The future of children's television programming

Research Report

Publication date: 3 October 2007

Closing date for responses: 20 December 2007

Foreword

Children's television has been at the heart of the UK's public service broadcasting system for over fifty years, and during this time, the UK has built a reputation for producing some of the most distinctive and high quality children's programming in the world.

Ofcom's review of children's television programming was initiated in response to a number of profound consumer and market changes. With an increasing range of media available to many children and a growing number of dedicated children's channels, children are changing the ways in which they consume media. As a result, traditional commercial public service broadcasters are facing significant pressures on their ability to fund original programming for children.

These changes are occurring in the context of a new framework for the regulation of children's programming, set out in the Communications Act 2003. Since the Act, ITV1, which had historically played a role in delivering a strong alternative voice to the BBC, has significantly reduced its commitments to children's programming. This development, together with the other consumer and market changes under way, has led many to question how public service children's programming can continue to be delivered in the future. To date, the lack of objective evidence available to establish the nature of the problem has made it difficult for this debate to progress.

The Communications Act requires Ofcom to report on the fulfilment of the public service broadcasters' public service remit at least once every five years and to make recommendations with a view to maintaining and strengthening the quality of public service broadcasting in the future. In preparation for our second full public service broadcasting review we have concentrated on the children's programming aspects of public service broadcasting, focusing on the future prospects for delivery of *a wide range of high quality and original content for children*.

Our aim has been to create a much firmer foundation for debate by establishing for the first time a comprehensive body of evidence about the current delivery and future prospects for public service television broadcasting for children in the UK, focusing on children under 16.

This research report and several online research annexes set out the results of our research in detail. It sits alongside a shorter discussion paper which provides a summary of our key findings and can be read as a stand-alone document.

In setting out our analysis, we recognise that many issues raised will fall within the remit of our wider public service broadcasting review, and will ultimately be for government to consider. Given the centrality of the BBC's role in the provision of children's programming, some issues are also likely to fall within the remit of the BBC Trust.

We hope that, with this research and the discussion which follows, we have laid the groundwork for maintaining and strengthening the future provision of a wide range of high quality and original programming for UK children.

Ed Richards
Chief Executive

Contents

Further documents available

Discussion paper - published in hard copy and online

Research annex - published online

A	Academic literature review - Máire Messenger Davies
B	Review of the UK children's television market - Oliver & Ohlbaum
C	Additional analysis of range in children's output - Ofcom
D	Deliberative research - Opinion Leader
E	Children's programming - the international perspective - Ofcom

Executive summary

In this report we have assessed the current state of the children's television market and the prospects for future delivery of a wide range of high quality and original content for children. Our work raises issues in five main areas.

First, while a clear majority of parents regard public service programming for children as very important, less than half think it is being delivered satisfactorily, especially in reflecting a range of cultures and opinions from around the UK. The gap between expectations and delivery of this characteristic is greater for children's programming than for adults programming. Parents are relatively content with provision for pre-school and younger children, but want more drama and factual programming for older children and young teenagers.

Second, the future provision of new UK-originated content for children, particularly drama and factual programming, looks uncertain other than from the BBC. Investment in first-run original programming by the commercial public service broadcasters – ITV1, GMTV, Channel 4 and Five - has halved in real terms since 1998. While the commercial children's channels (like Disney Channel, Nickelodeon and Cartoon Network) commission some UK programming, this represents only 10% of total investment in new programmes. This decline in investment reflects the increasingly unattractive economics of some types of children's programming for the commercial public service broadcasters, relative to other output.

Third, while BBC hours and spend on children's programming have actually increased over the period, its long term commitments to children's programming are by no means guaranteed; the BBC service licences do not reflect the BBC's current delivery of children's programming and the BBC could, at least in theory, reduce its output and spend significantly below current levels.

Fourth, the BBC's programming is highly valued by parents, but these trends lead inevitably to questions about whether it is in the audience's long-term interest for the BBC to be by far the largest commissioner of UK children's programming. Our research demonstrates that parents appreciate programming from a range of different voices.

Fifth, children's media consumption continues to change rapidly, with older children and especially young teenagers watching less television and using the internet and mobile phones more than ever before. At the same time, parents of young teenagers are particularly dissatisfied with current delivery of public service programming; and young teenagers themselves would like more of this type of content aimed specifically at them. Yet there is no evidence that commercial provision of children's public service content is a viable option, now or in the near future.

Given the rapidly changing nature of UK broadcasting – further demonstrated by the evidence set out in this research - Ofcom has brought forward its second statutory review of the whole of public service television broadcasting and published the terms of reference on 11 September 2007. That review will consider what policy responses are appropriate to address the issues raised about children's television, not least because many of the challenges across public service broadcasting are likely to be similar to those highlighted here.

We are keen to hear stakeholders' views on a number of questions raised by this research, both to inform our thinking about the best way to address the issues raised in this report and also to help shape our ideas about public service broadcasting as a whole, especially:

- What is the role and importance of UK-originated programming for children?
- What is the role and importance of plurality in the provision of children's programming?
- Should further consideration be given to provision of public service content for children over platforms other than linear television?
- Does the policy approach for children's programming need to be different from the policy approach taken to public service broadcasting overall?

Several interested parties have already suggested a range of possible approaches to children's television. Due to the limited nature of Ofcom's role as set out in the current Communications Act, all of these approaches, other than the status quo, would require intervention by government rather than by Ofcom. These options are set out in more detail in Section 6, *Views of industry stakeholders,* and include:

- maintaining the status quo, leaving provision to the BBC, the commercial public service broadcasters and the market;
- broadcaster-based interventions, including a dedicated fund or output quotas;
- production incentives, such as tax credits;
- extending the remit of existing public service institutions, including Channel 4; and
- creating new public institutions, including a non-BBC public service children's channel.

In discussions, many have also raised international policy approaches as alternative approaches to regulation that could be taken in the UK. Section 7, *The international perspective,* sets out the results of our survey of international markets.

We are seeking stakeholders' views on the appropriateness of the approaches which have been suggested. In addition, we would like views on whether, if they are appropriate, any of the policy approaches should be tailored to different age groups (for example to pre-school, younger children, older children and young teenagers), or to different types of children's programming (such as drama, factual, entertainment and animation)?

Although not a formal consultation, we would welcome any views on these questions by 20 December 2007.

In Phase 1 of the public service broadcasting review, we will assess stakeholder responses to these questions and set out proposals outlining our planned approach to children's programming in the context of the public service broadcasting review as a whole. We expect to publish Phase 1 of the public service broadcasting review in spring 2008.

.

Section 1

Setting the scene

1.1 Summary findings

- Children's programming has been at the heart of the UK's system of public service broadcasting (PSB) since its inception in 1922. From its early origins in radio in the 1920s and 30s, a dedicated children's television service began on the BBC in 1946, with the first regular slots appearing from 1948. However it was the arrival of ITV in 1955 which initiated competitive plural provision of PSB in children's programming.
- In the 1980s and 90s, new competition arrived in the form of Channel 4, Five and the commercial children's channels available on cable and satellite platforms. By 2002, with the launch of the BBC's children's channels, CBBC and CBeebies, hours of children's programming broadcast in the UK were higher than ever, with children's programming broadcast by over 15 dedicated children's channels and spending on first-run original UK programming at record levels.
- Over the last 60 years, various public reviews have emphasised the need for significant provision of children's programming in the UK. The importance of an alternative voice to the BBC in children's programming, in the form of ITV, has been central to this debate.
- Today, the public service broadcasters under the Communications Act 2003 are: the BBC, ITV1, GMTV, Channel 4, Five, S4C and Teletext, of which the BBC, Five, ITV1, GMTV and S4C in Wales are currently the main providers of original children's programming. Channel 4 has in the past played a role in developing original children's programmes although this is not now a focus for the channel.
- In recognition of increased competition from other broadcasters in the lead-up to digital switchover, the Communications Act 2003 changed the requirements for regulation of children's programming. Since then, there have been no specific requirements mandating levels of provision of children's programming, with children's treated in the same way as many other PSB genres such as religion, arts and drama.
- Ofcom's role is to offer guidance to broadcasters, to which they must have regard when preparing their annual statements of programme policy. If they are proposing to make a significant change to the overall character of their service, they must consult Ofcom and take account of any opinions expressed by Ofcom about the proposed change. However, it is ultimately for PSBs themselves to decide what children's programming to deliver.
- Ofcom is required to report at least every five years on the fulfilment of the public service remit, with a view to maintaining and strengthening the quality of public service broadcasting in the future. In relation to children's programming Ofcom is required to consider whether the PSB service, taken together, include what appears to Ofcom to be a *"suitable quantity and range of high-quality and original programmes for children and young people".*
- In Ofcom's first PSB Review (2004-5), Ofcom re-defined PSB in terms of its purposes and characteristics, designed to apply to PSB programming as a whole. These have been adapted to children's statements as a research tool to understand the extent to which parents believe the requirements in the Communications Act in relation to children's programming are being met.
- A review of academic literature undertaken by Máire Messenger Davies from the

University of Ulster found that there are a number of studies which demonstrate the benefits of having a range of programming genres for children. These benefits include learning; socialisation and citizenship; and personal fulfilment and identity. The review also shows that there is an increasing body of academic work indicating the importance of UK-originated programming.

