives to travel there on a regular basis.

Also, on working out the balance between video conferencing between places and spending money on people travelling between them, we are now going through the whole programme of monthly and quarterly meetings that happen to make sure we set them in a new environment and get that balance right. It is quite a big programme of work to make sure we change the operating rhythms of the company to work with that—cultural work, i-team work, and new recruits coming in and dealing with how we make them feel Channel 4, and how we make multiple sites feel like that.

Those changes to the organisation are taking time, but also have been embraced by the organisation. There is a lot of underlying work, because as you highlighted, we are too small to just hive off one division and never go near it again. We are not that large an organisation, so we have to make that work at multiple layers within the organisation. Certainly the board and the board meeting structure are very supportive of that.

- Q79 **Julian Knight:** One final question, if I may. We saw the retail sales figures today for June this year, which were actually pretty horrific, considering that a substantial part of our economy is to do with retail sales. We have large parts of the EU in technical recession now, including Germany in industrial recession. It is not beyond the realms of possibility



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that we could be on the cusp of a substantial economic downturn in the UK and Europe.

How well are you placed as an organisation, considering what happens to organisations such as yours and the lasting effect on your incomes when it comes to recessions? How well placed do you think you are, given the extra financial strain of Leeds and the move to Leeds? Can you assure the Committee that come what may, you are able to perform this move?

Alex Mahon: As you saw from our results, we had a positive year last year. Despite the ad market being down, our revenues were up £15 million to £975 million, with net assets of about £439 million. We are part-way through the move now, and we are committed to it. We will be funding the significant one-off cost changes of the move from reserves.

Once we have finished the move, the major differences are really just the office running costs in terms of day to day, because the one-off costs of doing it are finding new buildings and refurbishing them, and clearly the redundancies and hiring costs. Once we are through the two-year period of the move, that should settle into a normal working cadence, so I think it is fair to say that we are very confident that we will complete it, and we are part-way to doing that. We are obviously very conscious that if there is a hard Brexit, there will be a significant knock to the television advertising market, so we have to plan prudently to be prepared for that.

Q80 **Julian Knight:** So you are prepared for a hard Brexit in terms of the Leeds move.

Alex Mahon: We are prepared to have contingency planning for what might happen in the case of a hard Brexit. Clearly, none of us really—

Q81 **Julian Knight:** Does it put the Leeds move at risk?

Alex Mahon: No, it doesn't put the Leeds move at risk.

Q82 **Julian Knight:** Or the scale of the move?

Alex Mahon: It doesn't put the scale of the move at risk. As with all things, if there were a massive knock to the advertising market, we would of course have to look at all cost lines in the business.

Charles Gurassa: The business is committed to making this happen. To be completely clear about it, we have taken rents on buildings; as we speak, we are making people redundant and employing people; and we expect to be up and running in all three of the new locations in October this year.

Alex Mahon: Just about the time of Brexit, possibly.

Charles Gurassa: The good thing about Channel 4—I say this with deep feeling, as I work with other organisations that are structured differently—is that it has a very flexible cost base. Operationally, it has £1 billion of income. It spends, if you include content and marketing, about three quarters of that on content and marketing, and then there is a chunk on



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distribution. Actually, our people and rent costs are sub-£100 million, out of an income of £1 billion.

We also have a strong balance sheet. We have nearly £450 million of net assets; we have no debt; we have a revolving credit facility, should we ever need it. This organisation, compared with many, is extremely well placed to navigate chill winds should they blow. That does not mean that it would not have an impact, and it does not mean that we would not have to look at all things that we do, but as far as the move to the nations and regions is concerned, we have said that we are going to do it, and we will do it.

- Q83 **Chair:** Just as we did with the BBC—we took evidence for their annual report last year in Salford—I hope that we may be able to come to Leeds next year for this annual session on the Channel 4 annual report.

Alex Mahon: You would be most welcome.

Chair: I know that there are few more questions on the reality TV bit. I think we will finish off on that before we get into other topics related to the annual report.

- Q84 **Jo Stevens:** I have just a couple of questions about reality TV. First of all, I do not think we have yet talked about “Married at First Sight”. I understand the idea behind the show is to see whether science is better than we are at determining our ideal partner. I was interested in what type of science is used in this programme. Is any AI used?

