

The House of Lords Communication Committee's inquiry on BBC Charter Renewal: public purposes and licence fee.



Submission of Evidence from the Children's Media Foundation 29.9.15

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. This submission will focus on aspects of the BBC's current and future public purposes that relate specifically to the children's audience in the UK – including young people aged 2 to 16.

2. Public Purposes

- 2.1. Examining the BBC's public purposes and its delivery of services which support them, remains an efficient way of assessing the Corporation's effectiveness in serving diverse audiences with a range of content they value and which provide broad societal and cultural benefits.

3. Delivery of Public Purposes

- 3.1. The Children's Media Foundation believes that the BBC should recognise and serve all audiences in the UK. We have in the past expressed concern about the level of commitment to certain audiences - in particular older children, over the age of 10. This age group are severely 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.
- 3.2. 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. If all audiences deserve some public service content aimed at their specific needs, then the 10+

group should be recognised as having life-stage issues and perspectives which should equally be addressed. Specific, relevant, challenging content which in some cases should mean little to the family audience and should not constitute “joint-viewing” experiences – is as much their right as is programming for other minority interest groups.

- 3.3. 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.
- 3.4. 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 the main in connection with new technology approaches to re-establish links with this hard-to-reach audience group. The establishment of the iPlay concept, where children and young people of all ages can customise their viewing from the wide range of BBC content on offer is a development to be welcomed.
- 3.5. However we will make the point to the BBC, and to the DCMS in its Charter Review consultation, that attracting audiences requires new content made specifically for them – and that requires funding.
- 3.6. 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 reduction in their services for younger children.
- 3.7. To that end we propose that the BBC voluntarily commits 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. 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.
- 3.8. With the launch of BBC iPlay a further public purpose becomes relevant. Online service provision of this nature usually requires some form of log-in and profiling of the user. There are major issues around personalised VoD provision to children, as YouTube discovered when it launched its YouTube Kids App in early 2015. Questions will need to be addressed about personal security, data protection and the duty of care when a young person is searching, sharing or receiving recommendations, while still ensuring children have access to 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. The BBC should take on this role as part of its public purposes.

4. Licence Fee and Other Funding Options

- 4.1. The Children's Media Foundation supports the continuation of the Licence Fee in its current form, but would welcome open public investigation of alternatives such as a household levy. However, we do not support a subscription-based system, as this would not serve audiences well where 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 outside the BBC.
- 4.2. 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.
 - 4.3. In the DCMS Green Paper on the Future of the BBC there are references to a possible contestable fund to stimulate the production of children's content outside the BBC. This is in response to the market failure in UK-focused children's content identified by Ofcom in its public service broadcasting reports.
 - 4.4. 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.
 - 4.5. We are calling upon the government to commission a report into how such a 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.
 - 4.6. While this idea is not of direct relevance to the BBC Charter Review process, the government has brought the idea of the fund into the public domain in the context of Charter Review, which is why we are addressing the question as to how it might be financed and run.
 - 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.

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