

A Future for Children's Media

A model supporting SKTV's innovative
proposal for an alternative public service content provider
for Britain's children

Submitted to

The Department for Culture, Media and Sport

April 30th 2009

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1. Background

Save Kids' TV is a voluntary coalition of parents, producers, artists, educators and others concerned about screen-based media for children in the UK. It was formed in 2006 to address the immediate crisis in the children's television production industry. We have since expanded our focus to concern ourselves with issues relating to content for children across all media platforms.

We lobby government, politicians, regulatory bodies, media and industry to support and protect the provision of high-quality content for children, regardless of delivery platform. We offer balanced and pragmatic responses to the significant problems that face the children's media industry, while focusing on the needs of children for a rich and varied media diet.

In just a few years, the children's television sector has gone from being one of the creative powerhouses of the UK's TV industry to crisis. A combination of relaxed public service broadcasting (PSB) requirements, commercial pressures, regulatory change and massive structural changes in the way that children use media have all played their part in this crisis. Much store is set in the future of new technologies, and while we embrace these we hold two significant beliefs:

- in the multi-platform environment that children inhabit and navigate with ease, television will continue to play a key part in their media lives; and that
- as provision for children must be protected in traditional media through regulation, we see no evidence to suggest that this protection is any less necessary in the new emerging technologies.

SKTV believes that good media content for children is nothing less than a cultural entitlement that is part of the social fabric of British life, and that a strong children's content industry is important as a vital part of our economy.

While we acknowledge that the BBC performs its task in providing for children reasonably well, we support plurality of provision in both public and private sectors.

It is our view that intervention is needed to address market failure and to help build, where possible, sustainable new markets going forward. However, we strongly believe that there

will never be a purely commercial market for the sort of innovative, risk-taking content that we feel should be part of a balanced mix which entertains, educates and supports children.

In December 2007, SKTV contributed to Ofcom's Consultation on the future of children's television. Whilst this consultation focused on 'children's television programming', we believed that it needed to take a wider perspective on children's media content as a whole, because:

- it is clear that the way children use media changes rapidly and that although they continue to see TV as important, it is only one element on a continuum of entertainment, communication and information outlets between which they move freely; and that
- children's broadcasters are (perhaps with the exception of the BBC) driven by the way their current business models work and will inevitably take fewer risks with new or challenging content, or content that is not primarily destined for the TV screen.

SKTV contributed data towards, and agreed with the analysis of, Ofcom's 2007 consultation. We also welcomed the recommendations from its Phase 2 consultation in 2008, but believed that there needed to be more forward-looking solutions to the issues facing children's provision. We were, and remain concerned that "pasting over the cracks" may provide short-term solutions at the expense of long-term considerations and security for specific children's content provision.

SKTV therefore called on Ofcom to recommend braver, more innovative solutions for children; solutions which build for the future. Such solutions should encourage partnerships between creative communities across all sectors, including broadcasting, interactive media, social networking and education, support innovation and experimentation, and promote social and cultural values in education and entertainment.

We have already made the case for engaging children with content which speaks with their voices and tells their stories, and for the importance of this provision in rooting kids in their own culture. This empowers them as young people to face their own lives and the wider world, and brings long-term benefits to UK society. We have spoken of all this in our previous submissions to Ofcom and subsequently to the Digital Britain Consultation and will not pursue them further here.

In the absence of any other innovative solutions brought to the table, SKTV developed a model for a new public service online and broadcast service for children. This model was

outlined in the proposal we submitted to Ofcom in December 2007. Ambitious and innovative, it represents the kind of service that is an appropriate response to the situation described by Ofcom, Digital Britain, and others.

We stand by our original proposition as the most comprehensive method of delivering not only well-funded professionally-produced long-form content to children, but also of engaging them in the spaces they frequently inhabit – through interactive content, games, participatory and community elements. SKTV's proposition envisages a community of kids viewing, reacting to, interacting with and using content, while also contributing material of their own, and beyond that community, partnerships with other online content providers will carry high-quality interactive and linear content produced by the service and by the young people themselves, on the sites they most frequently use. This will provide a very real alternative to the BBC, offering UK kids plurality once more in their public service media, in a delivery context fit and future-proofed for the 21st Century.

It is not SKTV's intention to deliver the service we propose, but in order to support our proposition this document outlines a potential model of how such a service could be achieved. We offer it for consideration and discussion.

2. The Proposal: A New Online Public Service for Children

SKTV believes that a new public service for children is required; one which makes a range of programming and functionalities available to children in the forms they want, when they want them, on the platforms they use. Our proposal for a multi-functional service delivered online would feature video, audio and interactive content, and a safe, secure social networking space.