Alex Mahon: I think the short answer from “Married at First Sight” is that I am not sure that science is better than we are at determining our partner. I do not believe that any kind of AI is used in the show. I am very happy to follow up and check that. I believe that it is done from assessment by experts of the individuals involved and then matching of them, but I am very happy to double check.

- Q85 **Jo Stevens:** I am particularly keen to know about any AI involvement. Moving on, if I was going on “The Circle”, for how long a period would I be engaged with Channel 4?

Alex Mahon: There would be months of casting and pre-selection, and then on the show, depending on how long you stayed on the show—

Jo Stevens: Say I go right to the end.

Alex Mahon: I think it is about four weeks, if you went right to the end. For that period of time, we make sure that participants have a loss of earnings payment, because some people might stop work and then start work again afterwards.

- Q86 **Jo Stevens:** I raised this with ITV when they came in last week or the week before: why don’t you give participants in those longer programmes employment status? Why don’t you employ them for that period? Why aren’t they workers rather than however you describe them—performers or participants?



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Alex Mahon: First of all, whether they were employees or not would be a matter for the production company, not us, but for example on “The Circle” I know that they are not employees but we make a payment for loss of earnings. I am not sure that classifying people as employees would have positive benefits for them. Often people are still employees somewhere else. We have duty of care and safety protocols in place to make sure that their rights are protected, and that they have breaks and so on and so forth, so I am not sure what the positive benefits to the contributors would be. I can imagine that there might be editorial—

Q87 **Jo Stevens:** Pension, national insurance contributions, and the working time directive. There are lots of benefits to being an employee; that is why most people want to be one in a precarious economy.

Charles Gurassa: I think—Alex can correct me if I am wrong—that when we have looked at this, technically, under the law, they are not, because they are volunteering to appear on a TV show in their own time. Therefore, the legal definition is that that is not an employee relationship.

Q88 **Jo Stevens:** I understand that, but you could choose to specify that the people who go on the programmes are contracted as workers if you wanted to. I am just interested to know why you do not do that.

Alex Mahon: I suppose most people who go on our shows are still an employee somewhere else during the period. The only show that I can think of where there is a really extensive period is “The Circle”. They may remain an employee somewhere else, but we pay them a loss of earnings payment to ensure that they are not out of pocket. That is the decision that we have made on the show. It is on a case-by-case basis. I am not sure immediately what the positive benefit, outside of pensions and NI, which would have to be multiple weeks for it to make a difference, would be, given that we have those care protocols on the number of hours worked and support in place.

Q89 **Brendan O'Hara:** Looking at mental health support for vulnerable contributors, whose responsibility would it be to employ professionals or other people to look after the mental health of your contributors? Would it be yours, or would it be the production company's?

Alex Mahon: We are the broadcaster and hold the licence, so it would be for us to put in place the right protocols on that show, for the production company to adhere to them, and for us to check that the production company was adhering to them through our system of commissioning editors and lawyers and through editorial guidelines and contributor care protocols. We would also check and assess any health professional who is hired on the show by looking at their CV and references.

Q90 **Brendan O'Hara:** Do you have minimum standards that you insist on for a production company to have that mental health support in place, or is each and every programme deemed to be different?

Alex Mahon: We have a bespoke system in place, so each programme would be deemed to be different. Because we make such a range of things, it would be wrong to say prescriptively “one size fits all”. We would



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not tend to work with a company dealing with a very vulnerable group unless we had worked with them before and were very clear that they could deliver and handle the level of support involved in that show. If you take "Old People's Home for 4 Year Olds" or "The Restaurant That Makes Mistakes", we would do that. We would then assess the mental health professional that they worked with.

- Q91 **Brendan O'Hara:** Do you insist that anyone providing mental health support is a member of the Health and Care Professions Council, and if not, why not?

Alex Mahon: Yes, for Channel 4, they have to be registered with the HCPC.

- Q92 **Brendan O'Hara:** So with every show that you do with reality TV contestants, everyone is registered? We had the Jeremy Kyle case, you may have seen it.

Alex Mahon: Yes.

- Q93 **Brendan O'Hara:** "The Jeremy Kyle Show" came in front of the Committee, but they did not have that in place. You absolutely do insist that they are registered?

Alex Mahon: Yes, we do.

- Q94 **Brendan O'Hara:** Can I ask about the role of the care bear on "The Undateables"? What is the care bear?

