

The Department for Culture, Media and Sport Consultation on the Green Paper on BBC Charter Review



The Children's Media
FOUNDATION

Submission of Evidence from the Children's Media Foundation 7.10.15

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1. Background

- 1.1. The Children's Media Foundation www.thechildrensmediafoundation.org is a not-for-profit organisation supported by public donation, which campaigns for greater range and variety in the content provided for children and young people in the UK, advocates a research-based approach to policy and regulatory decision-making, and supports the production of UK-based programming that offers British children the opportunity to hear their own voices, experience their own stories and explore their own culture and society.
- 1.2. Our response to this consultation is primarily from the perspective of the BBC's provision for children and young people. I.e. viewers from 2 to 16.
- 1.3. We have addressed each theme in the consultation in that context.

2. The BBC's Mission, Purposes and Values

- 2.1. In an increasingly commercialized, competitive media environment the BBC's original remit remains as strong, if not stronger than ever. This is particularly true in terms of the children's audience, where the BBC is in real terms the only provider of quality indigenous content.
- 2.2. Even if competition can be encouraged as we suggest later in this document, the core provision will still be from the BBC and must be protected.

3. The Scale and Scope of the BBC

- 3.1. The Children's Media Foundation does not wish to comment on the general scale and scope of the BBC. However, we support the recently expressed ambitions to create new BBC VoD services that can address a wider range of ages amongst the children's and youth audience. The plan to provide the iPlay service and allow children and young teens to customize their BBC viewing, using existing CBeebies or CBBC Content, content especially commissioned for iPlay aimed at 10+ children, content from the wider BBC, and from external partners, is a welcome addition to the public service landscape.
- 3.2. The 10-16 audience are under-served across the UK's public service broadcasting system, especially since Channel 4 has failed to deliver any significant content for the 10-14 age range, despite the commitment made in its last broadcast licence renewal process.
- 3.3. While broadcasters, including the BBC, often respond that older children and young teens are well served with music radio and their engagement with the broad range of "family", 16-24, or general factual content, this is not sufficient. We believe that all audiences deserve some public service content aimed at their specific needs. In which case the 10+ group should be recognised as having life-stage issues and perspectives which need to be addressed. They deserve specific, relevant, challenging content which in some cases, given the stage of life they are in, should mean little to the family audience and should not constitute "joint-viewing" experiences. This is as much their right as is programming for other minority interest groups.
- 3.4. The fact that this audience is diverting its viewing to VoD services – especially YouTube - to find content which speaks directly to them, should not be seen as a

solution to the lack of public service provision. Rather it should be a wake-up call to broadcasters, especially the BBC, that they need as much to address this under-served group as any other. Their long-term survival depends on developing loyalty and understanding of the “public service compact” in the young, while UK society needs young people to engage with content which is specifically made for them and connects them to the culture in which they live – in all its diversity.

- 3.5. The BBC has recently begun to address this issue. The 10+ audience has featured in announcements by the Director of BBC Children's, backed by the Director General, in connection with development of the iPlay concept.
- 3.6. Attracting audiences in substantial numbers will require new content made specifically for the target age groups and that in turn will need new funding.
- 3.7. We are calling upon the BBC to deepen its commitment to the children's and youth audience by ensuring that not only the technological development of iPlay is funded, but also content for the 10+ audience – with no resultant reduction in their content budgets for younger children.
- 3.8. To that end we propose that the BBC uses its annual Service Agreements to voluntarily commit to increase the children's budget by a set percentage each year, for the whole of the next Charter period. This would recognise that BBC Children's budgets start from a historically low base – and therefore suffer disproportionately in any cuts.
- 3.9. The BBC currently spends around 5% of its funding on children's content and services, when children and young people make up 19% of the potential viewing audience. The BBC now needs to turn verbal and technological commitments into content commitments. Only through compelling content, can it hope to capture this under-served group – and that requires funding.