This service would be a beacon, attracting to it high-quality content from a rich mix of sources, and delivering that content through its own web community and a multiplicity of partner outlets. It would address a significant market failure because no such mainstream service currently exists – the children's broadcasters' web services are mainly just online extensions of their on-air content. Our proposed new online service would have a strongly public service feel: fun but not exploitative, entertaining but constructive, educative and safe.

Crucially, we propose that this service is audience-driven. So, rather than representing adults' views of what children might want to do and see, it will be shaped and produced for and by its audience and users.

We suggest that the service is targeted at 6-15 year-olds with particular initial emphasis on those in the range 9-15 who are least well served, even by the BBC's output.

The original proposal submitted to Ofcom and subsequently to Digital Britain is attached to this document as Appendix 2.

3. Service Values

The service and its assets would be publicly owned and funded, and run with a view to generating revenues that can be ploughed back into new content. Governance for the service would ensure that it adhered to a strong set of core values:

- strongly British in feel and tone, reflecting the rich diversity of Britain in the 21st Century, and its place in the world;
- accessible to all sectors of society, with a particular remit to reach under-served audiences and the disengaged;
- mandated to support the British multi-media production industry;
- non-exploitative in terms of commercial content or in its dealing with children. The service would take on a different relationship with advertisers, focusing on corporate social responsibility-led sponsorship rather than product advertising;
- strongly informed by the wishes, views and ideas of its audience and users;
- entertaining and educational;
- committed to provide a safe and secure online environment
- striving to be innovative and breaking new ground in format, style and ways to involve its audience and users;
- prepared to challenge its audience and users, stretch their imaginations and their world view;
- designed to empower them and help them understand their rights and responsibilities;
- mandated to partner with key creative industries which address children and harness their skills and ability to reach UK kids.

The values outlined above should be supported by a simple but effective structure of financing, management and regulatory control.

4. Structure, Governance and Funding

We propose that the service be publicly owned. It should be set up as a public asset to deliver content without reference to the over-riding considerations of ratings which dominate the current broadcast system for children – even at the BBC. In the context of video-on-demand (VOD) these concepts are outmoded and less relevant. Under a contestable funding model the service could be put to tender on a five-year basis, following the successful model of the DCSF-funded, but editorially independent, *Teachers TV*. Government funding would form the basis of the organisation's annual budget, with a requirement on the successful tendering organisation to produce revenues to enhance the basic public finance.

Tenders could be accepted from existing broadcasting organisations (apart from the BBC), from other cultural bodies which might seek to ally to provide the service, such as educational foundations and arts institutions, or from consortia in other fields such as games companies, interactive media specialists and television production houses. Non-UK organisations and companies might pitch for the role but they would still be bound by the service's strict rules on indigenous and high quality content provision.

Many of the characteristics of the proposition remain relevant whether the service stands alone and is financed through contestable funding, or if it is included in the remit for a new public service provider. Any such institution should plan its offering to children in the context of a multi-media approach using online as a principal means of delivery, and should adhere to the commitments to children's content across all age ranges, with predicated funding, which this proposition ensures.

The tender process could be managed directly by the DCMS in the same way as the DCSF manages the *Teachers TV* operation, but with a light touch and few resources required, given the five-yearly contract period. The everyday operation would be suitably distanced from the Department through the governance process. Annual reporting against agreed parameters, and key performance indicators (KPIs) and benchmarking would be through a Board of Governance, again requiring very few departmental resources.

Alternatively, the organisation could be set up autonomously, as a Foundation for Children's Media, (the Foundation) with an annual budget allocated from public funds. The Foundation

could maintain a small part time staff to act as secretariat to the governing body and to manage the tender process every five years.

Governance would be through a Board appointed jointly by the Foundation and the DCMS. Constitution of the Board might include:

- individuals who have made and/or who are making a significant contribution to the world of children's media;
- representatives from the education and technology sectors (perhaps including NESTA or Futurelab);
- representatives from children's services and charities (perhaps including NCH and the Scout Association, and the offices of the Children's Commissioners); and
- importantly, from the children's audience themselves. The nature of the service as a committed community of users will provide plenty of candidates for this last option.

The Board would meet quarterly to assess the service performance against KPIs, and would also be responsible for:

- overseeing adherence to editorial policy; and
- approving the business-critical strategic decisions of the organisation's management.

In all of this the Board would be guided by the values set out in the previous section.

Ultimately, regulation of the service in terms of editorial standards, taste and decency, commercial considerations and fairness, would fall to Ofcom.

The public funding for the service would represent approximately 75% of its annual budget. This funding could be sourced from a number of departments to spread the load and recognise the government's commitment to children across a range of departmental budgets. For example:

- 40% from cultural funds (DCMS);
- 20% from the education budget (DCSF);
- 10% from UKTI as an industry stimulus;

- Further funding reflecting other departments' needs to serve and inform UK children, such as Home Office, Foreign Office, Health, Environment – joined-up funding for a joined-up approach to kids.

It might be possible to consider some of these as potential additional sources of funding on a project-by-project basis, in the way that some public service programmes on commercial channels have recently been funded by government agencies as the equivalent of sponsors, leaving the content to the programme makers and broadcaster as the best providers of material to attract children, but providing a broad general brief as to the programming's underlying aims.¹

However to ensure the editorial independence of the service, pre-committed funding against broadly defined purposes is the appropriate method of financing the core content.

The tendering organisation would be required to meet further funding targets through additional revenue generation, such as through access to the Lottery Cultural Fund, or through specific project co-financing with public bodies such as the UK Film Council, the Arts Council, or government agencies with communication needs, as described above.²

Revenue would also be derived from ethical sponsorship and advertising, accessing Corporate Social Responsibility (CSR) budgets amongst commercial companies, co-production or sponsorship finance from NGA's and charities.

In the long run the service would also monetise it's intellectual property (IP) through 3rd party sales, publishing and licensing.

¹ *Splash Camp*, the water-safety series constructed as an entertaining game-show transmitted on CITV in 2005 was funded in this way.

² The service will be a central national focus for communicating with and informing kids. It will draw a committed audience to entertaining and challenging content, thus providing a platform for pro-social messages, discussion and debate. It will become the place where kids are prepared to listen, expected to question and encouraged to feed-back what they feel about the world in which they live - one of its core purposes being to develop a generation of engaged young citizens.

5. Partnerships

Save Kids' TV is currently exploring partnerships which would enhance development of the interactive, social and participatory nature of this proposal. Interactive content expertise in the UK is second to none and support is being sought from the main suppliers to ensure that the proposal is attractive, meaningful and future-proofed.

Such partnerships are fundamental to the success of the service. As well as content and technical expertise, they will bring strategies and tactics which will enable the service to utilise the power of popular online services which already engage children in their millions. Like Channel 4's innovative use of social networking sites like Facebook, Bebo and MySpace, our children's service could exploit the power of these global brands to access children in ways and numbers that could never be imagined through more traditional routes..³

The service would also ally with appropriate commercial children's TV channels to ensure that its content and activities are seen by the widest possible audience these mechanisms can reach. Cross-promotion of the online and VOD service would be a pre-requisite of all such partnerships. Even as we move to a scenario in which digital delivery is increasingly relevant for the children's audience, television remains a powerful driver of awareness. We recognise the importance of engaging children with the content proposition through TV to promote the multi-platform nature of the service.

The broadcast partnerships could take several forms at different stages in the life-cycle of the service and as appropriate to the market conditions it is attempting to redress. A partnership would provide benefits to any commercial broadcaster as well as to the service. The broadcaster would obtain programming at a substantially lower cost allowing them to fulfil public service commitments while also contributing to the funding of the service.

The service could ally with a single broadcaster such as C4, Five or ITV, to provide a block of strong programme content at low cost. The deal would entail the broadcaster committing airtime, promotion for the online service and a licensing fee for the content. It might be

³ One possibility is that the service could provide an outlet for social networking sites aimed at 13 plus, which have a large user base amongst younger children, to point their younger aspirant users to the secure and safe public service model.

possible for the service to form alliances with more than one broadcaster in relation to the age range served by programmes on its slate. For example there could be a partnership with Channel 4 for content aimed at 10s plus, with Five for pre-schoolers and with ITV or Nickelodeon UK for 6 - 10s. Five might wish to rebuild its relationship with 6 - 10's through the service's programming.

Alternatively it would be possible to build relationships with all the children's broadcasters on a programme by programme basis. Thus programmes could appear on a variety of channels prepared to invest. This arrangement could include the BBC and all the local versions of international satellite channels. This method would serve to spread the promotional reach of the service much more widely amongst the audience. Each programme would be required to carry the online promotional message. The service would maintain consistent branding across all its content on all platforms, whether delivered directly or by partners. It would also maintain a consistent brand over time, despite possible changes of delivery contractor. The guardians of the brand continuity and quality would be the Foundation (if adopted) and its governing body.

The service's brand could gain a currency not unlike programming from the Sesame Workshop in the USA – a brand trusted by parents and loved by kids – on whichever platform it surfaced and in whichever territory. By forming relationships with broadcasters and online networks the service would also support the regeneration of the mainstream production market by:

- co-developing broadcast spinoffs to new ideas developed online;
- jointly funding innovative new content.

The relationships between broadcasters, other content and platform providers and the service could be arms-length or, potentially, develop into closer partnerships where one or more broadcasters could join forces with the new service. Partners could bring content, platforms and technology to the venture.

