



Response to the report
"Digital Britain -
the future of communications"

Submitted to: digitalbritain@berr.gsi.gov.uk

3rd March 2009

SKTV is adamant that any new PSB entity should be mandated, funded and regulated to provide a dedicated and comprehensive public service offering for children.

In its response to Ofcom's initial consultation on the future of children's programming in 2007, Save Kids' TV (SKTV) proposed a new and innovative public service offering for children: a dedicated and comprehensive service, with parallel broadband and broadcast components, which would serve the unmet needs of today's children and address a significant gap in the market that has failed them. With a strongly mandated and fiercely protected public service mission, the service would provide content for all children – particularly those in the 6-12 age-range – across a wide range of programming and interactive genres. Populated with mainly UK-produced content, it would be informative and educational, fun and entertaining, non-exploitative, safe and secure; it would provide a genuine alternative to, and competition for, the BBC.

At the beginning of 2009, Ofcom published its Final Statement on Public Service Broadcasting, and proposed the establishment of a new public service entity which could play a role in delivering children's content. It also raised the idea of contestable funding for children's PSB content, should this entity be unable to serve the needs of children. Weeks later, Lord Carter's Report "Digital Britain – the future of communications" identified the importance of plurality in the provision of PSB content for children, and supported the idea of a second public service institution.

SKTV welcomes the Digital Britain report and the emphasis it places on public service content for children. We acknowledge the proposal for a second PSB entity, but insist that if such an entity is established, a solid commitment to children's provision must be "written into its DNA", to provide a dedicated, substantial and sustainable offer that meets the needs of today's children. In the event that these needs are unable to be met by such an entity, we would support the availability of contestable funds, and the creation of a separate organisation dedicated to the provision of children's public service content.

Whatever the future, we know from experience that unless the mechanisms providing for children are clearly mandated, funded and regulated to do so, those mechanisms will become preoccupied with the needs of adult audiences, which will be fulfilled at the expense of children's.

We therefore believe that our original proposal for a dedicated and comprehensive children's service remains as relevant today as it did in 2007, as it contains the core principles and ideas that should inform the kind of service any second PSB entity might provide for children. We submit to Digital Britain our original 2007 proposal, along with its second iteration, which was submitted to Ofcom's second phase in 2008 (attached as Appendices 1 and 2 respectively).

We offer our proposal for consideration within the context of current discussions. The proposal could be easily adapted and we offer it for further development, as an outline of the kind of dedicated and comprehensive children's PSB service fit for purpose in the 21st century.

In the context of a broad-based second PSB entity, the SKTV proposal clearly sets out the mandate which should be enshrined in its constitution. It should be required to provide programming for all children, and available via broadcast and

video-on-demand platforms. To address market failure effectively, it should be sufficiently funded, and required to commit those funds to the commissioning of unique, high-quality factual, drama and entertainment programming of relevance and interest to UK children; telling their stories, hearing their voices and connecting them to their culture, society, and the wider world. The purpose should be clear – to engage, entertain, educate and empower children of all ages, to help them participate effectively and constructively in society as informed and active citizens.

If the contestable funding route is chosen, the above principles should apply to the body set up to deliver children's content. The operation of a stand-alone alternative children's service need not be complicated or unduly costly. As under the contestable funding models used by the Irish Content Fund or Teachers TV, a governing body of children's and media experts could be appointed. Such a body might include, for example, the Children's Commissioners from the four Nations, key executives from the children's media industry, representatives of parents, children's charities, education and children themselves. Meeting annually, this body would provide strategic guidance and hold the organisation and its executive accountable to its mission and objectives. Funding would come from a variety of sources, including ethical sponsorship, educational foundation funding, and a proportion of Lottery cultural funding. In the longer term, a Trust set up from the proceeds of the spectrum auction could allocate funds to a service provider on a long term (five year minimum) contract. Regulation in the interim could be in the hands of Ofcom, measured against agreed benchmarks of success and proofs of commitment to the children's audience.

The Save Kids' TV proposal forms a strong basis of discussion for such a service. It is child-focused, in both its aims and its multi-platform, interactive and participatory approach to the delivery and marketing of its services. Save Kids' TV would welcome the opportunity to develop these ideas further in collaboration with the Digital Britain group as the structures and strategies for the future of children's public service content are formulated.

Save Kids' TV
March 2009



Save Kids' TV

Response to Ofcom Consultation:
"The future of children's television
programming"

17th December 2007

Introduction

This document sets out the Save Kids' TV (SKTV) response to Ofcom's "The future of children's television programming" consultation.

Save Kids' TV is a coalition of parents, producers, artists, educators and others concerned about screen-based media for children in the UK. In formulating our response to Ofcom we have consulted widely with our membership and other key stakeholders to ensure we provide a balanced and pragmatic response to the significant problems that face the children's production industry.

We would like to congratulate Ofcom on a thoughtful and timely consultation. The supporting documentation provides a wealth of information on how the children's television sector has gone from being one of the creative powerhouses of the UK's TV industry to crisis in just a few years. We hope the consultation will be a trigger for concerted effort to regenerate a key segment of one of our most important creative industries.

