

Culture, Media and Sport Committee

Oral evidence: Children's tv and video content, HC 1338

Tuesday 16 December 2025

Ordered by the House of Commons to be published on 16 December 2025.

[Watch the meeting](#)

Members present: Dame Caroline Dinenage (Chair); Mr Bayo Alaba; Vicky Foxcroft; Damian Hinds; Dr Rupa Huq; Natasha Irons; Liz Jarvis; Jeff Smith; Cameron Thomas.

Questions 47-125

Witnesses

[I](#): Richard Bradley, Oli Hyatt and Maddie Moate.

[II](#): Jackie Edwards, John McVay and Adam Minns.

Examination of witnesses

Witnesses: Richard Bradley, Oli Hyatt and Maddie Moate.

Q47 Chair: Welcome to this morning's meeting of the Culture, Media and Sport Committee. This is the second session of our inquiry into children's TV and video content. As well as taking evidence, we will be launching a survey to obtain parents' views about what their children can and do watch. That will be available on our website and our social media later today.

First, we welcome our panel. We are very grateful to them, because we had to postpone their evidence last month due to events with the BBC and in the Chamber. We have managed to get them back in again—thanks to them for their patience with us. They are three individuals with incredible experience: Richard Bradley, chief creative officer and co-founder of Lion TV; Oli Hyatt, co-founder and joint managing director of Blue Zoo Animation Studio; and Maddie Moate, TV presenter, YouTuber and author. Thank you all for your patience, for making yourselves available again and for joining us this morning. Before we begin, I will remind Members to declare any interests before they ask their questions.

I do not know whether any of you had the chance to see our first session, but we asked Frank Cottrell-Boyce and Greg Childs what made good children's telly, and Greg said: "it is content that has purpose, meaning, warmth and emotional resonance; that connects you to something...and is constructed with care in mind." What do you think makes good children's TV or content?

Richard Bradley: I would echo all of what Frank said. I think about it often as the process of making mindful rather than mindless television—the idea that you are engaging with the audience; that the same care and attention goes into that creative process as goes into, say, cooking a good meal; and that it finds ways to connect with the audience, whether by informing them, making them laugh or enriching their lives. To carry on the food analogy, I think good television is nourishing—in a way, it nourishes the audience. It lives beyond the moment of viewing and sparks the imagination. I think great children's television does just that. It sparks the imagination. It lives with you. Baroness Floella Benjamin has a great phrase: "Childhood lasts a lifetime". I think good children's television can last a lifetime. It stays with you in your memory forever.

Q48 Chair: We are hoping that she is going to join us as one of our panellists in the new year—along with Big Ted and Little Ted and Humpty, if we are very lucky. None of you will remember what that is.

Oli, what makes good children's TV, and what are the important things that you consider when you are developing ideas and putting your creativity into reality?

Oli Hyatt: First of all, I think we sound like dinosaurs asking, "What makes good children's TV?" What makes good children's content? What is a TV? My son has come to watch today. The TV is a box on the wall, right?



HOUSE OF COMMONS

What comes through it can be anything: games, quizzes, live action, animation, podcasts, radio, films and, beyond that, VR and AR. We are sitting here talking about kids' TV; they will be crying out for—and they need—a good content mix for them. We should be talking about their diet of content, not just kids' TV. Especially for children, I believe we can just look back to the original public service remit: inspire, educate and entertain.

I want to break that down into some sub-categories within those pillars. The first is educate—educational and developmental value. What is the clear learning? What are the developmental goals? Is it literacy, history, numeracy, language, curiosity, self-regulation? The second is child-centred and age-appropriate design. What is the pacing? What is the complexity? What are the themes and formats designed around what each individual child at that age can understand, use and take in?

And then there is inspire. What shapes their identity, empathy, imagination and sense of possibility? Under that, the pillars are emotional and social quality. The content models empathy, friendships, problem solving, and handling of conflict and big feelings in a healthy, age-appropriate way. On cultural value, it reflects their own lives, communities, voices and values. It helps them reflect on those while opening a window to other possibilities and other worlds—culture, diversity, and news and information given to them from trusted sources. It inspires questions, play and positive behaviours beyond the screen.

The next is entertainment. The content delights, engages and keeps children coming back for the right reasons: craft and narrative quality, storytelling, humour, design, character and world-building—things that people can engage with for a long time and that stay with them, rather than just noise and jump cuts. The next is engagement and impact. Children choose it and return to it. It sustains attention in a developmentally healthy way and leaves them feeling satisfied, not dysregulated.

The opposite question, which is often easy to answer, is: what is low-quality content? It is content that primarily aims to capture and monetise attention, regardless of age-appropriateness, quality or impact. The doom scrolling of content—often AI brain rot—that offers little genuine educational or emotional value, normalises shallow or harmful social models and relies on hyperstimulation, manipulative design and opaque commercial practices, traps children in algorithms and does not let them look sideways. It leaves them more agitated than engaged, more confused than informed, and sometimes more isolated than inspired.

Chair: That is pretty comprehensive—wow.

Oli Hyatt: Sorry, that is the only bit I am going to read because it feels so important to understand.

Q49 **Chair:** Yes, we have made a lot of notes on that; thank you very much. Maddie, the same question to you—what makes good children's TV and



content, and what important things do you consider when you are developing ideas and bringing your creativity to life?

Maddie Moate: There is something that is really important to me when making content, whether that is working alongside a production company to create a television programme or creating content for my own YouTube channel. It might seem counterproductive, but I am always thinking, “Is this piece of content going to encourage the child to leave the screen and have a positive interaction with the real world afterwards?” I want them to watch my content and feel inspired to get outside, explore somewhere, be curious and learn for themselves. They might watch a piece of history content and be encouraged to go to Warwick castle and explore some ruins. They might watch an animation and want to pick up some number blocks and play for themselves, or they might simply want to get outside in the garden and look for minibeasts. Content is most successful for children when it actually inspires them beyond the screen and makes them want to physically get involved with the real world.

Q50 **Chair:** That is a really nice answer. You all make TV content, books or stage shows that you hope will be educational and inspire children. Full disclosure before you answer this question: Rupa and I are related to children’s television presenters. So no pressure, but what programme or presenter inspired you when you were a child?

Richard Bradley: It was the whole gamut, including your father. I was an avid watcher of children’s television. It was the classic Blue Peter in my day, with Val Singleton and John Noakes. It was Vision On. There was a fantastic, short-lived African show called Daktari, which I loved. Saturday morning television gave me a sense of fun and community. We have mentioned her already this morning, but Floella Benjamin and Brian Cant did Play Away. They live with you forever. I can still have conversations with my peer group about all those programmes. That would be my inspiration—Oli is younger than me.

Oli Hyatt: This is a very old reference. I am going to go for animation, obviously, being in animation: Bagpuss when I was young. Again, there is warm recognition of that. There is something about the shared experience of watching something like Bagpuss. I can talk to everyone my age about it and get the same reaction. I think there were only eight episodes made, but I could probably sing you all the songs still. It is the sense of community; in this diverse world with so many platforms, we sometimes miss the common connections that are an important cultural and social aspect.

Q51 **Chair:** If we are stuck for time later, we might come back to you for one of those songs. But in the meantime, we will move on. Maddie, who inspired you?

Maddie Moate: For me, all the Blue Peter presenters across the board. I think most people when they were growing up wanted at some point to be a Blue Peter presenter. It was inspiring seeing young people going on adventures, seeing the world and meeting new people.



But actually, to echo what was said about animation, I really looked up to a lot of animated female characters, simply because, at the time, those sorts of people were not being represented in human form. I absolutely loved Eliza Thornberry from *The Wild Thornberrys*. She was an adventurer who could speak to animals, and I was someone who loved science and biology, but at the time I was not seeing many women in science on television. For that reason, animation and fictional characters were really important. For me, while animation is obviously wonderful, that is one of the reasons that I think it is important that we still have real faces on television doing things.

Oli Hyatt: Can I add one thing? I am dyslexic, so I struggled a lot at primary school and did not progress that far. We were stuck in the model—I think we still are, in a way—of children sat in rows, watching a teacher. I remember the joy I had, once a week, when the big telly got wheeled in. Do you remember the big telly? You got to be presented with something different, in a different way, that engaged me and helped me learn.

We are here talking about children's TV, and we all go "Oh, little children's TV," but we have all the tools at our disposal to change children's lives. I can give a very clear example from *Horrible Histories*. My youngest son, Ziggy, was not interested in history at all, but then he watched an episode of *Horrible Histories* where they were talking about the failing of the Armada—they keep failing without firing a bullet really—and he asked, "What's the Armada?" because in the sketch there were no boats. So we went on to YouTube and we found a picture of the Armada and he saw the war boats. He then asked, "Can we go and see something?" so we booked a little trip, and we went and saw the Mary Rose. We went to the Mary Rose exhibition, and they had interactive immersive experiences, actors projected, animations and things they could touch and poke. He came home, he went on his Xbox, he went to Minecraft and built a version of the Mary Rose underwater. We then bought a model that he plays with. That is a child educating themselves through being ignited from something they have seen on children's television. I could give you example after example with my own children. We are missing a trick if we just think, "It's kids' TV. It's a nice thing when they sit and watch it." For me, it can be education, it can change children's lives, and it can open them up to everything—I think it is so important.

Maddie Moate: I also think we are missing a trick if we just assume that that ignition can only come from children's television. Actually, that same sense of purpose, wanting to go out and research something and independent learning can come from online content as well. It can absolutely come from YouTube. It is just that at the moment, parents—all of us—see YouTube as this pit of content where children get lost. There is really good stuff there, with that same power, but we need to find a way to surface it, so that it is easier for parents and children to find.

Q52 **Dr Huq:** It is amazing to have people behind legendary things—and a legend—before us. Thanks for the trip down memory lane. I do not know if



HOUSE OF COMMONS

you, like me, get the impression that there is a shrinking space for original drama and factual stuff for children on the BBC, for example. You said that YouTube is a good way to access it, but do you think that iPlayer is? Apparently, under-sevens very rarely look at iPlayer, but that is where a lot of stuff has moved to. With Blue Peter, for example, if they get 25,000 it is considered good now, and it is on iPlayer only. Sorry—it is on CBeebies.

Richard Bradley: I think the BBC has tried hard to bring its great brands and the things that it knows have already established themselves in the minds of children on to iPlayer. I don't think that is the answer. It may be part of the answer and iPlayer might be part of a bigger answer, but in the end the young audience is going to places like YouTube or to Roblox or whatever. You cannot drive it there. It is like the greatest candy store or sweet shop in the world.

I am not saying that iPlayer will fail—some children will find it and it may have the advantage that some parents who have that sort of relationship with their kids can say, "Go to iPlayer, because it is safe" but children themselves will go to YouTube. Increasingly, with something like Horrible Histories, which is already well established, we are looking at how we place that on YouTube in a way that people will be able to find it.

The idea of trying to create a wave of youngsters heading to iPlayer is not going to work in the end. It is swimming against the tide.

Maddie Moate: We have to meet the children where they are at. We could populate iPlayer with as much content as possible, but the reality is that they are just not there. They are not going there. It is not a place that they necessarily see for themselves. They are heading to other platforms—

Richard Bradley: As you probably know, there are 720,000 hours of content going up on YouTube every day. It would take one of us a decade of our lives to watch all of that. There is so much there—obviously, that is not all for children by any means—but the range that is offered elsewhere means that people are not going to it, unless they have already got something and then they will work out where to find it.

Oli Hyatt: I am the dad that says, "Go on iPlayer", given a choice, but I have to say, "Come on, turn that off and put iPlayer on".

It has been going up slightly; it has had some success in pulling it back, but it is a drop in the ocean. What I would say is that you have to look at the value proposition—the value people place on kid's content.

The iPlayer gets about 9 billion clicks a year, which it is very pleased about, on all its content. On YouTube, my content alone—my one show—gets 11 billion clicks a year. I am getting 2 billion more clicks. How much money do YouTube pay me for those clicks? Not enough money to pay for 20% of the content that I have funded. Without the BBC funding my shows, which do immeasurable good for children, are super popular all around the world and are used by something like 90% of primary schools



to help educate their children—without the BBC funding that, I can't make my shows.

I am going to ask you—does it matter if children are watching it on the iPlayer? Does it matter if they are watching it somewhere else? Does it matter if they are watching it on a phone, on Sky, on Netflix? Why shouldn't we make our content that we have paid for as licence fee payers be everywhere that children are? That is what I believe.

Richard Bradley: That doesn't mean that large numbers of people are not watching it. Horrible Histories was watched for 8.6 million hours last year on iPlayer. It is not that it is not happening; it is just that, in the end, as Oli says, if great content is being made and we can still find a way to fund that, and the BBC has been stellar in doing that, we should find ways to make it available where the children will watch it.

Q53 **Dr Huq:** I get the impression that there is less and less. When Channel 4 started, it had things like Pob and Minipops. I don't think it does any kids—

Richard Bradley: Channel 4 for that age group has stopped entirely. ITV made no hours of children's last year. Sky Kids has just closed. Sky Kids had a very good champion, Lucy Murphy, and it has closed. Then the BBC itself is under pressure, so is making fewer hours.

Without getting too existential about it, if anything were to happen to BBC Children's, there would be no drama, no high-end live action content made for British kids with British kids at the heart of it and at the heart of the thinking about it, anywhere. It is precarious. We live in precarious times.

Maddie Moate: I can't speak as a producer, but as a presenter on the channel, there is less money available for the BBC to make children's content. Something I have noticed over the years is that when I am part of a production, which is exciting and rare these days, there are more expectations. We have to try to produce more for the money that seems to be there, because now there is also the pressure of creating additional online content, which is there to satisfy both the grown-up audience on social platforms and the younger audience who might be watching on the likes of the YouTube Kids app. We now have to make more content for less money, which means that everybody is stretched.

