

The Politics of Children's Television in the Context of BBC Charter Renewal

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Children's television has rarely occupied a pivotal position in media policy debates around public service broadcasting even though it represents a core part of what the BBC has to offer as part of a remit that is designed to educate, inform and crucially entertain the nation's children. Yet in terms of policy there are always more important issues around impartiality and news, governance and funding, and like attitudes to children themselves, the finer details of children's media policy may seem small and not always particularly significant to policy-makers concerned with issues of power and influence.

Even so the debate around the Government's Green Paper on BBC Charter Review has thrown up heated discussions within the children's production community about the future direction of public service television for children, and how it should be funded.¹ Much of that discussion revolves around the BBC's apparent near monopoly over the commissioning of new UK content, because commercially funded PSBs (ITV, C4 and Five) and commercial channels (run by Disney, Nickelodeon, Turner) have long since retreated almost entirely from the commissioning process.

There is of course no shortage of children's programming, which is built on high levels of repeats² and imports, that can attract new children every two to three years as each generation grows older and moves on. There are multiple commercial providers in the marketplace, increasingly active across different platforms, but barely any of them are commissioning UK content. In 2013 commercial children's TV channels including those run by Disney, Nickelodeon, ITV (CiTV) and Turner broadcast 136,311 hours of content, but only 111 of these hours were first-run UK originations, a decrease from 281 hours in 2010, with 86% of their output attributable to non-UK sources.³ This leaves the BBC as the main commissioner of UK content, particularly of drama, news and factual programming.

In 2014 the BBC spent £84m on first run originated hours for children, with barely £3m spent by commercially funded public service broadcasters, ITV,

¹ See L. Whitaker (2015) *Staring into the Abyss: Where will Children's TV be in 10 Years Time? Event Report – 3 September 2015* for a summary of a panel debate with representatives from industry, the BBC and advocacy groups (VLV, Children's Media Foundation) <http://www.thechildrensmediafoundation.org/archives/3928/staring-into-the-abyss-where-will-childrens-tv-be-in-10-years-time>

² Even PSBs have repeats in excess of 90% see Ofcom (2015) *PSB Annual Report 2015. Output and Spend Annex*, p.20. http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb2015/PSB_2015_Output_and_Spend.pdf

³ Ofcom (2014) *Public Service Broadcasting Report 2014, Children's PSB Summary, Annex 6.1*, p. 9; *Annex 6.2*, p. 21. http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb3/Annex_6.i_PSB_Review_Childrens_summary.pdf

Channel 4 and Five combined.⁴ Hours of first-run UK originated children's programming by PSBs totalled 672 hours in 2014, with the BBC accounting for 579 (86%) of those hours.⁵

Picking up on the financial problems of the children's production sector and the shortage of commissioners in the marketplace, the Government's response in the Green Paper has been to suggest that a 'small amount of contestable funding could introduce greater diversity of providers and greater plurality' in children's provision.⁶

That statement combined with a question about whether an element of licence fee funding should be 'protected' (or ring-fenced) and made available to 'other providers' rang alarm bells, because the Green Paper explicitly asked 'whether there is a case for alternative providers to be able to access an element of this funding' (i.e. the licence fee), overseen and administered by 'the BBC's regulator or an alternative organisation'.⁷ Notwithstanding the complexities of commissioning and curating such content and the costs of administering such a fund, the expectation that other providers might 'match-fund' seemed overly optimistic, when commercial PSB players in the UK have barely mustered more than £3m a year for new UK children's TV originations since 2010.⁸ Even if the commercial PSBs could be enticed back into commissioning for children, should the licence fee payer be subsidizing profitable commercial organisations that no longer see a commercial market for children's content?

The government's response found some traction among more than 70 independent children's television producers frustrated at the difficulties of surviving on the scant hope of a BBC commission. They published a signed letter on 14th September 2015 in *Broadcast* magazine contemplating the ring-fencing of BBC budgets to serve the under 16s and the establishment of a contestable fund 'in addition to the budget currently allocated to BBC Children's by the BBC', but without specifying exactly where the additional money might come from.⁹ By contrast, producers association, Pact,¹⁰ while supporting the idea of ring-fencing the BBC children's budget, rejected any notion of taking licence fee funding from declining BBC finances to support a contestable fund, because it believes this would weaken the BBC's overall financial position, and by extension its ability to maintain existing services, without any guarantees that commercial PSBs would be incentivised to commission more children's content. Children's advocacy

⁴ Ofcom (2015) *Public Service Broadcasting in the Internet Age. The Third Review of Public Service Broadcasting, Data Annex*, p. 13. http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSB_Review_3_Data_Annex.pdf

⁵ Ibid.

⁶ DCMS (2015) *BBC Charter Review Public Consultation*, p. 57

⁷ Ibid.

⁸ Ofcom (2015), p. 13

⁹ *Broadcast* 'Children's producers urge BBC to double spend', 14 September 2015 <http://www.broadcastnow.co.uk/news/childrens-producers-urge-bbc-to-double-spend/5093070.article>

¹⁰ PACT (2015) *Submission to the DCMS Green Paper on BBC Charter Renewal* p.26-27

group, the Children's Media Foundation supports a children's content fund, but also rejects top slicing of the licence fee to pay for it.¹¹

At the very worst the suggestion for using the licence fee to finance a contestable fund seemed like a potential Trojan horse for undermining the BBC's independence and finances, by salami-slicing its funding, starting with children's, but surely opening up the possibilities of extending this to other hard to fund programming like arts content or provision for the nations. It raises questions about who would run such a fund, how content would be evaluated, promoted and distributed and whether it would represent value for money. Even ring fencing, raises questions about how much and who determines what the BBC should spend its money on. At its most benign the suggestion for contestable funding is a red herring that ignores deeper-seated issues within the children's production industry about the dearth of funding for new productions. The Government's one key suggestion about children's content, like the Green Paper as a whole, seemed narrowly focused on traditional broadcasting services, with few references to changes in children's media consumption that must have a bearing on future policy, and which suggest that while children continue to watch a lot of television, some of their viewing is shifting from the television set to other devices and from broadcasting to online platforms.¹² For example, according to the BBC, one quarter of all CBBC viewing now takes place via the BBC iPlayer.¹³ What the debate about contestable funding also ignores is any real discussion about the purposes of public service content for children as well as any engagement with children and parents about the role and significance of advertising-free children's services, such as those offered by the BBC, that still offer a range of output including UK originated news and drama.

The debate about contestable funding is deeply rooted in the financial struggles of an industry, which has been suffering for more than a decade. When CBeebies, CBBC and other children's channels came on stream around the world in the early 2000s, the UK production industry boomed because of growing demand for shows such as *Teletubbies*, *Bob the Builder*, *Thomas the Tank Engine* and *Wallace and Gromit*.¹⁴ In the late 1990s to the mid 2000s, UK children's media production companies like HIT Entertainment, Entertainment Rights, Aardman and Chorion became some of the most successful independent production companies in the UK. However the financial crisis in 2008, high levels of indebtedness to fund new shows, and a crisis in children's production both globally and in the UK, saw

¹¹ Children's Media Foundation (2015) *Submission of Evidence from the Children's Media Foundation*

¹² Ofcom in its 2015 *Children and parents: media use and attitudes report* notes that 8-11 year olds (just under 15 hours a week) and 12-15 year olds (15.5 hours a week) are spending slightly more time watching TV on a TV set than they did 10 years ago; but their time spent online, which may of course involve watching audiovisual content, has more than doubled since 2005 to 11 hours and 19 hours a week respectively, p. 5, p.22. <http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/childrens/children-parents-nov-15/>

¹³ BBC (2015) *British Bold Creative. The BBC's submission to the Department for Culture, Media and Sport's Charter Review public consultation* p. 78

¹⁴ See J. Steemers (2010) *Creating Preschool Television: A Story of Commerce, Creativity and Curriculum*. Basingstoke: Palgrave.

business failures, consolidation, and acquisitions by larger North American concerns including the purchase of HIT (*Bob the Builder, Thomas the Tank Engine*) by US toymaker, Mattel in 2011. According to one report there are now only 16 companies active in children's TV content production in 2014 compared to 70 in 2016.¹⁵

When the BBC launched dedicated children's channels, CBeebies and CBBC in 2002 the outlook had seemed much more promising. BBC transmissions of first run UK originations rocketed from 482 hours in 2001 to 1,643 hours in 2002 as it sought to fill the schedules of two new channels. At the same time its spend on new productions rose from £59m to £102m.¹⁶ However, the seeds of decline were already being sown. When the 2003 Communications Act placed children's content from commercial PSBs (ITV, Channel 4, Five) under Tier 3 public service provision, part of the broader public service remit where Ofcom has no power to set quotas, it effectively spelt the death knell for competitive commissioning between the BBC and ITV in particular. At their peak in 2001 commercial PSBs, led by ITV had commissioned 739 hours, spending £74m compared to the BBC's spend of £59m on 482 hours. By 2014 commercial PSB commissions had dropped to 93 hours at a cost of £3m.¹⁷

The BBC's 'near monopoly' over 'children's programming' for the under-twelves (or more correctly the commissioning of UK children's programming) is very much a result of earlier government policies that removed regulatory obligations on commercially-funded PSBs for children's content, allowing them to reduce their commitment to children's broadcasting from 2003 onwards, a move hastened further by the introduction of a ban on advertising for food and drink high in sugar, fat and salt in 2006, which made children's content even more commercially unattractive. The failure to cater for children older than twelve by all PSBs, has been reinforced by Channel 4's inability to deliver on its obligations to provide programming of appeal to older children, particularly 10 to 14 year olds, a failing which Ofcom has noticed, but been unable apparently to enforce.¹⁸

Reflecting on the debate, the issue should be less about the BBC failing to deliver and more about the role of public service content in a media environment, which now includes commercial offerings such as the YouTube Kids app, which are unfettered by the advertising and content regulations that apply to television. The most important regulatory intervention for diverse high quality UK children's content has repeatedly been shown to be regulated public service broadcasting and its platform extensions. This is the case in the UK, but also in other countries where PSB plays a significant role – in Scandinavia, in the Netherlands, Germany, Japan and Australia. The next best regulatory intervention have been quotas on commercial PSBs, but there seems to be no

¹⁵ Oliver and Ohlbaum (2015) *Trends in TV Production*, Ofcom December 2015, http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/tv-production-sector-review/O_O_Annex_Trends.pdf

¹⁶ Ofcom (2015), p.13

¹⁷ Ibid.

¹⁸ Ofcom (2014) *Public Service Broadcasting in the Internet Age. Ofcom's Third Review of Public Service Broadcasting* p. 70

appetite to bring them back by Ofcom, by the Government or even by commercial PSBs like ITV. There is certainly no appetite to bring back junk food advertising on children's television, but this sits uneasily next to online providers who screen programme length commercials and use other commercial practices (product placement, host selling), that would not be allowed on television.¹⁹ The biggest hurdle for a sustainable children's industry that produces UK content is a lack of political will to consider alternative funding and regulatory solutions other than top slicing. Tax reliefs introduced by the government for animation (2013) and children's programming (2015) have made it easier for some producers to plug deficits for projects that have already been commissioned, but these do not yet appear to have raised the number of commissions or levels of investment by either PSBs or commercial players in the UK. The recent agreement between the BBC and PACT to reduce the BBC's in-house production quotas for children's content from 50% to 40% and to raise the independent quota from 25% to 40% is a welcome contribution to enhancing competition for quality between a range of different producers, but does not address the lack of funding in the sector.²⁰

Recommendations

- Beyond television policy-makers need to give much more thought about what a public service commitment to children is likely to mean in future across a variety of platforms and services before they make any hasty decisions about the BBC. This necessitates a better understanding of the extent to which children's viewing is shifting away from the TV set to other devices, away from broadcasting channels to on-demand consumption, and away from traditional public and commercial provision to new commercial providers and platforms, which are largely unregulated.²¹ It means paying more attention to how content is distributed to and found by children rather than simply looking at the supply side.
- There needs to be a better understanding of the children's media landscape beyond narrow issues of funding and the future of children's television production, that also considers the degree to which commercial providers in the online sphere should also be subject to regulation when it comes to children. These other issues include the impact of new technologies on children's media consumption; issues of care and

¹⁹ See Dale Kunkel (2015) Digital Deception: Legal questions surround new "YouTube Kids", <http://blogs.lse.ac.uk/parenting4digitalfuture/2015/11/30/digital-deception-legal-questions-surround-new-youtube-kids-app/>

²⁰ BBC Studios Proposal. BBC and PACT Joint Statement, 21 December 2015, <http://downloads.bbc.co.uk/mediacentre/bbc-pact-joint-statement.pdf>

²¹ Research about children's shifting viewing is incomplete, but Ofcom's small-scale Digital Day research in 2014, did show that TV viewing still occupies up to 3 hours of children's time a day, but watching of live TV has fallen to 52% for 11 to 15 year olds and to 64% for 6 to 11 year olds. Other viewing took place as time-shifting, as catch-up TV (e.g. the IPlayer), as streaming or downloads (e.g. Netflix), on DVD, or as short online video clips. Short online video clips accounted for 19% of 12-15 year olds' viewing. At this point watching of streamed or downloaded TV (Netflix, Amazon) only accounted for 5-6% of watching activities. *Digital Day 2014. Overview of findings published in the Communications Market Report 2014*. P. 46

protection as children, become more involved with digital media and are targeted by new commercial practices and data collection; clearer definitions of the age groups that cover children, particularly in view of the failure by all broadcasters to cater for children older than twelve.

- The licence fee should not be top-sliced to pay for a contestable fund to support children's content by alternative providers, because this would diminish the BBC with no guarantees that commercial players would step into the breach. If a contestable fund is to be established to reassert the idea of public service content from a range of suppliers (as was the case before with commercial PSBs subject to quotas), policy-makers need to put forward realistic proposals for alternative sources of funding to finance it, set out clear criteria about who can access that funding and for what purposes, and make clear how it would stop commissioners investing even less in originations.
- Just as CBeebies and CBBC were important public service additions to multichannel offerings in 2002, the BBC's proposal for *iPlay*, a single online platform for children is to be welcomed as a safe, public service, advertising-free response to other online offerings such as YouTube Kids and a space to test the crossover between TV and games. As an on-demand portal it could become a catalyst for investment in high quality distinctive content that goes beyond television, allowing children more opportunities to create and interact. In theory it could also make it easier for the BBC to target 12-16s, an underserved children's age group. However, it is important that there is more clarity around its funding and how it aligns with existing BBC children's services. There are also questions about how content and partners will be chosen, how commissioning structures will be adapted, and the extent to which it will involve a shift from traditional broadcast formats to new content forms.
- The BBC Charter debate around children's content has been dominated by industry and production interests. This has left little space to reflect on the views of children and young people about BBC services designed for them. This is an opportune time to think about what children and young people want and expect from the BBC through the establishment of their own advisory councils.