

Digital, Culture, Media and Sport Committee Inquiry: The Future of Public Service Broadcasting

Submission from The Children's Media Foundation (April 2020)

1. The Children's Media Foundation (www.thechildrensmediafoundation.org) campaigns for greater range and variety in the content provided for young people in the UK and advocates a research-based approach to policy and regulatory decision-making. It supports the production of UK-based programming that offers British children the opportunity to see and hear their own stories and voices and explore their own culture and society.
 - 1.1. Our response to this inquiry is from the perspective of provision for viewers aged 2 to 16.
 - 1.2. Media has an enormous influence on the attitudes, education, culture and development of children and young people. The current Covid-19 crisis underlines the fact that children today spend more time in front of screens than they do at school¹ and that those screens are many and varied. As children experience the different stages in their development, they need access to appropriate content that speaks to their interests and concerns, and helps them develop a balanced world-view, quite apart from the beneficial shared experience of family content. Children and young people have the right to be entertained and challenged by hearing their own voices and experiencing their own stories in the context of the society and culture in which they are growing up – rather than a culture imposed by the international media market.² This is vital, not only for their personal development but for society as a whole: experiencing a range of quality media that recognises them as a distinct set of audience groups of different ages helps them develop as engaged citizens.
 - 1.3. The CMF therefore welcomes this inquiry but would suggest this is also the moment to think about the longer-term future and start addressing that vision as well as the minutiae of the short term.

2. REGULATION

¹ Source: Childwise "Connected Kids" Report 2015

² THE UN Convention on the Rights of the Child: articles 13, 17, 28, 29, 31 https://downloads.unicef.org.uk/wp-content/uploads/2010/05/UNCRC_united_nations_convention_on_the_rights_of_the_child.pdf?_ga=2.151558713.1291592115.1584005635-409452386.1583823287

- 2.1. Much has already been written on the devastating impact on children's PSB of the deregulation that occurred with the Communications Act 2003. The production sector has never really recovered from the removal of quotas on commercial PSBs and, given advertising restrictions on junk food, a very different media landscape, and now the impact of Covid-19 on advertising revenues, it is inevitable that advertising-funded PSBs will resist further regulation. However, children's content needs protecting and supporting.
- 2.1.1. The Young Audience Content Fund (YACF) 3-year pilot is very welcome: there is some evidence that it is starting to change the attitudes of the commercial PSBs, from seeing children's programming as not sufficiently profitable to acknowledging its value to society and also to them, as a way of establishing brand recognition with their future audience. With this additional support, commercial PSBs are beginning to commission some new content. And, with guidance from the BFI's team, we are seeing evidence that the fund can support diverse content for a wide range of audiences.
- 2.1.2. The CMF remains hugely supportive of the YACF as a bold venture in public service enhancement. But as in all matters of public funding, the detail is where the dangers lie.
- 2.1.3. An amendment to the Digital Economy Act, 2017, re-established Ofcom's power to regulate the commercial PSBs to carry (and fund) children's and youth content. The Act stated that Ofcom might regulate if it believed the market circumstances justified it. Ofcom, in the opinion of CMF, took admirably pragmatic advantage of this situation to seek a compromise with the PSBs to enhance provision for children and young people, at a pace and level which was manageable to the commercial operators, and was mindful of the intervention of the YACF which changed the financial implications considerably.
- 2.1.4. In Ofcom's 2019 review of children's provision on the commercial PSBs the regulator once again recorded "market failure" in the children's sector, citing decreasing levels of funding and hours of new originations. It particularly censured Channel 4 for failing to deliver content aimed at the 10-14 audience despite committing to that audience in its licence renewal application a few years before.
- 2.1.5. Ofcom's pragmatic approach was to offer the PSBs a six-month window in which to come up with solutions to the criticisms. All three PSBs came back with proposals to increase the level of support for children and young people particularly with reference to content part-funded by YACF. Two government initiatives worked together as "carrot and stick" to create improvements. Ofcom also took a more flexible approach to quantifying the changes, by accepting that content carried on non-PSB channels (such as CITV) could be counted as part of the public service output. However, without regulation, these channels are dependent on the goodwill of their parent companies.
- 2.1.6. It also remains an issue that the YACF has £57m to distribute over three years for programming for children and teenagers, albeit some of it to development funding and some to operating costs. The remaining production funding can be