Alex Mahon: "The Undateables" is a programme about finding dates and love for people often, perhaps, on the autistic spectrum, for example, if you have watched an episode of it. You are dealing with participants who may have significant neuro-diversity issues or autism in particular. Clearly, that is a very vulnerable group of people in society to work with and complex to put on television. Thinking about how you ensure that you have obtained informed consent, which is a continuous process, and that people are comfortable with what is going on in the programme, is very important. If you have seen the show, you will know that it is very sensitively made.

We have a specific, dedicated individual on the production crew who is called the care bear. Their job is to be constantly in touch with not just the participants from that series but also from the previous five, I think, series and to contact them at the start of every series. They have a dedicated mobile number, work number and email. All the participants know that they can go that individual at any point, if they are filming, for example, and they have questions or concerns about the show.

- Q95 **Brendan O'Hara:** Is the care bear a member of the production staff?

Alex Mahon: The care bear is a member of the production staff that is trained specifically in how to deal with contributors with this set of issues and has training in how to do that. They are the support person for contributors involved in the show. The point is that, because this is very specific group of vulnerable individuals who we know might need another



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kind of support, we have put in place a mechanism through the production company where they have ongoing support from previous series and when the series is going on.

- Q96 **Brendan O'Hara:** What I am trying to get at is this. Has that member of the production staff, that assistant producer, worked on "Ramsay's Kitchen Nightmares" and then come over to here, or have they come from a medical or psychological background? Having been an assistant producer in the past, I know you bump along to every production that you can get hired for.

Alex Mahon: I cannot comment on whether this individual has worked on "Ramsay's Kitchen Nightmares". It is a specialised individual with training.

- Q97 **Brendan O'Hara:** But who provides the training? Have they come trained or do they come from "Ramsay's Kitchen Nightmares" and get trained on the production of "The Undateables"?

Alex Mahon: I can certainly follow up with where and when they received their specialist training.

- Q98 **Brendan O'Hara:** What training would they get on the job when they are employed by the production company? What specific training would they get to be a care bear?

Alex Mahon: I will follow up on the specific training the care bear received if it is not in the protocol you already received. The core question is that, on some of these shows, we would provide, for example, mental health first aid training, which is a two-year course, or specific training to members of the production crew, for example, on some groups of vulnerable people about personal space issues, so that there is more understanding across the crew about what they might be dealing with in that group. As for the specific training of the care bear role on that production, I can definitely follow up with how extensive it has been.

- Q99 **Brendan O'Hara:** But would it be correct to say that the registered practitioner—the health and care professional type of person—would always be there?

Alex Mahon: We will always be across the protocols involved in the show and the support for the group and how they have been found.

- Q100 **Brendan O'Hara:** But is that registered professional permanently on site during filming?

Alex Mahon: I cannot comment as to whether a medical professional is permanently on site on "The Undateables". I would have to check that and come back to you.

- Q101 **Brendan O'Hara:** What monitoring and feedback mechanisms are in place, both from you as a broadcaster and the production company, to make sure that contributors are receiving the level of support they need? How do you monitor that?



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Alex Mahon: Once we set the protocol which, as I said, is constantly updated—sometimes during a series it is updated with learnings from episode one as we go through to episode two—our commissioning team and the programme lawyers would be spending their time checking, episode by episode, that the procedures have been followed and often checking back on a specific contributor, how they had been dealt with in a certain episode and ensuring that the protocol and care that we have put in place is being adhered to by the production company.

Q102 **Brendan O'Hara:** Because we asked ITV, I will ask you: have you ever taken an editorial decision to involve a contributor in one of these programmes against the opinion of a qualified medical professional?

Alex Mahon: Not that I am aware of, no. I have not heard of one in my time at all.

Q103 **Ian C. Lucas:** I was very interested in how the Chairman introduced the session and the contrast between the programmes in 2000 and today. The other big change that has happened since 2000 is the advent of social media. How do you engage on social media through the use of the reality TV programmes? Do you have a staff whose job it is to deal with social media interaction with the general public?

Alex Mahon: We have a marketing team and press and PR team, and they would market our shows through social media. They would often have comments about us coming to their addresses through social media. They might respond in some clear protocols laid down about how they can respond to members of the public on social media, or they might gather feedback in complaints, if that were the relevant area. They would also monitor social media commentary about our programmes when they were on air. If they saw a difficult, complex set of responses about a contributor or a storyline, but particularly about an individual, they would make their superiors aware of that. We would then think about whether we need to take any specific measures to deal with that or inform the individual. Are there any protective measures we need to take for the individual? That has occurred sometimes on the news.

Q104 **Ian C. Lucas:** Is there more social media interaction in connection with one type of programme rather than another? In other words, is there more social media interaction in connection with reality TV programmes than, for example, news programmes?

Alex Mahon: There is significant social media activity about anything that is topical and popular. That applies to the news and to popular programmes. One tends to see significant spikes in social traffic about anything that is topical and has gone mass. That could be the news one day and a reality programme another day. I could not comment as to whether there is more from one to the other.

Q105 **Ian C. Lucas:** I think that is quite significant information for an advertiser, for example. If I wanted to sell advertising to somebody, it would be useful for me to know that there has been a lot of social media activity concerning a particular programme. I would be amazed if your



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very professional advertising staff did not take notice of that.

Charles Gurassa: I am sure that is right, and I am sure that you get trending data on different shows. I think Alex was saying that it does not matter whether it is a reality show or a news show—if it is topical and of interest, you will get a huge amount of comment.

Q106 **Ian C. Lucas:** I am interested in the fact that we have a lot more reality shows now than we had in 2000. What we have now that we did not have in 2000, among other things, is social media and this type of interaction. You have been a very progressive business so far as digital media is concerned with the advent of digital platforms and all the rest of it. I am interested in whether there is a commercial motivation to the increase in reality TV, because of its impact through advertising.

Alex Mahon: If you monitor what is popular socially, it is the same as the most popular programmes on television, and the most popular programmes on live television are the same programmes that are the most popular on digital streaming. “Great British Bake Off” probably generates the most traffic for us, because it is our most popular programme on live, on social and on streamed. You tend to find that social traffic moves in line with what rates well, which of course, as I said before, is what advertisers find attractive.

There tends to be a congruence between what is popular across all three areas. Of course, you always want to create television that is popular, that people talk about and that causes debate. However, our biggest show of the year is a four-hour documentary on Michael Jackson and finding out that he was a paedophile. That is four hours of very hard watching. It is the absolute opposite of reality television. That caused a huge impact on social media as well, and 5 million people streamed it. It is often that the things that cause the most impact are not necessarily the ones that you might expect.

Q107 **Ian C. Lucas:** When people interact on social media in connection with a show—the Michael Jackson show, for example—presumably there is a Michael Jackson hashtag or something that they will use to interact. What do you do with that data?

Alex Mahon: We tend to monitor it to see how much conversation there was about a show, whether something was trending and whether it was popular with the audience.

Q108 **Ian C. Lucas:** Would you use it for advertising?

Alex Mahon: I do not believe that we release that data to advertisers. Of course, the data about what is trending on social is gatherable by anyone—they can search and analyse it. However, clearly, we are always searching for the most popular programmes.

Q109 **Ian C. Lucas:** Channel 4 could then target an individual. If someone said that they had signed up and used the Michael Jackson hashtag, you could collect that information and target them with someone who was selling items regarding Michael Jackson.



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Charles Gurassa: In that particular case, we would not do it.

Q110 **Ian C. Lucas:** Why wouldn't you do it? Would your advertising department do it?

Charles Gurassa: No.

Alex Mahon: No.

Q111 **Ian C. Lucas:** Why not?

Charles Gurassa: We were talking earlier about where you draw lines, and when you have done a documentary questioning the behaviour of a global rock star, I think within Channel 4's own sense of right and wrong I cannot conceive that we would then be marketing things promoting him and his image even if we were allowed access to the data, and I am not sure we are under GDPR.

Q112 **Ian C. Lucas:** Obviously, we have done a lot of work on targeted advertising and Facebook and issues relating to that. I am interested and heartened by your response, but I am not really clear where the lines are on targeted advertising as far as Channel 4 is concerned and how you use the data I referred to. Maybe you could provide a note to set that out. That would be helpful.

Charles Gurassa: Of course.

Q113 **Chair:** Thank you. I would like to move on to ask some questions about the annual report more specifically.