Oli Hyatt: I am going to disagree slightly. We say, "If anything happened to the BBC," but things are happening to BBC Children's every year. The Ofcom reports and reports from Government always say, "We should be doing more; we should be doing more," but the BBC cut children's more than they cut any other genre, and that is from a low starting point.

One of the big points that I want people to take away and try to understand is that children are our future. Every single age group needs a different set of content and has a different set of values, yet we fund children like they are one homogeneous thing with a tiny pot of money from the BBC. The BBC decreased children's by more hours and more

spend; why does it not fund it proportionately compared with the adult genre? I do not understand it.

I know that children do not pay for it, and that is possibly why the BBC does not fund it proportionately because it has to keep trying to get the adults. That goes for all platforms, by the way: children do not fund them, so they go for the adults. But why is there not an agreement that the finding and funding of children's content should get equal public service money? I do not just mean the BBC; we could talk about the arts or anything. Why are children not getting proportional funding when they are our future and have the biggest need?

Q54 Dr Huq: Can I ask about the young audiences content fund? When that was shut down—and it was a non-BBC thing, so it allowed non-BBC things to flourish—Anna Home, who did *Jackanory* and *Grange Hill*, predicted that its shutting down would be “cultural vandalism”, so there was lots of doom and gloom. Do you think that fund should run again? Should it be recreated, for YouTube if necessary?

Richard Bradley: The young audiences content fund was a great statement of intent. It was very good for the industry in terms of profile; it raised the idea that those audiences needed funding. We never applied to the fund. It was designed to push content into parts that were not already doing it, so the BBC stepped out of it.

If you were going to bring it back, you would want it to be consistent, not time limited, and substantial and platform agnostic. It would be about creating high-quality great content for children that was paid for however—by a levy on streamers or on YouTube, or whatever. You would want to have consistency at its heart and for it to be platform agnostic, as a statement of intent that these audiences deserve proper content. We, as producers, will find that money and use it really well, if it is available. Producers will find and use every tax credit or fund that is available for them.

Maddie Moate: Speaking as more of an independent content creator, I am in quite a different position to the gents. My YouTube channel is run by me and occasionally I can afford to employ two freelancers. That is it—that is the team. The only reason that I am able to fund my YouTube channel is because I am paid elsewhere through theatre, television and books. Otherwise, my channel runs at a loss. It does not really make sense for me to make the videos; I am just very passionate about getting the content that we make out there because I believe that it is needed, even if it is hard for people to find.

I would love to be able to apply to something like a content fund but it is just me, so I could justify applying for a grant only if it was not going to take weeks and months of my time, otherwise I am not sure that it would be helpful. A fund would be wonderful, but it would be nice to know that it was available to content creators such as me as well as larger production companies.

Q55 Dr Huq: In France, Canada and Australia, it is funded by levies. Do we have good examples of how it runs there? Have such levies had a positive effect?

Oli Hyatt: I believe so, yes.

Richard Bradley: In France in particular—the French children’s industry is still strong. In Canada the industry is suffering like ours. As an idea, it would work really well and, as Maddie says, if it was available to all content creators to make the sort of content that we are all talking about, it would be a really strong idea.

Oli Hyatt: Richard is right in what he says about being ambitious. The regional fund was too narrow and was not ambitious enough. Children need a transformative change. For so long, we have viewed the funding as the money that is left in the pot. The original fund was taken from a bit of money that was left somewhere. Why are we doing that? It is the third biggest influence on their life after school and their parents. It is more influential than grandparents now—they are spending more time on it. Why are we investing so little when it is one third of their life?

Q56 Chair: Oli, do you think the Department for Education should contribute? You are all making really good educational content, so do you think the Department for Education should contribute to funding good quality educational TV?

Oli Hyatt: That is above my pay grade, but they are all using our content. There is so much more they can do, especially in inspiring kids with AR and VR. They did a lesson using VR where children swam underwater with whales and the levels of being able to discuss it in groups, and then articulate that in writing, went up dramatically. All these things are at our fingertips. Yes, it is education, but equally, there is evidence coming out that the doomscrolling and the constant dopamine hits could be—I want to say “could be” because I do not think the evidence is firm—changing young children’s brains. If we are changing children’s brains, I think it could be another obesity crisis waiting to happen. Is it a health crisis? Does everyone need to look at it and ask, “What are we doing to our children?”?

Richard Bradley: The sums of money we are talking about would be very small in the scheme of things—we would all say that—but with a very high impact potentially. Out of Horrible Histories, we are now doing Horrible Science. We have worked with BBC Bitesize to create content specifically around the key stage 2 science curriculum and that is being used in nearly 60% of schools now. Again, this is used not as a teaching tool but to inspire—to go back to that point again—and to show a generation a different way of looking at science. It is being used in schools, as Oli says; I am sure all of Oli’s work is being used in schools already.

Oli Hyatt: I honestly believe, if the BBC just funded children’s proportionally, that would be easily enough to cover the amount of funding that is needed. That does not seem like a crazy concept to me.



HOUSE OF COMMONS

Q57 Chair: Do you think we are over-reliant on the BBC for funding? Is it sustainable? We know the BBC charter review Green Paper is going to be launched today. Should that be a priority for the charter?

Oli Hyatt: I think that is like saying, "Are we over-reliant on the NHS for the health of our children?" They are the only people—they are a public service; it is their remit. As Maddie said, there is no ITV or Channel 4 left really. The BBC are the only people that are doing it, so yes, we are reliant on them. Should there be other mechanisms? Yes. Would some competition be healthy? Yes, but I am not in the market of saying, "Who funds it and how do we fight to get the funding?" and taking it off someone. I am just asking what children need and how we get it to them. That should be the priority. You guys are at the wheels of power and you say how you can get it in front of them—finding it—and how we fund it.

Q58 Chair: Maddie, are there any funds available for making YouTube content for children?

Maddie Moate: Because I make science content, I am in a position where I can reach out to science organisations and institutions who may have grants available. The problem is that a lot of these grants are incredibly long-winded to apply for, and I simply do not have the time to invest. The other thing is that a lot of the grants that are being made available for the creation of media and STEM content are not available for kids' content because people are naturally nervous about sponsoring, or being seen to be advertising, children's content. That is a shame, because it is one of the best ways that I can fund my content. I would much rather have my videos be sponsored and have the funding of an educational establishment than I would, let's say, a toy company. It is a shame, but I think people are quite confused about what is and is not allowed when it comes to putting money behind children's content.

One thing that is really frustrating is that the moment I have a piece of content that might be sponsored, that video will immediately no longer appear on the YouTube Kids app, which is where most of my views would come from. I imagine that is the same for all of us. If you mark a video as for children, and that video is sponsored, it will no longer appear where most children are watching the videos. Actually, a sponsored video for me is kind of a bad thing, because it means the children who I am trying to reach are not going to see it.

Q59 Chair: Why are sponsored videos not seen by children?

Maddie Moate: Simply because that is the way it is.

Chair: Is that the YouTube regulations?

Maddie Moate: Yes.

Richard Bradley: Yes, the YouTube Kids regulations.

Q60 Cameron Thomas: Richard, what is your view on the value of the current tax reliefs available for children's programmes and animation?



Richard Bradley: Essential—they work really well. They have become a key part of any form of ambitious children’s content—to use Oli’s word—whether that is animation or live action. The value currently stands at 39%, and everyone thinks, “Well, 39%!” but actually it is 39% of 80% of your spend, which is then taxed under corporation tax at 25%, so it nets down to around 24% of a budget. That has become absolutely key to every show we make for children. Even for smaller projects and digital outgrowths of our television programmes and so on, we are now looking for the tax relief because that gets another 25% into the budget. It has become absolutely key.

Q61 **Cameron Thomas:** Oli, do you have anything to add?

Oli Hyatt: Yes, the tax credits are amazing, and inward investment and things like that, but that essentially means that we are probably working on US shows. There is a cultural thing there. It is great for business, and great that we are working on these shows and have business, but a lot of that will come with a US voice, because that is where most of the work is coming from—both in TV, film and everything else.

The other thing to say is that a tax credit is only of any value if someone is spending money. As we have all just discussed, only the BBC are spending money. Essentially, we are kind of funding the BBC via the tax credit on children’s content. It is absolutely essential for us as producers, but upping the level of that is only of any value if more people are putting money in the pot to start off with.

Maddie Moate: It is irrelevant to me, to be honest. I am not pulling in any money for the content I am making, so I don’t really have anything to say.

Richard Bradley: It goes back to the question of the YAC fund, as it was called. Credits and funds are only great if they are supplementing money that is already on the table.

Maddie Moate: I would love that to be relevant to me, but sadly it is just not.

Q62 **Cameron Thomas:** That leads nicely on to the next question. Do you have any ideas for where the tax credit system could be improved for children’s TV or children’s content?

Maddie Moate: For children’s content, yes—it would be nice if it was something that could be relevant for me. But again, for it to be relevant, I would have to be making money on the content or to be drawing money from somewhere for the content that I am making, which is currently not there. “Yes, but” is my answer for that.

Oli Hyatt: I could give you the answer of “Yes, more” or, “Change some of the rules so we get more”—it will all be about more. I would say you have to go back one more step and say, “What is right for children and who is funding that content in the first place?” If it is the Government through tax credits, or more tax credits, great. If it is the BBC through a



HOUSE OF COMMONS

greater proportion, great. If it is health and education, great. But I am afraid, it is all about more. As I said to you, most of our global income comes from YouTube and it does not pay for 20% of the content I make. That is coming from the BBC, and again, that is public money. You can call that licence fee money, not Government money, but it is funding—it is funding and finding. How do we make them find it as well?

Richard Bradley: I think there is one enhancement. The scheme does work, so in terms of backing something that really works for the producers, it would be great to have an enhancement. You could bring in an additional criterion around British content—British relevance or British cultural content—so there might be an enhancement or an uplift if there was content that was directly relevant and created directly for British children. I think that would be a simple thing to do, but it would be a really effective way of pump-priming content. One of the issues is that the content that is there, if you look at those 720,000 hours or if you go on to the front page of YouTube Kids, I would have thought it was 90% or 98% north American content.

Oli Hyatt: Yes.

Maddie Moate: Yes, definitely.

Q63 **Cameron Thomas:** In your experience, is the UK tax credit regime competitive enough internationally?

Richard Bradley: I do not know the details of the French and Canadian systems, but in adult television if you can take your productions around the globe there is very marked competition around tax credit systems. If you want to shoot in Bulgaria, they will give you a 30% tax credit. If you want to shoot in Morocco, as we have recently, there will be a tax credit—a sum that is set aside, which you all apply for. In a way, it is a moot point for us how it compares. The higher it is, or the more attractive it is, the better value children will get in the end in their programming.

Maddie Moate: Ultimately, when children are watching content online they do not know whether it has been made by one person, two people or a company of 100 people. They are just watching the videos that they like, which is why it is important that any incentive or grants that are made available are available to all content creators, regardless of the size of the company that they might be producing with.

Oli Hyatt: The value of it is only in what other people are investing in it, so we need to solve that bit more importantly than the tax credit. I would always ask for more because I work in the industry. More is good, but you have to have people putting money in the pot.

Q64 **Natasha Irons:** Thank you so much for coming in, and on behalf of all parents who lived through covid, thank you for your content—it saved my life. I want to pick up on some points around public service broadcasting, as someone who had a big TV—to this day, I remember the Channel 4 schools clock as it counted down to the programme. We have been talking about prominence, and how we need to make sure that content is surfaced



HOUSE OF COMMONS

because we have all paid for it. Oli, could you explain your proposal of a discoverability guarantee?

Oli Hyatt: It is a very loose concept because you are trying to bring about 400 people into a room, and it is going to be a policy thing. It is: why can't we, on connected devices, or on YouTube or other providers, just have something that says, "One of the top four things has to be of UK public service value"? We know our kids get stuck in silos—I had a child who was stuck in a YouTube algorithm of people stuck in holes and war. I do not quite know how he got there. He probably got to war from Horrible Histories. One bedtime, he was telling me the names of all the Chilean miner children. I was like, "What?" He had been watching it. That is great for education, but how do we get kids to look sideways at other shiny things?

That is what curation on public service broadcasting used to do. You used to get your Blue Peters, then a fun cartoon, and then a drama. It made you look around the world and see different things. Sometimes we lose that, so when I talk about prominence, I mean: why can't there be some rule that gives them a chance of seeing the good stuff—just a little opportunity, and then within that, a little opportunity to glance sideways at something else that is good?

Q65 **Natasha Irons:** Would you see that working just with PSBs, or would it include high-quality content from other providers as well?

Oli Hyatt: It goes back to what is good content. Is there AI that is good enough to pick the good stuff from the bad stuff, or does there have to be a human element in categorising this stuff? As Richard said, I think it would take something like 1 million people five years to even keep up with what is going on on YouTube, so how are we going to define what the good stuff is for any platform? Does it have to come with a public service badge from an organisation, be it BFI certification for something cultural, or a new organisation running a new fund, or does it have to come with a BBC thing? Are the BBC guaranteed it? Are ITV guaranteed it, if they do more for kids? I do not know, but there has to be an effective way of labelling it, which I know the Children's Media Foundation are trying to work on at the moment.

Richard Bradley: There is precedent, because during covid, as I understand it, because of children not being able to go to school, YouTube made educational content more discoverable and promoted it. YouTube has a precedent for that. You could then layer a British marker of quality, whether it is PSBs or not, on top of that, but we are in this conundrum of there being more content than ever, but it is almost narrower than ever and shallower than ever, although you can end up in very deep holes. It being discoverability-led, in some form, I think would work.

Oli Hyatt: What children are finding is narrow, but this is not meant to be a knock YouTube session—I love YouTube. All the information is there; can you find it?



Richard Bradley: This is the last time I will mention Horrible Histories. If there are 15 half-hours of Horrible Histories, a huge amount of effort goes into that. It goes out into the sea of nearly 1 million hours of YouTube content being uploaded in a day and it just ebbs away, so the question is how you work with some of the—

Q66 **Natasha Irons:** Is there some sort of kitemark or something that we could come up with for British content?

Richard Bradley: We have talked about British content and a British quality kitemark.

Maddie Moate: If there were a kitemark that any of us could apply for and get our content marked with—the equivalent of the Red Tractor or something—that would be great, but it still would not change the fact that YouTube and a lot of video platforms are driven by algorithms. Something may be marked with a seal of approval but, if a child is watching things about holes—if they are really into tractors, they are just going to see tractors, so the kitemark needs to work alongside a slightly adjusted algorithm that is going to promote variety.

Q67 **Natasha Irons:** YouTube are trying to bring up their own standards; they are talking about their own policy. If the kitemark includes adhering to that policy, you would think the content would surface higher up in the algorithm than other things.

Richard Bradley: I also think this. We allow YouTube into every British home. We allow our children to watch—it is almost free of charge; there it is as a platform. As Oli said, this is not a knock YouTube session. YouTube is an extraordinary thing—everything is there. But we do allow them that right just to carry on, and there is a conversation to be had about how we decide what we want our children to be watching.

Q68 **Natasha Irons:** On that, Oli, you have talked about having a UK hub of content, a platform that brings it together, and you mentioned earlier your parenting choices and saying, “Go and watch iPlayer.” I do the same thing. I have said to my youngest son, “You have to watch iPlayer,” or even Netflix, which I feel is a better choice than YouTube, because at least the programmes have a beginning, middle and end and you can move away. How do you envisage a UK hub of content working, and how realistic is that?

Oli Hyatt: My UK hub idea is not a new one; it has been mooted before. The idea of that was, again, to classify UK public service content slightly, so that it sits within a thing and then we have identified what the thing is that we want children to watch. Maybe that is your kitemarking. I cannot remember the name of the old plan that was going to bring everything under one—

Natasha Irons: SeeSaw, or Project Kangaroo?

Oli Hyatt: Yes. I feel that boat has possibly sailed. What I was trying to talk about was somewhere that a parent can go if they want to. It could be the iPlayer. Everyone could put their stuff within a thing on iPlayer, so that



HOUSE OF COMMONS

if a parent really wants to, they can go there. More than that, it establishes what we are trying to get children to watch.

What we are trying to describe is a diet, and you guys have to set the boundaries. I can send my child into the supermarket with £100 and say, "Do whatever you want." He is coming out with £100-worth of Haribo. I can go in there with him and say, "You have to get some meals for the family as well," and we are going to get a tin of instant something and a lot of Haribo. I, as a parent, can be really precise and say, "You need to do something healthy," and then he has to look for that. He is still coming out with some Haribo.

Or we can do what we did in supermarkets; we can say, "Move the Haribo from where the child can see it, and make sure they can see some vegetables." It's the job of you guys—not to say, "You can't have sweets"—no one is going to say, "You can't have sweets," are they? But you have to say, "Here are the vegetables, and this is why it's important," and we have to understand how important it is.

- Q69 **Natasha Irons:** I am going to come to you, Maddie—because you are one of the first digital native brands, essentially; you have had to go cross-platform—to talk about how you make an income. I just want to understand a little bit more about this. We were talking about Bagpuss and all the brands that we remember, growing up. I don't think we have lost that necessarily, because if you think about Bluey or Blippi, or yourself, these global brands still exist, but you are having to be in so many different places to make an income. Could you just explain your experience a little bit and talk about how you have had to bring that all together?

Maddie Moate: To make it work financially? I actually started out making science and natural history videos on YouTube for various companies, BBC Earth being one of them. I worked for various technology companies, but I quickly realised that if I wanted to meet my own audience and grow a community, I had to have my own channel. So I started making my own content, and I started to take that more seriously when the CBeebies job with Do You Know? came along.

Naturally, I found that the small YouTube audience I had changed overnight. Suddenly, I had families with pre-schoolers watching my content, so I made sure that the videos I was making on YouTube were appropriate for the same age group. It has been really important that I have maintained that this entire time. As long as I have a presence on the BBC, I find that the highest search terms on my YouTube channel are simply my name, which means that people do not go on to YouTube and look for my YouTube videos; they are just looking for Maddie-branded stuff.

Quite often, I meet families who say, "I love your video about candy canes," or, "I love your video—the one with the bees." Their assumption is that that is BBC content, but it is not. Those are videos that have been made by me or my small team. To the audience, they are one and the



HOUSE OF COMMONS

same, so it is really important that I make sure I instil the same values in the content that I make away from the BBC that would be applied with public service funding.

- Q70 **Natasha Irons:** Is there something more that could be said about how YouTube is monetising and compensating the BBC for its content? A unique ecosystem is being created. Your views are being driven by the BBC because it is giving you a platform, but then the content on the BBC is getting more views because it is being surfaced on YouTube. There is a relationship there, and perhaps YouTube needs to compensate the BBC a bit more for the content it is providing.

Maddie Moate: It is 50-50; a lot of my views come from the US, and 50% come from the UK, and that is the same with any YouTube channel. It is an international viewership. I do not know whether the BBC getting more funding would impact my YouTube views. It is really hard for me to say that.

- Q71 **Natasha Irons:** You mentioned earlier that, if you are sponsored, you do not get much money because it is marked as “made for kids”. Please could you explain that categorisation and what happens to your content?

Maddie Moate: When you are uploading a video to YouTube, if it is a video that is made for children—meaning that the intended sole audience is children and you are speaking directly to them—you should mark that video as made for kids. That will hopefully mean that it ends up in the YouTube Kids app; that is not always guaranteed, but hopefully it will mean that it will go there. When it is in the YouTube Kids app, you will not have any comments on it and there is no social aspect at all. Equally, if you mark a video as made for kids and you watch it on the main YouTube—YouTube for grown-ups, if you like—comments are also removed.

Any videos that are watched through the YouTube Kids app do not receive any money through AdSense, through adverts, at all. If you have a video and 90% of your views come from the YouTube Kids app, you have not made any money on that. You do not see any of it for that 90% of views. You just hope that the 10% might draw you a bit of cash from Google AdSense, but because your channel, at this point, is being seen as a channel for children, you are not worth anything to Google adverts, so the money that you do make, on the 10% of views that might come from the main channel, is minuscule.

If I was making lifestyle videos, make-up videos, or videos about finance or gaming, the money I would make per view—or per 1,000 views—would be much higher. But because I am making educational content for families, some of which is specifically for children, my AdSense is very low because I am not worth anything to the advertisers.

Oli Hyatt: I think what Maddie is saying, in a way, is that—and I am going to use the royal “you”—it is kind of your fault. I will explain that: it is because you are very good at shutting things down that are harmful, and so you should be. The fast food thing: brilliant, you shut it down—but we



did not replace it with anything so we lost our money. COPPA—protecting children’s data—very good. You shut it down; we did not replace the money. We lost, I think, 70% of our YouTube revenue overnight with that. But we did not replace it with anything. We are essentially defunding everything—not only the bad stuff, but also the good stuff. You guys, as you should, shut it down, but you have never thought, “What are we replacing that with now?”.

The amount of money we can access from anyone has decreased so much. The BBC has decreased with it. It has lost numbers of children and it has lost licence fee. The original BBC budget for children’s TV was some leftover money, and I think it still is leftover money. We need transformational change, saying, “What is this doing to our children, and how do we best serve them through school and at home?”.

Q72 Natasha Irons: Finally, if you had a magic wand and you could reverse the high fat and sugar content block on kids’ stuff—obviously, I do not advocate advertising that stuff to kids—maybe investing that revenue directly into kids’ content and lifestyle things would be a better way of—

Oli Hyatt: No. 1, exactly that. Here is a policy you could bring in. Social media platforms—we mention YouTube a lot, and we should not be, as there are lots of different platforms—are pushing out harmful stuff for children. We are seeing fines and we are seeing poor content. If some of my content gets ripped off and rude words get put up, and there is advertising against that, someone is making money from that. If they are making money from it, or they are not serving children, or they are damaging children and Governments are fining them, which is beginning to happen in some countries—there is obviously the ban in Australia—put that money into children’s content. Give it back to children’s content so that they can use it.

Maddie Moate: Something that we have not touched on, which I would like to add, is that when we are talking about children’s content, I feel like a lot of the time the discussion is reserved for pre-school content. Actually, there is healthy—if not too much—pre-school content available through the likes of the YouTube Kids app. There are so many channels out there making nursery rhyme videos, learn your ABCs or whatever that might be.

For example, Horrible Histories and I are making videos for this sort of forgotten age group, especially online: your six to 10s and 12s. At that age, children feel a little bit too grown up for the YouTube Kids app, which presents itself as quite young, but equally they are not necessarily watching TV with their parents. These are gen alpha children who expect their content to be social. They expect it to be interactive. They want to have some autonomy over it, but there is nowhere for them to go. These kids end up watching gaming videos or playing Roblox, for example, to get that type of feedback they expect.

It is really hard for us making videos for this six to 12 age group, because there is so little of it. It is not financially viable to make, because the kids



do not know where to find us. It would be wonderful if there were some way we could try to encourage and help to lift up content for this age group, because at the moment they do not really have any way of being recognised.

Q73 Natasha Irons: That is a particularly vulnerable age, as you are going into that pre-teen—

Maddie Moate: Yes. There is nowhere safe.

Richard Bradley: There is nowhere safe, and there is nowhere for parents, as Oli says, to point your children to or to create some guardrails. We are saying that, by the time you get to six or seven and you have access to your own devices, it is sort of a wild west.

Q74 Mr Alaba: Maddie, I want to come back to your experience and journey in content creation. I know what you do is unique, but in terms of your international counterparts, what is their experience of their craft and support within their host countries? Do you see any difference in treatment, monetising or that kind of thing?

Maddie Moate: In terms of my international counterparts, I will be honest: there are not many of us. I know an awful lot of people who have YouTube channels fronted by humans making pre-school content. They are finding ways to make that financially viable, because they can churn out an awful lot of it quite quickly, and they are able to use quantity to get enough views to drive some AdSense. A lot of these creators are also relying on sources of income outside of YouTube. A lot of them have their own communities. They might be using platforms such as Patreon, where you can encourage your audience to give you little tips if they want to—it is completely up to your audience—or they are selling merchandise through the grown-ups.

That is how they are making it work, but for that to work, you need to have a massive audience in the first place. In terms of channels run by just a few people like me, making videos for that six to 12 group, I can count us on two hands in the UK. There are not very many people for me to measure myself against, to be honest, because it is just not financially viable at the moment to make the sort of the content that I am making.

Q75 Mr Alaba: Do you see any growth? You said that there are not many comparators, but do you see any international changes, or is there anything on the horizon that you are aware of?

Maddie Moate: There were more options in the US for STEM creators, but recent Administrations stripped a lot of that. This year in particular has been pretty bad for STEM creators and my peers who live in the States. They did not really exist in the UK—not that I am aware of, anyway; I am not saying they do not exist, but I am not aware of any.

Oli Hyatt: People play the algorithms. Different things will be important on YouTube at certain points, and YouTube is trying to update its policy so that it has to be educational. A lot of that is about the fact that you self-select what you are, and then you tend to get a lot of noise and shouting,



which feels like people dressed up as teachers, rather than having decent pedagogy behind everything. People play the algorithms, but it still tends to be quite shouty and repetitive, and it usually says "Like and subscribe" at the end of it, which is really annoying.

Q76 Jeff Smith: Oli, you said earlier that all the info is there, but it is about finding it. How did you guys get your stuff out there? Is the success of Numberblocks, Oli, and Horrible Histories, Richard, because your brands are already established? Do you think that they could work without that established brand?

Oli Hyatt: No. I could not have funded it. In fact, I will go one stage further than that. Forget YouTube; we started making the Alphablocks shows 15 or 16 years ago, and we could not have funded them without the BBC. It is unique in this world, for all its faults—it got our evidence session cancelled last time, so we have had to come again—and we cannot forget what that uniqueness does for children.

We would not be talking about all this stuff if not for the BBC. No one else was willing to fund the Blocks shows. Even now, we struggle to get them on broadcasts around the world, because they say, "Oh, it is a bit too educationy for the ones who just want entertainment.", or, "It is a bit too entertainmenty for the ones who want to do strict education." They are missing the trick of the BBC, which is to have a pot of money that it can really use to experiment with stuff and do these things. So absolutely not—without the BBC, we would have been nowhere.

Richard Bradley: Interestingly, we started Horrible Histories around the same time as Numberblocks. I always say that there is no other broadcaster in the world that would have taken that risk. Who would have thought that you could make a TV comedy series about factually accurate history that would somehow connect, and that would also take a few potshots at kings and queens along the way? The BBC took a risk; they backed it fully and it allowed it to grow and establish—we are now into series 12.

The BBC also supported us in the Britishness of it. Again, one of the answers to funding has always been, "Go and find funding elsewhere." If you go and find funding elsewhere, you end up making content that appeals to a global child, as opposed to a British child. The BBC backed it and took risks. It was quite edgy; one of the secrets of it is that it pokes fun at power, and it is a bit scatological and anti-authoritarian. I think that comes through, and the BBC backed it. If we were starting now, 15 years on, there is no way that it would be able to take that risk and all the outgrowings of that would also not have happened.

