



## All Party Parliamentary Group Meeting Monday 5<sup>th</sup> September 2023, 4.30-6pm

### 'What's Happening in Kids - 3'

**Venue:** House of Lords, Committee Room 3a

**Chair:** Baroness Benjamin

**Speakers:** Lucy Murphy, Director of Kids Content, Sky UK and ROI  
Alistair Law, Director of Policy, Sky

**Parliamentarians in attendance:** Baroness Benjamin

**For full attendee list see Appendix A**

**Baroness Benjamin** welcomed the guests at this third APPG event on the future of public service media for children.

She said she felt we were moving back to a dark place for the industry again after a period of some optimism. The loss of the Young Audiences Content Fund and the clear decrease in commissioning across the board was distressing for the industry and bad for the audience. So these APPG events are important to get the views of the industry on the issues they are facing.

Greg Childs (CMF) announced what had happened since February including two Industry summits planned for 12<sup>th</sup> and 26<sup>th</sup> September which had grown out of concerns expressed at the Children's Media Conference in July. The Summits would, he hoped lead to a proposal which could be put to legislators, policy makers and regulators as a possible solution for the issues facing the children's media industry and the children's audience in the UK

Baroness Benjamin also updated that in recent discussions with DCMS it had been made clear that her 2017 amendment to the Digital Economy Act, which ensures children's content at the commercial public service broadcasters is individually assessed and regulated by Ofcom rather than "taken together" as was previously the case, will remain in place despite the wording which might suggest otherwise in the draft Media Bill. The government has assured her that the amendment stands.

Baroness Benjamin introduced Lucy Murphy, Director of Kids Content at Sky UK and Ireland, and Alistair Law, Director of Policy at Sky.

#### **Lucy Murphy**

We're here because kids matter. So do their carers and parents. If we want capable connected citizens in the next generation, we need to create and provide premium content that impacts their lives - from their earliest years to older childhood. Entertainment of the highest quality, storytelling

that is complex and multi layered, with characters kids fall in love with. Content that reflects all of our viewers and the world they live in. And reflects their world on their terms. It's important that children have a voice – so news and current affairs programmes are produced that present their perspective. They also need natural history that takes them to new places to inspire love and respect for the planet. Factual programming that ignites curiosity and inspires learning. We also want to make games that parents know are safe and on platforms they can trust.

Lucy showed a video of Sky's younger output.

Baroness Benjamin noticed that there was an emphasis on animation and it was important to see real faces on screen even for the youngest audience. Lucy agreed and assured her it was a priority for them.

Lucy explained how Sky do it.... The four P's. Platforms, partnerships, policy, persistence.

### **Platforms:**

Linear viewing remains important to younger children which is why Sky launched an ad-free channel for that age group earlier in 2023. This is the first new channel launch in the UK for several years.

However for older children, the idea that you can somehow get them back to channels from on-demand online viewing is unrealistic. The genie is out of the bottle and they have left for other platforms. E.g. putting on a documentary about opera on an "after school children's channel" will be pointless. But putting that content in manageable bite-sized portions on YouTube does work and do for Sky Kids.

Sky Kids has to keep all across the multiplicity of platforms, and we make huge effort to do so. It's the only way to maximise the benefit of all the hard work and money that goes into making great content.

They have access to many Sky technical innovations and products. And Lucy's influence as Director of Kids Content extends beyond the SkyKids channel and on-demand app. They have just launched SkyLive which allows the use of a camera on your TV to co-view with people in other places. Sky VIP offers competitions and events which stimulate family time. They make a weekly news show which is broadcast on Sky News and on YouTube, on-demand, and sent into schools. SkySport has some younger presentation approaches to sport such as F1. SkyArts brings resources into schools and content that is part of Sky Kids. SkyZero is Sky's compact to become carbon negative and Sky Kids makes content with the support of SkyZero. Also, they oversee career choice initiatives going into schools.

### **Partnerships:**

They need to work with other organisations that are doing great work. Lucy's remit includes all the channels on Sky's platforms that address the younger audience – so this includes relationships with partner channels from Paramount (Nickelodeon) and Warner (Cartoon Network).