To go back to the question on revenues raised earlier by Julian Knight, the revenue from TV advertising and sponsorship has declined for the last three years. Is that a trend where Channel 4 will increasingly have to seek revenues from other sources and that there may be a longer-term decline in revenue from TV advertising and sponsorship as a proportion of overall income?

Alex Mahon: Two things. The total television advertising market has been slightly down over the last few years. At Channel 4 we have been switching an increasing proportion of our viewing and advertising revenue to digital revenues generated by streaming programmes on our All 4 platform as a reaction to the fact that that is where the viewer—the younger viewer in particular—is increasingly watching. Last year we had digital growth in terms of the number of views of All 4 of 26% to 950 million. That is huge growth, and after 10 years of continuous growth to then grow again at the highest rate we have ever had is a massive achievement. That meant that our digital revenues grew 11% to £138 million. As a percentage of our business, digital is growing, which is a very positive thing.

Q114 **Chair:** Yes. From looking at the figures in the annual report, compared to the previous year, revenues in digital grew faster than the revenues from TV advertising declined, but is that sustainable for Channel 4?



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Alex Mahon: Yes. We have the youngest audience of a PSB in the world. We are very focused on 16 to 34—that is our remit as set down by Parliament. A significant proportion of that audience's viewing has moved to being on demand, not live television. The key for us is how we adapt our business to that to ensure that we are growing the digital steaming product, we are growing that number of views and we are monetising that through advertising on the All 4 platform.

Q115 **Chair:** Would Channel 4 ever consider using a subscription model for catch-up or older programmes or programmes that you have permission to license from your back catalogue?

Alex Mahon: We are experimenting with subscriptions. We have launched to a small beta group something called All 4+, which is about using All 4 for a payment per month in a way that has significantly reduced advertising in it. We are doing that to see what the consumer propensity to go with that is and to supply a service to consumers. It is very, very small at this time, but I think it is important that we experiment with that and understand the demands of consumers. It is also very important that we make Channel 4 and all of our programmes available free, funded by advertising, to all consumers, so that the British public have the chance to access them.

Q116 **Chair:** Could you say anything about negotiations with BBC and ITV around BritBox? Do you expect Channel 4 to be a full partner in BritBox when it launches in the UK?

Alex Mahon: I cannot say too much about it because we are obviously in commercial negotiations, but we continue to be in discussions with ITV and the BBC about it, and I am very supportive of us, as public service broadcasters, working together.

Q117 **Chair:** Do you think, as a concept, it will be important for the PSB market in the UK in the future that PSBs have their own route to market in the video on demand market?

Alex Mahon: I think it is important that we work together as public service broadcasters and that we put a toe in the water with SVODs, but I also think it is important that we have that as British content together in the market. We have seen the immense investment of Netflix and others in the market, and we see that as an increasing proportion of consumers' video time. It is also true to say that Netflix—I think Ofcom said this—had 753 originals at latest count on the platform. Of those, only about 35 were British-made. It is incredibly important that the public service broadcasting ecology here stays strong, because we are guaranteed to be continual investors in British creativity and British production companies.

Charles Gurassa: It is important not only that we work together, but that we are available and prominent and that people can find us as more and more people move to video-on-demand and catch-up and the platforms through you access that are not the traditional, old-style electronic programme guides where you switch on and the first page has BBC 1, BBC 2, ITV and Channel 4. We were clearly very supportive of the findings of



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the recent Ofcom report, which identified that, in this new world, where more and more people are accessing television through intelligent televisions, internet-enabled TVs or Fire Sticks or whatever it may be. Not just old-style terrestrial, but video-on-demand services need to be prominent and available.

Q118 Chair: Do you believe the investment of companies such as Netflix and Amazon in production is having an inflationary effect on production costs?

Alex Mahon: It is definitely true to say there have been two impacts on the costs, particularly in the scripted programming area. As you will know from the Lords investigation into the future of public service broadcasting, since the tax break came in, production costs for scripted have gone up dramatically. Subsequently to Netflix and Amazon coming into market, Netflix is spending \$13 billion or \$14 billion on content a year, and we are spending a mere £600 million or so. The cost for top talent, top writers and top shows has gone up very significantly—two or threefold per hour of drama—and you will have heard the evidence on that. It has had an impact on the volume of scripted available. One might argue that it has had a positive impact in terms of quality across the board, but it has had a significant impact in terms of cost. That means that public service broadcasters—us and the BBC—have had to think about how much of that content we can invest in and what area of the market we want to invest in. If we do not continue to do that, the Netflix or Amazon spend in this country is not necessarily guaranteed to remain.