offered as up to 50% of the programme's budget, but only to projects with a broadcaster attached (which due to the "free at the point of use" rule and other criteria, inevitably means ITV, Channel 4 or FIVE). This means that the further 50% of budget needs to be found either by the three PSBs or by a mix of their commitment plus third party investment. Given the woefully low levels of financial support for children's and teen content prior to the Fund it remains to be seen whether the three commercial PSBs will ramp up investment to a collective figure around £15-£17m per year when investment to date has been less than half that. Third party funding could be the solution but that might require dilution of the propositions to international formats, themes or content more palatable to co-investors such as Netflix.

- 2.1.7. Commercial digital channels, such as Disney and Nickelodeon, and curated SVODS such as Amazon Prime and Netflix are finding that content with public service values is appreciated by their audiences, but again this is dependent on the good will and values of those in charge of commissioning. Ultimately these providers are commercial enterprises and have to appeal to the widest possible, in other words international, audience. This leaves minority and niche audiences underserved and the culturally specific and nuanced content that reflects UK society underrepresented or ignored.
- 2.2. With Ofcom's latest research showing that children now watch more content online than on traditional broadcast channels, it is clear that all providers need to look much more carefully at their duties of care as they consider how best to reach children with quality content on the platforms and devices they prefer.
 - 2.2.1. Currently anybody can set up a YouTube channel or Facebook page. Although the platforms say there is a minimum viewing age of 13, this is easily ignored. According to Ofcom, YouTube is the favourite provider of content for most UK children. While the raw immediacy of what is effectively user generated content is clearly popular, it is also clear when that content has given no thought to the developmental/emotional needs of its audience.
 - 2.2.2. Through its YouTube Kids app, YouTube has tried to take account of the needs of the child audience but children are still able to view inappropriate content because YouTube does not function as a content provider.
 - 2.2.3. Video sharing sites have hidden behind the excuse that they are not content providers for too long and enjoyed the financial benefits at others' expense. Following the £170m fines imposed by the U.S. Federal Trade Commission last year, YouTube has tightened up the targeting of children by advertising but it has shifted the onus for keeping these rules to producers and YouTube channel owners. This has led to a significant loss of revenue for individuals and companies offering material of interest to children on YouTube.
 - 2.2.4. CMF believes that online platforms, both curated and uncurated, should commit financially to the UK children's sector – perhaps through a levy to ensure the continued funding of the YACF. For example, in Germany 2.5% of the revenues made from the exploitation of films on Netflix go to the German Film Fund; France takes 2% of Netflix' turnover for local content.

3. REPRESENTATION

- 3.1. The programming from children's public service broadcasters has generally been inclusive on screen. Commissioning guidelines are clear about representing diverse cultures, lifestyles and viewpoints. The lack of representation is behind the camera. Larger organisations such as the BBC, C4 and the big companies have diversity and inclusion strategies but there are few requirements on the independent sector.
- 3.2. Diversity in the industry is primarily an Education issue – unless children from all backgrounds are given opportunities that broaden their horizons to include jobs in media, the industry will continue to be dominated by white, university graduates from middle class homes. This must start early in a child's education- keystages 1 and 2- so that they value the relevant skills and have the basic confidence to apply for the appropriate further and higher education courses. These courses themselves need to be accessible, high quality and industry-focussed if they are to widen participation in the creative industries.