We know that thousands of youngsters have gone on to study history at university as a result. I had a 10-year-old girl say to me, "I got a mark at school because they said, 'Do you know anything about the suffragettes?'," and I went up and told them the difference between the suffragettes and the suffragists, and about Millicent Fawcett and Emmeline Pankhurst." When you get it right, you know what the impact can be, but I think the



HOUSE OF COMMONS

problem now is that there is less money and the appetite for risk is less. As I say, we would be asked to go and find co-production with other partners around the world, and then you would not end up with something as singular.

Oli Hyatt: Then there is the question of how much we play the YouTube game. My content is very structured, with five minutes of precise, entertaining education. It is a moral dilemma every day for me: how much more shouty do I make my content to try to compete? We really work hard to balance it out.

A report came out recently that said that broadcasters are now moving their content towards that. They said it in a positive way—"They are going to be able to compete, because they are doing that"—but I was thinking, "Gosh, isn't it a bit of a shame that we now have to play that game to get children the good stuff?"

Richard Bradley: It is no surprise that one of the big shows that has now come back is *Gladiators*, which was established some time ago. We are also delighted to be bringing back *Balamory*—I don't know if anyone remembers that one. We have been filming it in Tobermory on the Isle of Mull. That has come back because it was made 20 years ago and is a pre-established brand. Starting an ambitious new idea for children, at this moment in time, would be very, very hard.

Oli Hyatt: Other countries do have better development funds. That is one thing that we could look at.

Jeff Smith: Better development funds?

Oli Hyatt: Better development funds and seed money to get going. That is what the content fund, or whatever it was called, was very good at: it was useful at getting people going. As an established business, I am happy not to access that fund, because I would develop the idea myself with my money, but there are people who need that money to get over the first step with these good ideas.

Q77 Jeff Smith: That was development all those years ago. Oli, your colleague Nathan Wilkes has sent in some evidence that says that "there is no viable funding pathway for high-quality, educational, UK-made, YouTube-first content." He described it as a "structural crisis". How do we address that?

Oli Hyatt: That is absolutely spot on. He is a brilliant lad, and he is trying to do his own project, totally as a public service, to do with his upbringing and his part of British culture, but he is struggling. We try to support artists in our studio with various programmes, help them to write picture books and help them to try and tell their story, but we are a tiny thing.

We cannot get enough impetus on YouTube. We are something like the fifth biggest channel in Europe, but even with our impetus we cannot help everyone. He looks around and says, "Who's helping me? How can I get that to grow?" He is perfectly right. It feels to him as if it is BBC or



HOUSE OF COMMONS

nothing, and at the moment the BBC cannot do everything it should do. It can never do everything.

Richard Bradley: We talk about market failure and, in television, we tend to talk about niches. We are talking here about market failure for a whole generation.

Jeff Smith: So what can we do?

Oli Hyatt: I am going to sound like Greg Childs, who you have already met, when I say “funding and finding”. Get those two things sorted, and get the importance of it sorted out in everyone’s brain. All parents know the battle of “turn the iPad off, turn the phone off and do something else”. If they are on those things, there would be slightly less of a battle if you knew that they were getting good things.

I want to mention games as well. My own children learned every flag in the world from FIFA. Honestly, we play name the flag at Christmas and the adults cannot beat them. They then want to know where the countries are, so you buy them a map and they put the flag on it. What about Call of Duty and the beach landings in Normandy? If you put the beach landings on the curriculum and you gave a 14-year-old an entire level that taught them everything from the date to how long it took, they would sit, play and learn the whole curriculum. I once presented that idea to someone from Government, and they said, “Yes, of course, but we can’t have people shooting each other with guns.” I was like, “You’re teaching the war syllabus—there are guns involved.”

There are ways and methods, through games, through content and through children immersing themselves in these worlds, for children to learn better. We have to establish the importance of that. You guys have to work out what level of importance that has, in terms of money, and provide it.

Richard Bradley: On funding, Oli was making the point about proportions within the BBC. That is a conversation. There is the access that YouTube is getting, essentially for free. Is there something there? Is there a fund? Is that fund a Government education or health fund? There are different pots—there is the tax credit.

It seems to me that it is as existential as we have been describing it, in a way, but what we do know is that there is incredible creative talent in this country that wants to make children’s content. There is no shortage of it: people come off big feature films to come and work on our shows because they love it. They have children, so they want to work on something that they feel is good for their children. Then there is the halo effect of children’s television—your father, Russell T. Davies, Sally Wainwright.

My first conversation to get me into television was with a chap called Anthony Minghella. He was the only person I knew, and he was the script editor on Grange Hill. He went on to win multiple Oscars. Simon Farnaby came through Horrible Histories and Stupid Deaths, if anyone knows

that—he now writes the Paddington movies and Wonka movies. These are huge British exports of culture.

There are so many areas in which children's television is like a wellspring, not just for children's lives but for our creative health in this country.

Maddie Moate: On the money, yes please—that is an absolute. We would love there to be some sort of funds available. Money aside, I would like to see us working with platforms such as YouTube to find a way to make sure that parents and adults can set up these apps in a way that means that the apps and the algorithm will favour specific types of content.

It might be that this has to be geotagged to something that you can do just within the UK, for example, but I would like parents to be able to go into an app and favour specific channels that may have some type of kitemark, or that they may already know about because they are brands that they recognise from television. That will come with a level of education. Parents are already completely overwhelmed about how they are supposed to be setting up their tech or their internet at home. I think there should be some sort of hub or place where parents can see a list of channels that are recommended or have been approved by some sort of body, and which are appropriate for different age groups.

Oli Hyatt: Or it comes preset, and you have to turn it off.

Maddie Moate: Yes, exactly. That would be nice.

The YouTube Kids app, for example, can be set up in different age categories. I would like there to be something clearer—there is, but it is not across everywhere you use it—where you can personalise it a bit more. If you are going to be able to personalise an app or turn off an algorithm on an app, for example, parents need to know what their choices are. At the moment they do not even know what the choices are, because they are overwhelmed.

Richard Bradley: The framework is in place on YouTube Kids: as a parent, you fill out an age group thing. Why isn't there some sort of kitemark?

Oli Hyatt: Just a little word of sanity, though. After the age of six, are children on the YouTube Kids app, or are they on YouTube? I am always told that YouTube don't know, but I suspect you guys might be able to ask them. How many children are actually viewing from there, and how many are on the main channel? If they are all on the main channel, how are we protecting them on the main channel?

Q78 **Chair:** To what extent are you confident that those sorts of improvements for finding good-quality content on YouTube could be done voluntarily? Or would there need to be some form of legislation to trigger that?

Oli Hyatt: I would love to think that the people at YouTube and the other platforms kind of understand that they have won in a way—that they have the eyeballs, and with the eyeballs comes responsibility. I would much



HOUSE OF COMMONS

rather they sat down with the Government and we did not go down the Australia route of just shutting everything down. We know where that leads—I have told you where that leads. It leads to less money and less content.

I would rather they sat down with you and said, “Here’s a sensible compromise that means you can find the good stuff. Here’s how they look sideways. We’re going to guarantee you that there are no video nasties on here. Here’s how we are going to verify kids’ ages.” And maybe even, “Here is the extra amount of money we will give to children’s producers, because we know it is not the same environment. We are willing to make a little bit less money on the kids’ things, because we know it is our duty as human beings.” I would like to think they would do that.

Maddie Moate: They already have high-quality principles there themselves. The Kids app does favour content with these high-quality principles, but whether something is high-quality is kind of up for debate.

Oli Hyatt: Yes: who is judging?

Maddie Moate: Exactly. Just because something is glossy and well made, that does not mean that you necessarily want your child to watch 10 episodes of it in a row.

It is tricky. YouTube obviously wants the person watching to have the best experience possible and watch as much as possible. If you start to pick and choose what a child can and cannot watch, a child will know. They are a young generation used to having autonomy and used to having choice. Creating a space that feels interactive but has variety and is still engaging and fun for a child is really important.

Q79 **Vicky Foxcroft:** Maddie, I am absolutely fascinated by your point about not making money from it. If you were paid the full advertising revenues, would you end up making money?

Maddie Moate: It is hard to say, because I do not have the data to tell me that either way. I have never made that much money with AdSense—my click per 1,000 views has always been low, because I have made content for families and children that is educational. That means that advertisers are less inclined to put their adverts on my videos, because young people are very unlikely to click through on them. I do not necessarily have the information. When I compare my videos to those of other STEM creators—for example, there is a great community of STEM communicators in the UK—and see what they are getting per 1,000 views compared with what I am getting, the difference is vast, so yes, definitely.

Oli Hyatt: The evidence is out there, though. We were working pre and post, and about 60%, 70% or up to 80% of revenue was lost in the one day that the COPPA rules came in. That is how dramatic that was. I would nearly be making enough money to fund the content if those rules had not been brought in—nearly, but not quite; I still need the BBC.



HOUSE OF COMMONS

Richard Bradley: We have moved from a moment when we thought that YouTube was the answer to all the funding problems. People thought you could go on YouTube, become a success like Maddie and have endless riches. To Oli's point, it is also about just paying for the content; we have discovered that millions of views of our shows turn into small thousands of pounds, when they cost hundreds of thousands of pounds to make.

Maddie Moate: It is lovely that you say "a success"—I really appreciate that—but my channel only has about 330,000 subscribers, which for YouTube Kids content creators is really quite small in the scheme of things. Just because I have a lot of subscribers—300,000, who have been accumulated over 10 years of grafting on YouTube—that does not mean that my videos are getting the same number of views. Views on my videos are going down every single time I upload, because they are becoming harder to discover.

I cannot keep up with the quantity and consistency that the algorithm requires for my channel to be successful. I would have to hugely lower my standards for video content if I wanted to keep up. A lot of people now are relying on cut-downs of previous content, especially when it comes to shorts. You can churn out a lot of shorts just by making cut-downs of previous videos, or you can make compilations, which might be four-hour videos of your previous videos back to back. Those are all ways that you can keep your channel active and try to encourage new subscribers—they are techniques that we all use, but again, that is just more content out there that is not original or unique.

Oli Hyatt: Also, there are no real rules on uploading that content. Maddie will be getting fewer views as a direct result of people uploading AI videos—there has been no human contact, other than that a human hand has typed in a thing to make the video and then uploaded it. It is not that kids are really interested in that video, but if you do it enough and have enough of it, even diverting 100 clicks to the infinite amount of AI that is going on will divert clicks away from Maddie's great content and towards something that a child gets no value from.

I think that while Maddie is saying, "I've only got that many," all it would take is for her to inspire 10 children from the UK to do science, go to university and discover the answer to perpetual motion or something incredible. What Maddie does is worth infinitely more than the things that get millions of mindless views.

Maddie Moate: I have had to completely change what success online means to me. If I have had just 10 views, each of those might be a classroom full of children. It is really difficult for me to know how many people are actually watching my videos, because they are watched by entire multigenerational families, or in assemblies or classrooms, so 10 views could actually mean 400. I don't know.

That is one thing, but I am also much more interested in the impact that my videos are making. It has to be more important that a video about trying to find fossils on a beach has encouraged a family to go hunting for



sharks' teeth themselves. That has to mean more than lots and lots of views. If I were taking the easy route, I could take the shortcuts and get the views, but I don't want to. I stubbornly refuse!

Chair: And we are right behind you.

Q80 **Liz Jarvis:** I agree with Oli's point about Call of Duty. I am a former Xbox Ambassador, so I totally get that. Also, Horrible Histories awakened my son's love of history, so thank you for that.

Maddie mentioned creating content for the forgotten age group. Richard, what do you think is the secret of success for Horrible Histories?

Richard Bradley: When we started, we were not starting in a vacuum, because Terry Deary had written the books—in fact, it was my son's passion for those books that got us going. He said, "Dad, you make all this posh history with Mary Beard and those things. Why don't you make Horrible Histories into a series?" I knew that it connected with that age group—he was then 10 years old.

Terry's books set the tone of the programmes, which really spoke to that young age group that we are talking about, the hard to reach. The humour is a bit naughty—it feels a bit anti-authoritarian and whatever. But he also understood something else, which is that kids like to know stuff. Knowledge is empowering, and being able to share knowledge is empowering. One of the proudest statistics we have from Horrible Histories—the BBC did the research—is that 60% of kids talk about the show with their peers.

Terry was on to something. I think it is the tonality and the fact that we think carefully about the kids. It has a British sensibility in the comedy, but it also has British history. That specificity is really appealing to kids. The show is silly, it is memorable and it is repeatable—it is watchable again and again. Also, as I said, we had some of the best people in British comedy working on it, because they had kids and wanted to work on something worthwhile.

We went on a bit of a journey, because we started off with the low-hanging fruit of what was just silly—like Aeschylus being killed by an eagle dropping a tortoise on his head, a stupid death—and what you would think of as obvious 10-year-old boy fare, but we have ended up with episodes on the 800th anniversary of the Magna Carta and—one of the most popular—on the 75th anniversary of the founding of the NHS. What we realised is that, in a way, it is about the more densely we pack it. The monarchs song, for example, is all the kings and queens of England. You could probably go around pretty much every school in the country and find kids who are able to sing the monarchs song, which is a rip-off of Chas and Dave, I think. The kids will not know who Chas and Dave are, but they might know every king and queen of England.

I think the show has something of that tonality in the people who work on it, behind the camera and on camera. Also, we have talked a lot about



HOUSE OF COMMONS

YouTube, but there is something very British about it, in a tradition of how we think about our past, from 1066 to Blackadder and Monty Python.

Also, there is something about what youngsters want. The show has a lot of joy in it, and youngsters want to laugh—they want things they can share and talk about with their friends. One of the things that we keep coming back to is about how you create those moments of shared experience. That is a really powerful piece of it: that they can send memes, sing the songs, do their versions of the songs and so on. We knew we had hit something when we had a request from Cambridge University to use one of the lines from the song I'm a Knight in their medieval history exam. Not only did they know the students would know what it was, but the professors knew what it was.