They also work on a different kind of programme. We are working on programmes that have public service values at their heart. We are often working with new talent or early-stage talent. We are often working with British production companies, and we are a guaranteed long-term investor in that in the UK. I think it is important that we have the structures in place that can ensure that that can continue. Clearly, as you have asked during the contributor care session, we are doing that with the Ofcom code in mind and with care of our contributors in mind, which is very different from some of the global tech players.

Q119 Chair: When Sharon White gave evidence to the Committee last year, she said that we should look at broadcasting as a single landscape, and not have a view that there are traditional broadcasters and online platforms—from the consumers' point of view, this is all just television. We have been discussing quite a lot about the duty of care around reality TV shows. There could be a format for a show that you turn down because you feel it would fall below the standards you require, but nevertheless that company could in theory make it and distribute it on YouTube without any obligation to Ofcom or anyone else. Do you think that is a problem we need to consider—the regulatory environment for television when many consumers consider their favourite YouTube channel to be television just as much as Channel 4?

Alex Mahon: It is definitely true that in this country now as a consumer you have huge choice. There are questions for the consumer. Do they know the difference between a heavily and rightly regulated public service



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broadcaster that has those values at its heart, versus a broadcaster that does not? It is very clear when it comes to news that we make the news differently. It is also true that the public know they can trust our news brand, but in terms of prominence we have not updated the regime since 2003. We need to think about how the regulatory regime goes hand in hand with those restrictions. Those restrictions aren't placed on the other players that we are now competing with, and it is hard for the public to tell the difference.

Q120 Jo Stevens: I wanted to ask you some questions about your pay report, which you published in October last year. We discussed issues around the pay gap and equal pay in your evidence session in June last year. I don't want to ask about the pay gap; I want to ask about equal pay. I was interested that you had brought in Lewis Silkin lawyers for a review of your pay in the organisation last year. To quote from your report, they found "no evidence of a systemic equal pay issue at Channel 4." That is quite careful language. Was anything found that was not systemic? Were there one-off equal pay issues in the organisation?

Alex Mahon: We brought in Lewis Silkin to ensure that we were doing our utmost to check that there weren't equal pay issues. We did it quite specifically in order to make sure that we had a second authoritative check on top of what we were doing internally. They did not find instances of equal pay problems. Then what I did was put in place two mechanisms by which people could report if they thought they had an equal pay issue—an internal one and an external one. We would then investigate any specific instances. Through that, we only had a couple of requests, which we then investigated and we did not find specific issues.

We have tried to put in place a sort of triple system—checking internally, checking with an external counsel to validate, and then putting in place a clear double layer of complaints so that people could bring to the fore equal pay issues if they thought there were specific instances. We have reviewed those and have not found evidence of equal pay issues. It is important to have the multiple layers. The concern is always whether you can find out if there are issues where people feel they have been treated incorrectly, and then whether we can remedy them quickly.

Q121 Jo Stevens: Or you put a pay system in place in the first place that has been equal-pay proofed. Plenty of organisations do that.

Alex Mahon: Correct. We do not at Channel 4 have a traditional grading system in place like you might have somewhere like the NHS. That is why I wanted to make sure that there was a triple system, because when you don't have a grading system, it is harder to make sure that you have all the systems in place to check.

Q122 Jo Stevens: Thank you; that is really helpful. In your evidence last year, Alex, I asked you about the companies that you commission. I think you said this morning that you commission more than 200 companies a year to make programmes for you. Last year, you talked about a code of conduct that you had introduced for those companies, and I was



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interested in whether one of the criteria for you making a decision about whether you will use a company to do work for you is whether they have equal-pay-proofed pay systems. I think you said last year that you had a code of conduct and you said, "We then have to see, as we go forward with suppliers, where there are outliers to that code of conduct, and how we then deal with them." What has happened in the year since you last gave evidence on that?

Alex Mahon: We have put the code of conduct in place. We have also got our commissioning diversity guidelines in place, which are particularly about diversity in production. We have held a number of workshops with other companies, particularly on senior females in the industry, which is an issue in the industry. We have not had complaints nor found significant instances of companies not keeping pace with the code of conduct. Obviously, if we did, we would question whether we wanted to continue working with those companies. We have not seen cases of companies not adhering to equal pay. Obviously, if they didn't adhere to equal pay, that would be illegal, but we have not had significant cases come in of companies not adhering to minimising their gender pay difference.

We have in place our own systems, as I have talked about, of commissioning editors and lawyers reviewing their work, and then we have whistleblowing procedures in place. With the board, we have put in place a more extensive system where, if there are people working at production companies who supply to us who want to report inappropriate behaviour, they have a way of doing that and another route outside. We were very conscious that many of the production companies we work with are quite small, so they might not have adequate HR individuals in place to deal with things. Through that set of processes, we have not seen instances of violations of the code, but we remain alert to the possibility that that might occur.

Q123 **Jo Stevens:** So if I run a company and I want you to engage me to produce a programme for you, when I apply—or put in a tender or whatever the process is—what do you ask me for in terms of my being able to show you that I am not paying men more than women or acting unlawfully in how I pay the people who will be working on this programme that you have commissioned? What do you require from me?

Alex Mahon: Normally you would be a supplier we had worked with before. If you were in the category of much smaller, newer suppliers, we have a special team that works with them that also provides alpha and seed-stage funding and helps to develop them up, so there might be different procedures in place. You would have the code of conduct, you would have a significant legal document in terms of the commissioning agreement and you would have the specific editorial specification in place as the contract for what the programme was that you were making.

Q124 **Jo Stevens:** Sorry, that doesn't really answer my question. As I understand it, you have two systems: one for people you have commissioned before and one for people that you are newly commissioning. What do I have to do to prove to you that I am not acting



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unlawfully, so that you can feel confident when you engage me as a company?

Alex Mahon: We would expect you to tell us that you are operating in line with our code of conduct.

Jo Stevens: And you would take that at face value?

Alex Mahon: Yes, we would take that as part of the contract at face value, and if we found evidence to the contrary, we would reconsider working with you.

Q125 **Jo Stevens:** But that effectively relies on people whistleblowing to you about what has happened, doesn't it?

Alex Mahon: Yes.

Q126 **Jo Stevens:** Don't you think you should ask for actual evidence and do it beforehand, rather than doing it after the event?

Alex Mahon: Companies have to be a certain size to file a gender pay report.

Q127 **Jo Stevens:** Yes, but this is not about the gender pay gap. This is about unequal pay—paying men more than women for the same job, or a job that is of equal value.

Alex Mahon: I suppose we would have to rely there—since, as you know, unequal pay is illegal—on a case being raised within that company by someone who was unhappy. It is hard for us to do a check on every single supplier that we work with of their payroll and equal pay legislation.

Q128 **Jo Stevens:** You could ask a question in your tendering documentation: "Have you had your pay policy equal-pay proofed? Has it been assessed to ensure that it is lawful?". You do not ask that question.

Alex Mahon: I don't believe we do. I can check and see whether we could.

Jo Stevens: Thank you.

Q129 **Ian C. Lucas:** I was very interested in what the annual report said about the Indie Growth Fund and the Commercial Growth Fund; they are interesting ways of supporting digital and media companies. Is there a geographic element to both funds? In other words, do you determine who to support partly on a geographic basis?

Alex Mahon: Last year, I repositioned the Indie Growth Fund to focus on what we thought was lacking in the market: investing in small, new companies in the nations and regions, and investing in black, Asian and minority ethnic-led indies, both of which there is not enough of at a certain scale. That was a change to who we invested in. Our most recent round of investments, which will not yet be in the report, were one company based in Yorkshire, one based in Bristol and one based in Glasgow, to try to stimulate exactly that kind of creative ecology outside London.

Ian C. Lucas: That was in the Indie Growth Fund?

Alex Mahon: In the Indie Growth Fund.

Q130 **Ian C. Lucas:** What about the Commercial Growth Fund?

Alex Mahon: With the Commercial Growth Fund there is no specific geographical target. It is particularly focused on digital growth businesses that are consumer focused.

Q131 **Ian C. Lucas:** Why is there no geographic target in that fund?

Alex Mahon: We look at businesses from all over the place, but there is not necessarily a dearth of supply in that area outside London. I have not seen evidence to say that that is a gap in the market.