- In Ofcom's first review of public service television broadcasting (2004-5), Ofcom described plurality as a central tenet of public service broadcasting and outlined the importance of plurality at different points in the broadcasting process, including: plurality of outlets, plurality of commissioning and plurality of production.
- The term 'quality' – which features in Ofcom's characteristics of PSB and in the Communications Act - is difficult to define. We have used a range of proxy measures in this review to understand quality in children's programming from a number of perspectives.

1.2 Introduction

The first half of this section provides a brief overview of the history of children's television in the UK, from its beginnings in the late 1940s to the proliferation of dedicated children's channels and other technologies such as the internet that we see today. We consider the key debates that have taken place in the development of children's television, underlining the extent to which these debates about the value and place of children's television have changed over the years. This section draws particularly on the work of Buckingham (1999), Home (1993), McGown (2003), Potter (2003) and Williams (2002).

We then set out an overview of the regulatory framework under which children's broadcasting operates in the UK today. We outline the roles of the public service broadcasters, the Communications Act and Ofcom.

We also set the scene on a number of issues which underpin this report, including an exploration of what quality means in terms of children's programming and how we have analysed it in this review. We have also commissioned an academic literature review which looks at the literature supporting the need for, and benefits, of having a range of genres available for children, as well as the benefits of UK-originated children's programming. The issue of plurality is also considered below.

1.3 A history of children's television

1.3.1 Early years – 1946-1955: The BBC

The BBC catered for children from the outset of broadcasting in 1922. One of its first radio programmes was *Children's Hour*. When television began in 1936 there was no dedicated service for children, although programmes of interest to children were shown. Indeed, it was a *Mickey Mouse* animation that was broadcast when the BBC shut down for the duration of the Second World War in September 1939.

Dedicated children's television began in September 1946 on the BBC with a short programme entitled *For the Children*, featuring the *Hogarth Puppet Circus*. *Muffin the Mule* was one of the first characters to be shown. From 1948 this programme developed a regular Sunday slot between 4–5pm, alternately called *For the Children* and *Children's Hour*.

In 1948 the BBC Director-General, Sir William Haley, agreed that the children's service should be expanded, and by 1950 children's programmes also had a slot on weekday afternoons, with an increase in staffing to seven producers.

Programming was initially more 'educative' than informative or entertaining. Mary Adams, the Head of Talks, Television, who was responsible for the early years of children's programming, favoured story-telling, current affairs, and classical music recitals. This serious-minded view of what children needed continued under the direction of Freda Lingstrom, Head of Children's Television (1951-1956).

Under Lingstrom, programming was stratified according to age. Producers were concerned about disrupting the moral development of children if they watched programmes aimed at an older age group. This was one of the reasons for the *Toddlers' Truce*, an hour's shut-down between 6 and 7pm to demarcate children's from adults' programmes. There was also a separation between programmes for the under-5s and those for older children.

However, from the outset, children inevitably preferred programming that was aimed at those older than themselves – a trend which has continued to the present. BBC audience research in the 1950s showed that children aged 12-14 were the age-group with the highest appreciation of programmes aimed at adults such as "cabaret, sports outside broadcasts, newsreels and feature films". In the early 1960s, when a survey asked which programmes children liked, nearly three-quarters of the votes went to programmes aimed at adults, especially crime thrillers. And today, around 70% of children's viewing is of programmes aimed at adults.

1.3.2 1955 – 1960s: The impact of ITV

ITV began broadcasting in 1955, and its arrival had a profound impact on the programming policies and culture of the BBC in general and also in relation to children's broadcasting.

The 1954 Television Act, which brought ITV into being, had stipulated three committees to be set up, to advise the independent regulator, the ITA, and the ITV licensee companies. One of these was a Children's Advisory Committee, with a remit "to give advice to the Authority as to the principles to be followed in connection with the broadcasting of such programmes of matter intended for children or young persons" (Television Act, 1954: Chapter 55, 8: 2 (c)).

BBC children's programme policy had been strongly critical of popular culture, particularly from the United States, whereas ITV was aimed more at popular tastes. ITV quickly took audience share from the BBC with series from the US such as *Roy Rogers* and *Hopalong Cassidy* as well as UK-produced adventure dramas. ITV also showed US animation (although the BBC had long used Disney animation). In 1960 a Granada Television survey estimated that somewhere between 66% and 85% of children's viewing was of ITV rather than the BBC.

In response, the BBC began to produce and broadcast more popular material. It stopped the Toddlers Truce hour closedown between 6pm and 7pm in 1957, not least since ITV was screening adventure series during this time-slot. The BBC also began to import children's series from the US, including *Champion the Wonder Horse*. By the end of the decade, it was widely accepted, both within the children's department and also across the BBC, that it was necessary for the corporation to show more entertaining programmes to gain competitively over ITV.

The 1962 Pilkington Committee Report criticised ITV for its overly-commercial mindset and programming, and required it to develop more of a public service focus across its output, including children's. This resulted in changes to ITV companies' organisational structures regarding children's programmes. When ITV was set up, its Children's Advisory Committee had been given the power to make mandatory recommendations. In 1964 this was changed to become a purely advisory body, albeit with a continued strong moral tone.

Children's programmes were made by a variety of regional ITV companies, and shown regionally as well as on the network. Therefore, many children at this time watched dramas and other shows based or produced in their local area.

The BBC's children's programmes were managed within a stand-alone department for most of the 1960s, although between 1964 and 1967 this department lost its separate status and merged into the Family Programmes Department, along with women's programmes. This was due to a belief that a more holistic approach would be more effective in attracting and retaining viewers. Children's drama and light entertainment programmes were made by the respective adult departments. However, programmes aimed at adults always tended to trump in terms of budget and priority.

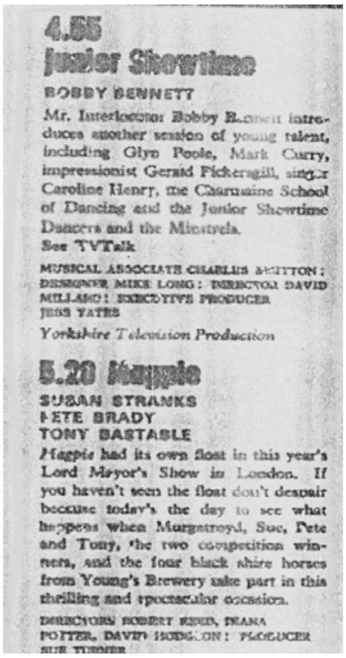
1.3.3 The 1970s and 1980s

In 1967 the BBC's Children's Department was re-formed under Monica Sims. She expanded the output from around 10 hours to 14 hours per week by 1972, producing a wide range of programme types. Although budgets were low, this was seen by those working in the Department at the time as a liberation, affording them the freedom to experiment.

In 1971, Sims took the decision not to buy the US pre-school series *Sesame Street* for the BBC. She believed that its way of teaching was too prescriptive, narrow and repetitive. She also felt it was fragmentary and chaotic, and would not help the child viewer to focus and concentrate. Her decision is a reminder that pedagogic views differed considerably, and that the BBC view at this time was that the key goal of children's programmes should be to encourage and inculcate creativity.

ITV companies at the beginning of the 1970s were galvanised by a new chairman of the Children's Sub-Committee, who encouraged them to create a more stable schedule for children's programmes, with two slots for drama, two for light entertainment, two or three for features and three or four for film series. Many of the regional companies produced children's programming, with particular specialisms such as Thames, Granada, and ATV for drama. Thames also produced *Magpie*, devised to compete with *Blue Peter*, which ran from 1968 to 1980. An example schedule is shown in Figure 1. YTV, Southern, HTV and STV were also active in children's production – Southern in particular was the main regional provider of programmes to the network.