4. ACCESSIBILITY

- 4.1. There is a danger in assuming that because young people view most of their content online, it's ok to just stick PSB content up on the web and they'll find it if it's any good. If, for example the BBC simply moved its existing children's content to a VOD subscription service and then failed to promote it, the results would of course be disastrous.
- 4.2. The current Covid-19 lockdown has highlighted that not all children have access to Wi-Fi and online services or even devices. When Lockdown commenced on 23rd March, only 23% of schools in the most deprived areas had access to online portals. In the first week of home schooling only 16% of pupils from working class households were taking part in daily live or recorded lessons. This situation is unlikely to improve with an economic crisis³.
- 4.3. Even if households do have internet access, not everyone can afford subscription fees. There has been a rise in the use of free services such as BBC iPlayer and ITVplayer. Key questions need addressing: what platforms should deliver PSB content? How would they be funded and how promoted? All children, wherever they are, should have universal access.
- 4.4. One option might be for the BBC, ITV, C4 to pool their content in a defined children's area on Britbox or if the BBC offered an expanded free online service through the children's iPlayer.

5. IMPACT

- 5.1. That children's public service broadcasting is of immense value both socially and economically to the nation cannot be stressed enough.

³ <https://blogs.lse.ac.uk/politicsandpolicy/home-schooling-covid-19/>

- 5.1.1. It is a mistake to believe that UK children are currently well-served by the dominant content platforms operating in the UK. It is true there many channels, but many of them are only offering cheap/lower cost programmes. There are some services offering exceptionally high-quality animation, drama and film such as Disney and Netflix, but their focus is on the international market. They don't have factual programming, or UK specific fiction. The UK's PSB services, on the other hand, offer our children and young people stories that speak to them and their situations as well as opening windows on the world (including other parts of the UK) in ways that are age appropriate, diverse and above all entertaining.
- 5.1.2. Children and parents alike value and trust the BBC children's services, especially CBeebies. Ofcom figures show that, with parents curating for younger children, the CBeebies channel is still where the audience watches, although this is declining. Older children are watching CBBC content but more likely via YouTube than the linear channel.
- 5.1.3. With the National Curriculum focussed on STEM and the governmental push on raising academic standards, the soft skills that make up such an important part of a child's education – empathy, consideration, tolerance, relationships and resilience have been left largely to the media. Diverse, and age appropriate content is essential if children are to develop social skills fit for 21st Century Britain. With access to pretty much anything online (including inappropriate news coverage, pornography, and extreme political views), children are reported to be more stressed and unhappy than previously: 72% of 9-16-year olds experiencing worry or anxiety⁴. Schools are now expected to include Well Being in the curriculum⁵. Dedicated content that allows children to explore and rehearse situations, their emotions and beliefs is truly a public service. The BBC's response during the Covid-19 crisis – rapid rescheduling to include celebrity supply teachers, Bitesize online and on iPlayer- is an excellent example.
- 5.1.4. The economic value of children's content is somewhat problematic. On the one hand, a show like Peppa Pig generates large revenues (£90.2m in the year to March 31, 2019)⁶ and their success attracts overseas buyers.⁷ UK content with a more local flavour, such as the hugely successful Horrible Histories, or The Dumping Ground doesn't necessarily travel so well. For reasons unknown (that British culture doesn't value children?) the budgets for children's content

⁴ http://www.childwise.co.uk/uploads/3/1/6/5/31656353/childwise_press_release_-_mental_health_2018.pdf
<https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-of-children-and-young-people-in-england/2017/2017>
<https://www.nao.org.uk/wp-content/uploads/2018/10/Improving-children-and-young-peoples-mental-health-services-Summary.pdf>

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805781/Relationships_Education_Relationships_and_Sex_Education_RSE_and_Health_Education.pdf

⁶ <https://www.ft.com/content/50d9292a-c51d-11e9-a8e9-296ca66511c9>

have always been much less than for an adult show. However, the actual production costs are generally the same. This makes children's content difficult to make profitable. This is clearly an issue for three of the four PSBs. Nevertheless, one needs only to think of Cressida Cowell's *How to Train Your Dragon* or JK Rowling's *Harry Potter* to see that the biggest selling intellectual properties worldwide are often based on UK children's books, films, and television shows.