Maddie Moate: Your question was why Horrible Histories is so successful for children of that age group. One of the reasons for the show's success, and something I know I try to emulate, is that the content does not patronise or alienate anyone. Actually, it is great for families—it is great cross-generational co-viewing. That is one of the reasons why Gladiators has been so successful: because the whole family can watch it together.

Oli Hyatt: You guys are at the wheels of power, so you could solve this—and then when they are making Horrible Histories in 2060, you will have done something so exceptional that you could feature in an episode. Do remember that as you are trying to solve the problems here.

Richard Bradley: The show, which I am very lucky to work on, is an example of what can happen if we get the formula right. We have talked about some of the others that have had an impact on our life. One thing we are all committed to doing is trying to work out the recipe—I realise it is not easy—for continuing to make programmes that have impact and scale and that speak to our kids.

Q81 **Liz Jarvis:** How important do you think it is for children's TV to tell British stories, so that British kids can see their own stories on screen?

Richard Bradley: I think it is more and more important in terms of making sense of the world. We have not talked about the social cohesion element of children's television. We live in fractured times and the world seems very confusing and difficult for young people. Making sense of it from the perspective of British children is important. We work really hard to make sure that Horrible Histories is as inclusive as possible, but I think the British piece is important because it is endangered. Maybe 15 or 20 years ago I would have said it was less important, but now it is really important for children to see people like themselves on TV—young British actors with British accents. That is really powerful. We have brought back Balamory, which is all about the idea that community, kindness and friendship will get the problem solved or get the job done. I think those things are becoming more and more important. Understanding the world from where we are is good and endangered, so that part of what we do has become more important.



Oli Hyatt: I think it is a blessing and a curse that we share a common language with the biggest producer of media in the world, America. It means it gives us access to a lot more, but then it means that we do not take our own cultural and social cohesion seriously enough. Places such as France and Germany will invest more in children's TV because they want content in their own languages, and they see their language as part of the culture. I think sometimes we are just a little bit lazy and we think that we already have all this stuff that we can understand in our own language.

Maddie Moate: This is very much an opinion, but from a mental health perspective, when we were younger, we would compare ourselves to our left and right and we would see people who we might have been in classrooms with on telly. We might have seen other children on Grange Hill or Byker Grove, and that gave us some comparison to peers. But these days, if children are going to various video platforms, they are comparing themselves to children from all over the world. These might be children with extraordinary amounts of money, who are living in Los Angeles and making daily vlogs with their family. If a child is not seeing themselves on screen, then they are comparing themselves to an enormous pond, and that is so overwhelming for young children. I think it is important that they see themselves represented on screen—not just British voices and accents, but themselves as well.

Q82 **Liz Jarvis:** You mentioned Grange Hill and Byker Grove, Maddie. Do you think there is scope for bringing those programmes back?

Richard Bradley: I think it would take a real effort of will, but it would be fantastic to do. The BBC has just created something called Crongton for the young adult age group which has done well and won awards. We come back to the point that the world of children's television has changed. If we came back as a cohort and watched Byker Grove or Grange Hill, or our kids watched them, I think it would be very hard to land a new brand. It might be that you could bring back Grange Hill or Byker Grove and show it on prime-time TV.

Oli Hyatt: I think with the right amount of money and investment it could work. The schools programmes that have done well recently are The Inbetweeners and Derry Girls. They are too extreme for our audience, but our audience are gravitating towards them because there isn't an alternative that sits at the Horrible Histories level. I think it can be done. I think it is hard, but it can be done. We have to treat them as adults; it costs money, and it takes funding to do things at high quality.

Richard Bradley: I also think we need to resist the argument that somehow the world would not be interested. One of the great hits of the year for adults was Adolescence, on Netflix. It is set in a school in Rochdale, which is as specific as it comes, and that was the number 1 show in India. Cultural specificity is a positive.

Maddie Moate: It is easy for us to sit here and be nostalgic about programmes that were successful when we were young and that we think were good for us as children. But this is a new generation with new ideas.

If we were to bring back Byker Grove, great—it has a name that would resonate with parents—but the reality is that Byker Grove, these days, might actually look better as a vlog series. It might sit better in a non-linear short-form narrative online. I think we need to consider what the audience is watching now, not try to bring back what we thought was good, because the world of media has just completely changed.

Chair: Thank you very much. I thank everyone on our panel for joining us today. The Charles II song has been going around in my head ever since you sat in front of us, Richard—it has been the sort of drumbeat at the back of my mind for the last hour and a half—so thank you for that today. And thank you all for all the content that you make for our young audiences; you guys are exceptional in how you help develop the adults of the future. We are grateful for your time today, and for everything that you do in your professions. Thank you. We will now take a quick break while we bring in the next panel.

Examination of witnesses

Witnesses: Jackie Edwards, John McVay and Adam Minns.

Chair: Welcome back to our second panel for this morning. For this panel, we want to address one of the main issues raised in the submissions that we have received: how to pay for good-quality children's TV and video content. To help us shed some light on this particularly thorny issue, we are joined by Jackie Edwards, the former head of the BFI's young audiences content fund, by John McVay OBE, the chief executive of PACT, which is the trade body for the independent TV production sector, and by Adam Minns, the executive director of COBA, which is the industry body for commercial broadcast and on-demand services. Thank you all for joining us this morning.

John, I am going to start with you, because you have appeared in front of this Select Committee before, so you are an old hand.

John McVay: I have appeared in front of many Select Committees, yes.

Q83 **Chair:** Yes, well there we are then; you can be our first witness. I am not going to do the accent, but in your evidence, you said, "we're concerned that many of the traditional policy solutions put forward will not be enough to address the structural changes in the market and the ongoing concerns of the children's production sector". What are those traditional policy solutions that will not be enough?

John McVay: Clearly, the policy interventions that we have seen. Obviously, the BBC is an intervention in the market, but we also have tax credits and we had the young audiences content fund. Those were three specific interventions in the market to try to sustain original British children's content. Even if we still had the young audiences content fund—and I wish that we did—the cumulative total would not be enough to deliver the volume of content to the quality that is needed.



HOUSE OF COMMONS

There are a number of reasons for that. The BBC is probably spending about the same amount on children's content now as it did about six years ago, but that is many fewer hours because of inflationary costs, so we are making less programming but at the same cost. In real terms, the actual value of BBC investment in children's content has gone down because inflation is eating our lunch, like for everyone. That means there is less investment.

The monies that the BBC will pay to finance children's programming have gone down per programme. How much it puts in—what is called the "licence fee"—has gone down. The market where we and Richard would normally go to raise money has also changed; less money is available there. One reason for the young audiences content fund was to try to help to close the financing for British shows, which could then get made, get to market and get to their audiences.

There has been significant structural change in the market post-covid, where the money available for key genres has declined. Richard may get a commission to make a show for the BBC, and the BBC can pay him only x% of what is needed so he has to raise the money but getting that money has now got harder, which means that it takes longer. Of course, the longer it takes to raise the money to make the show, the more that inflation will have made it more expensive by the time that you get there.

Children's programming has always been the canary in the coalmine for British original content, but we now see the same characteristics across all British programming. Children's has sadly led the way and we are seeing it become harder and harder to sustain investment in PSB-funded original content. The BBC is the only game in town and it needs to put more money in. We would like an enhancement of the tax credit with the specific cultural test that we got introduced on the enhanced film tax credit to try to help to close the finance so that shows can get made. There is no point getting a commission if you cannot raise the money to make the show and get it to the kids, or the other audiences. That is why we think that a combination of things will help to sustain the future of children's content. If we leave it as it is—I think that Oli was throwing the ball back in your court—we are managing decline in not only children's but nearly all genres in British television.

Q84 Chair: Adam, would you like to see the Government act on this? What, meaningfully, can the Government do to shift the dial?

Adam Minns: Slightly controversially, I will tell you that there is more money in public service broadcasting for the production of children's programmes than there was a decade ago. You can look at the Ofcom figures that came out this year. In 2015, the total value of production for PSB kids was about £145 million; last year it was £160 million. But John is right about what is going on within those numbers. Over the last 10 years, the amount of money that is coming directly from public service broadcasters—the BBC and Channel 5, which does Milkshake—has fallen quite sharply, by 25% from £102 million to about £77 million last year. At the same time, the amount of third-party money has rocketed from £43

million to £83 million over the same decade. That is third-party money going into PSB shows in the form of producer equity from John's members, co-productions from us, tax breaks and a few other things.

For our part, last year we put £25 million into PSB shows as co-financiers, which is a significant amount—that is greater than the young audiences content fund and more than the commercial PSBs combined spent on their content budgets. To a greater extent than ever before, the shows that you or your kids are watching on BBC or Channel 5 are co-funded by mine and John's members. On the one hand, that is a great testimony to the mixed ecology that we have, but it is also a sign of a system under incredible strain. I am not sure whether it is sustainable to keep making that level of shows.

Q85 Chair: So in answer to the question that I asked?

Adam Minns: First, you would need to look at the tax breaks. To answer a question from the previous session: I do not think the UK tax breaks are competitive globally. It nets out at about 29% of the budget in the UK. If you go to France, Canada or Ireland, you will get 40%-plus. That is the first thing that needs to be looked at.

Secondly, a small contestable fund would be welcome, and we have said it should be between £5 million and £10 million a year. That would be to cashflow productions right at the start. We could look at the current National Lottery funding and regional development agencies to create that fund.

Thirdly, if we really want to increase the number of co-productions and the amount of private sector money going into public service content—which is why I went into how complex the financing system is—one thing we should be looking at is windowing. At the moment, if you co-produce with the BBC, the BBC will go first in the UK. That makes it very hard for a commercial company that needs to generate revenues to justify the investment it is making to do so. The BBC has sat before this Committee for the British film and high-end television inquiry and said that it cannot find enough co-producers. We need to have this discussion as part of charter.

Q86 Chair: Very good. The same question to Jackie: do you think that there is any way that the Government can act or intervene to support this situation?

Jackie Edwards: I do and there are several ways that it could. The situation in the UK is a lot worse than the recent Ofcom figures suggest. Going back to 2002, you are looking at an 85% decline in content over that period. In 2002 there was a lot less competition in the marketplace, so all that was being made was mostly consumed by children in the UK. The decline has been massive, and the competition is now huge. As the previous panel said, there are two major problems to the sector. One problem is funding, which is what we are talking about now, but that must be looked at in conjunction with finding and ensuring that this content is surfaced and seen by young audiences in this country.

It has never been more important for them to have culturally relevant and specific content to understand their community and the country that they live in. Co-productions are great. They have always been part of the children's production ecology. I used to be a producer myself and co-producing with France and Ireland or wherever, has always been part of the life. However, when it is growing and growing as a feature of financing, it dilutes the cultural specificity of the programmes.

If the BBC is partnering with one of Adam's colleagues, you will have several lots of editorial opinion, so things will get diluted, and you will have less culturally specific content at the end. For some things that does not matter so much, but for others it is really important. If you are looking at dramas that are notionally set in the UK, but the cultural tropes are from somewhere else, it is a confusing picture, particularly when you know most content on YouTube is coming from North America. We are losing our cultural identity, and the children of this country are not seeing themselves reflected on screen adequately.

There are things that the Government could do. Tax credits are brilliant, and the current ones are massively helpful. I was working at the BBC when the animation tax credit came back, and it was utterly transformational. Several projects that had been trying to get the last bit of funding together all got greenlit at pretty much the same time when the tax credit came in. It was a nightmare trying to manage our internal budget to make sure that those shows got cash flowed, but we managed, and it was a brilliant and transformational thing.

Tax credits are great for local producers, but they are also a great attractor for international co-production, so they are culturally relevant in many ways. I think that an increment should be culturally specific, if we are going to give more money. That would be really helpful and would help to engender more content that reflects the UK. So tax credits—yay to those. Everybody loves them, apart from the Treasury, as we heard in the last session.

There is a lot of value in regional attraction funds. As we know, the BBC is the biggest commissioner in the UK— and perhaps the biggest commissioner in the world—of children's content. It is absolutely fundamental that the BBC continues to be supported.

Again, as Oli was saying earlier, the children's budget as a proportion of the whole BBC budget is not in proportion to the number of children in this country, so more funding, from a reallocation to children's content, would be great. Again, we must ensure that it is culturally specific content, and that there is less of a need for international co-productions as part of the main strategy for children's TV, as it is now, because children need to see themselves on screen; it is vital that they do. We need to get more of that content out there and surfaced.



HOUSE OF COMMONS

Of course, I will mention the young audiences content fund. I think it was a brilliant thing; I would think that, of course. However, there was also an evaluation that showed it was massively successful, fair, efficient, transparent and great value for money. It cost—well, the White Paper that established it set a budget of up to £57 million over three years. It was specifically for the provision of content and extending the plurality of content available to young audiences in the UK. It absolutely delivered on that intention.

As well as doing the job that it intended to do, it brought so many different sorts of value to the country and to young audiences. There was economic value. The gross value added was a much stronger number than any of the tax credits. Industrially, what it did for production companies—the development piece supported fantastic development, because you need money to give structure and process to development if you are going to get something good at the end. That was demonstrated in 11% of our development projects being commissioned.

The production piece really diversified the offer. So many different new producers from all around the country were doing all sorts of different genres and techniques. One of the biggest joys was seeing the indigenous language broadcasters actually making live-action content for their audiences for the first time ever. Seeing yourself on the screen is important.

It delivered cultural value to young audiences. They were seeing all sorts of new content—different content. It was appreciated by young audiences who did see it, according to research that we conducted alongside the fund, and by the number of broadcast recommissions that the shows got.

Also, societally, this sort of content that is specific to our culture is massively important for societal cohesion and understanding others around you. It is cultural glue, and it is really important. I would advocate for such a fund any day of the week.

I will stop talking now; I have gone on.

John McVay: Chair, can I add a supplementary answer to Jackie's comments, please?

Q87 **Chair:** You can.

John McVay: Thank you. There was something that Oli mentioned, and I was involved in setting up the young audiences content fund with John Whittingdale when he was Culture Secretary. It wasn't meant to be a kids fund, but we persuaded him that it should be a kids fund. Thank God he listened and all credit to him at the time.

One of the other things, which was very important in the young audiences content fund, was the money that you could get for R&D, because to develop a product in a highly competitive market is more expensive now than it has ever been. So even if we get money from making the show, very often the producer has to defer their production margin. The



HOUSE OF COMMONS

production margin is what you put into R&D, and it has got more and more expensive to compete in a global market. An R&D fund—the allocation of the budget from the fund for just R&D; speculative R&D—was absolutely transformative for the kids sector, because it is very expensive.

I would make a plea to Government. When I did the first sector plan with Greg Clark, we asked that the Government consider opening up the existing R&D tax credit, which the tech sector and many others benefit from, to the creative industries, because in a global competitive market getting your product developed to get people to invest is harder and harder. So it would be a big and welcome boost, not just to the kids sector and not just to the British TV or film sector, but to the wider creative economy. That is absolutely in the gift of Government. It was the Government that removed us from it when it was first introduced under Gordon Brown. I would love the Government to review that to allow the creative economy to be able to access the R&D tax credit. We are as important as life sciences and many other important sectors that benefit from the R&D tax credit.

Q88 Chair: And you will recall, John, that that was one of the recommendations of our British film and high-end TV—

John McVay: I welcomed it deeply and thank you, but successive Governments have promised to think about it.

Chair: We need to recommend it again.

John McVay: A stronger recommendation would be very welcome for the entire creative economy.

Q89 Cameron Thomas: How are your members responding to audiences moving to YouTube?

John McVay: You heard from Richard that all my members are playing on YouTube with professionally produced content, but many have now set up dedicated digital production parts of their business. They might be using some existing IP and spinning out new content for YouTube channels.

You also heard from Maddie that making money from YouTube is very difficult unless you have a gazillion views and are monetising very fast. The algorithm favours volume, as you heard from Maddie's experience as a YouTube creator.

Some of our members are making very small amounts of money. Some are making nothing. It is a loss leader for many to get into that market, understand it and see what they can do with their content.

When people say, "Well, YouTube will sort everything," I have a simple premise. We used to be an economy and a culture where I came up with a brilliant idea, you liked it and wanted to give me money to go and make it. I then hired everyone to go and make it. I gave you the production and, hopefully, you made money and we made money.



HOUSE OF COMMONS

YouTube is self-publishing. I have to pay for everything. The barrier to entry on YouTube—and this is where you touch on issues around diversity and social inclusion—is difficult, because you have to pay for everything. You heard from Maddie; she probably works very hard to make not very much money.

YouTube is a way of attracting people back to your content, building up a fanbase and trying new ideas. It is very exciting, but the idea that it is going to replace significant investment in original content, I just do not think is real.

Jackie Edwards: Just to add to that, YouTube content creators are great, inventive people, and some of them make absolutely fantastic content, like Maddie. There is a lot of other content too.

The reality is that if you are a UK producer—or any producer—when it comes to making content for YouTube, it is your own business to make that content happen. It is essentially sweat equity. You are then banking on luck, or on some sort of speaking to the algorithm, so that your content gets surfaced and you start making some revenue back.

As we have heard, for children's content, under the COPPA regulations, the proportion of money you can make from YouTube advertising revenue is tiny. The difference is that the people who are successful in getting new content surfaced make content for the algorithm, not for children. It is a different style and approach to production, something we need to think about, because children's neural pathways are developing. There is a lot of brain plasticity. If you are letting them absorb content this way, that is more and more of the same, they are going to develop very specific, hardened neural pathways. In the long term, that is not going to be good for society—or them.

Q90 **Cameron Thomas:** Adam, did you want to add anything?

Adam Minns: Yes, I would like to add a few things. I will start with YouTube and then come back to the content fund and cultural specificity.

For us, the problem with YouTube is that it now accounts for 44% of kids' viewing. For PSBs in general, it is 48%. So almost half the audience is over there. We put our content on YouTube and there were revenues, but more recently those have dried up.

To be fair to YouTube, for understandable reasons they have introduced the "made for kids" protection, which means that you cannot target advertising at kids on YouTube. We can all understand why that has been done, but it has absolutely obliterated the revenues that were there. We have lost nearly half the audience and there is no revenue there.

On the contestable fund, I just want to add a couple of points. You will be aware that the first fund was not open to subscription services, and there were valid reasons for that, but it did mean that, for most COBA members, although the fund was very welcome for public service broadcasters, it did

not work for us. Even if you co-produced, there was a two-year holdback before you could release it in the UK.

If you want to attract private sector investment—non-PSB investment—into the genre, any new fund would need to be open to subscription services.

On the specificity points that Jackie raised, I do think co-productions can be culturally specific. Frankly, pretty much everything you look at on some PSB channels is a co-production. If it is not culturally British, then something is deeply, deeply wrong in the PSB system. I think it is culturally British, but there is one way you might address that, to come back to the windowing system: if you could go first in the UK, you can make a much more gritty, difficult, challenging, UK-centric show. The proof of that is *Adolescence*, which was mentioned in the previous session. It was absolutely, searingly local, yet it obviously had global appeal. It is no coincidence that that was not a co-production, because why would you make that show if you could not show it in the UK?

- Q91 **Cameron Thomas:** John, in your evidence you talked about producers' self-financing children's content to go on YouTube, but you said that the income generated is nowhere near those levels. What proportion of your membership would you describe as struggling?

John McVay: I think kids' producers have been struggling for 20 years, to be quite honest. As I say, it is the canary in the coal mine. We have seen many people exit the industry over that period. Jackie referred to the early noughties when we had a booming kids' sector; there was a lot more investment, many more commissions and more diversity of suppliers. No one comes up to me and says, "You know what? I am about to fail tomorrow", but I know the sector is severely stressed, and I think that is why your inquiry is very important, because I think we have had 20 years post the Communications Act which failed to protect children's programming. We have had 20 years of hand-wringing reports from Ofcom and from Parliament, but we are only managing decline.

- Q92 **Cameron Thomas:** What needs to happen to bridge that financial gap?

John McVay: I suggested some interventions at the beginning. The proportion of investment that the BBC puts from its budget into children's programming has been touched on by Oli and by the Chair. It seems not to be representative, and as Oli touched on, there is the question of whether that is to do with the fact that children do not pay the licence fee. However, they are the licence fee payers of the future. When ITV closed down CITV, for good commercial reasons, it just closed down its audience. That is an audience that would have grown up watching ITV. It was a short-term commercial fix, and I understand why it did it, because it is a PLC and so on, but surely if the BBC is worried about the future licence fee payers, more investment in kids' content seems not only to be good for our society but for the BBC.

- Q93 **Cameron Thomas:** If we lose the BBC, what happens to children's content?



HOUSE OF COMMONS

Jackie Edwards: We are left with pretty much nothing of any value. On YouTube, we are increasingly seeing a lot of content created by bots. It will be YouTube providing all the content then, I imagine. The streamers will be present as well. If you have a subscription, that is fine. I mean no disrespect—I am a big fan of all streamers, and I have most of them—but they cater for global audiences, not local audiences. They try to please all the people all the time, and they succeed a lot of the time. I think of something like *Sex Education*, which was set very near where I grew up in a high school in the Esk valley. There was beautiful, lovely scenery, but all the tropes in the programme were very much based on American high school culture. It was a great and entertaining programme, and I learned some things from it, but it is not the same as the sort of content that the BBC would make, or that any UK public service broadcaster would make, because it does not truly reflect our young people and our audience.

Adam Minns: To lose the BBC, or to lose the licence fee for kids' content, would be disastrous. Let me make that absolutely clear: it would be absolutely disastrous. The market is so tough, with YouTube fragmenting audiences, with advertising restrictions around junk food—we can all understand why they are there, but they took £200 million a year out of the advertising sector—and with tax breaks that I do not believe are that competitive. The market is so tough that we cannot finance, or can only very rarely finance, original kids' content on our own, so we need to partner with the BBC and with other broadcasters.

I do not represent Netflix, so I do not feel that I need to defend it, but *Sex Education* gets a bad rap. It is quite instructive on the complexity of the ecosystem that we have. *Sex Education* gave a platform to a new generation of British talent. Aimee Lou Wood and Ncuti Gatwa got their first breaks there. It is no coincidence that after Ncuti had established himself, the BBC appointed its first black Doctor Who after 60 years of Doctor Who because he had built up a global following with younger audiences via *Sex Education*. It might not be a gritty kids' show, but it has a value to the whole UK ecosystem.

Jackie Edwards: I completely agree. I was just making the point that it is different from UK public service content—subtly, sometimes. It is a great show—I love it—and Ncuti was great.

Q94 **Cameron Thomas:** John, do you have anything to add to wind up?

John McVay: No. I would just reinforce what I have been saying. We are at a very important point. Hand-wringing and reports without action over the next five to 10 years will let British kids down.

Q95 **Mr Alaba:** Going back to co-productions, which we touched on in the previous session, John, how important is the role of co-productions for your members? Cultural accuracy has been mentioned. Adam, your point about the BBC and Doctor Who was poignant. I would like to hear more of your thoughts on that.

John McVay: Other people's money—OPM—is always important. British producers are some of the most entrepreneurial on the planet. The reason



is that we own the copyright and the programmes that we are commissioned to produce for the UK PSBs so we can take those rights to Adam's members or to other financiers or co-producers and actually have something to give them. There are rights or copyright that we can share for those territories.

Co-production has become more important over the past five to 10 years. It has always been important in kids' TV and in UK feature film production, but it has become more and more important in general financing—where it works. It does not always work. It can often bring editorial problems. One of my scripted drama producers, although not in kids' TV, uses tax credits all around the world. He probably spends more time filling in tax returns to get his tax credits than he does actually producing, but he has to in order to make the show.

The more parties to financing, the more difficult the show often becomes. If you want a co-producer, you have to search for them very carefully and find the right one that fits with the project so that you are still able to deliver it to your primary buyer with their expectations being met. You do not want co-production to dilute the specificity of the product, because when I give it back to the BBC, or whoever, they will go, "That's not what we thought we were getting." It is important provided that it is the right thing. Successive UK Governments have been very good at agreeing co-production treaties with key territories. I have been involved in designing and crafting some of them over the years.

Q96 Mr Alaba: PACT-commissioned research found that finance from international co-production partners is becoming increasingly difficult. That is leading to some difficult projects being unable to begin filming. Adam, I will come to you first. You addressed inflation and investment earlier. Why is this becoming more difficult?

Adam Minns: Co-production?

Mr Alaba: Yes.

Adam Minns: It is, and it isn't. I do not think that co-production, per se, is becoming hugely more difficult. There are a lot of challenges in the market in raising finance, particularly in the US and in getting US companies on board for a US sale. But the number of co-productions—by which I mean co-financed co-commissions where different broadcasters or streamers are involved at financing stage; it might not be a statutory co-production under the treaty—has held up. Interestingly, what has changed is that there has been a gradual shift, not just in kids co-productions but in all drama, towards a greater proportion of them being returning series. That was touched on by one of the previous panellists. The second series of a show is a returning series, and that is more likely—it is taking up more of the co-production space. If you have a brand-new property, it is harder to get it away, but the actual number of co-productions has stayed pretty consistent.

Q97 Mr Alaba: John, would you like to come in on that?



HOUSE OF COMMONS

John McVay: It is semantics. We would call co-production “co-financing”, where we pre-sell a show to another broadcaster. That market is pretty robust. Secondary sales have been very difficult in the UK, partly because the BBC has put prohibitions on our ability to sell shows to Netflix, which we were doing. That has closed a door—that is money on the table that we can no longer access. I do not think that is right, and we have been campaigning for the BBC to change that because it might help to get the show made.

Traditional co-production is pretty much where it has always been, but to add to Adam’s point, everyone is chasing other people’s money—not just us, but the French, the Spanish, the Germans and the Americans. Everyone is chasing the same money. Globally, the money for content, in spite of the figures you might see for someone looking to buy Warner Bros, is not growing, but it is under more expectation. People need to make more content to retain audiences. It is a matter of quantum: how much money is there, how much of it can we get, and is it enough to make the show to the quality that we need to remain competitive?

Q98 Mr Alaba: How does this situation affect your members’ ability to enter co-production and IP relationships?

John McVay: Thankfully, if we are working for a UK PSB, we own the IP. We have a market advantage in that we have something to take to market, so that should be maintained at all costs. Last year, British independent producers put nearly £700 million of deficit finance, as we call it—debt—to support British PSB programming. That is money we raised from the market that has to be recouped before we make any money. We put that into British programmes, so that is risk that we put in. British producers work really hard to get the money to make the shows that you all enjoy, but the margins are becoming much finer and much harder, and it is taking much longer to raise the money to get a show made. That applies across the piece now, and it is a very worrying trend.

Something that has been very common in children’s production for some time, which is now emerging in all genres, is that producers are deferring their production fee in order to close the finance on the product. That is the margin I make as a business, my profit margin. Producers are basically giving that up to get the show made. That is very worrying for R&D, and for growth and investment, because you can’t maintain that cycle. If you are not making any money, or you make money only when you have recouped all the debt that you put into the programme, you do not have the reinvestment going back into new ideas and new talent. It is not sustainable. It has long been the case in children’s production and in British feature film, but it is now emerging across the piece in original British content.