Q132 **Ian C. Lucas:** I think there is a dearth of investment, as someone who represents an area away from the south-east. One of the things that excites me about your funds is that they are a way of investing in digital companies. I would like the investment to at least take into account the regional or national aspect of the geographic situation of the company. You mentioned a number of businesses in connection with the Commercial Growth Fund: Festicket, Rated People, Crowdcube and Emoov. Do you know where those companies are based?

Alex Mahon: I know a number of them are based in London. I don't know the geographical spread of the rest of them.

Q133 **Ian C. Lucas:** So are those companies that I have just referred to, which were in your annual report, in London?

Alex Mahon: I know a number of them are based in London. I don't know the location of all of those companies, but we are looking at companies that apply from all over the UK.

Q134 **Ian C. Lucas:** Do you know if any of those companies are outside London?

Alex Mahon: I don't know the answer to that, no.

Ian C. Lucas: But you know that some of them are in London.

Alex Mahon: Yes, I do.

Q135 **Ian C. Lucas:** I think you should look at companies outside London.

Alex Mahon: We look at all the companies that come in. I certainly think that looking at more of them from across the UK would be welcome. Especially as we move a significant chunk of our operations outside London, hopefully we will naturally be very appealing to them.

Q136 **Chair:** I have a couple of final questions. Channel 4 has said it wants to increase the number of BAME leaders in the organisation from 12% last year to 20% by 2020. What progress has been made in reaching that target?

Alex Mahon: We have a target of 20% BAME across the organisation. I have particularly set in place an internal target of 20% BAME across the top 100 in the organisation. We have made quite good progress on that. The percentage across the company has now got to the high teens. What is particularly good is that in commissioning, where we are making editorial decisions about what is on air—so there is an impact both internally and in what goes on air—we have got to over 20% BAME. That has been a significant switch in the organisation. It has been complex to go through.

We need to think about what is in our own organisation, which we are now doing very well. We need to particularly think about progression and retention issues, and that for us is about how we develop a more inclusive culture. We then need to think about what is on screen and how we ensure that we meet our commissioning director guidelines, how we ensure we apply Diamond data across our programmes, and how we appeal to the different groups in BAME society in the UK. We also need to think about what is behind the camera and how we make sure that we support more BAME production companies and authentic portrayal and so on. There is quite a programme of work across those three areas of where our own staff are, what we have on screen and who makes what we have on screen. Internally at Channel 4, we have made really good progress on these things and we will continue to release them year on year.

Q137 **Chair:** From what you have said, it sounds like you are probably on track to hit the target that you set. Do you believe that that is the case?

Alex Mahon: I think we are on track, but I would not want to be complacent because this is always about setting the next bar. We are on track for those numbers, so the next bar I have set is 20% of the top 100 most highly paid. That will be the next target to achieve. To achieve it, we have to be able to retain people and ensure that we progress them to the next level of senior roles. To do that involves changing some of our culture internally to make sure that we are as inclusive as possible about a wide range of people from across the UK. There is a very clear creative imperative because it is about having diverse teams, and a very clear commercial imperative because, if you look at the UK population, of our 16 to 34 target area, 16% of the audience are BAME, and if you look at a younger group, the four to 15-year-olds, 20% to 25% are BAME. We have to also think about the audience we serve, and you cannot do that if you are all the same and from the same background.

Q138 **Chair:** According to the annual report, 89% of Channel 4 programmes meet your diversity guidelines for on screen. Given that these are your own commissioning guidelines, some might say that while 89% is a high figure, what happened to the other 11%? Do you expect that all programmes should meet your own diversity guidelines?

Alex Mahon: I think we should get all programmes to meet our guidelines, yes. That was in the “360° Diversity Charter”, which was launched, I think, in 2015. What we will be doing for the rest of the year is launching our next three-year charter for what we want to achieve to



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ensure that we are pushing ourselves. It is great that Channel 4 is arguably the best in television at doing that, but we need to push harder to have a higher set of bars for us to reach next so that we can be more of a beacon for that across other industries.

Q139 **Chair:** Do some programmes have particular challenges that mean they do not comply with the diversity standards that you set?

Alex Mahon: That is sometimes true if they are in a particular subject area or in sport and are made in a certain way, but the onus is then on us to ensure that everything meets the guidelines.

Chair: That concludes our questions this morning. Thank you very much.

Alex Mahon: Thank you.