



**All Party Parliamentary Group Meeting  
Thursday 1st December 2022, 4pm - 5.30pm**

**'The Future Landscape of Children's Public Service Broadcasting'**

**Venue:** House of Lords, Committee Room G

**Chair:** Baroness Benjamin

**Speakers:** **Magnus Brooke**, Group Director of Strategy, Policy & Regulation, ITV  
**Paul Mortimer**, Content Director, On Demand & Acquisitions, ITV  
**Mitchell Simmons**, VP Government Relations, C5 & Paramount UK  
**Louise Bucknole**, General Manager Kids and Family, Paramount UK  
**Emily Davidson**, Head of Policy and Public Affairs Channel 4  
**Karl Warner**, Head of Youth and Digital, Channel 4  
**Kate Biggs**, Director Content Policy, Ofcom  
**Richard Orpin**, Public Policy Principal - Broadcasting & Media, Ofcom

**Parliamentarians in attendance:** **Baroness Udin**  
**Baroness Bonham-Carter**

**For full attendee list see Appendix A**

**Baroness Benjamin** opened the meeting by welcoming her Parliamentary colleagues, the speakers from the three commercial public service broadcasters, and guests - representatives of industry and audience advocacy bodies and children's producers.

She congratulated anyone who was involved in a winning category at the recently announced Children's BAFTAs.

She stated the meeting should reveal the future plans of the commercial public service broadcasters and the regulator Ofcom now that the Young Audiences Content Fund had finally closed.

She set the closure of the Fund in context. Market failure is a fact of life in children's media. Ofcom have identified the decrease in commissioning funding and hours of original content over several years, and the market has not stepped up to fill the gap. Tax incentives for animation, and later for children's programs have been of some help. But the amount of newly made UK content continues to decrease.

Baroness, Benjamin was instrumental in bringing an amendment to the 2017 Digital Economy Bill, which, once again gave Ofcom powers to regulate the amount of children's content on the PSBs. Meanwhile John Whittingdale's proposal for a pilot contestable content fund became the Young Audiences Content Fund, after campaign by the Children' Media Foundation and PACT to focus it on the market failure in children's and youth content. These two events combined to provide a carrot and stick solution over the last three years.

Set up and operated by the BFI, the Fund was successful, supporting 160 development projects and offering up to 50% of the programme budget for 61 projects - £40.5m of funding. It also provided significant employment and regional advantages. With the Fund in support of commercial public service broadcasters Ofcom were able to take a light-touch approach to regulation. All three commercial broadcasters commissioned content that used financing from the Fund.

However, the Fund was closed in January. Evaluation is ongoing at the DCMS but there is no indication that this will lead to the re-creation of the Fund or anything similar

Hence the purpose of this meeting to ask the three commercial public service broadcasters and the regulator Ofcom, what they plan to do for children and young people without the support of the Fund.

**Baroness Benjamin** asked the speakers to introduce themselves:

- From ITV, Magnus Brooke, Group Director of Strategy, Policy, and Regulation, and Paul Mortimer, Content Director, On-Demand and Acquisitions.
- From Channel 5, Louise Bucknole, General Manager Kids and Family and Mitchell Simmons, VP Government Relations.
- For Channel 4, Emily Davidson, Head of Policy and Public Affairs and Karl Warner, Head of Youth and Digital.
- Ofcom - Kate Biggs, Director Content Policy and Richard Orpin Public Policy Principle For Broadcasting And Media represented the regulator.

Each group spoke for five minutes:

#### **ITV.**

Magnus Brooke began with a note of optimism. ITV is proud to be about to launch teen drama "Tell Me Everything" which was part funded with one of the biggest grants the Fund made. However, Paul Mortimer made it clear that the loss of the fund is disappointing. The fund contributions were a tremendous help. In total £2.5m was contributed creating significant amounts of additional programming. Some of which has been held back for the launch of the new On-Demand Service ITVX.

Magnus explained that one project with benefit from the fund indicated how ITV was attempting to address the audience in new ways. "Rundown" is a daily social-media News service which has become very popular.

The end of the Young Audiences Content Fund has come at the worst possible time. The economics for ITV are currently very tough. CiTV has made a loss in four of the last five years. Average viewing of linear channels has decreased by 60%.

Paul reported there were eight or nine other awards from the Fund. They all stimulated an increase in spending at ITV to match the grants. Most of these projects were made by independent production companies. Most were live-action and some were scripted. Scripted content was the big difference the Fund made for CiTV. It should, however, be noted that even with the support, there is still a continuing decline.

There will be a new kids' area on ITVX to respond to the clear on demand habit of young people.

For a national broadcaster like ITV life is really difficult as large swathes of audience defect to Netflix, Amazon and Disney+. To make any progress on reforming public service provision to match the real

viewing habits of particularly the young, the Media Bill needs to reflect these issues and be passed quickly. In doing this it's important to realise that the PSB licences have to match what an organisation like ITV can currently do. Commercially it's not possible to do more. That's market failure. Paul Mortimer concluded that ITV embraces the competitive market, but there is a need for creative interventions and financial support if an organisation like ITV is to maintain or expand public service content.

#### **Channel 5**

Louise Bucknole described Milkshake! as a block on Channel 5 with UK content at its heart and 60% of its commissions are regionally produced and they focus on authentic representation. This is supported by the Paramount/Nickelodeon 'no diversity, no commission' policy. 13 productions were supported by YACF, which allowed Milkshake to commission additional live action content plus some more animation. Series were more ambitious and therefore more enriching.

Channel 5 has subsequently invested more to make up for the loss of the Fund's contributions. The mix of content on Milkshake! now supports UK production more than previously, especially live-action programmes. Mitchell Simmons reminded the meeting that while Paramount with its Nickelodeon brand was an international player, live action content was notoriously difficult to export.

#### **Channel 4**

Emily Davidson explained that Channel 4's remit doesn't require content for under tens. They concentrate on younger and older teenagers. Despite a commitment to spend an additional £1 million on young teenage content, Channel 4 has actually spent 5 million extra.

Karl Warner revealed that the Young Audiences Content Fund had helped finance a range of shows "Teen First Dates", "Big Boys" - a programme rejected by other broadcasters due to its difficult subject matter - and the animation "Don't Hug Me I'm Scared."

The YACF also facilitated Channel 4's push into more digital commissioning, reaching young audiences on Snapchat and YouTube with brand extensions like "Hollyoaks in Real Life" and digital first content. A team of 12 now work on this content in Leeds and they have already launched their own YouTube channel - Channel 4.0.

#### **Ofcom**

Kate Biggs thanked the APPG for convening the conversation. She opened by stating children's content should be at the heart of public service broadcasting.

The analysis of Ofcom's last full study of the children's audience in 2019, indicates clear concerns about children's failure to see themselves on screen, to consume appropriate news content, and content for 12+ children is still in short supply. The YACF allowed broadcasters to respond to those issues in valuable ways.

However Ofcom cannot be naive in the face of the creative and commercial challenges presented to broadcasters in the current climate.

Ofcom's research with children clearly indicates theirs is a mobile world with ubiquitous content. The great dilemma faced by the public service broadcaster is how to make content that cut through the multiplicity on offer. And how is it possible to create public value on these new platforms? Ofcom has made it clear that it's time for major reform of public service broadcasting. Their regulatory toolkit should reflect all the new platforms and audience behaviours, especially of young people.

There are no simple answers and they will keep talking to broadcasters through the process of change. Richard Orpin said that the Media Bill will be very important in moving regulation forward and making it more fit for purpose.

**Baroness Benjamin** followed up with a simple question to all the participants: will you still commission?

For ITV Paul Mortimer explained they commissioned before the YACF and they will again. But certainly not in the same volume. With YACF support ITV trebled the amount of newly commissioned content. Without the Fund ITV will revert to one third of what it did.

Channel 4 admitted they would not commission quite as much. But they are doubling budgets on digital content, to reach the 'hard-to-reach'. Baroness Benjamin asked whether that meant cheaper content. Karl Warner explained that the model was different, and that there are companies well set up for this different style of business which also brings in new and younger people to the industry. It's exciting and disruptive, especially when old ideas are remade by new people.

There will be no reduction in digital commissioning, but it was difficult to be clear about the extent to which linear commissioning would reduce without the Fund. Karl Warner said that some programmes were commissioned that would never have been commissioned without Fund support, whereas others might have been commissioned, but in a less ambitious way. Some of this content might re-emerge so it's difficult to put a percentage on the reduction in commissioning

For Channel 5 Louise Bucknole responded that there remained a commitment to 50 hours of original content for Milkshake! and they were looking at smart ways of creating content which could be also international. Animations are central to the Milkshake! and Nickelodeon proposition, but factual entertainment programs are also valuable and they will continue to commission those. However, live action scripted content will be difficult to continue without Fund support.

Baroness Benjamin asked **Ofcom** what they planned to do to encourage all of the broadcasters to commission as much children's content as possible.

Ofcom understands that the PSBs need to build a relationship with young audiences. This is a business imperative, not a nice to have. Ofcom can help by ensuring that their research uncovers why children are changing their viewing preferences. But it's important to understand that there are constraints as to where Ofcom can actually regulate for spend or hours because their powers only extend to the three free-to air linear channels. They can't make direct interventions related to the portfolio of other channels, which is often where children's or youth content is played out. However, the work Ofcom did in 2019 - the collaborative approach which did include better understanding of digital channels' role in serving the children's audience - is a good model for the future of PSB regulation.

Quotas are all well and good but setting a figure for spend or hours often becomes a target rather than the starting point. They become the ceiling rather than the floor. With the example of Channel 4 going beyond their commitment to the younger audience in their spending, it's far better if the broadcasters and regulator work together within the constraints of the marketplace and recognising the limitations of their finances.

**Baroness Benjamin** commended Ofcom for building relationships in this way, but reminded them that the industry was looking to Ofcom for support. If broadcasters commit resources to the adult audience, then they should do the same for children.

**Kate Biggs** responded that she didn't want to sound defensive, but Ofcom were aware of the economic pressures on broadcasters in recent years, including inflationary pressures, and the extent to which they could innovate in digital and add new content was limited.

Baroness Benjamin called upon Baroness Udin to comment.

**Baroness Udin** thought that children are moving to new platforms because they can find what they're looking for there. Notably, diverse content, participants and storylines. She expressed concerns about representation being mainly about the negative aspects of people from diverse cultures.

Channel 4 responded, with the example of "Hollyoaks" and its issue-based content, programmes like "Unapologetic" which represented young women in more realistic ways. "Black to front" was a similar example.

ITV responded that "The Rundown" news content was structured around developing diverse talent, some of whom have gone on to present on mainstream channels, for example, for "News at 10". Digital content has been a fantastic opportunity to give people space to learn. Paul Mortimer said that in children's programmes on ITV don't highlight issues specifically, but the programmes do reflect diversity.

Baroness Benjamin said that at all costs the broadcaster should avoid stereotyping of people from diverse backgrounds.

Channel 5 reiterated their 'no diversity, no commission' policy. They were particularly proud of "Mix Mups" which not only feature disability on screen but had lived-experience of disability throughout its production team. Issues of inclusivity are also reflected in the short form interstitial content on Milkshake!

Baroness Benjamin commended Milkshake's "Go Green with the Grimwades ". It was heartening to see a diverse family talking about issues - in this case the environment - other than their diversity.

Baroness Benjamin encouraged everyone to avoid short-changing the children's audience. Programs needed to empower them, with or without high budgets behind them.

Baroness Benjamin turned to the floor and invited John McVay, CEO of the producers' association PACT to make observations.

**John McVay** stated there was clearly market failure. PACT had recently commissioned research into the finances of the children's industry. Provision of content has gone up, but originations are still in decline. It's a tough economic environment. PACT intends to campaign to increase the animation and children's tax credit to 40%. He felt that the young audiences content fund was a 'blip' in the way it addressed market failure. It was successful but could not be sustained. PACT feels that using a proven methodology like tax-breaks will be more helpful in the long run. It's not a magic bullet. But it's important to support children's content which so often leads the way in diversity. PACT represents producers so of course additional funding is always welcome, but in the current economic climate it's difficult to imagine. However, it should be said that the YACF was a very well-constructed fund. It worked with the broadcasters rather than out on its own. Previous iterations in other territories have failed because they lacked that integration.

Magnus Brooke (ITV) commented that carrots are much more effective than sticks.

**Kate O'Connor**, from Animation UK, didn't agree that the YACF was a 'blip'. Animation UK believes the targeted investment could still work. It's not only about market forces, competition and industry support. It's about the public purpose behind the financing. Animation UK will work with PACT to advance the tax credit arguments, but that is not the only method of addressing market failure. What's needed is a more comprehensive way of supporting children's content, which is why Animation UK was one of the organisations backing a new campaign group that is forming to develop a research-based approach to the future of children's media and a long-term plan. This needs to be considered as part of the growth agenda, not as a stand-alone case for support.

**Anna Home**, for the Children's Media Foundation said that, despite the doom and gloom, this was a moment of opportunity. There is optimism in the industry about our capacity to band together and make something new happen. She wondered what broadcasters thought about an alternative fund being created to replace the young audiences content fund and whether they would support the new campaign.

Channel 5 said that the Fund allowed them to focus on the UK audience more than previously. But that really only seemed to be practicable with the assistance of the fund. Mitchell Simmons wanted to encourage a continuing conversation around what the Fund helped achieve.

Channel 4 stated that it allowed them to work with new people. They reminded the meeting that the benefit of the fund will go on for some time yet as commissions come through the system. But also because re-commissions are happening without fund support. Programmes like "Big Boys" has been re-commissioned already without support, as it is a significant extension of value.

ITV thought that the Fund represented the capacity to put supported content on ITVX which is the way ITV hopes to recapture the young audience. Even if content has been seen on the CiTV or other channels, the audiences were relatively small and a further life on an on-demand service will reach a much wider audience. ITV has recommissioned "Tell Me Everything" without benefit from the Fund.

Baroness Benjamin said that in assessing the value of the fund and contestable funding, the government needed to give serious thought to content on a range of digital platforms beyond the traditional commercial PSB channels.

**Paul Farrelly**, a former MP who sat on the DCMS Select Committee until 2019 recalled how the Games Tax Credit proposal was stalled during the legislative process. However, it was the economic assessment that broke the log-jam with strong and effective support for the proposition. The same is needed for the Young Audiences Content Fund.

A question arose as to the evaluation process for the YACF.

**Jason Cotton** from the DCMS provided some information. First - that Broadcasting and Creative Industries Minister, Julia Lopez, very much cares about children's content and has it's future on her radar. However, in difficult times it can't always be about more money. The Fund is now being reviewed in detail including its effect on the market. The BFI will publish its data-set on the performance of the Fund shortly. Beyond that the government has to decide the future timeline in relation to the Media Bill

In response to Baroness Benjamin's question: what does the government need from industry to make useful progress, **Paul Naha Biswas**, a media consultant and a member of the group formulating

the new Children's Media Plan explained some of their thinking. It was intended to create a comprehensive ten-year UK children's media strategy, which would consider where and what children are consuming, weigh the options for future funding and come to a conclusion.

Baroness Benjamin asked the broadcasters whether they intended to collaborate. Paul Naha-Biswas revealed the BBC is interested, as are BAFTA, the BFI, the Children's Media Foundation and Animation UK.

Emily Davidson from Channel 4 said they should be involved.

Channel 5 said that the linear audience were still growing, but they were also putting in new thinking about content on YouTube because they need to ensure content is placed on the platforms young people are using. Channel 4 reiterated the issue of carrying across proper public service values into digital spaces that reach young audiences.

Kate Biggs reminded everyone that Ofcom had a regulatory role currently only in the linear world. But they now need new regulatory tools that help promote PSB in a digitally diverse world.

Magnus Brooke agreed. He said Parliament has to step up now. The broadcasters are doing what they can with new on-demand services or placing content on new platforms such as YouTube which is an invaluable way to reach kids. But he gave the example that if you place full-length original content on YouTube you stand to lose 50% of your advertising revenue right away, as the audience will watch it there, rather than on a linear channel on which you earn ad revenue. So, for example, regulation needs to be considered which permits broadcasters to retain much more of the advertising revenue from platforms like YouTube, if that is the place to capture young audiences.

**Caroline Roberts-Cherry** is the producer who made "The World According to Grandpa". She reminded the meeting that access to funding from YACF significantly stimulated diverse and especially regional production. There is a strong likelihood that without financial intervention that added value and others like it will shrink back again. Karl Warner from Channel 4 agreed.

**Faraz Osman** is currently chair of the BAFTA Kids Committee, and a producer who accessed development funding from the YACF. He revealed the problems he had personally experienced in attempting to promote diversity in Channel 4 educational content without sufficient budgets to help producers achieve much. Development funding is vitally important to the health of the industry in the creative industries, it's important to have space for ideas to fail, or the time for them to be carefully nurtured before they are presented to potential funders. He said inspiring young people from different backgrounds was hugely difficult, but the fund had helped achieve that. Without market interventions, the 'risk' of pursuing diversity and inclusion will always be under pressure from the lack of budget.

He also reminded the meeting that, despite the rush towards on-demand we should take into account the value of linear channels and schedules to parents of younger children.

**Helen Blakeman**, former chair of the BAFTA Kids Committee, and as a writer, the only individual creative present at the meeting, agreed that development funding for freelancers is a lifeline. Projects that don't get an eventual Green Light can be just as important as the finished content. It creates opportunities for employment which don't otherwise exist. Many writers are now admitting they don't put ideas forward for children's programs any more because the opportunities in commissioning are not there. John McVay explained to the meeting that the development element of the of the fund was the most regrettable loss. There has previously been a proposal that the

government extend the R&D tax credit - currently mainly applied in the tech sector - to content development as a high priority. This would be a great help for the entire creative economy.

**Emma Hyman** was a single person production company who pitched a Fund-supported project to CITV which, when greenlit, allowed her to employ 120 people.

**Baroness Benjamin**, urged the producers and organisations in the room to communicate these stories to ministers and politicians ahead of the Media Bill. This was not the time to keep silent - rather it's vitally important to share.

Baroness Benjamin invited each of the contributors to sum up.

**Channel 5** said they would like to work with the industry on building new incentives wish to continue to expand is taking it in the meantime, without funding would work on coproduction and co-funding of content that would be of value to indigenous audiences but work on the international market. Mitchell Simmons urged everyone, not to see the fund as a "blip" but as valuable ammunition in going forward to consider the future of Public Service Broadcasting.

Channel 4 believes the R&D tax credit is a very interesting idea, especially as their commitment remains to support innovation in the digital space.

Magnus Brooke for ITV urged some realism. For organisations like his, it was getting more difficult within the national media ecology. This did not just apply to children's content. Amazon and Netflix are going to be even more powerful in future and advertising introductions on Netflix and Disney+, will significantly affect the broadcasting ecology. The Media Bill will be critical. It needs to provide funding to solve the problem of market failure and support in terms of prominence on new platforms for the existing national broadcasting brands.

Channel 4 backed the need for discussions about prominence, which was something they had not previously taken a stance on.

Ofcom said they felt it was encouraging the extent to which the industry had embraced innovation, diversity and range through the support of the fund. The regulator wants to hear from the industry on how to continue these trends in the future.

Baroness Benjamin summed up by making a plea for industry figures and organisations to involve the many people who had benefited from the fund and encourage them make their voices heard by government as it prepares the Media Bill. The Bill should be brought to Parliament as soon as possible so that MPs can make progress on turning some of the ideas heard today into legislation.

Baroness Benjamin thanked everyone for attending, particular the speakers for their honesty and openness.

She announced that the next APPG for Children's Media and the Arts meeting in January would offer the opportunity to question the Director of Children's and Education at the BBC, Patricia Hidalgo, on her commissioning strategies and on the change to their organisational setup, whereby the production staff who had previously worked within BBC Children's had now transferred to the BBC's commercial arm, BBC studios.



## Appendix A: Attendee List - external guests

<b>Name</b>	<b>Organisation</b>
Ciara Barry	DCMS
Helen Blakeman	Writer, Director, also representing ALCS
Greg Boardman	Three Stones Media, UK Children's Media Plan
Camilla Campbell	NoHo Film and TV
Greg Childs	Children's Media Foundation
Jason Cotton	DCMS
Peter Dowse	Action for Children's Arts
Jackie Edwards	Head of the YAC Fund at BFI
Paul Farrelly	ALCS
Angharad Garlick	Boom Cymru
Jon Gisby	British Screen Forum
Anna Home	Children's Media Foundation
Alistair Hughes	BBC Children's
Emma Hyman	Tiny House Productions
Vicky Ireland	Action for Children's Arts
Sallyann Keizer	6th Sense Media
John McVay	Pact
Andy Mundy-Castle	Dochearts
Kate O'Connor	Animation UK
Faraz Osman	BAFTA, Goldwala
Paul Nahe-Biswas	Mediaator, UK Children's Media Plan
Andy Richards	KMTV
Caroline Roberts-Cherry	Saffron Cherry Productions
Hesham Sabry	YAC Fund (former)
Caterina Serenelli	Channel 4
Mikael Shields	Acamar
James Stevenson Bretton	Blink Industries
Elle Stone	Action for Children's Arts
Rachel Walsham	BFI
David Wood	Action for Children's Arts
Robert Wuff	NoHo Film and TV