Our response

If it were not already clear, the evidence set out in the Ofcom 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.



Save Kids' TV
Response to Ofcom Consultation:
PSB Phase 2

3rd December 2008

Introduction

Save Kids' TV (SKTV) is a coalition of parents, producers, artists, educators and others concerned about screen-based media for children in the UK. This document sets out our response to Ofcom's PSB Phase 2 consultation.

Although we appreciate the fact that this is a review of PSB as a whole, SKTV is concerned that the element of urgency expressed by Ofcom in its 2006 review of children's programming has been excised from the Phase 2 documents, and that the children's issue has been marginalised. It is in therefore in danger of being overshadowed by other issues facing PSB, such as news and nations and regions. We are concerned that this loss of momentum could well lead to a less than satisfactory conclusion: a matter of too little too late.

Our Response

As regards the specific solutions proposed by Ofcom our responses are as follows:

We acknowledge the importance of plurality of provision, and endorse the view that the BBC should not be a monopoly provider of PSB content for children. We support Ofcom's comments regarding the BBC, but would go further in seeking to protect children's programmes from erosion. We believe that when there is overall pressure on programming budgets, children's programmes become an easy target. We are also concerned about the potential cost implications of the move to Salford, and the potential and unforeseen negative impact this may have on programming budgets, in spite of reassurances to the contrary. We are concerned that without competition the BBC will be encouraged into cutting back children's budgets further so that the available funding can be used to compete more effectively where it is deemed to be needed, such as in the provision of daytime programming for adults, or in prime time where "family programming" might be said to be a suitable alternative to programmes made exclusively for children. Family programmes are not children's programmes. Children deserve content specifically tailored to their needs, and which shows them images of themselves. We therefore urge the BBC Trust to protect children's content budgets and channel air-time through ring-fencing.

In theory, we support Channel 4's aspiration to cater for 10 to 16 year olds as part of a new public service remit, but understand that this is conditional upon securing additional funding. However, we would seek further clarification and assurances from Channel 4 as to what this 'new vision' really is, what proportion of any new funding would be allocated to it, and how comprehensive a service it would provide. In the current economic climate, we express concern about the viability of Channel 4's £10m pilot fund relating to this initiative.

We now understand that S4C is not intending to extend its children's programming to a wider English speaking audience (and is not mandated to do so under the terms of its funding mechanism) although it will continue to version some of its animation. This means that S4C provision will have a negligible impact on the areas of children's provision under threat.

We welcome 5's willingness to make a greater commitment to children's programming by moving from tier 3 regulation to tier 2, and we welcome its proposal to raise its target age range up to 7. However, it is again not clear how comprehensive a service 5 is suggesting, and despite a change in its regulatory

status, we are concerned about the intense commercial pressures 5's children's programmes would be subject to, and what mechanisms would be in place to protect them.

SKTV has a major concern that old models of provision for children are outdated; even if 5 were able to achieve its goals, and Channel 4 was able to start provision for 10 to 16's, there would still be gaps in PSB content for children, leading to a patchwork service.

As regards various funding options, SKTV supports the concept of tax breaks providing that in order to qualify for the breaks, there is a guaranteed broadcast outlet for these programmes.

We believe that the issue of European content laid down in the EU Audiovisual Media Services directive which stipulates that all channels should broadcast 51% indigenous European content 'where practicable', should be re-examined and clarified. 'Where practicable' has never been clearly defined and is open to interpretation. This directive might be a way of ensuring new UK kid's content on the cable and satellite channels but would be counter-productive if it only meant acquisition of existing European animation.

The issue of levies as employed in other parts of Europe on non-terrestrial channels should be investigated, and a certain percentage of the resulting income should then be allocated to children's original production.

We believe that contestable funding should be considered seriously and if it were introduced a sum at least equivalent to the £35 million sum identified by Ofcom's Review of Children's Programming should be ring-fenced for children.

Conclusion

While we support all of the above ideas, SKTV believes that there needs to be a braver vision and more forward-looking solution to the issues facing children's provision now, before it is too late. We are 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 calls on Ofcom to recommend solutions which are fit for purpose now and which build for the future; solutions which encourage partnerships between the creative community, broadcasters and educators, which support innovation and experimentation, and which entertain and promote social and cultural values.

We therefore urge Ofcom to support our proposal for a new public service online and broadcast service for children, as outlined in our original submission in December 2007, an excerpt of which is attached to this document as Appendix 1, and which includes a new graphic illustration of the concept.

The new service we propose would address market failure and fill Ofcom's identified gaps in production, as well as providing new and much-needed opportunities for dissemination of new content. That content will include professionally produced programming as well as content produced by users themselves, creating a different relationship between children and media. A centre for research into the children's audience, it will help advance our understanding of what children need and demand from media in the 21st century. It will be a fresh response to the innovative and creative ways that today's children engage with media, preparing them and the media industry for the future.

APPENDIX 1:

Excerpt from SKTV Response to Ofcom Consultation on the Future of Children's Programming, originally submitted 17th December 2007



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.

Graphic illustration of SKTV concept:

