

Children's Television– 'The Soft Underbelly of Public Service Broadcasting'ⁱ

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Dr Alessandro D'Arma and Professor Jeanette Steemersⁱⁱ
Communications and Media Research Institute (CAMRI)
University of Westminster, London
alessandroarma@libero.it
j.steemers@wmin.ac.uk

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Introduction

The provision of children's content should be a key constituent of the public service brand. In the UK as in other European countries with a public service tradition it has always been regarded as a socially important programming area, central to any conceivable notion of public service broadcasting (PSB) (see Blumler, 1992).ⁱⁱⁱ This is because of the perceived vulnerability of young audiences and the harsh realities of a commercial market place whose goals may run counter to the 'well-being, needs, wishes, rights and wants of children' (Messenger Davies, 2004: 10). But children's television has also often been viewed as a programme category at risk. Certainly in many countries children's television has moved from the 'scarcity' associated with terrestrial television, to the availability of multi-channel broadcasting and the 'plenty' of digital (see Ellis 2000). However in spite of a range of dedicated public service children's channels in Europe (CBeebies, Kika, Z@ppelin), domestically produced children's television is notoriously under-resourced if not marginalised. There is a pronounced reliance on imports (particularly on commercial television) which dwarfs amounts of first run original domestic productions, notwithstanding the launch by US-owned multinationals (Disney, Nickelodeon, Cartoon Network) of localised versions of their children's television channels in many European countries.

Within the broader context of global developments in children's media, this paper starts by outlining the recent and rapid crisis in British children's television and the factors that caused it, drawing on key policy developments in the last two decades. This was a crisis, which caught broadcasters and producers by surprise in the middle of 2006, but reflects many of the challenges faced by the children's television sector in other countries. The paper investigates how the children's television community responded to the crisis and with what effect. Based on interviews, contemporary accounts and documentary evidence the paper charts the converging and diverging views of broadcasters, distributors, producers, regulatory authority Ofcom, and a range of advocacy groups, which represent children's interests and the industry. What arguments were elaborated in favour of protecting children's television as an integral part of the public service media brand? Can lessons be learned

about how best to ensure the origination of children's media within a public service environment? Can developments in the UK be used to provide insight into how children's media might develop further as part of the public service brand?

British Children's Television in the 1980s and 1990s

Until the 1980s British children's television was shaped by a public service ethos, and safeguarded by a specific set of institutional and regulatory arrangements. It was the product of a pre-multi-channel broadcasting environment populated by a small number of terrestrial channels, all of which, both publicly-funded (BBC1 and BBC2) and commercially-funded (ITV and from 1982 onwards Channel 4), operated within a public service regulatory framework.

By the late 1980s, however, things began to change with the arrival of multi-channel satellite television. Defenders of public service broadcasting feared that intensified competition for children's attention and advertising revenue would lead to a reduction in investment in original domestically produced children's programming and a growing reliance on American and Japanese imports, primarily animation, and, more generally, a weakening of the public service ethos (see Klein 1988; see also Blumler 1993: 417-420).

These suspicions were reinforced by the Thatcher government's radical proposals in 1988 for the deregulation and restructuring of the commercial side of the British public service broadcasting system (Snoddy and Evans 1988). Under the proposals, the ITV television franchises would be sold by competitive tender to the highest bidder, and regulation would be practiced with a 'lighter touch'.

However, the government did make a number of concessions and the deregulatory and free-market zeal of the White Paper was watered down in the resulting Broadcasting Act 1990. Among the amendments was one designed to ensure that children's programmes, would be included in the list of programming that ITV companies would be required to offer (Snoddy 1990a and 1990b). (In the original version of the bill, presented by the government in 1989, only news, current affairs and regional programmes were 'protected') (ITC 2003a). During the parliamentary passage of the bill through Parliament, BACTV (British Action for Children's Television), an advocacy group, established in 1989, successfully lobbied the government to include a positive commitment to children's programming, arguing, that without such protection children's programming would find it hard to survive in a more competitive commercialised system (CPBF 2002; *Broadcast* 1989; Klein, 1988). The positive programme requirements in the Broadcasting Act 1990 together with a lower-than-expected growth of multi-channel television, meant that the quantity, quality and range of children's programmes in the 1990s was less affected than the defenders of the public service tradition had feared when the government first revealed its legislative plans in 1988.