Figure 1: Extract from ITV schedule, 17 November 1970

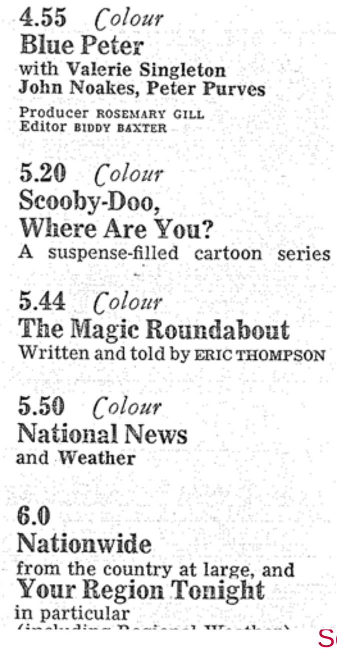


4.55
Junior Showtime
BOBBY BENNETT
Mr. Interlocutor Bobby Bennett introduces another session of young talent, including Glyn Poole, Mark Curry, impressionist Gerald Pickersgill, singer Caroline Henry, the Charmaine School of Dancing and the Junior Showtime Dancers and the Minstrels.
See TVTalk
MUSICAL ASSOCIATE CHARLES SUTTON: DESIGNER MIKE LONG: DIRECTOR DAVID MILLARD: EXECUTIVE PRODUCER JESS YATES
Yorkshire Television Production

5.20 Magpie
SUSAN STRANKS
PETE BRADY
TONY BASTABLE
Magpie had its own float in this year's Lord Mayor's Show in London. If you haven't seen the float don't despair because today's the day to see what happens when Murgatroyd, Sue, Pete and Tony, the two competition winners, and the four black shire horses from Young's Brewery take part in this thrilling and spectacular occasion.
DIRECTORS ROBERT REED, DIANA POTTER, DAVID HODGSON: PRODUCER SUE TURNER

Source: TV Times

Figure 2: Extract from BBC schedule, 17 November 1970



4.55 Colour
Blue Peter
with Valerie Singleton
John Noakes, Peter Purves
Producer ROSEMARY GILL
Editor BIDDY BAXTER

5.20 Colour
Scooby-Doo,
Where Are You?
A suspense-filled cartoon series

5.44 Colour
The Magic Roundabout
Written and told by ERIC THOMPSON

5.50 Colour
National News
and Weather

6.0
Nationwide
from the country at large, and
Your Region Tonight
in particular

Source: Radio Times

This period is seen by many as the 'golden age' of children's programming, with complementary scheduling between ITV and the BBC, more airtime than previously, and more acceptance of the importance of children's programming. However, children still wanted to watch programmes aimed at adults too; it was the era of *The Thunderbirds*, *The Tomorrow People* and *Children of the Stones*. When, in 1971, Look-In was launched as a junior version of the TV Times, its listings for children's programmes also included programmes from the evening (i.e. adult's) schedule.

During the 1970s children's programmes shifted in scope and impact. Of particular note was the development of magazine-style programming in the Saturday morning slot. In 1975, ATV developed a regional 2.5 hours of live entertainment, combining film, pop music, interviews and animation, and called it *Today is Saturday, Watch and Smile (TISWAS),* hosted by Chris Tarrant. This was subsequently broadcast across the ITV network. Its importance lay in its use of audience participation techniques such as phone-ins, and in particular its anarchic style which placed children's humour at the centre of the content. It was followed by the BBC's *MultiColoured Swap Shop*, hosted by Noel Edmonds and Keith Chegwin.

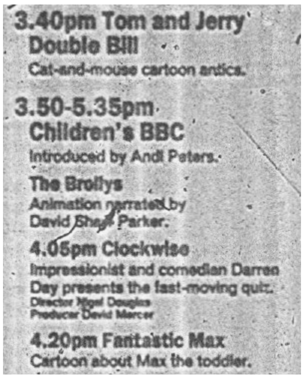
On the BBC, the children's drama series *Grange Hill* began in 1978, written by Phil Redmond. Anna Home, head of BBC children's drama output at the time, was keen to commission a series that reflected contemporary school life. Redmond wanted to focus on working-class children's behaviour and concerns rather than those of the middle class. Its early series were criticised by some as being too graphic and dealing with inappropriate subjects, but lauded by others for raising these contentious issues in an attempt to reflect real life.

In the early 1980s, there was a further change in output and programme philosophy at the BBC and ITV. Breakfast television began in the early 1980s, providing more airtime for children's programmes, as it was a timeslot particularly appropriate to them. When TV-am, the ITV breakfast licensee, changed its original programming policy towards a more informal, popular agenda, Anne Wood, its head of children's programmes, introduced the character of *Roland Rat* (created and operated by David Claridge), a puppet which became very popular with children and also with adults.

During this period children's programmes acquired separate branding from programmes aimed at adults, and were broadcast at a set time each day. This development began at ITV, where in January 1983 its children's output was branded 'Children's ITV' (subsequently shortened to CITV) and ran daily during the week from 4pm to 5.15pm. The 4pm start was fifteen minutes earlier than previously, and was a way of attempting to attract children immediately on their return from school. Links between the programmes were pre-recorded by ITV regional licensee Central TV.

The BBC followed suit in September 1985 with its own separately-branded slot, Children's BBC (to become CBBC). A key element of the new branded programming slots was continuity between the programmes. The BBC decided this should be live, and in-vision. Philip Schofield was the first presenter, and presented from the continuity announcer's studio. His informal, "amateurish" style became very popular with children, and after 12 months his slots began to have separate billing in the Radio Times. In response, ITV changed its format in 1987 and hired permanent hosts for a live continuity service. This policy of in-vision continuity for children's programmes was not a new idea: between 1949 and 1953 a schoolgirl, Jennifer Gay, was used at the BBC, until she went to university and was not replaced.

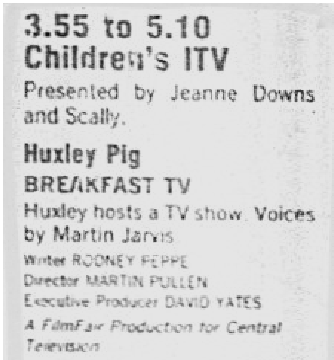
Figure 3: Extract from BBC schedule, 27 November 1990



3.40pm Tom and Jerry Double Bill
Cat-and-mouse cartoon antics.
3.50-5.35pm Children's BBC
Introduced by Andi Peters.
The Brollys
Animation narrated by David Shaw Parker.
4.05pm Clockwise
Impressionist and comedian Darren Day presents the fast-moving quiz.
Director Nigel Douglas
Producer David Mercer
4.20pm Fantastic Max
Cartoon about Max the toddler.

Source: Radio Times

Figure 4: Extract from ITV schedule, 15 November 1990



3.55 to 5.10
Children's ITV
Presented by Jeanne Downs and Scally.
Huxley Pig
BREAKFAST TV
Huxley hosts a TV show. Voices by Martin Jarvis
Writer RODNEY PEPPE
Director MARTIN PULLEN
Executive Producer DAVID YATES
A FilmFair Production for Central Television

Source: TV Times

In the 1980s, new competition arrived in the form of Channel 4, which began broadcasting in 1982. In the early years it showed a number of children's programmes – for example the children's animation *The Snowman*, broadcast within a couple of months of the channel going on air, and, from 1987, the US pre-school series *Sesame Street*. It also produced some programmes aimed at the youth audience (and by extension older children) such as *The Tube* (produced by ITV regional licensee Tyne Tees). However, programmes for children were not a major focus for the channel. In 1988 it abolished its children's department, although it set it up again in 1993, when it went on to commission programmes such as *First Edition* – a current affairs/news programme for children – and the children's access show *Wise Up*. Lucinda Whiteley, its commissioning editor, commissioned Hollyoaks, a teenage soap opera – an indication of some blurring of boundaries of the soap genre in terms of its appeal to both adults and older children.

S4C, the Welsh language television service, also began broadcasting in 1982, on the analogue fourth channel in Wales[1] with children's programming forming a key element of the children's output. Previously, Welsh language programmes, including those for children, were screened by ITV and BBC in Wales, opting out of the UK network schedules.