The model could, perhaps, encourage enlightened competition between broadcasters and/or online platforms, and see them cooperating on a venture to share technology and create a larger new market than any of them could achieve on their own. Additionally, broadcasters and online platforms could benefit from the innovation and exciting content the service would offer, whilst the service would benefit from the cross-promotion and commissioning leverage of its partners.

To avoid claims of market distortion, the new service would, after a suitable window, license its software content to others so that they could benefit from the investment in innovation.

In the future, commercial and third sector funding might reach the point where state support was no longer required and the destination could be capitalised to help repay its initial funding costs (perhaps with a 'golden share' mechanism to protect its unique characteristics).

The service would be mandated to build relationships in the wider children's entertainment and education sectors, and acting as a focus for experimentation and innovation. The interactive elements of the service would benefit from partnerships to be formed with video games developers and publishers to take their interest in the educational uses of gaming – the Serious Games movement – to the audience in a non-commercial setting.

The service could also add value to the academic research communities, by acting as a new and unique focal point for action research into children and media, with the findings being made available to all.

SKTV is compiling a list of supporting partners for this proposal, which will be supplied as an additional appendix (3) to this document in due course.

6. Content

We propose that the service focuses on compelling drama, factual and entertainment content that actively involves children, and grabs their attention with high quality narrative and constructive participation.

The service would embrace the best of the participative and interactive characteristics of the digital world. At the core of the service would be on-demand, well-crafted British video content blended with a rich mix of interactivity, including participation through competitions, user-generated content and social networking. All of the service's content would allow kids to influence it in some way whether through suggesting storylines, commenting on commissioning plans, sharing, recommending or rating. Going further than any other mainstream children's content provider, the content itself would include that generated by children.

To reach its target audience, the content would be available, where possible, through mobile phones as well as broadband internet. The service would be designed to ensure it is always at the cutting edge of what this demanding and savvy group want and positions its content on the platforms they frequent.

We think that such a service would not suffer from a shortage of content. Sources would include:

- new commissions funded by the service, based on innovative programming and cross-platform ideas from across the UK industry;
- pilot programmes self-funded at low cost by organisations and production companies willing to make a small investment to test proof of concept with their intended audience;
- self-funded ideas which will bring their own sponsorship or advertising attached – the model currently in use by social networking sites such as Bebo to commission interactive drama;

- 3rd sector proposals to create issues-based content. For example, an interactive series about bullying part-funded by a children's charity, or a game built around art and creativity by a national art gallery;
- a Best-of-British archive, along with European and world programming rarely seen in the UK (the VOD "long tail" concept operates in favour of carrying this content for those who are keen to experience it);
- innovative co-productions not undertaken by existing UK broadcasters. These might include a European drama co-production or content developed through the European Broadcast Union (EBU) Youth Documentary exchange, or with public service broadcasters in South Africa, the Middle East, India and China;⁴
- rich interactive content will follow up the creative advances made by UK production companies active and accomplished in this field;
- games and other interactive content could be made available by members of the games industry wishing to test their content, or to give secondary opportunities for exposure to new audiences;
- content created by the audience themselves. Users will be encouraged to generate and upload for distribution their own content, and to mash and remix appropriate content from the site.

The service will act as an outlet for young people's creativity not only by showcasing user-generated content, but by building distribution partnerships with the schemes which stimulate young people's production. For example it might link to First Light for movies made by kids, or to the NESTA Scicast film scheme or other initiatives.

⁴ The service will be running on a tight budget and, hungry for content, will drive innovation in seeking new sources for partnership and produce new windows on unusual content.

7. Platform

This proposition is dependent upon a state-of-the-art delivery platform for video, audio and interactive content, which makes it available streamed and/or on-demand. Content needs to be downloadable and uploadable. Server capacity needs to be sufficient to host a quickly growing service, and such a platform needs to be robust, flexible and most importantly for the children's audience, secure.

The cost of developing, building, maintaining and upgrading such a platform is so high, that to cost this into the proposition would price it out of the realm of the pragmatic.

We therefore suggest that the platform is made available through partnerships with content providers, broadcasters and distributors who are willing and able to offer access and use of their already-built platforms and, perhaps, other relevant technological applications.

8. Budget

Comprehensive research and a full business plan are beyond the resource capacity of SKTV.

Our proposal invokes a number of partnerships with organisations and platforms, the value of and costs for which are impossible to determine at this stage. However, the content figures quoted are based upon the known costs of producing high quality content on all platforms, and in volumes which produce a compelling offer for the broad audience proposed for the service.

The budgets included as Appendix 1 are offered as a working model, and a starting point for further discussion.