The system introduced by the Broadcasting Act 1990 required the commercial PSBs – the ITV companies, Channel 4 and Five – to devote specific amounts of time to children's television including different programme

types (see ITCa, 2003)^{iv}. For example in the 2002 annual report of the pre-Ofcom regulator, the ITC (ITV, 2003b: 61), ITV fulfilled its broadcast quota of 520 hours of children's programmes, including 391 hours of in-house or commissioned programmes. These regulatory arrangements guaranteed sustained provision of children's programming throughout the 1990s by both ITV and Channel 5, in addition to the historic provision guaranteed by the BBC.^v However, with budget cuts there were also grounds for concern. According to the ITC in 2002:

There are signs that children's programming is the first genre to suffer from harder times. Repeats – traditionally high in children's programmes – rose on CiTV and Channel 4 (by two per cent in each case). This state of affairs may well reflect the allotted budget: early in the year CiTV was cut from £42m to £39m, with reports of a further £6m reduction later in the year (ITC 2002: 37).

An independent study published in the same year by the Institute for Public Policy Research (Cowling and Lee 2002) highlighted a number of worrying long-term trends in respect of children's provision by terrestrial broadcasters. Analysing sample weeks of broadcasters' schedules between 1952 and 2002, the researchers at IPPR found that imported programming on the public service broadcasters (PSBs) (mainly animations) had risen from 5.7 per cent in 1972 to 28.6 per cent in 2002; repeats in 2002 had reached nearly two thirds, whilst in 1972 they made up only 35.9 per cent of the total provision by PSBs.

A combination of related technological, regulatory and market developments after 2002 would contribute further to the gap in the funding and provision of original children's programming. The first (chronologically) and perhaps the most important of such developments was the termination of the quota regime under the new Communications Act in 2003.

The Communications Act 2003: From Quotas to Co-regulation

The Labour Government's Communications Act 2003 represented a major liberalising overhaul of the UK broadcasting regulatory environment (see Doyle and Vick 2005; Hitchens 2006; Feintuck and Varney 2006), establishing a 'single regulator', the Office of Communications (Ofcom), charged with the task of regulating all aspects of the electronic communications sector. This deregulatory thrust of the Act was evident in broadcasting content regulation. Scheduling quotas were retained only for news, current affairs and schools programming. Commercial PSBs were relieved of the obligation to meet quantitative targets in relation to a number of other genres, including children's programming. The new system involved a move away from the culture of detailed regulation towards co-regulation (DTI/DCMS 2000: 55). For children's television, the Communication Act stated that Ofcom must ensure that the services provided by PSBs (the BBC and commercial terrestrial broadcasters) *'include what appears to Ofcom to be a suitable quantity and range of high quality and original programmes for children and young people'* (Communications Act 2003, §264(6)(h), but there were no measurable

targets. Instead, PSBs were simply required to publish an annual statement of programme policy, and a Review, based on self-evaluation, of how their channels fulfilled their public service commitments in those genres like children's television where quotas no longer applied.

The Act required broadcasters to consult Ofcom before preparing their statement and to take account of any opinion expressed by the regulator if they wanted to make a *significant* change to their service. However, as stated by Ofcom itself (2007c: 12), 'it is ultimately for PSBs themselves to decide what to deliver'. The idea behind such co-regulatory mechanisms was supposed to give commercial PSBs greater flexibility in fulfilling their PSB remits at times of rapid change.

During the parliamentary debates ahead of the Communications Act 2003, public attention was focused on the government's proposal to relax media ownership rules. Far less attention was paid to the reform of broadcasting content regulation. Unlike in 1990, there was no sustained lobbying by citizen and advocacy groups to ensure that children's quotas were retained. BACT had ceased operating in 1995. Its role had been picked up by the Voice of the Listener & Viewer (VLV) but only 'in a very part-time kind of way' (interview with Anne Home and Greg Childs, 14 November 2007). Jocelyn Hay, founder of VLV, in retrospect admitted how at the time they were 'slightly naïve': 'We thought that we had secured something when children's programming was put in the Act [i.e., as one of the specified categories of PSB programming], where other genres were not, but then we realised it was the wrong Tier [i.e. Tier 3, where quotas no longer applied]^{vi}'. Similarly, Anna Home, Head of BBC Children's Programmes from 1984 to 1997, and chief executive of the advocacy group Save Kids' TV (see below), commented how when the Communications Bill was passed into statute 'nobody really noticed that children's programmes had gone into Tier 3 rather than Tier 2' (Interview, 14 November 2007).

During the passage of the bill through Parliament the issue of children's television barely came up at all. The only specific reference to it appeared in a joint parliamentary committee report, chaired by film-maker Lord Puttnam. A reference appeared in the appendices summarising the issues raised by citizens and other stakeholders. Here it was reported that the Writer's Guild Children's Committee had recommended that scheduling quotas be retained for children's programming. The economics of this genre, the writers had argued, is such that 'children's TV will never be profitable, and in a free market, it will reduce to showing only globally profitable brands' (House of Lords and House of Commons 2002: 131).