Q99 Mr Alaba: I will come back to you, Adam. What are your views on the importance of co-production in the financing of children’s TV?

Adam Minns: I agree with John about the strain on the system. As I said in my rather long opening remarks, the amount of third-party money in



HOUSE OF COMMONS

kids PSB has grown and grown, to the point where John's members, my members and tax breaks are propping up the PSB system. It is really hard to say how sustainable that is. We spiked in production, and then production went down. I think there are green shoots to suggest that we may have bottomed out in terms of investment. We are plateauing.

Last year's PACT exports survey showed that the exports of kids content were up, and Ofcom's figures show that third-party investment is at a record level. To answer your question, I do not know, to be honest, how sustainable it is. It feels like it can't go much further, but that is just a gut feeling.

Q100 Mr Alaba: COBA's evidence asks for the BBC to take a more flexible approach on windowing to attract more third-party co-production money. Can you explain the issue and how it might help the amount of co-productions?

Adam Minns: I am only suggesting this in a minority of cases. I am not suggesting the BBC should go second on everything. The BBC has come to this Committee and said it cannot find enough co-production partners. I am not just saying this from our point of view, as I think this is an issue for everyone. At the moment, if you co-produce a UK show with the BBC, the BBC will take the first window in the UK. The BBC has a very big reach, and that makes it difficult for a relatively small subscription service to get any revenues back.

When you flip it around, there is an example where the BBC went second, and that was on the much-loved Bluey, which is an Australian show with very complex financing. The BBC was a co-producer with the Australian production company. Bluey has immense public service values. Among many other things, it has a father taking a very active role in bringing up kids. On Bluey, when it came to the UK, Disney went first. Disney had the premiere. A year later, the BBC showed Bluey on iPlayer and free-to-air, and it did very well for the BBC. It was the biggest kids show that month for the BBC, and I think it has been very successful for them ever since.

So there is a model that says sometimes things could work if the BBC went second, and that would open up more funding opportunities for us to come in.

Jackie Edwards: Bluey was acquired by the BBC. It was funded by BBC Studios in co-production with ABC Australia. Studios is a distribution entity attached to the BBC, so it was not an original co-production with the BBC. But the problem with co-production is real, and it is global. Broadcasters everywhere are suffering the same as we are here, and everybody is more risk averse. People have less money to put into commissioning. With children's it is more acute than anywhere else. We are always the market leader in problems with financing.

The fundamental problem with co-productions is that they are very much like the tax credits. If you do not have a commission, you cannot co-produce with anybody. Currently it is pretty much only the BBC where you



will get a commission, which is a fundamental problem. There is just not enough activity going on with the commercial PSBs. I know Louise does really well with a tiny budget for Channel 5, but the offer there is comparatively very small. As an example of the good that something like the young audiences content fund can do, there was a beautiful series that Louise at Milkshake! commissioned. All of the indigenous broadcasters got on board because it spoke culturally to all the nations of this country. It is beautiful stuff. Tweedy and Fluff—watch it, it's beautiful. It did really well with audiences, so Louise commissioned a second series. The fund went, and she is unable to get the rest of the money, despite lots of international sales, because the money is not there. If we want beautiful shows like that, we will have to get behind them.

The fund was just getting going and projects were just taking off when it was stopped. A beautiful series that had the potential to do so well has now been stopped in its tracks, and there probably will not be a second series. So we will not have the opportunity to create another Bluey, Hey Duggee or Peppa Pig. We will not have any more of those shows.

Adam Minns: I agree. I just wanted to clarify that I do not think windowing is the answer in itself. I think we need to look at more structural funding models; we need a review of tax breaks; and I think a contestable fund would be a great idea, particularly for cash flow.

John McVay: I think you saw from the previous panel that we punch way above our weight as a nation, in terms of the audiovisual global economy. We are a tiny country, and we are not spending anywhere near as much money as the Americans do on content, yet we are often in the top 10 wherever you look—if you look at Adolescence and all the shows. We have the ideas, we have the competence and we have the ability; it is the money that is the problem. Closing finance and getting to market is the real problem. It is not a fault of ideas or ability; it is market failure. That is where Governments have a role in addressing market failure to make sure that we are providing the goods that our society wants.

Q101 **Dr Huq:** I agree about Milkshake!. My sister, Konnie Huq, was the original presenter when Channel 5 first started, and then she went on to Blue Peter. We have not praised Channel 5 enough, because they are still doing good stuff. I wanted to ask about YACF—it sounds like a yoghurt, but it is the young audiences content fund. I know all the evaluations were glowingly positive, and obviously you headed it, Jackie, and you oversaw it, John. Do you know how regionally distributed those funds were?

Jackie Edwards: Yes, 70% of the funding went to companies outside London and the south-east. We touched every corner of the country, pretty much. There were projects in the islands, in Northern Ireland, in Wales and all across the country. It created great-value jobs; it upskilled all around the country; and it built value in companies that were struggling before. Intellectual property brings value to a company, and it has a value. That was another benefit of the development piece of the fund: it created a lot of IP-generation in those companies. It was all round the country in

all sorts of different communities, and we heard voices that had not been heard before. It was great in that respect.

Q102 **Dr Huq:** Okay, so it was in Scotland, Wales—everywhere.

Jackie Edwards: Everywhere—the nations and regions. The indigenous language broadcasters also all participated in the fund. In fact, they came together for some projects. There was a project called Sol, which was commissioned just before the pandemic and then produced during the pandemic, and all the indigenous language broadcasters agreed to share this short film with all the commercial PSBs, who were not participating, to create a moment of reflection on the winter solstice at the end of the terrible year of covid. It was a beautiful thing and, collectively, so many talented individuals in broadcast and production came together to hold hands with the audience, essentially.

Chair: And it brought back How.

Jackie Edwards: Twice.

Q103 **Dr Huq:** I remember being lobbied about the fund when it was going, because people said that most of its short life was under covid—from '19 to '22.

Jackie Edwards: Despite that, it was brilliantly successful.

Dr Huq: I remember going to see Julia Lopez about it. Do you know what the current Government feeling is about it?

Jackie Edwards: I am not entirely sure. I don't know why the fund was stopped. It was a pilot with a three-year life span, but the contestable fund White Paper that established it said that there would be an evaluation before a decision was made to close or continue, and it was just closed without warning. We were shocked and upset, and the industry was devastated by that loss. I still do not know the real reason for it.

Q104 **Dr Huq:** I have a couple of questions on what a YACF 2.0 would look like. You have put together a proposal on how it should be different and how it should be funded. The previous panel were saying there should be levies.

Jackie Edwards: Sure. The 2018 contestable fund White Paper absolutely prioritised producing more content, development and production, and creating a more plural content offer for children. It did not really consider what was happening with the VSPs and streamers, and how they were taking more eyeballs away from the legacy platforms. One thing that I would do with a new fund is that the funding mechanism has to be in concert with some sort of public service algorithm that we ask the VSPs and streamers nicely to adopt, so that we are seeing more UK content in the UK. That is the thing, finding—it all has to come with that. With the new fund, I think the money has to follow the audiences, so it should be platform agnostic. If you are offering content to children in a space, you should be able to apply for this fund. You should not need to have a broadcast commission from a legacy broadcaster, but you can, and it would be helpful towards the funding model.



HOUSE OF COMMONS

I think we should be a bit more relaxed about the idea requirements for coming into the fund—not just for companies, but for individual content creators. We have to find a mechanism to allow them to quite easily apply for money that can help them get their content out with a quick turnaround. The immediacy and relevance of a lot of that content is what children enjoy.

Content should also be all kinds of everything, to suit all the different platforms. We should not exclude things like Roblox, because a lot of children are there. We need to think about where children are, and let the money follow that. What we need to maintain public service is, like with the original fund, having a suite of priorities that speak to our cultural wants and needs. If a project can meet those priorities in a significant way, I believe it should be eligible for the fund. We need to try to meet the audience where they are, which has been said quite a lot of times.

The other thing is that a lot of the higher-budget productions spend quite a lot of money on borrowing costs, because in all of this—as well as all the other problems—broadcast licence fees are often not cash-flowed through production, and tax credits are not cash-flowed through production. Producers have to borrow quite significant amounts of money to get their production made, because cash-flowing production can involve large sums of money. Borrowing costs and legal costs were sometimes running into tens of thousands, if not six figures.

With the fund, because we did due diligence on each entrant—we did due diligence on a couple of banks that I could mention—you could offer some sort of soft loan for producers to cash-flow that. The Government might be able to do that via the British Business Bank with a soft loan facility, as that may be the safest for broadcast licence fees or tax credit. That could be a thing.

With a new fund, if a show is appropriate and is potentially able to make revenue abroad, I would also have some sort of recuperable element to the fund—it is not going to be self-sustaining in the early years, but at least there would be some revenue to replenish the pot. So long as the terms on producers are not too onerous, it could be something that is helpful in the longer term. A new fund should be long term; three years was not enough. The projects were only just getting going and producers were only just starting to feel a real benefit. What the fund brought to the sector was a lot of confidence, and that is in very short supply at the moment.

Q105 Dr Huq: It would save people from having to go with Disney or the huge people.

John McVay: Well, I do not mind people making shows for Disney. Whoever wants to buy our creativity and talent—brilliant!

Dr Huq: But to diversify.

John McVay: I think we benefit from having a very mixed economy in the UK. My members work for streamers, Adam's members and PSBs. Half of

British indie revenue comes from North America, where we make shows for a lot of the American networks. Jackie raises an important point, which may be for another Select Committee beginning with “T”. The British banks have abandoned us; we cannot get the cash flow to cash-flow the money we need to make the productions. Thankfully, under PSBs we get stage payments, but they can take a long time. I have spent most of the money before I get any money, so I have to go to the bank to borrow money to cover my running costs for making the product. Most of the high street banks will not lend now.

Most of my members are now going to ex-UK banks that charge exorbitant rates, which I then have to take out of my budget—in other words, my money—to cover the cost of the cash flow. That is something I have raised with Minister Bryant, and I think it is something the Government could look at is why British banks are not appropriately lending to the creative economy. Generally, we borrow to make the show or the product, and we are then paying other people a lot of money that will go to other shareholders, instead of coming into the British economy.

Q106 Chair: Is the British Business Bank any more receptive?

John McVay: The British Business Bank is not a lending bank; it is an underwriting institution, and generally it does not do loans. If I set up a private equity fund to invest in content, it would underwrite it, so it is a guarantee. It is not actually a direct lender, and one of the problems is that it cannot actually lend money under preferential terms to the creative economy; it has to go through a private sector third party to do that. It is the high street bank lending that is the problem. Some banks, like Coutts, do lend, but their slate is full. They are not taking on any more clients, so my members are borrowing from Canada, Argentina and America in order to get the money to make the shows.

Q107 Dr Huq: Adam, would your members support a levy to pay for this?

Adam Minns: I doubt it. On a levy, the first point I would make is that we already invest in public service broadcasting for kids. We are already investing £25 million a year in BBC and Channel 5 shows as co-financiers, and that is more than the levy raises in Germany or Spain on all VOD suppliers for all genres.

The main point to bear in mind on a levy is that there is a fallacy in some of these discussions—not here, but generally—that just because a company is big it has a magic money tree and you can impose more costs on it, which in this context is what a levy is, with no knock-on effect. It is just not true. If you increase the costs, there must be an impact somewhere. Most likely it will be the content budgets that companies would look to cut, so you could end up undermining the co-financing model, which is already under incredible strain. It might alternatively be in UK jobs, or it could be in prices, but there must be an impact if a levy comes in. I urge the Committee to look at current funds that are already in the media sector and the TV sector.

Q108 Dr Huq: Could YouTube cough up?



Adam Minns: The BFI has £50 million of National Lottery money. I do not believe that a penny of that goes on children's content. There may be some around the edges, but there is certainly nothing significant. The regional screen agencies also have a lot of money, which they use to fund content. That is open to children's content, but I do not believe that it is a priority. If you look at their websites and their wish list, they seem to be focused on high-end TV and film, I think partly because they want to recoup their investment. Certainly for some subgenres in children's, outside the pre-school market, that will play against a children's programme compared with a more glossy drama or something like that. It is time to have a review of our priorities.

Could YouTube afford it? I do not know. I do not represent YouTube. In fairness to them, they have 44% of the viewing but I am not sure how much advertising there is for kids now that they have the Made for Kids system in place to stop you targeting adverts. I am not sure how much money they are making themselves out of it.

Q109 **Natasha Irons:** I understand your cautiousness about a levy, but in this case, from the evidence we have heard, there is a value extraction from the public service content that goes on to these platforms. There is not an equal value exchange, because they have to put up a lot of the up-front costs to make this content. The value is extracted on YouTube—obviously not through the YouTube Kids bit, because that is not monetised, but on the main platform, which is driven by viewing.

That value is not invested back into the content production because it does not come back through, although we have paid for it as the British public; it becomes a global thing where the value goes to YouTube. I would understand your cautiousness over a levy on, say, Netflix or something when it comes to one long-form piece of content, but when we are talking about YouTube, whose explicit model is content that is uploaded and the value is generated by views, surely we need to review how that value exchange is happening.

Adam Minns: I completely understand that, yes. There is a logic in that.

Jackie Edwards: I completely agree with that.

John McVay: I am not defending YouTube, but I think if Parliament wants to consider those principles, it has to consider them across the piece. YouTube is not a broadcaster. It is not a publisher, and it has fought many legal cases to make it clear that it is not a publisher. It is a platform. If you are saying there is a levy on a platform, then which platforms?

It is right for Parliament to consider those questions, but to be fair to YouTube they are profound questions about how we intervene in those types of markets. Other countries in Europe have done so under legislation—the AVMS directive—but this Government and successive Governments have chosen not to invoke that legislation, for good reason because, as Adam pointed out, you might just be taking money from Peter to pay Paul, or your net investment goes down, and inward investment is clearly an important thing for our inward economy. YouTube does not

spend money—it does not commission—unlike the other platforms that do spend money and do invest.