Budget Assumptions

At the heart of our proposition sits high quality, indigenous content. We believe that this is vital not only to the mission of the service, but to attract sufficient numbers of enthusiastic young viewers and users to make the service economically viable and sustainable.

Our financial model projects costs and revenues over a 5-year period, and identifies decreasing levels of investment required from government, and increasing levels of revenues from alternative sources, as the service matures.

Our proposal is dependent upon partnerships with a range of players in the sector, some of whom might bring significant resources to the project. For example, a partner who provides use of an already-developed and launched technical platform would add significant value to the proposition. We have not identified such support within this budget.

Start up

A period of development or start up might run in advance of the first year of service and we have identified a working budget which funds the establishment of the service, and front-loads content across all platforms. *See Appendix 1, chart 1a.* We believe this is essential in

order to attract and retain a usership. Consequently, the operating costs for the first phase of the service (i.e. start up and Year 1) total almost £34m, the majority of which is for content.

Total costs for start up and Year 1 can be seen in Appendix 1, chart 1d

Annual operating budget

We have used as our financial starting point an annual operating budget of £30m – 15% less than the £35m identified as “missing” from the children’s media ecology. A scaled-down service could of course be delivered for less, but at this level of resource, the service would be more able to compete with the economic and global giants that dominate the media landscape.

We have identified overheads at 30% of operating costs. These could change, depending on partnership arrangements.

Annual operating budgets across a five year projection can be seen in Appendix 1, chart 1b

Annual income and revenue targets

We identify a range of revenues that might be generated from public and private sources in Appendix 1, chart 1c.

These revenues include funds raised through third-party sales and licensing of content, sponsorship, ethical advertising, and Foundation grants, as well as a proposal to secure funds from the National Lottery Cultural Fund.

Our targets grow year-on-year, and at an annual increase of 3% are pragmatic, given the current economic climate. They could, however, be adjusted annually as the economy recovers and confidence returns.

9. Risks

It is for those tendering to deliver and operate the service to identify risks and propose how they might be mitigated.

However, we see 5 main risks associated with our proposition:

1. inadequate government funding fails to support a fully functioning and sustainable service;
2. the content proposition struggles to compete in a dynamic multi-media world;
3. under-resourced marketing campaigns struggle to raise awareness amongst potential users of the service;
4. competition for public and private sector funding leads to insufficient secondary revenues, making it difficult to deliver a competitive service;
5. short term expectations of partners and stakeholders may be overly ambitious.

A bold and confident approach is needed if the service is to succeed and become sustainable. The primary risks will arise if the service is half-heartedly or only partially supported.

10. Summary

Britain's media is at a turning point and our children are already losing out in the changes that are taking place. They are also in danger of being undervalued in the potential solutions under discussion for the future of public service media.

We believe that our proposal for an alternative public service content provider for children is an imaginative and innovative solution, which values and provides for our children's needs.

In this document we have outlined one delivery model, which we offer for discussion and consideration.

If adopted, this service would, like Channel 4 a quarter of a century ago, create a radical new focal point for public service content, but this time aimed exclusively at children.

We urge government to act decisively and immediately.

Appendix 1 – Budget: SKTV PSB Multi-Platform Service

1. Start up costs - assuming 1-year for development/start up

	pre Year 1
Content	15,000,000
Hardware	500,000
Licences	250,000
Subtotal	15,750,000
Overheads @ 30%	4,725,000
Total	20,475,000

2. Annual operating budget

Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Content	15,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Hardware		250,000	250,000	250,000	250,000
Licences		250,000	250,000	250,000	250,000
Revenue Generation	100,000	100,000	100,000	100,000	100,000
Subtotal	15,100,000	22,600,000	22,600,000	22,600,000	22,600,000
Overheads @ 30%	4,500,000	6,780,000	6,780,000	6,780,000	6,780,000
Expenditure Total	19,600,000	29,380,000	29,380,000	29,380,000	29,380,000

3. Annual income targets and projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Content Sales and licensing*	0	195,000	390,000	585,000	780,000
Revenues from broadcast partnerships	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Sponsorship @ 9/12/15/18/21% content	1,350,000	2,640,000	3,300,000	3,960,000	4,620,000
Ethical advertising @ 3/6/9/12/15% content	450,000	1,320,000	1,980,000	2,640,000	3,300,000
Annual Lottery Grant at 5% content	1,500,000	1,100,000	1,100,000	1,100,000	1,100,000
Foundation Grants @ 5% content	1,500,000	1,100,000	1,100,000	1,100,000	1,100,000
*13 x 30' in Yr 2, increasing annually					
Income Total	5,800,000	7,355,000	8,870,000	10,385,000	11,900,000

