

The Culture, Media and Sport Parliamentary Committee Inquiry into the BBC Charter Review, following the publication of the Government's Green Paper.



Submission of Evidence from the Children's Media Foundation 29.9.15

1. Executive summary

- 1.1. This submission responds to two failures to deliver in the current public service system, both connected with the children's and youth audience.
- 1.2. The first is a severe lack of content for the over 10 audience – programmes which might impact directly on their needs when at a crucial stage in their lives.
- 1.3. The second is the lack of competition for the BBC in children's content, identified by Ofcom as market failure, and leaving the BBC as a near-monopoly commissioner of original UK content.
- 1.4. The Children's Media Foundation supports BBC plans to develop the new iPlay service which will allow children and young people to personalize their viewing experience, and we applaud ambitions to extend the reach of this service to older children and young teens.
- 1.5. We consider it essential that additional funding for new content - especially aimed at the 10+ audience - be made available if the service is to effectively broaden the appeal of BBC content amongst older children.
- 1.6. To achieve this, we propose annual increases in the BBC Children's budget, committed to over the course of the next ten years.
- 1.7. We urge the government to maintain the proposed arrangement to increase the Licence Fee by CPI during the same period – to ensure there is sufficient funding for the new children's ambitions at the BBC.
- 1.8. We do not support top-slicing of the Licence Fee for any reason, as this diminishes the overall funding available to the Children's department and erodes the independence of the BBC.
- 1.9. We do however support the concept of an alternative contestable fund, to create original British content, which might be available to a range of platforms including broadcasters and VoD operators.
- 1.10. We urge the government to commission comprehensive research into where finance for such a fund might be found, how the fund might be operated and governed, and how its criteria should be set.

2. Background

- 2.1. 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.
- 2.2. This submission will focus on aspects of the Charter Review process, and the Green paper, that relate specifically to the children's and young people's audiences from ages 2 to 16.

3. The BBC's scope, scale and focus.

- 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. 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 in turn needs 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. The Licence Fee and Other Funding Options

- 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. 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.

5. Public Consultation and the Setting of the Licence Fee

- 5.1. 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.

6. Contestable Funding for PSB Content

- 6.1. 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.

- 6.2. 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.
- 6.3. Not enough is known about possible alternative sources of funding to the Licence Fee. We are calling 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.
- 6.4. 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.

7. Innovation

- 7.1. 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.

8. The Creative Economy, and the role of BBC Studios

- 8.1. 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.
- 8.2. 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.
- 8.3. 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.

Greg Childs
Director
The Children's Media Foundation
www.thechildrensmediafoundation.org

3 Liberia Rd
London N5 1JP
T: 07714 708986