6. THE FUTURE

- 6.1. Given that the children and youth audiences are migrating online for their media content (including content made by the PSBs), Public Service Broadcasting must adapt to keep pace with its audience.
- 6.2. The extent to which the existing public service and commercial public service model is no longer adequate and considerations of whether new models might involve other forms of funding, new providers and other platforms, are questions that cannot be answered without thorough research.
 - 6.2.1. The Children's Media Foundation is planning to stimulate research into these questions regarding the children's and youth audience. Discussions are under way with members of the CMF's [Academic Advisory Board](#).
 - 6.2.2. We will work with partner organisations and experts to produce a fully researched report into public service provision for children and young people that we believe will lead to conclusions about future scenarios, reflecting the rapidly changing media landscape. We envisage this work taking place over the next nine months. However, with that proviso - some thoughts to consider now:
 - 6.2.3. There are clearly several potential pressures on the capacity of the BBC to continue to deliver its provision for young people. Despite the readiness of the BBC's senior management to hold up its children's services as an example of excellence, when it comes to budget allocations, they have consistently failed to reward the children's production community with any increase in funding. The service has been squeezed to protect the budgets for adults' programmes. With the decriminalisation of the licence fee under consideration, the CMF warns strongly that anything which threatens to reduce BBC revenues will certainly have a detrimental effect on its services for younger audiences.
 - 6.2.4. All of the public service providers' relationships with the young audience are under pressure as children migrate to SVoD services such as Netflix and video sharing sites such as YouTube. If regulation is to protect and serve the audience, then it must follow the audience.
 - 6.2.5. The intervention of the Young Audience's Content Fund will, hopefully, have an impact on public service provision. At this stage in its three-year pilot (and with the hiatus caused by the Covid-19 crisis) it is too early to assess its effectiveness.

6.2.6. It is vital that a way is found to divert money from the cash-rich, global media giants that have the potential to crush the indigenous children's production industry and local content delivered with public service goals under the weight of their big budget services. We must not lose the rich mix of age-appropriate, culturally relevant programming that, over many decades has been established by the UK's PSB services.

7. CONCLUSION AND RECOMMENDATIONS

7.1. The covid-19 pandemic has put unprecedented pressures on the whole children's media industry. While the Future of Public Service Broadcasting is a hugely important topic and must not be forgotten, to draw any conclusions at this particular moment will be problematic.

7.1.1. A few weeks ago, the decriminalisation of the Licence Fee met with some support from the general public. Now people are turning to the BBC as a trusted news source in a world of online Covid-19 gossip and fake news with 78% of adults using its TV, radio and online services in week 8 of the crisis.⁸

7.1.2. Confinement to home during the pandemic has increased our reliance on the internet, for work, schooling, shopping, socialising and cultural experiences. but viewing of TV channels, particularly news, has also increased⁹. However, it is not certain that that any of these changes in our behaviour will be sustained after the pandemic eases.

7.2. The CMF asks that the Digital Culture Media and Sport Committee waits before drawing conclusions and making recommendations from this inquiry. The children's audience has suffered in the past from ill-considered legislation such as the Communications Act 2003. A child starting school in 2006, when the PSB obligations were relaxed will have left school with a full working knowledge of the Americana in 'Spongebob Squarepants' but, with fewer distinctly British shows like 'My Parents Are Aliens', how would they have recognised and felt connected to their own culture? Children only have a few years to develop into successful and happy adults who make a meaningful contribution to society. We owe it to all of them to give them the best chance possible. Children deserve the best media.

⁸ <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/news-media/coronavirus-news-consumption-attitudes-behaviour>

⁹ <https://reutersinstitute.politics.ox.ac.uk/news-media-broadly-trusted-views-uk-government-response-covid-19-highly-polarised>