4. Annual support from central government

	Year 1	Year 2	Year 3	Year 4	Year 5
	13,800,000	22,120,000	20,700,000	19,280,000	17,860,000
	Start up				
	20,475,000				
Annual total support	34,275,000	22,120,000	20,700,000	19,280,000	17,860,000

Appendix 2

An Alternative Public Service Provider for Britain's children

Originally submitted to Ofcom 17th December 2007

Introduction

If it were not already clear, the evidence set out in the Ofcom Children's Programming consultation details the severe challenges faced by children's TV production. A combination of relaxed PSB requirements, commercial pressures, regulatory change and massive structural changes in the way that children use media have all played their part in a rapid reduction in the amount of original British commissioning taking place. We agree with the views expressed by others in the consultation that a strong children's content industry is important not only as a key plank of our cultural heritage, but because thriving creative industries are already a vital part of our economy and will only become more important as we move forward.

SKTV believes that good content for children is nothing less than a cultural entitlement that is part of the social fabric of British life. As children growing up in the UK, TV gave us shared reference points with kids from other backgrounds and contributed to our values and knowledge. You only have to listen to today's children to hear them picking up the American values of characters in *The Suite Life of Zack and Cody* and aspiring to join the cast of *High School Musical*. Even successful home-grown shows are under pressure to be so highly internationalised that only the British accents ground them in the UK.

Our view is that any intervention should be focused on addressing market failure and building, where possible, sustainable markets going forward. Our aim is for intervention to pump-prime a thriving new market in children's content that can, in time, be largely self-sufficient. However, we also strongly believe that there will never be a purely commercial market for the sort of innovative, risk-taking content that many people feel should be part of a balanced mix which entertains, educates and supports children. Our proposals are designed to create structures that will provide flexible long-term support for the children's content industry.

Whilst this consultation focuses on 'children's television programming', we believe that it needs to take a wider perspective on children's media content as a whole. We think this is important because:

- It is clear that media consumption habits amongst children are changing rapidly and that they increasingly don't see TV as a special medium, but rather as one point on a continuum of education, communication and information outlets that they move between freely.
- Children's broadcasters are (with the exception of the BBC) driven by the way their current business model works and will inevitably take fewer risks with new content or content that is not primarily destined for the TV screen.

For these reasons, we think it is important *not* to look at this issue as being just a TV problem but consider a wider set of remedies that complement existing broadcast channels rather than add additional constraints onto them.

Our Proposal

In this section we set out what we believe Ofcom and the Government should do to address the issues so clearly set out in the consultation document. In Appendix 1 we have set out our views on the options in Section 6 of the consultation document. We have responded to Ofcom's additional questions in Appendix 2.

At a time when the essence of Britishness itself is being debated and promoted to achieve a more cohesive society, it is vital that our children have access to high quality, entertaining and informative UK content that will form cultural reference points for them in the future in the way that Dr Who and the Daleks, or The Clangers do for millions of adults today.

Market forces alone will not deliver this because current business models simply don't support the sort of high quality content required. We also believe that it is not healthy from a commercial or cultural perspective for the BBC to monopolise the commissioning of high quality UK content. A monopoly position will inevitably lead to a reduction in risk-taking, a narrower perspective on what makes good TV for children and a reduction in the number of companies generating ideas and making content in the sector.

To survive, the children's production sector needs to be at the forefront of working across multiple channels. For instance we would like to see much more innovation in entertainment, information and drama formats that blend internet concepts like social networks and user-generated content with some of the production values and craft skills that have made our TV the envy of the world.

There are some examples of the sort of innovation we have in mind: *Kate Modern* on Bebo is redefining the boundaries of drama and creating an ongoing experience in which the viewer participates to solve puzzles and even be part of the show. Set in Britain and aimed at teenagers, the show's episodes have received more than 25 millions views in the 3 months to the end of November 2007. *Kate Modern* is funded by product placement and has been commissioned by Bebo precisely because of the power of compelling narrative to engage its audience over long periods of time.

However, examples of genuinely new approaches to children's content like *Kate Modern* are few and far between. It is notable that almost all of the innovation is coming from the web sector because it has no established conventions, regulations or business models to protect and needs to create new ideas that suit the medium's constraints. It is for this reason that SKTV believes that intervention in Broadcast TV is not the future for indigenous production. In a market where afternoon repeats of *Rising Damp* can deliver more revenue than children's programming, broadcast TV is clearly not going to be the engine for renewal of the children's creative sector.

Similarly, whilst another children's public service broadcaster would be welcome, we think that our proposal below has the ability to improve the mix of content across all the existing children's broadcast channels because it will help bring new, British programmes to the fore.