4. Funding - How we Pay for the BBC (and other Public Service Content)

- 4.1. The Children's Media Foundation supports the continuation of the Licence Fee in its current form. With the need for additional Children's content funding in mind, we urge the government to stand by the decision reached in the recent Licence Fee settlement that the Licence Fee should rise in line with inflation over the next Charter Period.
- 4.2. We would, over time, welcome open public investigation of alternatives such as a household levy, especially given the increasing use of the BBC iPlayer to access content. However, we do not support a subscription-based system, as this would not serve audiences well when there is market-failure, which is the case in the children's market, where very little UK-focused content is made by any of the many children's broadcasters apart from the BBC.
- 4.3. We would observe that the process of setting the Licence Fee has become less rather than more transparent. The last two settlements have been disturbingly rushed, and totally lacking in public consultation. We would urge the government in any consideration of future governance and funding of the BBC to include a specified method of setting the Licence Fee, including provision for public consultation, and providing a more measured, and scrutinisable process.
- 4.4. In the DCMS Green Paper on the Future of the BBC there are references to a possible contestable fund to stimulate the production of content outside the BBC, with children's content as a prime example. This is in response to the market failure in UK-focused children's content, identified by Ofcom in its public service broadcasting reports.

- 4.5. While the Children's Media Foundation has for some years campaigned for a fund to pay for UK children's content which should act as healthy competition to the BBC, we do not support top-slicing of the Licence Fee to pay for it.
- 4.6. Not enough is known about possible alternative sources of funding to the Licence Fee. We call upon the government to commission a report into how such an alternative fund might be financed, including examination of the potential for Lottery funding, levies, direct government grants, or other sources. The research should also explore how the fund should be organised and regulated, how it might set criteria for ensuring the content is substantially relevant, British and of public value, across a range of ages, and what the possible outlets for content produced in this way might be – including the new BBC iPlay service.
- 4.7. It is important to stress that taking money from BBC budgets to pay for additional children's programmes elsewhere is not a solution which will support the audience in the long-run. This would simply diminish the BBC's capacity to expand its own children's offering over time and dilute its independence. Additional money is needed to address the market failure.

5. Governance and Regulation

- 5.1. We have no particular comments on the regulation and governance of the BBC other than to point out that there should be specific expertise in children's issues within the structures developed. A children's advisory board, comprising expert adults and potentially children and youth representatives would be a valuable step forward in ensuring understanding of this important constituency and its needs.
- 5.2. More specifically we would observe that BBC iPlay is a great opportunity to take advantage of new technology and interact with the young audience. However it will need to be introduced with considerable care to ensure children's personal security, data protection and the duty of care when a young person is searching, sharing or receiving recommendations. This needs to be balanced with the rights of children to access the widest range of appropriate content. This is a challenge but also an opportunity for the BBC to become an industry and international leader in the design of such a service.

6. The Creative Economy, and the Role of BBC Studios

- 6.1. At this stage there would appear to be no reason to include the BBC Children's production department in BBC Studios. The market is insufficiently developed. There are currently almost no potential outside clients for the content they would offer.
- 6.2. Over time this could change. Stimulating the UK independent production community to produce a greater range and volume of original content is not only good for the audience but also for the creative economy. Backing up the children's live action tax incentive with a fund that would encourage broadcasters back into the children's content market will have trickle-down effects through the creative economy and beyond. It is not currently clear whether the commercial public service broadcasters would take advantage of the funding to commissioning and schedule more UK-focused kids' content. Or if the international children's channels (Disney, Cartoon Network and Nickelodeon) or the new VoD players such as Hopster Netflix or Amazon might enter the local content market if there were

subsidies on offer. Or even whether producers might take advantage of the fund and come to arrangements for distribution on the BBC iPlay service.

- 6.3. Hence the need for research to ascertain which platforms would take advantage of the potential to show more content of local impact, as part of the scoping of the alternative fund.

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Appendix A

Letter to the Secretary of State for Culture Media and Sport, outlining the CMF position on the BBC and calling for research to assess the viability of an alternative contestable fund for children's content commissioning.

**3 Liberia Road
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5th October 2015

Rt. Hon. John Whittingdale MP

Secretary of State for Culture Media and Sport
Department for Culture, Media and Sport
100 Parliament Street
London SW1A 2BQ

C.C. Ed Vaizey MP

Minister of State for Culture and the Digital Economy

Dear Mr Whittingdale,

We understand that you are unable to meet us to discuss the specific issues facing the children's audience in the BBC Charter Review process. May we please submit the following for your direct consideration? It is a request for action on the part of the DCMS, which we feel will inform the wider debate about market failure in children's provision in the context of the Green Paper on Charter renewal.

The Children's Media Foundation welcomes the recognition in the Green Paper of the problems relating to the Children's genre and the dramatic decline in UK original content commissioning, monitored by Ofcom since the Communications Act of 2003.

We believe that Charter renewal should be an opportunity to encourage the BBC to maintain its current commitment to children's content and to expand it via new technology, as it proposes with the iPlay service. However, this service must receive dedicated new funding, not taken from existing children's budgets, both for the development of the service itself and for a wider range of new programming to serve the extended audiences it intends to reach.

To meet this need, we will propose to the BBC that it commits to an annual increase in the Children's Department budget over the next Charter period, by a percentage which allows it, over time, to expand the range of its content and recover previous cuts, thus recognising its funding was always allocated against a lower base line. The Statements of Programme Policy could be the method for the annual expression of this commitment.

Such action would ensure the future of what is, despite its problems, recognised as the best children's television service in the world, and highly valued by parents, carers and educators.

We do not believe that this can or should be achieved by top slicing the Licence Fee. Top slicing erodes core funding and ultimately that of the Children's Department.

With the need for additional Children's content funding in mind, we urge the government to stand by the decision reached in the recent Licence Fee settlement that the Licence Fee should rise in line with CPI inflation over the next Charter Period.

Secondly, we support the concept of an alternative contestable fund to redress the acknowledged market failure in children's provision and to encourage the commercial PSBs, Channel 4 and others, including the new Video on Demand players, to re-engage with this audience through indigenous and relevant content. The content thus created could be transmitted in a variety of ways, possibly, in part, via agreements with the BBC over access to iPlay.

The aim is to find additional money for children's content outside the BBC, stimulating the uniquely talented UK production sector, providing greater diversity and choice for UK children and young people, and healthy competition for the BBC.

We would urge the Government to investigate the viability of such a fund as a matter of urgency in order to solve a problem which has gone too far.

This research should encompass all possible funding options, such as the Lottery, levies, direct government grants, ethical advertising and corporate social responsibility sponsorship, without ruling out anything until the potential and consequences are fully understood. The research should also consider the potential outlets for funded, or part-funded, content; the organisation and regulation required to operate the Fund; and the criteria needed to ensure diverse, UK-focused content, relevant to all age ranges - especially the under-served over 10s.

The references in the Green Paper to the failure of the children's market to deliver diversity and competition indicate your Department's interest in achieving an innovative solution. We believe our practical proposals are the appropriate next step in achieving an outcome mutually beneficial for the audience, the industry and the creative economy, and would urge you to commission the research needed.

Yours sincerely



Anna Home OBE
Chair
The Children's Media Foundation

Appendix B: List of supporters and supporting organisations

The CMF is gathering industry, academic and children's advocacy support for the proposals outlined in the letter to the Secretary of State and the above submission.

Key supporters already committed are:

Reg Bailey CBE

Government's Independent Reviewer and Advisor on the Commercialisation and Sexualisation of Childhood.

Baroness Floella Benjamin OBE

Chair, All Party Parliamentary Group on Children's Media and the Arts

Michael Carrington

CEO, The Foundation TV Productions

Andrew Chowns

Chief Executive, Directors UK

Brian Cosgrove D Art, D Lett

Children's Programmes Producer

Russell T Davies

Writer

Richard Deverell

Former Controller, BBC Children's

Linda James

MD Sly Fox Films. Former Chair of the BAFTA Children's Committee

Helen McAleer

Chief Global Development Officer, Walker Group

Professor Máire Messenger-Davies

University of Ulster. Author of 'Children Media and Culture'

Nigel Pickard

Former Controller, BBC Children's

Philip Pullman

Author

Anne Wood CBE

Founder and Creative Director, Ragdoll Productions Limited