[1] Channel 4 was not therefore broadcast in Wales as a full analogue service, but re-scheduled Channel 4 programmes are screened on S4C, outside the Welsh language peak time hours.

This blurring of boundaries between age-groups and targeted programmes was also evident in the success of the BBC's scheduling, in the mid-1980s, of the Australian soap opera *Neighbours*. It broadcast the series at lunchtime and early evening, in order to appeal both to children and adults. Programmes such as the music magazine *The Tube* were also of increasing interest to younger children, as well as youth-oriented US sitcoms such as *Fresh Prince of Bel-Air* and *Saved by the Bell*.

In the 1980s a more overt overlapping of adult, youth and child audiences for some soaps, dramas and music programmes emerged. On the other hand, this was also the decade which re-introduced firmer ring-fenced scheduling of children's programmes after school and at breakfast time. While branding such as the *Children's Hour* of 1950s BBC was devised in order to protect children from the possibilities of viewing unsuitable programmes aimed at an older age-group, the branding developments of the 1980s were more focused on the development of children as a discrete market.

1.3.4 The 1990s - present

The period from the 1990s to the present saw the growth of multichannel television, which has had an impact both on the numbers of outlets for children's programmes and also on the ways in which children watch television. By 2007, nearly one in five (18%) of children aged 5-15 said they were most likely to watch television in their bedroom, and nearly one third (31%) said they were more likely to watch by themselves (Ofcom Young People's Media Usage Survey, 2007). There has also been a continued expansion of provision of children's programming by the terrestrial broadcasters, not least with the advent of Five. However, recent developments include a reduction in children's programming on ITV, dealt with elsewhere in this report.

In 1997 Channel Five began broadcasting in the UK. Its licence bid had stated that it would show around 13 hours of children's television per week, and this was written into its programme quota by the Independent Television Commission (ITC). Programmes for children were scheduled in the mornings, as it was felt unlikely that it could compete with BBC and ITV afternoon children's programming. Some months after launch it developed a brand and continuity for its children's output – *Milkshake!*. After some years this brand became used only for pre-school children, and the *Shake!* brand was introduced in 2002 for older children's programmes. The majority of children's programmes on Five are now aimed at pre-school children.

In the 1990s the number of dedicated children's channels available in the UK grew significantly. They began with The Children's Channel (TCC) in 1984 – the first cab/sat channel specifically for children to broadcast to the UK. (The channel closed in 1998, although a branded slot of programming aimed at teenagers became the separate Trouble channel in 1998 and continues to broadcast). TCC was followed in 1993 by Nickelodeon and The Cartoon Channel, and in 1995 by the Disney Channel. The number of dedicated children's channels grew from six in 1998, to nine in 1999, with a leap to 13 in 2000. Programming was largely, although not exclusively, US-originated. The introduction of such channels can be seen as a means of 'preparing the ground' for the predicted rise in multichannel penetration and larger audiences, rather than as a profitable strategy from the outset. Programming was cheap, and viewing of these channels did not become widespread among children until the late 1990s/early 2000s.

The late 1990s and early 2000s saw the splitting of these channels into distinct age-groups or programme sub-genres. For example, dedicated pre-school channels were set up by Nickelodeon (1999) and Disney (Playhouse Disney) in 2000. Animation-only channels were also developed – Toon Disney in 2000 and NickToons in 2002.

The BBC had considerable success in the late 1990s with *Teletubbies*, created by Anne Wood and produced by Ragdoll Productions. Its first broadcast was in March 1997, and it became extremely popular with young children (and students). In similar ways to some earlier children's output, it was criticised by some for oversimplification and repetition. The extent of its success was a reminder of the extent to which early pre-school programming could gain significant popularity, not least in ancillary merchandising.

In 2002 the BBC began broadcasting children's digital channels CBBC and CBeebies, broadcasting from 6am to 7pm. More accurately, these began as branded slots on BBC Three and Four. CBeebies was aimed at the pre-school audience, and CBBC at children aged 6-12. As a condition of their introduction, an independent review of these channels was conducted two years after launch by Professor Patrick Barwise, in 2004. It concluded that CBeebies was an 'exemplary' PSB children's service, and while its assessment of CBBC was positive overall, it raised some concerns about tone and style. CBeebies and CBBC now are second and third respectively in terms of children's viewing share in multichannel homes, with CBeebies just behind the combined Disney Channel portfolio. Most recently, CBeebies and CBBC have re-positioned their strategy to target a slightly older child (under 6).

Developments in the last few years have included the move to more online content by many children's broadcasters, in an attempt to ensure they retain their audiences.

In 2003, the Communications Act set up Ofcom, which was given powers to assess whether the public service broadcasters, taken together, broadcast a suitable range and quantity of high quality programmes for children and young people.

Today, the public service broadcasters under the Communications Act are: the BBC, ITV1, GMTV, Channel 4, Five, S4C and Teletext, of which the BBC, Five, ITV1, GMTV and S4C in Wales are currently the main providers of original children's programming. As noted, Channel 4 has in the past played a role in developing original children's programmes although this is not now a focus for the channel.

Figure 5: Children's television programming chronology

1940s	1946	BBC began broadcasting children's television
	1948	BBC children's television gained a regular Sunday slot 4-5pm
	1949	BBC children's programmes introduced by 14-year old, Jennifer Gay, who left after 4 years
1950s	1950	Regular weekday afternoon children's hour on BBC Television began
	1950	*Andy Pandy* began (BBC)
	1955	ITV began broadcasting – regional element key; *Crackerjack* began (BBC)
	1957	Toddlers Truce ended on BBC; ITV showed adventure films during this timeslot (6-7pm)
	1958	*Blue Peter* began (BBC)
1960s	1962	Publication of Pilkington Committee Report which set higher standards for ITV licensees
	1963	BBC's children's department disbanded; programmes produced from relevant adult departments, e.g. Drama
	1964	For the Young, radio's Children's Hour, stopped broadcasting; too few children listening
	1964	*Play School* began (BBC)
	1965	*Jackanory* (BBC) began
	1967	BBC children's department reinstated and given its own framework again.
	1968	*Magpie* began (ITV)
1970s	1972	*John Craven's Newsround* began – first regular news programme for children (BBC)
	1974	*TISWAS* began Saturday morning children's magazine TV (on ATV only; networked across ITV in 1979), followed by *MultiColoured Swap Shop* in 1976 (BBC)
	1977	Annan Committee report noted that the BBC and ITV performed well in children's.
	1978	*Grange Hill* drama series began (BBC)
1980s	1980	IBA forced ITV to do more for children, regionally branded 'Watch it' strand
	1982	Channel 4 and S4C in Wales began transmission with some children's output
	1983	Introduction of network branded Children's ITV; TV-am (ITV's breakfast station) began broadcasting with children's programmes included, and later became GMTV
	1984	TCC (The Children's Channel) began broadcasting - first cab/sat children's channel to broadcast in UK. It broadcast until 1998. Teenage programming re-branded Trouble in 1998
	1985	Introduction of Children's BBC as a discrete brand for children's programmes
	1988	Channel 4 children's department abolished
1990s	1990	Broadcasting Act required ITV to broadcast a suitable proportion of children's programmes
	1993	Channel 4 children's department re-established
	1993	Nickelodeon and The Cartoon Network began broadcasting
	1995	Disney Channel began broadcasting
	1997	Five began; 13 hours children's programmes per week, mainly during breakfast-time slot
	1997	*Teletubbies* on BBC showed that early pre-school could be key focus for programming
2000s	2002	BBC's CBeebies and CBBC channels set up
	2003	Communications Act set up Ofcom, which was given powers to assess whether the PSB broadcasters, taken together, broadcast a suitable range and quantity of high quality programmes for children and young people
	2004	Review of BBC's digital services concluded that both children's channels were legitimate arenas for the BBC
	2006	Ofcom publishes details of restrictions intended to limit children's exposure to television advertising of food and drink products high in fat, salt and sugar.