Proposal: A new public service children's online destination

We think a new, public service **online** destination for children is required. This destination would be a beacon, attracting to it high quality content from a rich mix of sources. Such a destination would address a significant market failure because no such mainstream service currently exists – the children's broadcasters' web services are mainly online extensions for their on-air content. Our proposed new online destination will have a strongly public service feel: fun but not exploitative, entertaining but constructive, educative and safe.

Crucially we propose that this service is audience-driven. So, rather than representing adults' views of what children might want to do and see, it will be shaped and produced for and by its audience.

This destination will, like Channel 4 a quarter of a century ago, create a new focal point for public service content, but this time aimed exclusively at children. We suggest that the destination is targeted at 6-15 year-olds with particular emphasis on those in the range 9-15 who are least well served, even by the BBC's output. We propose that the destination focuses on drama, factual content and participative entertainment that actively involves children, and focuses their attention on high quality narrative and constructive entertainment.

Based online, the service will embrace the best of the participative and interactive characteristics of the digital world. At the core of the service will be on-demand, high quality video content blended with a rich mix of dedicated British content, competitions and social networking. All of the destination's content will allow kids to influence it in some way whether through suggesting storylines, commenting on commissioning plans or rating content. To reach the target audience, the service will be available, where possible, through mobile phones as well as broadband internet. The service will be designed to ensure it is always at the cutting edge of what this demanding and savvy group want.

The destination will be publicly owned and in receipt of public funds, and run with a view to generating profit that can be ploughed back into new services. Governance for the destination would ensure that it adhered to a strong set of core values:

- Strongly British in feel and tone
- Mandated to support the British production industry
- Non-exploitative in terms of commercial content or in its dealing with children. The destination will take on a different relationship with advertisers, focusing on corporate social responsibility-led sponsorship rather than just product advertising.
- Strongly informed by the wishes, views and ideas of its audience
- Entertaining but with a greater purpose
- Striving to be innovative and breaking new ground in format, style and ways to involve its audience

We think that such a service would not suffer from a shortage of content. Sources would include:

- New commissions funded by the destination based on innovative cross-platform ideas from across the UK industry

- New ideas self-funded by production companies that they can prove with a large audience and then commercially exploit through other channels
- 3rd sector funding to create issues-based content e.g. an interactive series about bullying part-funded by a children's charity
- Content developed by aspiring producers climbing the children's production 'talent ladder' and seeking an audience for their work
- Content created by the audience themselves
- Showcasing the best of British, European and world archive programming

The destination would also support the regeneration of the mainstream production market by forming relationships with commercial children's TV channels to:

- Co-develop broadcast spinoffs to new ideas developed on line
- Cross-promote content and services
- Jointly fund innovative new content

These relationships could be arms-length or, potentially, develop into a close partnership where one or more broadcasters join forces with the new destination. The model could, perhaps, be similar to that of the 'Kangaroo' broadband catch-up service being launched by the BBC, Channel 4 and ITV. Kangaroo shows how enlightened competition between broadcasters sees them cooperating on a venture to create a larger new market than any of them could achieve on their own. We think that a similar model could ensure the success of our proposed destination: broadcasters would benefit from the innovation and exciting content brought to their channels, whilst the destination would benefit from the cross-promotion and commissioning leverage of its partners.

To avoid claims of market distortion, the new destination would, after a suitable window, license its content to others. In the future, commercial and third sector funding might reach the point where state support was no longer required and the destination could be sold to repay its initial funding costs (perhaps with a 'golden share' mechanism to protect its unique characteristics).