The future of public service children's television was largely overlooked in 2003, but within three years would take a prominent position in the national broadcasting policy agenda. A campaign led by PACT, the trade association of independent producers, and Save Kids' TV, a new advocacy group, prompted Ofcom to undertake in January 2007 a major investigation into the future of the sector, and assess the need for public intervention in view of ongoing market and regulatory developments (Ofcom 2007c). This turn of events was precipitated by Ofcom's decision in 2006 to ban advertising of food high in fat, salt and sugar (HFSS) during children's programmes, thus further undermining the economics of producing children's programmes.

The 'Junk Food' Advertising Ban

Debates on the negative effects of TV advertising, including food advertising, on children are by no means recent. Calls for advertising restrictions were voiced back in the late 1980s at a time when countries like Sweden and Norway were about to introduce a total ban on TV advertising targeted at children. During the 1990s the effects of TV advertising on children were regularly monitored by the ITC (ITC 1996; 2000; 2001). However, it was in the first years of the new century that calls for restrictions on TV advertising, specifically food advertising, gained momentum, in the context of mounting concerns about growing levels of childhood obesity.

Before and during the passage of the Communications Act 2003, the government was heavily pressured by medical and health bodies like the British Medical Association and the British Heart Foundation, and consumer groups like Children's Food Bill Coalition (Sustain) and Which? to tackle the problem of rising levels of childhood obesity. Statistical evidence of the growing number of obese children in the UK, as well as evidence linking obesity, ill-health and premature death was gathered in a series of research reports commissioned by government and medical organisations (for information on the policy background see Ofcom 2006a: 13-16).

The findings of research commissioned by the Food Standards Agency (FSA) published in September 2003 suggested that children's food preferences, behaviour and consumption was influenced by children's exposure to food promotion (Hastings 2003). In November 2003 a discussion paper published by the FSA concluded that children's food promotion was dominated by television advertising (FSA: 2003). From that moment on, the debate on food advertising focused on *television* advertising, rather than advertising in other media.

In December 2003 the Secretary of State for Culture, Media and Sport, Tessa Jowell charged the not-yet officially established Ofcom with the task of considering proposals for strengthening existing rules on the television advertising of food and drink products targeted at children (DCMS 2003). Although Ofcom had few powers over broadcasting content, the Communications Act had given it considerable powers over advertising.

The first action undertaken by the new regulator in early 2004 was to commission research on the link between television advertising of food products and obesity in order to build a case for intervention (Ofcom 2004a). Ofcom concluded that 'television food advertising has a modest direct effect and a larger but unquantifiable indirect effect on children's food preferences, consumption and behaviour'. Reporting evidence from available experimental research it suggested that, in terms of direct effects, exposure to food advertising accounted for some 2% of the variation in food choice/obesity. On this basis, Ofcom maintained that there was indeed a case for strengthening the rules on television food advertising to children, but it ruled out a draconian pre-9pm watershed ban, as advocated by the pro-ban camp as this 'would be both ineffective in isolation and disproportionate in its wider impact' (Ofcom 2004b: n/a). In March 2006 Ofcom published its proposals for new restrictions on television advertising to children (Ofcom 2006a). It outlined three

alternative packages of regulatory measures. Stakeholders were then asked by Ofcom to express their views.

Overall, as recounted by James Thickett from Ofcom (Interview 27 November 2007), both before the publication of Ofcom's regulatory options in March 2006 and during the formal round of consultations, the debate was dominated by the pro-ad ban side (medical and health bodies and citizen groups) whose arguments found wide resonance in the media. The government itself had made it clear that it was in favour of some form of restrictions on television food advertising. In November 2004, the Department of Health had published its White Paper 'Choosing Health – Making Healthy Choices Easier', in which it called for restrictions on food promotion and advertising (DH 2004). According to Thickett's insider account, the anti-ban camp, consisting of the food, retailer, advertising and television industries, did not really seriously engage with Ofcom during these consultations:

...the broadcasting industry and the food industry itself were very quiet. [...] [W]hat we found, as we developed our response, was that the debate was all very one-sided. The debate by the press, by politicians, by the government was extremely one-sided, and there wasn't really an effective counter-argument.

One important reason that can be adduced in order to explain why broadcasters didn't really engage with Ofcom is that the stakes on the issue were not as high as they might have appeared. James Thickett hints at the fact that by the time of the consultation ITV had probably already decided to pull out of children's television (see next section). Giving weight to Thickett's suggestion is the fact that in its written response to the Ofcom consultation ITV's chief concern appeared to be that any restrictions to be introduced by Ofcom should not extend to adult airtime (ITV 2006: 4).