1.4 Today's regulatory framework

1.4.1 Ofcom's general duties

The Communications Act sets out Ofcom's general duties which are to further the interests of citizens in relation to communication matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In relation to television broadcasting, Ofcom is required to secure a number of outcomes including:

- the availability throughout the UK of a wide range of television and radio services which - taken as a whole - are of high quality and calculated to appeal to a wide variety of tastes and interests (s3(2)(c))

- the maintenance of sufficient plurality of providers of different television services (s3(2)(d))

- and the application of standards that provide adequate protection to members of the public from the inclusion of offensive and harmful material (s3(2)(e))

In performing its duties, Ofcom must have regard, amongst other things, to:

- the desirability of promoting the fulfilment of the purposes of public service television broadcasting in the UK (s3(4)(a))

- and the vulnerability of children and of others whose circumstances appear to Ofcom to put them in need of special protection (s3(4)(h))

1.4.2 Ofcom's duties relating to PSB and children's programming

Ofcom is required to report at least every five years on the fulfilment of the public service remit, with a view to maintaining and strengthening the quality of public service broadcasting in the UK (s264(2)). Ofcom's first PSB Review was published in 2004-5, and work on the next PSB Review has commenced.

In relation to children's programming, Ofcom is required to consider whether the PSB services, taken together, include what appears to Ofcom to be "a suitable quantity and range of high quality and original programmes for children and young people." (s264(6)(h)).

The Communications Act provides that Ofcom is no longer responsible for ensuring that an individual commercial PSB fulfils a set number of hours of a particular programme genre (with the exception of news; current affairs; regional programming (on ITV1); and schools programming (on Channel 4)). Ofcom's role is to offer guidance to broadcasters to which they must have regard when preparing their annual statements of programme policy. If they are proposing to make a significant change to the overall character of their service they must consult Ofcom and take account of any opinions expressed by Ofcom about the proposed change. However, it is ultimately for PSBs themselves to decide what to deliver. This is the case for children's programming and programming that falls into a number of other genres, including religion, the arts, education, science and drama: the so-called 'Tier 3 genres'.

Under the Act the PSBs are required to publish annual Statements of Programme Policy, setting out their plans for the year ahead. The next table summarises the most recent PSB Annual Statements in relation to children's programming.

Figure 6: The PSB annual statements relating to children's programming in 2007 [2]

BBC One and BBC Two	Shared commitment to offer "at least 500 hours of children's programmes" across the year.
CBBC	Includes commitments to broadcast 650 hours of drama, 150 hours of live material, 85 hours of news and 1,000 hours of factual and schools programmes per year.
CBeebies	Includes commitments to broadcast over 4,500 programme hours, that at least 75% of investment is in new UK-originated programming and that a quarter of hours of UK programming are new material. In addition, CBBC's and CBeebies' annual statements make a number of wider commitments, for instance to providing a range of genres, alongside programming that offers learning opportunities and programming reflecting the different parts of the UK.
ITV1	In 2006 ITV1 consulted Ofcom over a proposal to reduce its children's programming output significantly from the eight hours per week delivered in 2005. Ofcom set out its opinion to ITV that such significant change proposals were not appropriate. ITV revised its proposals, taking into account Ofcom's opinion. ITV1's current statement makes a commitment to broadcast "a significantly higher volume of children's programmes than originally proposed", a range of children's programmes, including pre-school, drama and factual programmes, and states that a "substantial proportion of programmes" will be originations.
Five	Five has made a commitment to expand the range (in terms of age and genres) of the *Milkshake!* strand for younger children, "with an important new role for drama and documentary". Five also indicated that, increasingly, the emphasis of its children's programming would be on programmes for the *Milkshake!* audience, with the channel reducing its level of commitment to programmes for older children, leading in 2007 to the discontinuation of the *Shake!* strand.
Channel 4	Channel 4's 2007 annual statement notes that "Channel 4 does not commission programmes made specifically for children", although it does set out the channel's commitments with regards to schools programming, as this is an area in which Channel 4 has a special obligation under the Communications Act. Channel 4 broadcasts around one hour per day of repeated children's programming, mainly for the pre-school audience, at early breakfast time.
S4C	S4C's output of Welsh language children's programming has increased in the last few years to almost 25 hours per week, with daily programmes for children during peak hours and holidays, concentrating on 10-15 year olds, and the extension of pre-school programming on weekday lunchtimes. S4C also committed to broadcast a minimum of 140 hours of original programming for children. In May 2007 S4C published proposals for a dedicated Welsh language children's channel, available on digital terrestrial television in Wales and via satellite and cable platforms throughout the UK. This would broadcast up to 15 hours a day, serving pre-school audiences, older children and teenagers. The proposal does not anticipate a reduction in children's programming on the main S4C service, which would be simulcast where appropriate.
GMTV	GMTV holds the PSB licence for the Channel 3 (ITV1) breakfast-time service, which includes some children's programming. GMTV is committed to a weekend breakfast-time children's schedule, predominantly made up of animation appealing to children aged 4 - 9, with some puppet-based and live action pre-school programming.

[2] BBC channel commitments are contained in their statements of programme policy and channel service licences, which are governed by the BBC Trust.

1.4.3 The purposes and characteristics of PSB

In its last PSB Review (2004-5) Ofcom stated that there are some aspects of television that even a better-functioning market would not provide, or would under-provide, but which society as a whole values enormously. In this context Ofcom re-defined PSB in terms of its purposes and characteristics, as set out in Figure 7.

Figure 7: Purposes and characteristics of PSB

Purposes
To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas
To stimulate our interest in and knowledge of arts, science, history and other topics through content that is accessible and can encourage informal learning
To reflect and strengthen our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences
To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere
Characteristics
High quality – well-funded and well-produced
Original - new UK content, rather than repeats or acquisitions
Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones
Challenging – making viewers think
Engaging – remaining accessible and enjoyed by viewers
Widely available – if content is publicly funded, a large majority of citizens need to be given the chance to watch it

Although the purposes and characteristics are designed to apply to PSB programming as a whole rather than just children's programming, there is an obvious synergy between the PSB requirement in the Communications Act to ensure a "*suitable quantity and range of high quality and original programmes for children and young people*", and a number of the characteristics outlined above. It is worth noting that individual programmes broadcast by the PSBs are not required to meet all of the purposes and characteristics. Section 5, *Views of parents and children*, sets out the results of a quantitative survey through which we asked 821 parents of children aged 2-15 how well they felt children's programming was fulfilling the PSB purposes and characteristics.

1.5 Range of programming

In the sphere of children's programming, different sub-genres might be more likely to reflect some purposes than others – for example, children's entertainment and children's drama might be more likely to 'reflect and strengthen UK cultural identity' while children's factual programmes might focus more on the purposes of 'informing ourselves' 'and stimulating knowledge'.

Similarly, different sub-genres might be more likely to exhibit different characteristics of PSB – such as animation being engaging, drama being original, and factual programming being challenging – although the characteristic of being high quality might reasonably be expected to be in evidence across all the children's sub-genres (and the adult genres).

Therefore, in children's programming, as in other types of programming, the various purposes and characteristics provide a framework rather than a set of absolute requirements.

An important element of our approach in this review has been to ask parents and children their views of the importance and current delivery of the PSB purposes and characteristics in current children's programming. These findings are set out in Section 5.

It should be noted, however, that while Ofcom's review and reporting obligation are in respect of delivery by the PSBs, it is not necessary to be a PSB in order to broadcast programming that exhibits the purposes and characteristics of PSB. On the contrary, the framework is such that programming on a number of the commercial children's channels also exhibits some of the purposes and characteristics of PSB.

1.5.1 The importance of a range of genres and country of origin

Recognising these underlying features of PSB programming set out in the Act, Ofcom commissioned a literature review by Máire Messenger Davies from the University of Ulster to explore the extent of research and academic debate in to support of the need for a range of genres of children's programming and the need for UK-originated children's television. The review is published separately online at research annex A.

The review explored literature from a range of subject areas – education, psychology, sociology, cultural and media studies – and from policy documents, some written by academics on behalf of government, broadcasting and regulatory organisations. It recognised that the academic debate takes place within a broader context of discussions about children's rights, including their communication and media rights, as stated in the UN Convention on the Rights of the Child. The review also described differences in the ways in which international research addresses these issues, with Americans more concerned with protection and overt education, and British, Commonwealth and European countries more concerned with the need for a range of genres.

<u>The importance of a range of genres</u>

Studies in this area show that children appreciate having a range of genres available to them and that individual favourite programmes are very divergent. Research in which children have developed their own imaginary schedules emphasise the need for a range of genres in order to be 'fair' to diverse audiences.

The benefits of having a range of genres for children, according to academic studies, come under three broad headings:

- **Learning:** Most research on learning concerns pre-school children, concentrating on their ability to derive linguistic and social skills, and information about the world, from programmes tailored for them. Research on younger and older children shows that learning is often incidental and informal for these age groups and entertainment programming, for example, offers social lessons, enjoyment, humour, peer-group interaction and opportunities to negotiate cultural identity so that learning is not restricted to factual programming or formal educational programming.

- **Socialisation and citizenship:** It is well recognised through academic research that older children can learn useful social lessons from problem-related storylines in drama programming; they also draw on different generic forms and techniques to make critical distinctions between reality and fantasy. There is evidence that children value children's news and associated websites, particularly at times of crisis, conflict and danger. Children's news is currently only offered by the BBC's *Newsround,* but academic research on children and news is increasing in the UK and in Europe.

- **Personal fulfilment / identity:** Research both with individual children (case studies) and with larger international groups of children shows that 'fun', 'excitement', humour and entertainment are important aspects of children's social and peer-group identity and facilitate social and cognitive skills.

The review also describes the attitudes of parents, as seen in academic literature, and teachers' appreciation of special programmes from a diversity of sources.

The importance of UK-originated programming

The review also showed that there is an increasing body of academic work about specific children's television programmes, which indicates that children's broadcasting is seen as a significant component of British cultural life. Empirical evidence from surveys suggests that children appreciate home-grown programming. For example, 'top 10s' of children's programming are dominated by British-produced material. The international policy debates around children's PSB focus strongly on the 'rights' of children (as in the UN Convention on the Rights of the Child) to have access to indigenous programmes which reflect their own cultures. This is also seen as beneficial to individual countries' economies in which a thriving and competitive market in children's original production is seen as necessary to produce high –quality PSB criteria in programming.

1.6 Plurality

In its last review of public service television broadcasting Ofcom described plurality as a central tenet of public service broadcasting. In doing this, the PSB Review outlined the importance of plurality at different points in the broadcasting process, including:

- plurality of outlets: so that viewers are not reliant on a single provider;
- plurality of commissioning: so that a range of commissioners working for different organisations can bring their different perspectives to bear; and
- plurality of production: so that there are different creative organisations competing for commissions.

Ofcom identified several benefits that flow from plurality, specifically that it: enables the provision of complementary services to different audiences; ensures a range of perspectives, particularly in news and current affairs; and provides competition to spur innovation and investment; and allows benchmarking to compare how well different providers are meeting PSB purposes and delivering value for money.

The PSB Review (2004-5) postulated some potential advantages of the BBC becoming the only PSB provider of any real scale. These included eliminating unnecessary duplication in PSB programming, and maintaining competition for quality, with the BBC setting standards and conditioning audience expectations and thus forcing the rest of the industry to follow.

Reasons for ensuring plurality of commissioning noted in the PSB Review (2004-5) include: ensuring that good ideas which contribute to PSB purposes reach our television screens; that it creates broader competition for ideas between channels; and that it adds to the likelihood that the best PSB programmes make it onto the screen.

The PSB Review (2004-5) suggested that plurality in production - through a diverse production sector - could be achieved even if the BBC was to become the sole PSB provider, although this would rely on the BBC having a transparently meritocratic commissioning system.

In the main, the PSB Review (2004-5) considered plurality across the PSB genres rather than looking at particular areas such as children's programming, and indeed there is very little direct empirical evidence or academic debate which refers specifically to children's programming in discussing plurality of provision and commissioning.

Looking to the future, the PSB Review identified the fact that changes in the market are threatening the established PSB system – the move from analogue to digital, and consequently multichannel, television means it may no longer be realistic to expect commercial broadcasters to deliver significant PSB obligations. The PSB Review (2004-5) therefore argued that future PSB provision may require the establishment of a new PSB provider – notionally described as the Public Service Publisher, and this concept has been further developed since then.

In the 2007 PSB Review, Ofcom will revisit this issue will revisit this issue to explore the costs and benefits of plurality in different aspects of PSB and ask whether and in what sense plurality will continue to be important in the digital age. The terms of reference for this Review were published on 11 September and are available on the Ofcom website..

1.7 Defining and measuring high quality

The Communications Act requires Ofcom to assess whether the PSBs, taken together, include what appears to Ofcom to be *a "suitable quantity and range of high quality and original programmes for children and young people"* s264(6)(h). A requirement for quality children's television is therefore built into the system at the highest level.

But although the Act includes a requirement for high standards (across all genres, including children's*), "in particular with respect to the content of programmes, the quality of programme making, and the professional skill and editorial integrity applied in the making of programmes"* s264(4)(d), it does not define high quality. Quality also features in Ofcom's characteristics of PSB.

Quality remains an emotive subject that is notoriously difficult to define, largely because quality means different things to different people. Some expert commentators have made illuminating attempts to characterise quality. Jay Blumler, for example, in his 1992 study for the BSC, suggested six wide-ranging ingredients as criteria for a quality children's schedule, as follows: range; availability; meeting the needs of different ages and types of children; resources; fairness to audience; and innovation. Ofcom's approach, described in Measuring Public Service Broadcasting, is that, notwithstanding the challenges, it is possible to assess how effectively different aspects of PSB – quality included – are being delivered, using various indicators or proxies as 'clues' in constructing the story.

As a result, this review uses a range of proxies to help tell the story of quality in children's programming from a range of perspectives.

Probably the most important starting point for this review has been to ask parents and children what they think constitutes high quality children's programming and how well they think quality is being delivered. This we have done, via a quantitative Children's PSB Survey and through qualitative research with parents and children.

The results of both are reported and discussed in detail in Section 5, *Views of parents and children*, but, in summary, the qualitative research showed that quality is of primary importance to parents (over and above the issues of country of origin, genre range and the balance of new programmes to repeats). Parents defined quality by referring to PSB purposes, the most important of which were 'helping children develop' and 'increasing their children's understanding of the world'. Children also appreciate programmes which are good quality, they define quality programmes in terms of a mixture of content (e.g. funny, good stories and good characters) and production values (e.g. good scripts, locations).

The other measures used by Ofcom against the background of the PSB purposes and characteristics included looking at the views of parents, children, academics, broadcasters and producers, together with analysis of a range of proxies for quality, such as spend on original children's programmes, cost per hour, success in programme awards, balance of new programmes to returning series and repeats, volume and range of original children's programmes, and levels of viewing of children's programmes.

Audience impact measures (AIs), long accepted by the broadcasters as a tool for measuring viewers' reactions to individual programmes, are another potential mechanism through which quality can be measured, something that the BBC has developed further with its Pulse survey.

It is also important to note that although quality features in Ofcom's characteristics of PSB and the Communications Act requires Ofcom to look at quality as provided by the PSBs, quality is not by any means the unique preserve of the PSBs. Rather, high quality – in the form of well made, well funded programmes – can apply across the whole spectrum of children's programming, including much of the programming provided by the commercial children's channels.

1.7.1 Children's BAFTA winning programmes and commissioning broadcaster

The following tables set out children's BAFTA winning programmes between 2000 – 2006 for the categories of Animation, Drama, Entertainment, Factual, Feature Film, International, Pre-school Animation and Pre-school Live action.[3] Award winning programmes have been commissioned by the PSBs: ITV, Channel 4, Five, BBC. Nick News (Nickelodeon) and Brush Head (Toon Disney) have also had BAFTA award winning programmes.

	Entertainment	**Drama**
2006	*Raven* – CBBC Scotland/ CBBC	*The Giblet Boys* - CITV
2005	*RAD: The Groms Tour America* - Five	*My Life as a Popat* - CITV
2004	*Dick and Dom in da Bungalow* - CBBC	*Featherboy* - BBC
2003	*The Raven* - CBBC	*Bootleg* - CBBC/ BBC1
2002	*SM:TV Live* - CITV	*Jeopardy* - CBBC
2001	*The Quick Trick Show* - CITV	*Custer's Last Stand Up* - CBBC
2000	*SM:TV Live* - CITV	*Pig Heart Boy* - BBC

[3] Not all categories shown here and these categories have changed slightly over the years. For the complete list of children's BAFTA awards, winners and nominees is available from http://www.bafta.org/site/page232.html

	Factual	Animation
2006	*Michaela's Wild Challenge* - Five	*The Amazing Adrnalin Bros!* – CITV
2005	*Serious Arctic* - CBBC	*The Little Reindeer* – CITV
2004	*Serious Desert* - BBC	*Brush Head* - Toon
2003	*Blue Peter – Launch of the Tanzania Water Appeal* - BBC	*Bob the Builder – A Christmas to Remember* – BBC
2002	*Newsround Extra: Afghanistan* - BBC	*The English Programme: Sir Gawain & The Green Knight* - Channel 4/ S4C
2001	*Nick News* - Nickelodeon	*Aunt Tiger (Book Box: Animated Tales of the World)* - Channel 4
2000	*Newsround Extra: Russian Orphanages* - BBC	*Foxbusters* - CITV
	Pre-school animation	**Pre-school live action**
2006	*Pocoyo* - CITV	*CBeebies Springwatch* - CBeebies
2005	*Peppa Pig* - Five	*Boogie Beebies* - CBeebies
2004	*Yoko! Jakamoko! Toto!* - CITV	*Balamory* - BBC
2003	*Hilltop Hospital* - CITV	*Ripley and Scuff* – CITV
2002	*Eddy & the Bear* – CITV	*Teletubbies Everywhere*- BBC
2001	*Animal Stories* – CITV	*Jim Henson's The Hoobs* – Channel 4
2000	*Maisy* - CITV	*Tweenies* - BBC

Royal Television Society – children's awards

Royal Television Society awards for children's programming have changed over time. In 2000, the Royal Television Society had separate awards for children's drama, entertainment and factual programming. This changed in 2001, to awards for children's factual and fiction programmes. In 2003, that had become 2 awards: best children's drama and best children's programme. In 2000 there was an additional award for best children's entertainment programme which was won by *SM:TV Live*, for ITV. The format retained today is as follows.[4]

	Best children's drama	Pre-school live action
2006	*Young Dracula* - BBC	*Newsround – The Wrong Trainers* - BBC
2005	*My Parents are Aliens* - ITV	*Serious Arctic* – BBC
2004	*Tracey Beaker Movie of Me* - BBC	*No Girls Allowed* - Five
2003	*Girls in Love* - ITV	*UP2U* - ITV
2002	*Double Act* (award for 'fiction') – Channel 4	*Serious Jungle* (award for 'factual') – BBC
2001	*My Parents are Aliens* ('fiction') – ITV	*Nick News* (factual) - Nickelodeon
2000	*My Parents are Aliens* - ITV	*Blue Peter* (factual) – BBC

[4]Refer to http://www.rts.org.uk/Information_page_+_3_pic_det.asp?id=5509 for complete list.

Section 2

Broadcaster output

2.1 Summary findings

- Children have never had so much children's programming available to them. Between 1998 and 2007 the number of dedicated children's channels in the UK increased from six to 25. Ownership of those channels is concentrated, with 18 being owned by three key global media organisations; The Walt Disney Company; Turner Broadcasting System and Viacom. These channels are mainly available as pay services. They are broadcast alongside the children's slots broadcast on the PSB main channels, and on some commercial channels.
- The dedicated children's channels include three launched by the public service broadcasters (PSBs) in the UK. In 2002 the BBC launched CBeebies and CBBC, which are designated as public service broadcasting channels. ITV launched its dedicated channel, CITV, in 2006. While CITV is available free to air on the digital terrestrial television service (Freeview), it does not have a public service remit under the Communications Act 2003. S4C has also recently proposed a new Welsh language dedicated children's public service channel. Although not a dedicated service, Five also broadcasts children's programming on its Five Life channel.
- As a result of this expansion of channels, the total volume of children's programming broadcast across the dedicated children's channels and the PSB main channels has increased from around 20,000 hours per annum in 1998 to over 112,000 hours per annum in 2006.
- During this time the number of hours of programming on the PSB main channels has remained relatively constant at between 4,500 hours and 5,000 hours but has recently fallen to around 4,250 hours. As a proportion of total hours of children's programming, PSB main channel output has fallen dramatically from 22% in 1998 to 4% in 2006.
- Changes in ITV1's output have been evident since the introduction of the Communications Act 2003; its total annual hours fell from 724 in 2004 to 468 in 2006, a decline of over a third. There has also been a reduction on Channel 4 partly because data from earlier years included hours within its T4 strand which now focuses on older teenagers. These declines have been offset by BBC Two and Five while at the same time the volume of programming on CBBC and CBeebies has grown to 7,700 hours in total in 2006, making up a significant part of total PSB hours.
- Due to the increase in airtime available through CBBC and CBeebies, the balance of programming between repeats, first-run original and new acquired material has also changed. The volume of repeat programming has been increasing and repeats now comprise the majority (10,339 hours, or 86%) of output on the PSB channels. The proportion of all output accounted for by first-run originations fell from 29% in 1998 to 10% in 2006.
- Total hours of first-run originated programmes commissioned by the PSBs have fallen slightly from 1,300 in 1998 to 1,253 in 2006 after a peak in 2002 of 2,330 hours. However, this programming is now spread across the two additional BBC digital channels as well as the PSB main channels.
- The reduction in first-run original programmes has been most significant on ITV1, falling from 362 hours in 1998 to 146 hours in 2006 (-60%), and on Five, falling from

353 hours in 1998 to 150 hours in 2006 (-58%). However, in ITV's case some programming has moved to the CITV channel.

- Levels of first-run original programming have fallen since 1998 across all the children's sub-genres of programming, except factual. The amount of factual programming remained relatively over the period but increased in 2006 from 357 to 511 hours, reflecting increases by CBBC through programmes such as *Level Up*, *Roar*, *Sportsround* and *Xchange*.
- Since 1998 across the PSB main channels and the dedicated children's channels combined, there has been a significant increase in overall output in each of the sub-genres of children's programming (pre-school, drama, cartoons, factual, light entertainment/quizzes). The largest volume increases have been in cartoons and pre-school, mainly due to the increase in the number of commercial children's channels which favour these types of programmes. Drama programming has also increased on the commercial children's channels in recent years.
- According to BARB data, the range and diversity of sub-genres of children's programming on the PSB channels (including CBeebies and CBBC) is greater than that available on the commercial children's channels. Programming on the commercial children's channels is weighted towards cartoons (67% of children's programming).

2.2 Introduction

This section describes the current state of provision of children's television programming, examining the channels available on television in the UK and the programming available on these channels. It looks at the hours of overall broadcaster output, first-run original, repeat and acquired material and programming by country of origin. It then considers the range of programming available to children within the BARB sub-genres: pre-school, drama, factual, light entertainment and cartoons.

This section draws on two sources: data provided to Ofcom by broadcasters and the industry standard data produced by BARB. Wherever possible, data from 1998 onwards are used to enable an analysis of output available before the launch of the BBC digital channels, CBBC and CBeebies. This also pre-dates the recent rapid increase in the number of commercial children's channels. Further detail is set out in the methodology section (Annex A3).

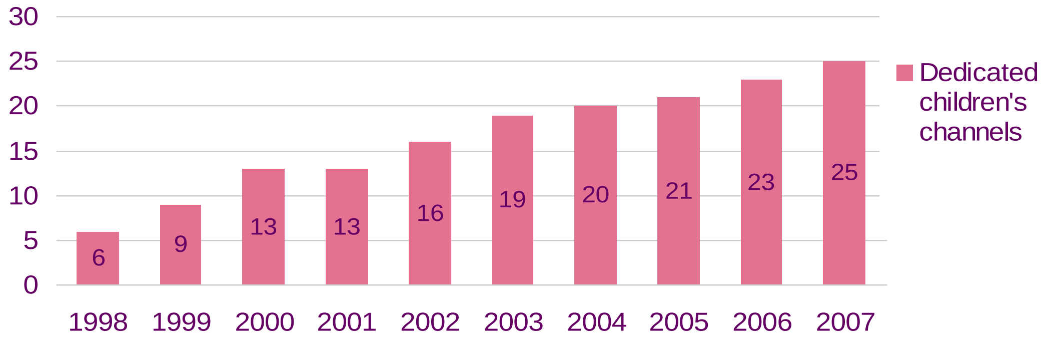
2.3 Availability of channels and content

The launch of Sky Digital in 1997 and NTL/Telewest Digital in 1999 and the subsequent launch of Freeview in 2002 have significantly increased the capacity to broadcast children's programming on both a pay and free-to-air basis in the UK.

As a result, the number of dedicated children's channels has increased significantly over this period, from six in 1998 to over 25 in 2007, as shown in Figure 8. With the launch of Freeview in 2002 the BBC's children's channels CBBC and CBeebies became available free to air to digital terrestrial households, broadcasting from 6am to 7pm. ITV launched CITV on this platform in 2006.