Q110 Natasha Irons: But when is a platform not a platform? If the algorithm editorialises what content is there, it is deciding what it is monetising. It is not just surfacing it; it is driving editorial.

John McVay: I think many Members of this House have the intellectual capacity to have that debate. It is a very real one, and it is not just the UK that is asking those questions.

Jackie Edwards: We need to take a holistic view of the whole landscape, and particularly for children, because they are at the forefront in suffering the problems of the wider sector that are coming down the track.

Yes, we should look at it in the round, but it is such an unequal playing field. The VSPs and the streamers are lightly regulated and lightly taxed, but although the streamers take advantage of the high-end television tax credit for those brilliant, beautiful, fantastic productions in Northern Ireland, they do very little children's content themselves. I think there were 12 hours of content last year from streamers that access the tax credit. That is across all the streamers—the US streamers. They are lightly taxed and lightly regulated, and then the traditional broadcasters have all sorts of regulations imposed on them.

We need to look at it holistically and look at what is right for the children of this country. The companies should be taking social responsibility for what is happening in this country and what children are being served up. There should be a little bit of equity across the whole piece. Anybody that is serving content to children should be subject to similar regulation and taxation.

Chair: We need to move on, because we are running massively over time.

Q111 Jeff Smith: You have expressed concern, Adam, about levies hitting streaming investment. Can you point us to other countries where that has happened? There are levies in France, Australia and Canada. Has that amounted to a reduction in streaming investment there?

Jackie Edwards: The audiovisual media services directive is implemented in a number of ways. There can either be a quota on content that is made in a country, or a levy can be imposed. Some countries do one or the other and some do both. So far it has not impacted on investment, as I understand it. Actually, France in particular is asking for the AV directive quotas to be increased to 50%. They are obviously not feeling a terrible impact, but it is doing some good in terms of their local content.

John McVay: Work is going on to look at whether this has made a difference or not. I think the jury is out, because it has not been long since these things were introduced, so the data is not there yet to take a proper, informed position about whether it has delivered additionality or whether it is just displacement.



HOUSE OF COMMONS

Adam Minns: That is my understanding. The levies, where they exist, are quite new, so I do not think there is a body of work to point to impact either way. It is pretty clear at the moment that it is unclear. But it is common sense: it must come from somewhere. Otherwise, you are thinking that a company that is levied is going to pay it and there will be no consequence.

It is worth bearing in mind that at the moment the whole sector is going through a huge amount of disruption, with mergers and acquisitions everywhere. In the UK we have already seen a lot of these companies making redundancies as the spate of mergers and acquisitions goes on and they are looking to cut costs. I think it is very dangerous to take this investment for granted.

Chair: I am going to move us on, because I am very conscious of the fact that we are already half an hour over time.

Q112 **Damian Hinds:** I was going to ask about tax credits, but they have come up quite a few times already. Is it fair to assume that there is nothing more to say that you have not already expressed on tax credits and how you would like them to change? Oh dear—from the look on your faces I see that is not true to say. If anybody has something they feel they have not said already about the tax credits regime, please go ahead.

Jackie Edwards: We need commissions for tax credits to work—we all know that—but the level of tax credit being claimed in this country is indicative of the state of the industry. In 2022, which is the latest data I have seen, £836 million from the Treasury went on HETV and £27 million on children's television. That is the discrepancy.

Q113 **Damian Hinds:** If there is nothing further on tax credits, can I ask about costs? In the Pact evidence comparing 2024 with 2018, it talks about the flat cash in PSB spends. I have done this amateurishly while we have been sitting here, but I think that, if we just apply normal inflation, there was a 23% decrease in spend. There was a 43% decrease in the number of hours of original output. Why?

John McVay: Because inflation in our sector is asymmetrical. We are affected by macroeconomic inflation, which everyone experiences, but we have also experienced considerable rises as a consequence of inward investment and inflation in our talent market. Talent costs over that period have gone up by close to 20%.

Q114 **Damian Hinds:** How come?

John McVay: Because talent has a wider market that it can sell itself into, and agents will seek to get the best price for their talent when they are negotiating. In order to get a commission, of the few we can try to win, broadcasters have to package talent and take that to the buyers. That talent comes at a much higher premium than it did prior to 2018. We had a boom in the UK, as everywhere did post-covid, when there was a massive boom. Talent costs and labour costs have gone up.

Q115 **Damian Hinds:** Is that another way of saying that children's television presenters are paid a lot more than they used to be?

Jackie Edwards: No, John is not talking about children's. He is talking more broadly.

John McVay: I am talking more broadly, but also, what our buyers want, in order to punch through with the limited funds that they have, are often much bigger and more ambitious projects. Those cost more, basically.

Jackie Edwards: I would say that it is largely to do with the type of content that is being produced. There are more big projects that will appeal to international market and fewer very local productions like factual entertainment programmes.

Q116 **Damian Hinds:** Okay, but that ought to bring a revenue expectation with it, presumably.

Jackie Edwards: Well, that is the intention of doing more of those bigger, international projects.

John McVay: It is also to punch through. As we have heard, 44% of kids are on YouTube, so for a domestic broadcaster to get an audience, they are going to have to do something that gets attention, and that is often much more expensive to do.

Q117 **Damian Hinds:** But there is a revenue to come with that?

John McVay: If it works and if it is a hit. As I have said to other people before, if I knew what was going to be a hit, I would not be sitting here. No one does. It is always prototypical and always a gamble.

Q118 **Damian Hinds:** Adam, the cancellation of CITV is a bit vexing for reasons that include the future audience marketing aspect that you mentioned. What is the minimum cost of running a channel? Obviously, you can put an awful lot into a channel, such as a 24-hour output and star presenters. On the other end of the scale, you can have a semi-automated thing, where there doesn't seem to be many people programming or teeing things up at all—it is just content, content, content. If you have a library of content, how much does it cost to run a channel?

Adam Minns: I do not represent ITV, but I will give you an example: Sky Kids, which you heard in the previous panel had closed. It has not closed; it continues as a kid's channel and they have two years' worth of new kids' content that they have not shown yet, so they will be dripping that out. They have announced that they will stop commissioning new kids shows, but they have a pipeline. I want to mention something else they have done called Children United, that I know this Committee has received a separate submission on. Children United is an online news and factual channel for kids, and, I think, the holy grail of children's public service content. Sky has partnered with a range of bodies to fund this, such as the World Wide Fund for Nature, the Science Museum, and UNICEF. It is the brainchild of the producer who did FYI Kids, which got money from Jackie's fund back in the day and was commissioned for Sky. I do not have the



HOUSE OF COMMONS

number for what its budget is, but it is an example of a service that is, I suspect, being run in a way that is lean and mean, and is absolutely delivering public service values. It is also free.

Q119 Damian Hinds: Can you give us a benchmark of how much it costs, or the minimum infrastructure that you need?

John McVay: That is commercially sensitive information, generally. I can say that if you are running a channel that has just acquired—

Q120 Damian Hinds: It would help us to challenge—you do not have to give us something that is going to move a market; we just need to know how many zeros there are in it.

John McVay: I would not know.

Adam Minns: I cannot get into it, and I actually do not know the numbers of my members, but if you look at the BBC—because it publishes accounts—you can see content spend versus distribution costs. I believe—this is off the top of my head, so it would be better to check it—that the BBC puts distribution costs at 10% of its total budget, or something like that.

Damian Hinds: They are not making totally basic, semi-automated products. That is not the minimum viable product.

Adam Minns: I would like to check that figure.

Q121 Damian Hinds: We take it with all caveats. Back in 2007, when the ad ban came in, presumably there were people who were saying, “This is going to stop a lot of programming of children’s content.”

Adam Minns: Yes.

Q122 Damian Hinds: Were any plans put in place to counter that? It would have been fairly obvious, but there would also have been people arguing, “No, there’s plenty of money in this system, and I am sure people can afford it.” These kinds of questions come around again and again. Every time, we expect something different.

Adam Minns: It was worse than there being no plans, because the ban came in straight after the Communications Act 2003, and that diluted the children’s quotas for the commercial broadcasters. Jackie said earlier that regulation should be equivalent across different services and that we should be looking at putting obligations on non-PSBs. There are no kids’ obligations on the two biggest commercial PSBs. Channel 4 has a loose requirement to do something—which it fulfils by doing older content, arguing that children will watch that with others in the household—but there is very little obligation on it. It was a double whammy when you removed the obligations and then removed the funding. I cannot blame ITV—it is a commercial company. It decided, “That doesn’t make sense any more.”

Q123 Vicky Foxcroft: My question is about other forms of financing children’s content, and I am going to lump three parts of it together. First, what

other routes do you think could be explored to increase private investment in children's TV? Secondly, do the proposals in the Government's creative industries sector plan and the creative places growth fund provide opportunities that could support children's productions? Thirdly, what can be done to enable investment in children's TV that would enable more of the intellectual property to be kept in the UK? I am sorry, John, that you do not have pen and paper!

Jackie Edwards: The fund was very specific, in that all the IP that was created resided with UK companies, so it was there, and that was building value to start with. The new growth funds are very welcome. I have been at some meetings about the Greater Manchester fund, which specifically is £25 million across three years, but it is across all media sectors. A development and production fund—maybe both or maybe one—is going to be set up, but that is £10 million for production across three years, and £1.5 million for development across three years. The north-west and Manchester have a lot of different companies operating in scripted, high-end drama, children's programming and animation. That is not much money to go around to a lot of people.

How that will all shake down, we will see, but any investment is welcome. It might be that skewing it more in development, to actually start building those programmes, is a better use of money, but it is under discussion now, as you know. Anything new is welcome, but something that is dedicated to children's is needed. We owe it to them, and it is for the societal good in the long term. None of those initiatives is ringfencing any money for children. The regional attraction funds don't ringfence money for children's. Indeed, some of the bigger high-end TV productions have actually squeezed local production for children's content in the past. We have lost studios and production crew to those big, better financed productions.

John McVay: I would add what I said about the R&D tax credit. That would be very helpful. I agree with the public support—that is very welcome and becoming more and more necessary around the country. It should be looking at the major growth opportunities in each region. That may be one thing in one place and another in another. I think they need to have a very deep understanding of the screen sector that they are looking to support and develop.

We go back to the British Business Bank. We have seen some welcome developments in the new sector plan and the British Business Bank is more responsive. If we could access the untapped billions of private finance that sit in our country, which is very averse to investing in the creative economy—not just my sector; it is true of much of the creative economy—and they would invest in a project or product level, rather than just enterprise level, then that may unlock a lot of money that currently we find very difficult to access.

I have given a number of presentations over the years to various investment banks. One of the serious bankers said to me, "So what does your order book look like in five years? What would it look like for a typical



HOUSE OF COMMONS

creative company?" I went, "No idea." We are only as good as our last job. We are only as good as our last fashion show. We are only as good as our last kid's programme.

The Government could help with that, and I think the British Business Bank is key in that. If the Government generally could help the private sector to actually realise that we are a very investable and profitable sector, I would certainly welcome that.

Adam Minns: One of the benefits of the co-financing model is that it allows British companies to retain IP. We are co-financing with PSBs and in a lot of those arrangements, rights are going to be shared and the producer will retain rights under the terms of trade.

I will give you a recent great example. There is a show called Pip and Posy, which is a joint commission between Milkshake, Channel 5 and Sky, from Magic Light, who are the producers of The Gruffalo. This was their first foray into pre-school. It was a move to make the company more commercial and to move into a more commercial genre. Sky co-funded multiple seasons and multiple spin-offs, so there was real support for building the company and that show's profile.

All through that, Magic Light retained global distribution and merchandising rights. They have sold to multiple markets all around the world. They have launched the show in the US coming up to Christmas, so if you want, you can buy magnets, aprons, cushions, posters, t-shirts and mugs and contribute to Magic Light that way. I just wanted to say that is a benefit of how we are working with PSBs at the moment.

On the sector plan, I don't think there is much there on children's. I had a look through it and couldn't see anything that is specifically about children's, even in the PSB section. I can understand that. The focus is on economic growth, not on public service genres. There is a commitment to keep the tax breaks competitive. You can perhaps hold the Government to that.

Q124 **Mr Alaba:** I want to come back on the finance element and UK banks. John, you mentioned that a lot of UK banks are not lending. How long has that been the case and what is the reasoning? You touched on the understanding of investment in the creative sector.

John McVay: For my members over the past two years, it has been a growing concern. As I explained, we would go the bank, borrow the money, make the show, then we get paid and we pay everyone back and everyone is happy and we will get the cost of the cash from the buyer to cover the interest. But for some reason the banks that were doing that have exited the market.

Maybe they have their own risk profiles and other concerns and maybe they think this business sector is too risky for them. I don't know of anyone who has defaulted because, by and large, once you are commissioned, you make the show. If you don't deliver the show, that is



HOUSE OF COMMONS

probably a career-defining moment, so I don't think it is a problem of default. It seems to be a matter of appetite.

As I said earlier, the fact that we are now raising money and borrowing from non-UK banks at exorbitant rates is not good for our economy.

Q125 Mr Alaba: Would you be able to share with the Committee the main banks that would typically have funded productions historically?

John McVay: I can survey my members and get a helpful list.

Chair: I thank all our panel for your time and all your fulsome answers. It has been great to have you with us. Let me take this opportunity to wish everybody a very merry Christmas and a relaxing holiday, with lots of delicious food, but most importantly high-quality children's television, whether that is Wallace and Gromit, The Tiger Who Came to Tea, The Muppet Christmas Carol or The Snowman—we all have our favourites. We will continue this debate in 2026.