



The Children's Media
FOUNDATION

A future for public service television - content and platforms in a digital world.

Submission from the Children's Media
Foundation (January 14th 2016)

1. Introduction

- 1.1. The Children's Media Foundation www.thechildrensmediafoundation.org campaigns for greater range and variety in the content provided for 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 from the perspective of public service performance and provision for viewers aged 2 to 16.
- 1.3. Media has an enormous influence on the attitudes, education, culture and development of children and young people. Children today spend more time in front of screens than they do at school.¹ As children experience the different stages in their development, they need to have access to appropriate content that speaks to their interests and concerns, and helps them develop a balanced world-view, quite apart from the beneficial shared experience of family content. They have the right to be entertained and challenged by hearing their own voices and experiencing their own stories in the context of the society and culture in which they are growing up – rather than a culture imposed by the international media market. This is vital not only for their personal development but for society as a whole, as experiencing a range of quality media that recognises them as a distinct set of audience groups, will help them develop as engaged citizens.
- 1.4. Children (aged 0 – 15) represent 19% of the UK population². The funding of originated UK-focused content aimed at them does not reflect this. This paper will indicate there has been a marked decline in the provision of public service content geared to them. It is vital that this decline is reversed. Children deserve and need public service content as much as adults.

2. Background

- 2.1. Historically, public service television for children was provided by a healthy mix of the BBC, ITV, Channel 4 and Channel 5.
- 2.2. Regulations devised for the Broadcasting Act (1990) required the

¹ Source: Childwise "Connected Kids" Report 2015

² Source: ONS Overview of the UK Population, 25 June 2015

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- commercial PSBs to devote specific amounts of time to children's television including different programme genres.
- 2.3. The BBC did not have quotas, though provision was taken to be part of its public service remit, and Channel 4 had no statutory requirements, but did broadcast some children's programmes.
 - 2.4. These regulatory arrangements guaranteed sustained provision of children's programming throughout the 1990s by both ITV and Channel 5, in addition to the historic provision by the BBC.
 - 2.5. For example, in 2002, ITV fulfilled a broadcast quota of 520 hours of children's programmes, including 391 hours of in-house or commissioned programmes, with spending on CITV reported as £33m.³
 - 2.6. In the Communications Act of 2003, commercial PSBs were relieved of the obligation to meet quantitative targets in a number of genres, including children's programming.
 - 2.7. This was the result of a failure by the children's media community to lobby as effectively as had been the case in 1989-90, while the broadcasters stressed that the fragmentation of the children's advertising market had rendered children's television un-economic, if predicated on fully-funded originations, as previously.
 - 2.8. During the passage of the bill through Parliament the only reference to children's television appeared in the appendix of a report of the joint parliamentary committee chaired by Lord Puttnam. The Writer's Guild Children's Committee had recommended that scheduling quotas be retained for children's programming... *'children's TV will never be profitable, and in a free market, it will reduce to showing only globally profitable brands'*.
 - 2.9. The 2003 Act saw children's programming moved from Tier 2 to Tier 3 of the regulations. Ofcom was required to ensure that the services provided by PSBs (the BBC and commercial terrestrial broadcasters) *'include what appears to Ofcom to be a suitable quantity and range of high quality and original programmes for children and young people'* but there were no measurable targets for each broadcaster.
 - 2.10. By 2006, the advertising ban on high fat, salt and sugar foods further undermined the economics of producing children's programmes at the commercial PSBs. Channel Five retreated into pre-school programming, none of which was fully-funded, so was dependent on finance from a range of parties and territories and therefore commercial and international in its approach. ITV reduced the programming hours on the main ITV channel (eventually to zero) and spending on children's content decreased dramatically as its new digital channel was populated mainly with repeats and acquired content.
 - 2.11. In 2007 Ofcom revealed that only 1% of the programming available to children was newly made originations that could be said to be UK content.⁴ Since then provision has declined further.

³ Source: ITC Annual report 2002.