As for the other commercial broadcasters involved in children's television, namely Five and the American channels, the most likely reason for their disengagement was again pointed out by Thickett:

Five responded – it was probably a pre-emptive response – by moving from mainstream children's to pre-school, where obviously that sort of advertising doesn't really matter so much. And then the American channels...well the likes of Disney, Cartoon Network, and Nickelodeon have been facing these issues in other markets for ten years, and they are much more reliant on subscription revenues as well in proportion to advertising. So in reality, the impact [of the ban on food advertising] was always going to be more muted. I mean, we calculated it between 3 and 5 percent of their ad revenues. But their ad revenues on average account between a third and two thirds of total revenues (Interview 27 November 2007).

Ofcom published its final decision on 22 February 2007 (Ofcom 2007b). In line with Option 1, advertisements for HFSS food and drink products would be banned in or around programmes specifically targeted at children or of particular appeal to them (the latter being identified through the 120 audience

index). Ofcom, however, decided to extend the restrictions to programming targeted at children up to 16, instead of children up to 9 as was originally intended (Ofcom 2006b: 3). The implementation of the new rules was to be gradual with dedicated children's channels allowed to comply with the new rules from January 2009 instead of January 2008.

The Future of Public Service Children's Television

The debate about the junk-food advertising was part of the policy agenda in the years following the 2003 Communications Act, but it was almost as if the broadcasting and production community had barely noticed it. It was not until 2006 that concerns about its impact on plurality and range in the provision of public service children's programming emerged – resurfacing forcefully at the Shocomotion Children's Media Conference in July 2006 when Save Kids TV was established. By 2007 children's television had become the 'canary in the coalmine' for the rest of PSB in the UK (Save Kids' TV 2008b: 1). The debate on the future of children's television, had by then become a prominent issue within the wider debate on the future of PSB.

Ofcom's First PSB Review: The Breakdown of the 'PSB Compact'

The terms of the post-2003 Communications Act debate on PSB were set by Ofcom in its first statutory review of the whole of PSB undertaken between 2004 and 2005 in the context of rapid technological change. This established the rapid take up of digital multi-channel television, 80% by the first quarter of 2007 (Ofcom 2007c: 101). This reduced the audience share of the five terrestrial public service channels (particularly ITV1 whose audience share dropped from 24% in 2002 to 19.7% in 2006) and intensified competition for advertising revenues (Ofcom 2007c: 166).

Ofcom argued that the historical 'compact' in which public service broadcasting was provided by commercial terrestrial broadcasters in return for discounted access to analogue spectrum was eroding because of the diminishing value of this subsidy with the rise of digital television. Quite surprisingly for a regulator that was expected at the time to prioritise economic over socio-cultural policy goals, in its first PSB review Ofcom was unequivocal in its support for the replacement of implicit subsidies for PSB with explicit funding in order to maintain the plurality of PSB supply in the digital age (i.e. provision of public service programming outside the BBC): (Ofcom 2004d: 5).

In the area of children's television Ofcom noted some worrying trends. Programming expenditure on the five terrestrial channels had dropped by 8 percent from 1998 to 2002; and fewer first-run original programming were broadcast (10 percent less than in 1998), particularly factual programming and programming targeted at children over the age 12 (Ofcom 2004c: 37). While children's television was singled out in a few passages of Ofcom's review as one of the PSB genres most likely to be negatively impacted by ongoing market and technological changes, it had not yet become the focus of specific regulatory attention. A number of intervening circumstances, however, contributed to move children's television to the centre of the broadcasting policy agenda in the course of 2006.

ITV's Withdrawal from Children's Television

As explained earlier, the Communications Act 2003 replaced scheduling quotas for children's programming with a new co-regulatory regime, which ultimately left commercial PSBs free to decide how much and what to provide. While broadcasters are required to consult Ofcom and take account of its opinion in preparing their Statements of Programme Policy when they plan to make a *significant* change to their schedule, they have no obligation to strictly follow Ofcom's guidance. Exploiting the leeway offered by the new co-regulatory regulatory arrangements, in 2005 ITV started implementing a withdrawal plan from children's television. In the eyes of ITV executives, the provision of children's programmes was no longer sustainable in a more competitive market environment, because of the small amount of advertising revenue that children's programmes are able to generate compared to other types of programmes (ITV 2007: 7).

Ofcom accepted ITV's first request in 2004 to reduce children's programming on its main terrestrial channel, ITV 1 from 11.5 hours a week to 8 hours. The regulator stated that the changes would give ITV more flexibility in the delivery of its public service obligations (Ofcom 2005: n/a). Then in the summer of 2006, after having announced its decision to close its in-house children's production centre (another clear signal of its intentions), ITV1 approached Ofcom again to further reduce its children's output on ITV1 to 2 hours a week. ITV drew attention to the revenue underperformance of children's programmes – a problem likely to be aggravated, so it argued, by the restrictions on food advertising (see Day 2006). ITV could earn more advertising revenue from adult quiz shows and drama in weekday afternoon slots than from children's television. This time Ofcom was of the opinion that ITV's proposed changes were not appropriate (see Deans 2006b). Obligated to take Ofcom's comments into account, ITV subsequently stated in published remarks that it would commit itself to broadcast on average around five hours of programming per week on ITV1 in 2007 (reported in Sweney 2007). This was as far as the broadcaster was ready to compromise with Ofcom. In its annual statement of programme policy for 2007, ITV was very vague and wary of committing itself to any quantitative target. It promised to 'broadcast a significantly higher volume of children's programmes' than originally proposed to Ofcom but less than in 2006 and weighted to weekends (ITV 2007: 23-4).

The Industry Wakes Up

ITV's original plan in 2006 to broadcast only 2 hours a week of children's television on ITV 1 had amounted to an almost complete withdrawal from children's terrestrial television. It had launched a dedicated digital children's service CiTV in March 2006, but the programme budget was considerably less than the £25 million a year it spent in 2005, and the dedicated channel was largely reliant on repeats and acquisitions. One argument in favour of ITV's position however, was that children's viewing has migrated to the dedicated children's channels. Whereas 55% of children's viewing in 2002 had been dedicated to terrestrial television (ITV, BBC1, 2, Channel 4, Five), by 2006 this had fallen to 18% as 82% of children's airtime viewing switched to dedicated children's channels (Thickett, 2007)

ITV may also have been emboldened by Ofcom's first chief executive. Under Stephen Carter, who left in July 2006, Ofcom had given ITV the green

light to cut back on children's. Acting as Ofcom's deputy chairman in the interregnum between Carter's departure and the arrival of successor, Ed Richards, Philip Graf, who was also chairman of Ofcom's Content Board, was allegedly much less sympathetic to ITV's arguments. In published remarks it had stated that ITV should see its public service obligations as 'an opportunity to be built on', not 'a cost to be hollowed out' (quoted in Deans 2006a). Ofcom's decision to turn down ITV's plans for children's television in September 2006 was certainly evidence of the regulator's willingness to take a harder line with ITV, but its powers were limited (see Deans 2006a).

But another circumstance helps explain Ofcom's firmer line on ITV. By the time Ofcom turned down ITV's proposed changes, the production sector, under the aegis of trade association PACT, and lobby group, Save Kids TV had mobilised to lobby the government and Ofcom. The series of 'threats' to children's television, which manifested themselves within a very short space of time in the first half of 2006, were a wake-up call for the industry. The closure of ITV's in-house production centre in 2006, ITV's plan to cut its commitment to children's television on ITV 1 to two hours in 2007, and, finally, Ofcom's decision to introduce restrictions on junk food advertising galvanised the industry.

In-mid 2006 Pact changed the name of its Animation Council to 'Children's and Animation Council', a clear indication of the new direction that Pact's lobbying efforts would take. In its response to Ofcom's discussion paper on the food advertising ban of March 2006, Pact called for the creation of a Government-backed fund for children's programming, designed to encourage the production of original children's programming and offset the withdrawal of TV and decline in advertising income (Pact 2006). Pact also urged the Government to consider production tax breaks as an interim solution to funding problems.

Another advocacy group, Save Kids' TV, came to play an important role in raising awareness about the crisis and propelling the issue onto the political agenda. The decision to create Save Kids' TV was taken at the annual Showcomotion Children's Media Conference held in Sheffield in July 2006 where the promoters of the initiative, the former head of BBC Children's Anne Home and former BBC children's producer Greg Childs, started collecting signatures. They recount the genesis of Save Kids' TV as follows: 'it was really that final session at that Showcomotion where we decided that we had to do something, and so that's how Save Kids' TV became into existence' (Interview with Anne Home and Greg Childs, 14 November 2007). A few preliminary meetings took place through early September, and by October 2006 Save Kids' TV was officially formed. Initially the group concentrated its efforts on campaigning against the junk food ad ban, but soon realised that it had to shift strategy and objectives:

The initial feeling was that we should somehow fight the ad ban, but it became apparent to us very, very quickly that this was heading to nothing, that the ad ban was going to go through one way or another. You know, Tony Blair said so. [...] So, we began to realise that we appeared to be yet another self-interest group like PACT – and PACT were doing quite good work, but they were up against the fact that it was self-interest and they were about

saving an industry – and I think that it was at that time that we looked at two steps. One was to stop worrying about the ad ban, and actually stop responding if anyone asked us about it [...] And we also realised that we had to try to stop being an industry group and broaden it. We characterised ourselves, and always have done ever since, as an alliance of the industry, the audience, and concerned cultural campaigners and academics’. (Interview with Anne Home and Greg Childs, 14 November 2007).

In its Draft Action Plan 2007/08, published in December 2006, Ofcom (2006c: 32) announced that it would be bringing forward its review of PSB provision in the area of children’s television programming in advance of its second general PSB Review (scheduled to be completed in early 2009). Ofcom’s move appeared as an implicit recognition of that the future provision of PSB children’s programming was under serious, and immediate, threat. In the terms of reference published on 13 February 2007, Ofcom stated that the aims of the review were ‘to explore prospects for future delivery of a wide range of high quality and original content for children’ (as required by the Communications Act 2003) and, ultimately, ‘to assess the desirability and scope of any public service interventions in this market’ (Ofcom 2007a).

Ofcom’s Report on the Future of Children’s Television: The Crisis in Funding Published on 3 October 2007, Ofcom’s *The future of children’s television programming* was broadly supportive of the case for some form of public intervention in the area of children’s television on market failure grounds. Ofcom’s analysis of the market for children’s television programming was framed within the coordinates laid down in its first general review of PSB. Provision by the commercial PSBs, Ofcom argued, ‘is part of the historic PSB compact whereby children’s programming is funded by surplus across the licence as a whole’ (Ofcom 2007c: 51). The PSB compact was however breaking down as a result of rapid digitalisation.

Compared to other genres, Ofcom argued, children’s television has a special status, reflecting its distinctive economics: ‘there are a number of characteristics of the children’s market that have made the business model for provision of children’s programming [by commercial PSBs] particularly challenging in recent years’ (Ofcom 2007c: 47). Ofcom cited, among others, that ‘children are viewing less television, and their viewing time has fragmented among channels far more than for older viewers’. Also, and arguably more importantly, was the fact that ‘the advertising market for children’s audiences is relatively finite and inelastic’ (Ofcom 2007c: 47). Ofcom also mentioned restrictions on junk food advertising as another possible source of pressure in future although, predictably, unlike broadcasters, it tended to downplay the significance of this factor. These distinctive features of the children’s television market, Ofcom contended, added to the general problems felt by commercial PSBs.

The key finding of Ofcom’s report was that despite the dramatic increase in the number of children’s specialised channels (from 6 to 25 between 1998 and 2007) and in the volume of children’s airtime (from around 20,000 hours per year in 1998 to over 112,000 hours in 2006), expenditure by broadcasters

on first-run *original* children's programming (i.e. new UK-originated programming) declined from £127m in 1998 to £109m in 2006 (Ofcom 2007: 60), most of which was spent on the 1,253 original first-run hours produced by PSBs. Commercial PSBs – ITV1, Channel 4 and Five – were alone accountable for this decline (and certainly the bulk of it originated from ITV, although Ofcom provided only cumulative figures on expenditure of commercial PSBs). Commercial PSBs' aggregated expenditure more than halved in real terms from 1998 to 2006 – from £60m in 1998 to £27m in 2006. According to Ofcom, the scale of the reduction in expenditure on original children's programming by commercial PSBs was the result of 'the increasingly unattractive economics of some types of children's programming for the commercial public service broadcasters, relative to other output', (Ofcom 2007c: 1). Ofcom estimated that the opportunity cost borne by ITV1 of showing children's programmes in its traditional late afternoon slot up to 2007 (i.e., foregone advertising revenue from more popular programmes) was in the order of £18 - £28m per year.

The decline in expenditure on original children's programming by commercial PSBs was not compensated by increases in programming investments elsewhere. The aggregated expenditure on first-run original children's programming by American children's channels remained fairly stable in the period under consideration, despite the launch of new dedicated services: it represented only around 10% of total investment in new programmes across broadcasters, reflecting the fact that these channels rely heavily on programme imports from their US parent companies (mainly animation, which make up the bulk of their schedules). The BBC's expenditure on first-run original programming between 1998 and 2006 did increase (from £51m to £62m), with a peak in 2004 (£85m) following the launch of its dedicated digital channels CBBC (for children aged 7-11) and CBeebies (for children aged 0-6) in 2002. However, the BBC increase alone was not enough to offset the decline in spend by commercial PSBs. The net result of these dynamics was that by 2006 the BBC had become by far the main financier of original children's programming, something which, according to Ofcom, raised serious concerns about plurality of provision. While in 1998 the BBC contributed 40% of overall expenditure on first-run original programming and the commercial PSBs contributed 52%, by 2006, the BBC's contribution had risen to 57% with the commercial PSBs down to 33%. Ofcom's overall assessment was gloomy: 'the future provision of new UK-originated content for children, particularly drama and factual programming, looks uncertain other than from the BBC' (Ofcom 2007c: 1).

One of the key aspects of Ofcom's analysis was that the market failure in the provision of children's television did not apply to the same extent across all sub-genres and for all age groups. The report suggested that the real problem was with drama and factual programming for older children (9-12) and young teenagers (13-15). Other sub-genres and age groups were much better off. This was particularly true for pre-school programming, which was more economically attractive to broadcasters, who can contribute less of the budget (typically 25%), on account of its ability to attract secondary revenues from international markets and licensed merchandise (October 2007: 199).

One of the questions stakeholders were invited to answer by Ofcom in the round of informal consultation that followed the publication of the report was

whether or not any policy intervention in support of children's television should be tailored to different age groups or types of programming. The analysis presented by Ofcom in the report appeared to clearly support the case for tailored interventions in support of what were identified as the most endangered genres (drama and factual) and poorly served age groups (older children).

Throwing a Lifeline to Children's Television

In the section 'Views of industry stakeholders', Ofcom summarised the possible policy approaches suggested by broadcasters, television producers and other interested parties to address the problems facing children's television. Ofcom reported that although there was no consensus among stakeholders, the majority of them did advocate some form of public intervention. Suggested policy approaches included: broadcaster-based interventions (for example a dedicated fund for the commissioning of children's programming); production incentives in the form of tax breaks (a measure advocated by Pact); extending the remit of Channel 4; and, finally, the creation of a new PSB service (a public service children's online destination in the version proposed by the group Save Kids' TV).

Ofcom was careful to stress that most of the policy approaches discussed in the report would require intervention by government and new legislation. The Labour government, for its part, was expected to begin its review of PSB funding in early 2009 after the conclusion of Ofcom's second review of PSB and legislate by 2011. The general political climate seemed to be rather unfavourable to any new injection of public money or tighter regulation in the area of children's television. In a report on public service broadcasting released by the House of Commons' Committee on Culture, Media and Sport in November 2007 (House of Commons 2007), children's television was singled out as one area where future provision by PSBs is potentially at risk and intervention may be justified. However, overall, the report advocated 'a move away from heavy-handed intervention in the broadcasting market', and was careful to stress that current levels of public funding should not be allowed to increase. Instead it favoured making *existing* public funding available to broadcasters other than the BBC on a contestable basis.

Ofcom published the first phase of its second PSB review ('The Digital Opportunity') on 10 April 2008 (Ofcom 2008a). The work done on children's television programming was incorporated into the wider analysis of PSB in general. Ofcom restated the case for public intervention in children's television on market failure grounds; it also reiterated that the key gap in market provision, and therefore the area where public intervention was most needed was original programming for older children and teens (especially drama and factual). According to updated figures, expenditure on first-run original children's programming by commercial PSBs had dramatically declined further in 2007 – down to £12m from £27m in the previous year (Ofcom 2008b: 16). Ofcom estimated the cost of public intervention to support provision of home-grown children programmes by commercial PSBs (and replace implicit funding) to be £30 million (Ofcom 2008a: 129). A number of short-term corrective measures specifically designed to fill the gap in provision of children's PSB content were contemplated by Ofcom, but no

recommendation was made at this stage. These included developing the BBC's role in delivering children's content; extending Channel 4's remit to include older children and teenagers; and exploring the role that the Welsh-language broadcaster S4C, as the second largest commissioner of original children's programming in the UK, could play in delivering content for a broader English-speaking children's audience.

As of the middle of 2008 – two years on since the 'crisis' in children's television emerged – groups like PACT and Save Kids' TV could point to a number of achievements. Clearly, Ofcom has taken the children's issue very seriously. Consistent with its market failure approach to public intervention, the regulator has acknowledged the crisis in funding and concluded that there is a need for extra public intervention.

In the months following the publication of Ofcom's report into the future of children's television, the PSBs have tried to address some of the concerns raised by Ofcom's 2007 report. In December 2007, ITV announced that some new funds for commissioning children's programmes would be released (Rogers 2007) and in June 2008 it made its first original UK kids commission for more than 18 months (Rushton 2008), but it is spending much less than the estimated £25 it spent in 2005.

At about the same time, the BBC Trust announced its decision to start in 2008 a review of the BBC's provision for children (BBC 2008). Significantly, this was the first review of any programming genre to be undertaken by the BBC Trust since its establishment at the beginning of 2007. In its report of October 2007, Ofcom (2007c: 177) had raised concerns about the fact that the BBC's current delivery of children's programming exceeded by far the amount of programming that the BBC is bound to by its service licences, meaning that in theory the BBC could in future reduce its output and investment below what is currently delivered and spent. This was a worrying prospect, Ofcom had argued, in consideration of the BBC's role as the main provider of public service children's content. Ofcom had therefore urged the BBC Trust to review the BBC's remit for the provision of programming to children, in order to hold it to at least current levels of UK-originated children's programming.

Finally, in March 2008, Channel 4 published 'Next on 4', a document setting out Channel 4's strategic blueprint for its future role in the digital age (Channel 4, 2008). 'Next on 4' made a strong case for Channel 4 becoming in future 'the main source of UK-wide competition and plurality alongside, and complementary to, the BBC', but it called for extra public funding to support its public service operations in the light of the significant financial pressures it faced. In a clear attempt to give a tangible sign of its public service credentials in order to help secure public funding, in 'Next on 4' Channel 4 announced that it would establish a new pilot fund of £10 million over the next two years dedicated to programming for older children (10–16 year olds), as a short-term, and partial, solution to the market gaps identified by Ofcom for original programming, especially drama (Parker 2008).

While each of these developments were welcomed by the children's production community and public advocacy groups, it was also clear that they represented by no means an adequate response and a long-term solution to the problems of children's television. ITV was seen as simply paying lip

service to Ofcom – its return to commissioning, it was pointed out, was only on a modest level.

The BBC was not the problem anyway. In fact, despite Ofcom's concerns, the BBC had increased its investment in original children's programming from £63 million in 2006 to £70 million in 2007 (figures reported in Ofcom 2008a: 134). Channel 4's initiative was just a two-year pilot, after which, without adequate extra funding, the broadcaster's commitment to children's television was by no means assured (see PACT 2008; Save Kids' TV 2008a).

Given Ofcom's limited powers in the area of PSB where it can only make recommendations, it is ultimately down to government and parliament to adopt measures designed to provide long-term solutions with extra public funding. At the time of writing, however, there appeared to be no appetite among legislators and government members for extra public money. The option of 'top-slicing the BBC's licence fee', that is, using part of the licence fee income to fund PSB content from other providers being actually more appealing to politicians than extra public funding.

Conclusion

This paper has chronicled recent developments in children's television policy in the UK. It shows how following the passage of the Communications Act 2003, two issues dominated the policy debate: the introduction of restrictions of food advertising during children's programming; and the crisis in the funding of home-grown children's programming triggered by a combination of regulatory, technological and market developments, most notably the end of the quota regime under the new regulatory framework. Somewhat paradoxically, it was Ofcom's decision to introduce new rules banning 'junk food' advertising during children's programmes that galvanised the children's production industry and advocacy groups to campaign for 'positive' public interventions designed to sustain public service children's programming.

Events in the UK clearly demonstrate how a combination of the removal of regulatory protection, a change in commercial priorities among broadcasters, advertising restrictions, budgetary pressures and the competitive environment at home and abroad all combined to reinforce the trend towards a contraction of domestic production of children's television – both in terms of funding and hours. The crisis in funding of original children's programming in Britain has broader implications for children's programming elsewhere with children's television seen as the 'canary in the coalmine' for the rest of PSB.

Of course the British situation is in some ways almost unique in that it had historically required its commercially funded PSBs to commit not just to the broadcasting of children's television, but also to the funding of first run originations. When these regulatory stipulations were removed, ITV in particular no longer felt obliged to commit itself to children's television, because economic gains were larger from targeting the adult audience. The crisis has served to underline the dominance of the BBC – both as a representative of public service principles, and as the dominant producer and commissioner in the market. This raises some interesting questions relating to the plurality of provision and future health of public service children's television, a central concern of Ofcom's PSB review.

Further, recent developments in children's television policy in the UK can be seen as a textbook case about the limitations of self- or co-regulation. The abolition in 2003 of scheduling quotas was designed to grant commercial PSBs a greater degree of flexibility in the delivery of their public service obligations. What in fact happened was a drastic reduction of ITV's commitment to the commissioning and scheduling of children's television programming. Legally Ofcom could do nothing although it disagreed with ITV's actions (Ofcom 2008c: n/a).. In the absence of positive programming requirements, which drive investment decisions in programming, profit-driven broadcasters lack any incentive to provide socially-valuable programming.

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ⁱ This was a phrase used by John McVay, director of PACT the producers association (cit. in House of Commons 2007a, Q 135)

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ⁱⁱⁱ While European public service broadcasters have concentrated on providing an organisational structure for children's television, in the US the policy debate has tended to be dominated by two rather different priorities – a) the provision of educational programming b) protection against harmful programmes and advertising (see Kunkel 2007; Jordan 2008). PBS is an important provider of commercial-free children's programming, particularly in the pre-school area, but its activities are on a much smaller scale than its commercial competitors – Nickelodeon, Disney, and Cartoon Network.

^{iv} The BBC did not have to comply with any quotas with respect to children's programming, although of course provision in this area was one of its key general duties under its public service remit.

^v Unlike ITV and Channel 5, Channel 4 had no statutory requirements for children's programmes although the channel did broadcast some programmes.

^{vi} This quote is taken from our own notes of the intervention that Jocelyn Hay made at the Westminster Media Forum Conference 'The Future of Children's Television Programming', 6th December 2007.