They partner with Internet Matters. Providing parents and children with the skills and knowledge to navigate the internet safely. Sky provides guides for broadband customers.

They are currently showing popular content with burned-in sub-titles because there is evidence that children who watch with sub-titles improve their reading.

There is a long term relationship with First News the popular newspaper for schools who are the parent company of the news programme producer for Sky Kids.

This summer they partnered with charity Stepping Out to create the Morph trail around the landmarks of London.

### **Alistair Law**

Alistair followed up on **policy** matters. He was pleased that in the ten years since he has been at Sky there is so much more content being produced rather than acquired and a significant proportion of that is for kids. He felt that they make a lot of content that is essentially public service though they are not required to do so by regulation.

Alistair said that Sky was a big supporter of the Media Bill as it will bring up to date the status of the commercial PSBs. But beyond that it's important that the political sphere is aware of other broadcasters and providers that are contributing to UK public service landscape.

Alistair also mentioned that Sky are advocates of online safety and undertake several initiatives to pursue this. The Online Safety Bill should complete its process as soon as possible.

### **Lucy Murphy**

...continued with some observations on the Young Audiences Content Fund. Although they are not free to air TV (one of the criteria for Fund support), Sky accessed the Fund for documentary content carried on Sky News for young people (and also on Sky Kids). This could not have been made without its assistance. Similarly, the increased tax credits in the budget for children's and animated content were very welcome but competition with other territories is fierce and our credits are already behind.

In all this ambition and attention to the audience Lucy stressed that the children's business is not self-supporting. Support is needed if any organisation is going to be able to make relevant, local content with public service purposes. Sky provides that support.

Essentially, the offering is made as part of Sky's public service compact with its subscribers. The "returns" come in broad audience appreciation and loyalty.

Sky now launch 20 children's and youth titles per year across all genres. Supporting British talent is important. Lucy said they believe passionately in providing for this audience and will and must keep doing it. The parent company, Comcast, support them in their aim.

Lucy concluded with a video on what has been made of older children in the last 12 months.

Baroness Benjamin commented that 30 years ago Rupert Murdoch said there'd be no kids on Sky and it's thrilling to see this reversed and Sky Kids filling the void being left by cuts at the BBC and ITV. You're showing up the rest of the industry. "If we can do it, so can you".

Baroness Benjamin asked invited guests to join the discussion. She called on **Faraz Osman**, children's and youth producer and Chair of the BAFTA kids' committee to comment on the presentations. Faraz thought that celebration of excellence in British content was vital. The culture of the UK is unique and should be celebrated and should come from what kids are doing in the real world. However, despite what Sky are doing it's a rough time for the industry across the board.

**Nicky Cox** CEO of First News – the UK’s newspaper for children, which has more readers than the Guardian, Telegraph and independent put together - was very much of the view that if you build it they will come. “We have to care about the quality of what they are seeing and reading and where they are getting that information from.... I’m frightened of what they are getting online and the view that’s providing of the world and how that builds with algorithmic recommendation”. Lucy Murphy said it was one of the reasons they have a strand in their news show ‘FYI’ about truth and lies. Children are 27% of the world’s people but 100% of their future and if we are to have any hope they need to have clarity, quality and empowerment. She expressed anger that the YAC Fund has gone because Sky can now only make less until something is done to replace it.

**Mikael Shields** CEO of Acamar Films commented on the presentation. He felt there was no reason to expect an organisation like Sky to have done so much public service content and that is down to inspired leadership. He reminded the room of how vitally important the early years development of young brains was, and media is a massive contributor to that.

Lucy Murphy added that we should now be thinking about public service content rather than public service providers.

Baroness Benjamin asked whether mental health matters featured in Sky Kids programming and Lucy assured her that it did. Lucy felt this was particularly important in helping them to interpret news for example.