⁴ Source Ofcom: Public Service Broadcasting Annual Report 2007

3. The Current Broadcasting Landscape

- 3.1. Children are in the vanguard of changing media consumption patterns, although for the moment traditional TV viewing remains remarkably stable. While 12-15s now use the internet more than they watch TV, television viewing amongst all age-ranges has increased by approximately 1 hour per week since Ofcom first reported on this in 2005.⁵
- 3.2. However, The trend towards viewing on-demand is strong amongst the younger audience. 62% of children live in households with access to on-demand services, with children being more likely (44%) than not (17%) to use them.⁶ Children aged 6-15 spend 22% of their time watching on-demand, compared to adults' 10%.⁷
- 3.3. Services such as Amazon Kids, Netflix Kids, Sky Kids, Hopster and others are attracting young users, either through the TV or via Apps, with a mix of content readily available on demand, but little of it commissioned in, or about, the UK.
- 3.4. Young people's enthusiastic engagement with social media, has created a scenario in which YouTube has become of huge importance in delivering VoD content, especially to the 8-16 age groups. In many cases this is content the broadcasters are failing to provide, as it speaks with authentic voices, addresses the concerns of older children, gives short but relevant and frequently updated content and uses video on demand to address niche interests. This has significant implications for the future of public service broadcasting, which the BBC is seeking to address (see 3.20 below).
- 3.5. However, online delivery of video is, as yet, essentially unregulated, and despite recent attempts by YouTube through its kids' app to establish safer forms of viewing, there are many outstanding issues around the proximity of unsuitable material, the efficiency of filtering, the ease of use of parental controls, content standards, editorial responsibility, advertising transparency, data-collection etc. This is an area that needs special attention in terms of regulation, and falls within the remit of this investigation as for many young people TV via the internet is a reality.
- 3.6. Conventional children's television in the UK is provided by 38 channels (as identified by Ofcom in 2014) plus the catch-up children's IPlayers at the BBC. However the content on these channels, excluding the BBC, is primarily not made in the UK and first-run originated programming with a UK-focus is rare, and becoming more so, as can be seen by the following figures.⁸
- 3.7. **Comparison of the overall spend on children's content**
2002: PSB spend £192m, £75m of which was on ITV, Five and Channel 4
2013: PSB spend £98m, only £5m of which was the commercial PSBs
- 3.8. **Comparison of spending on first run originations**
2002: PSB spend £163m, of which £63m was on ITV, Five and Channel 4
2013: PSB spend £87m, only £3m of which was the commercial PSBs – a

⁵ Source Ofcom: Children and Parents: Media Use and Attitudes Report 2015

⁶ Source Ofcom: Children and Parents: Media Use and Attitudes Report 2015

⁷ Source Ofcom: Digital Day 2014

⁸ Source Ofcom: PSB Annual Report, Dec. 2014. (Children's Analysis)

drop of over 95%.

- 3.9. ITV and Channel 5 have essentially exited from commissioning. Their small investment in children's programmes represents mainly acquisitions – i.e. programmes acquired for less than 25% of their overall funding. The notable recent exception 'Thunderbirds are Go' is a welcome addition to their commissioning strategy, but is like most commercial children's television an international co-production with implications for the "Britishness" of its content.
- 3.10. Similarly, despite commitments made to serve the 10+ audience when their Licence to Broadcast was renewed, provision at Channel 4 had declined by 2014 to one six-part drama series and one animated family special per year. In 2015 Channel 4 abandoned this content policy, contending that children age 10+ would find content of interest in mainstream programming – a position accepted by Ofcom⁹, but not by the CMF.
- 3.11. The international cable and satellite broadcasters (Nickelodeon, Disney and Cartoon Network) - all based in the USA - have made a marginal improvement in the amount of UK content they commission for their channels. The only regulation governing content quotas is the EU directive that they should be transmitting 50% European content. But this is not rigorously enforced and they do not achieve anything like that figure.
- 3.12. In fact, first run originations on all commercial channels dropped from 147 hours in 2008 to 111 in 2013.¹⁰ Spending figures for the cable and satellite channels are not publically available, but estimates based on programme output indicate no significant contribution to replace the loss of indigenous public service content at the commercial PSBs.
- 3.13. The BBC spent £84m on children's content and services in 2014, accounting for nearly 97% of total PSB spend in the genre.¹¹
- 3.14. The BBC is therefore essentially the sole commissioner of children's content.
- 3.15. But even BBC commissioning has diminished. Children's budgets at the BBC have reduced from a high of £95m in 2009 to the 2014 £84m figure.¹² This has resulted in fewer drama and factual programmes being commissioned and consolidation of the content into a more narrow focus (from 2 – 10 years old).
- 3.16. Up until 2002 the BBC was providing a comprehensive service for children, reflecting all genres in dedicated blocks on BBC ONE and TWO. In 2002 the two dedicated children's channels CBeebies and CBBC were launched and in 2012/13 children's programmes ceased to be shown on BBC ONE or TWO. The two children's channels continue to provide a comprehensive service including comedy, drama and factual, but the upper

⁹ Ofcom 'A Review of Channel 4' July 2015

¹⁰ Source Ofcom: Public Service Broadcasting Report 2014 - Annexes Children's PSB analysis

¹¹ Source Ofcom: Public Service Broadcasting in the Internet Age (Ofcom's Third Review of Public Service Broadcasting)

¹² Source Ofcom: Public Service Broadcasting Report 2014 – Annexes: Children's PSB summary

age range served has, by custom and practice, fallen from 12+ to around 9 or 10 years. The content is less challenging and less diverse. Almost no content specifically targeted at 10+ is produced.

- 3.17. This is in part a response to market trends – the rise of YouTube and the desertion of the older audience – and in part the result of long-term budget cuts. With the new financing arrangements under the recent Licence Fee settlement, more cuts can be expected. While BBC Children’s has been protected from the most recent round of DQF cuts there is no guarantee that further cuts will not impact on children's services.
- 3.18. In the recent proposals to re-allocate funding following the transition of BBC THREE to an online-delivered service, £30m was allocated to adult drama, but nothing to CBBC, despite the addition of two hours of air time on the CBBC channel from 7 - 9pm daily, and despite the stated aspiration to serve the 10+ audience with one of the allocated daily hours. This provides a vivid example of the thinking in senior management at the BBC - that their services for children are “adequate”.
- 3.19. The BBC channels for children, especially CBeebies are much appreciated by parents and enjoyed by the audience. In 2013, 85% of parents/carers rated children’s PSB as important. 81% of parents agreed that CBBC, and 76% of parents agreed that CBeebies, provided a wide range of high-quality UK-made programmes for children.¹³
- 3.20. Proposals for the future of children's services at the BBC include a commitment to develop the “iPlay” service, a new form of the Children's iPlayer that would allow children and young people up to 16 to personalise and aggregate content from across the BBC and from other “public service” partners who might use iPlay as a platform. While this is to be welcomed as a method of delivering public service content to the hard to reach older children's audience, without investment in content this service will struggle to find its audience.
- 3.21. The government Green Paper on the Future of the BBC refers to children’s content, in the context of considering a “contestable fund” which could be used to finance PSB content, including children's programmes, outside the BBC.¹⁴
- 3.22. The CMF has long campaigned for a new contestable fund to support increased UK content for children, to address the recognised market failure in this area. However this must be 'new' money, not extracted from the BBC, the only real provider of UK content for kids, whose commissioning budgets are already under severe pressure.
- 3.23. To this end we have called upon the DCMS to carry out a comprehensive review of the sources of finance that might be available to a contestable fund, outside any top-slicing of the BBC Licence Fee – e.g. Lottery funding, levies, direct government grant, foundation funding, or a mix of these - to create an additional “children's content commissioning pot”. We also call for research into the methods by which the fund might be

¹³ Source Ofcom: Public Service Broadcasting Report 2014 – Annexes: Children’s PSB summary

¹⁴ DCMS: BBC Charter Review Public Consultation p57

operated.

3.24. The CMF is currently supporting initial research at the University of Westminster into potential sources of funding and how such funds operate in other territories. The research findings will be presented to DCMS as part of our contribution to their final consultation on the BBC Charter Review White Paper.

4. Conclusions

- 4.1. Public Service provision for children is in severe decline. ITV and Channel 5 commission almost nothing. The international channels, including Netflix and Amazon commission very little content that focuses on the UK. Most children's television is commercially funded and international in its approach.
- 4.2. Channel 4 has reneged on its commitment to the 10+ audience, leaving this demographic woefully under-served.
- 4.3. The BBC is to all intents and purposes the only commissioner of a range of indigenous programmes aimed at children.
- 4.4. BBC budgets will inevitably reduce, putting strain on the children's services and rendering expansion into content for 10+ unlikely.
- 4.5. There is a need for research into the sources and operation of an alternative contestable fund for children's PSB content, to address market failure.
- 4.6. The decline in public service provision has implications beyond Britain. The UK's reputation as the leading provider of public service content for children and young people in a plural system which benefitted from healthy competition and cross-fertilisation, producing quality, diversity and range – was the envy of the world. Now public service broadcasters in other countries are expressing their concern that the decline of PSB in the UK will undermine their capacity to provide in their territories.

5. Recommendations

The CMF makes the following recommendations:

- 5.1. Retention of the BBC licence fee or its equivalent.
- 5.2. That the government honours its commitment to increase the Licence Fee in line with inflation over the next Charter period to 2017
- 5.3. An annual increase in BBC children's content budgets over the next charter period – no further cuts - plus guaranteed extra funding for the development of the proposed new iPlay service.
- 5.4. Channel 4 should be required to fulfill its Licence requirement re 10s to 16s.
- 5.5. The DCMS should research the feasibility of a new contestable content fund, as part of a long-term plan to encourage production of public service content for children, and re-balance the failed market. This fund should not rely on top slicing the BBC.

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