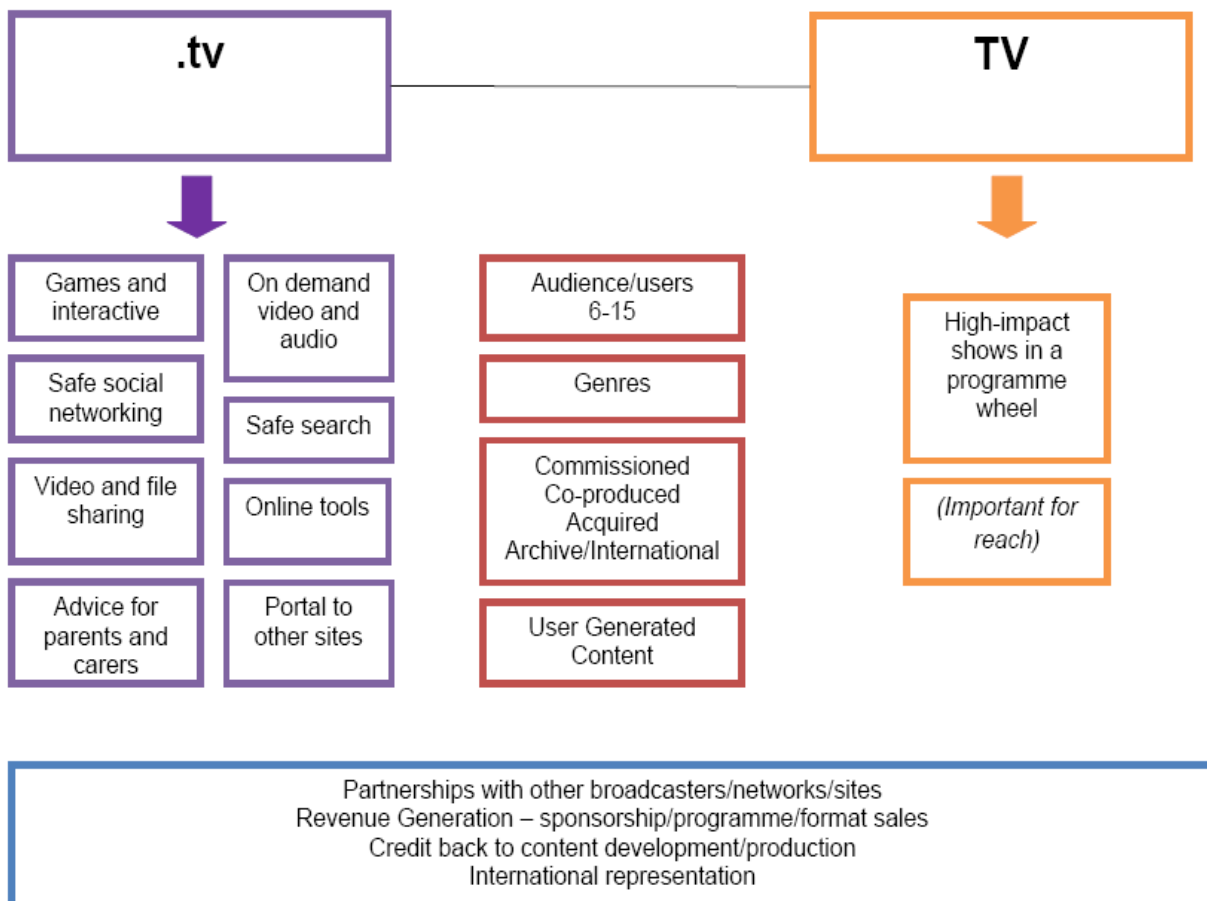
Summary

In summary therefore, SKTV believes that the UK can once again have a blossoming, world-leading children's production sector by being bold and creating a new institution that addresses failure both in the supply and distribution ends of the market. We believe that plurality among distributors is particularly important because those suppliers who do remain will be heavily dependent on their relationships with a small number of commissioners, mainly at the BBC. Ideas for content will inevitably be directed to suit these commissioners' tastes and preferences and this will act to stifle innovation and drive further consolidation of the supply market.

The service we propose is flexible to allow for reductions in the amount of public money that would need to be spent in future whilst having the desired economic effect on the sector and

cultural impact on our children. However, as Ofcom has demonstrated, the experience from other countries is that a certain level of subsidy is probably required on an ongoing basis to maintain a base level of high quality content output.

SKTV concept illustration



A Future for Children's Media

A model supporting SKTV's innovative
proposal for an alternative public service content provider
for Britain's children

APPENDIX 3

Supporters List

Submitted to

The Department for Culture, Media and Sport

May 8th 2009

List of Supporters

Save Kids' TV has consulted with its campaign partners, and more widely, to ensure the broadest possible support for the Public Service Proposition.

- **Channel 4** have discussed the proposal and are considering their response, which will be sent directly to DCMS
- **NESTA** has offered strategic guidance on the proposal's development

The SKTV Proposition enjoys the full support of a wide range of individuals and organisations. These include....

- **Acton for Children's Arts**
- **Floella Benjamin** – independent producer and children's campaigner
- **ELSPA** – the Entertainment and Leisure Software Publishers Association
- **First Light Movies**
- **Paul Jackson** – Whizz Education, ex Director General, ELSPA
- **Lord Puttnam**
- **Lord Rix**
- **The Voice of the Listener and Viewer** [r](#)
- **Anne Wood** – Ragdoll Productions
- **The Writers Guild of Great Britain**
- **Save Kids TV also represents over 900 supporting individuals registered at our website: www.savekidstv.org.uk**

Discussions are under way with the following organisations over their support for the proposition:

- **BECTU** – The Media and Entertainment Union
- **The International Broadcasting Trust**
- **The Musicians Union**

PACT – the Producers alliance – has made it clear that it believes the Save Kids' TV proposal is one way of using contestable funding.

Subsequent to the submission of this document The Society of Authors will be expressing their support directly to the DCMS.