Greg Childs (CMF) suggested **Kira Vermang** from Ofcom explain their plan for preparing the next Ofcom Children’s Report. Kira said that the aim is to get a better understanding of what is happening in the industry and with the audience and gather suggestions for solutions. Evidence gathering was under way. Baroness Benjamin asked what Ofcom was doing about the loss of the YAC Fund and how that impacted on the Ofcom regulated commercial public service channels’ capacity to meet the regulatory requirements to provide children’s or youth content. Kira said financial matters were not in Ofcom’s remit. Baroness Benjamin pointed out that Ofcom had a responsibility to the industry as well as to the audience. She said that if Ofcom fail to consider what incentives are needed, it would be failing the industry and therefore failing in its remit from government.

Gareth Barr from ITV Policy outlined their latest plans – putting ITV’s kids’ content on demand on ITVX. He revealed that the CITV channel before it closed was achieving only 4,000 viewers per programme on average. That is simply not a sustainable model – impossible to sell advertising at that level. What’s needed is a more personalised, curated proposition. He also revealed that it might be possible to move away from the idea of a commissioner in control of what gets made, to a partnership model which develops content for a variety of stakeholders. ITV news repurposed for snapchat and TikTok was very successful for example. Though it is interesting that the Media Bill does not want to change any of the regulations around news. The potential for algorithms to be changed to work with public service and UK-focused content should be considered.

Baroness Benjamin counselled that the Media Bill was going to influence at least the next 5 years of content provision so it’s important that it should be future-proofed.

Alistair Law mentioned the Digital Markets, Competition and Consumers’ Bill consumer bill as an opportunity to potentially create a new environment around news provision. He thought that perhaps children’s content should be considered in a similar way, - as news and children’s are both societally important but difficult to fund. He also felt Ofcom should not shy away from talking about money when considering the provision of kids’ content.

Baroness Benjamin followed up with the thought that solutions to maintain public service, relevant, UK content in the kids’ sector was important for the whole of public service because the movements in the children’s market - the loss of advertising, the migration of audiences - would come to adult genres too.

Faraz Osman asked Gareth Barr if ITV would be spending more on commissioning for its new on demand service and Gareth said it would not. Faraz then pointed out that Sky’s model of building consumer appreciation for premium public service content as part of their business plan was at odds with the way ITV was approaching this – where bottom line revenue return was what mattered.

Lucy Murphy responded that if their programmes were not watched then they would change what they made, but not move away from making content for the audience.

Baroness Benjamin felt it was a shame if ITV just re-used existing programmes wither as repeats or as tried and tested brands. It should also find and reveal new talent. Gareth Barr responded that as an ad-funded broadcaster their whole business is challenged by the loss of ad revenue. Mikael Shields pointed out that the published profit figures for ITV plc were huge, but how much of that profit was invested in children’s programming. Gareth Barr said that ITV’s commercial activities were private and their decisions on allocation of investment could not be disclosed. Baroness Benjamin suggested that Mikael write a paper on the issues he was exposing so that the regulators and others in the policy system could understand it better. Faraz Osman added that the important thing to remember was that Sky had made a success of investment in kids. Baroness Benjamin suggested that when businesses see others “getting it right” that was a powerful influencing force.

The Chair thanked the meeting and said it had been one of the more positive in the series. It remains the task for those making content for kids to be always thinking forward, to understand the changing audience and be aware of the implications for the future of society and of young people themselves in what happens to young people today.

## Appendix A: Attendee List - external guests

<b>Guests attending</b>	
Zainab Balami	Animation Producer
Gareth Barr	ITV
Greg Childs	CMF
Nicky Cox	Fresh One, First News
Stephen Darke	Ofcom
Oliver Ellis	HoHo Entertainment
Jon Gisby	British Screen Forum
Antonio Gould	Usborne Foundation
Helen Howells	HoHo Entertainment
Amelia Johnson	BBC Studios Kids & Family
Rosemary Klein	Industry Media
Alistair Law	Sky
Evie Lyons	CMF
Lucy Murphy	Sky Kids
Faraz Osman	BAFTA Kids, Goldwala

Ben Rogers	Lion TV
Jo Sargent	King Bert Productions
Mikael Shields	Acamar
Martin Usborne	The Usborne Foundation
Nicola Usborne	The Usborne Foundation
Kira Vermang	Ofcom
Nathan Waddington	King Bert Productions
Eve Williams	Sky

Meeting notes Greg Childs, APPG Secretary - 10.9.23