In addition to the channels depicted, there are now also slots of children's programming available on a number of other commercial generalist non-terrestrial channels such as Sky One, TMF, Five Life, ABC1, GMTV and GMTV2. A timeline of channel launches, including children's slots available, is included at Figure 7.

Figure 8: Number of dedicated children's channels

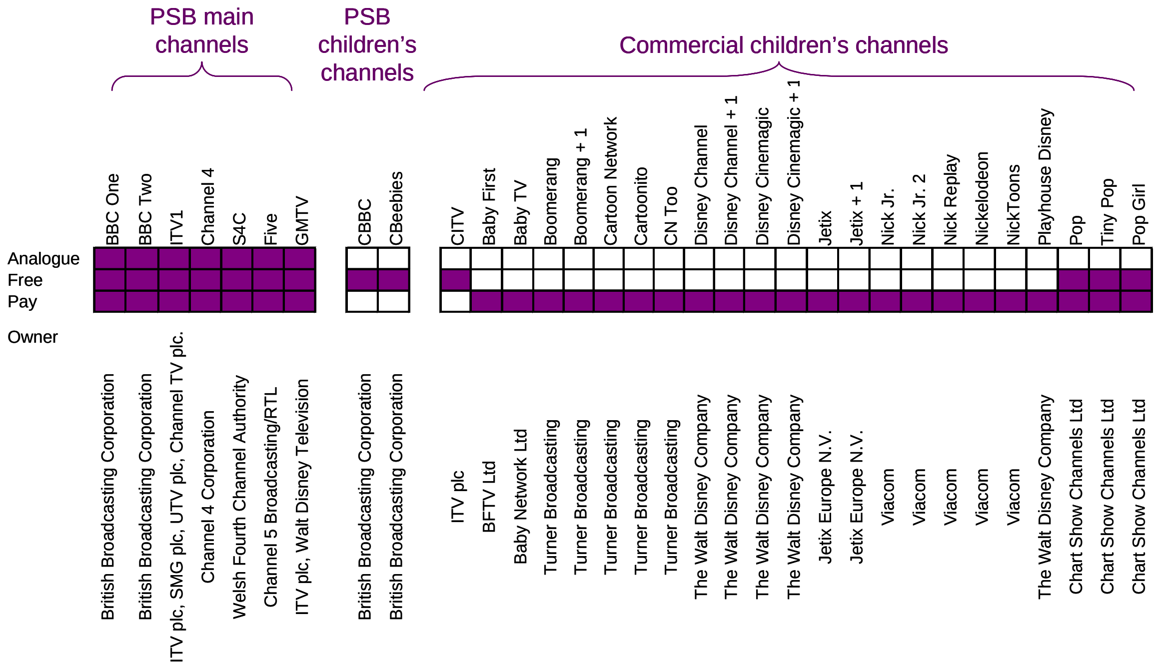


Source: Ofcom. Dedicated children's channels include CBBC and CBeebies. Figures include + 1 channels. Reflects channels on air at the end of year. For 2007, figures are correct to end August 2007.

Figure 9 shows the platforms on which the PSB main channels and dedicated children's channels are available in 2007. Parents and children have a choice of channels across a range of free services. Those households with access to analogue television are able to receive the PSB main channels (BBC One, BBC Two, ITV1, GMTV, Channel 4, Five, S4C in Wales). Those with digital terrestrial access through Freeview are able to receive the PSB main channels, CBBC, CBeebies and CITV, as well as services available through Top Up TV at additional cost. Those with pay television services through providers including Sky, Virgin and Tiscali are able to receive the digital terrestrial services plus a range of additional content that includes the commercial children's channels listed in Figure 9.

In 2007, both Discovery Kids and Toonami ceased broadcasting and are therefore not included in the list below.

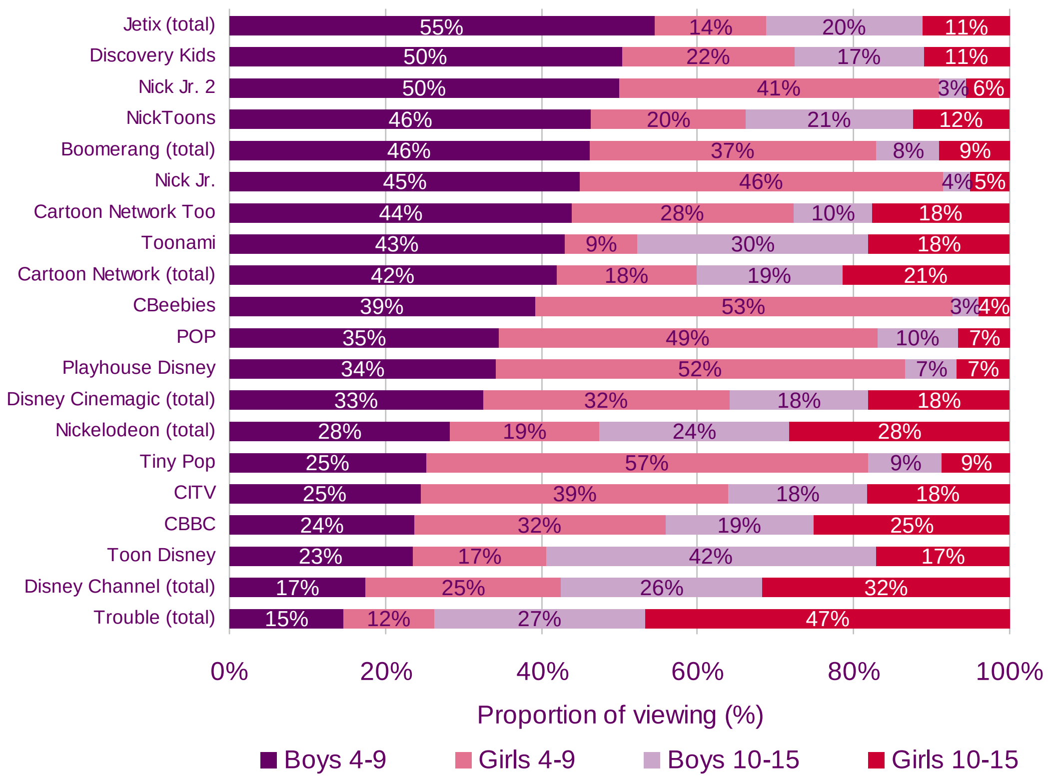
Figure 9: Dedicated children's channels 2007



Before analysing the output range, it is useful to look at the viewer profile for each of the dedicated children's channels (Note: BARB does not measure television viewing for children under 4 years old. Actual viewing, in particular to the pre-school channels, will include children under 4 years). Figure 10 shows the profile for each channel in terms of age and gender based on children in multichannel homes, using BARB data.

As expected, CBeebies, Boomerang (total), Nick Jr., Nick Jr. 2, Playhouse Disney, Pop and Tiny Pop attract a younger audience, with over 80% of their audience aged 4-9 years. However, another seven channels (Jetix total, Discovery Kids, NickToons, Cartoon Network (total), Cartoon Network Too, Disney Cinemagic (total) and CITV) also have over 60% of their audience in this age range. While CBBC, Nickelodeon (total) and Toonami tend towards a more balanced audience in terms of age, Disney Channel attracts an older audience (57% of its audience is aged 10-15) and Trouble (total) is biased towards older children with 74% of its audience being 10-15 years old. (This profile also reflects Trouble's shift to a strategy predominantly targeting 16-24 year olds, which took them out of the dedicated children's channel market during 2006.) Particularly with the younger age-profile channels, there are also gender variations. For example, over 50% of the audience for Discovery Kids, Jetix (total), and NickToons is younger boys. On the other hand, over 50% of the audience for CBeebies, Playhouse Disney and Tiny Pop is younger girls.

Figure 10: Channel profile for dedicated children's channels in 2006



Source: BARB, all days, children in multichannel homes

2.4 Volume of output

2.4.1 Volume of output – total market

Figure 11 shows the total annual hours of children's programmes available on the commercial children's channels; the PSB children's channels CBBC and CBeebies; and on the PSB main channels – (BBC One, BBC Two, ITV1, GMTV, Five, Channel 4).[5] Annual hours of programming have increased since 1998, reflecting the expansion in the number of

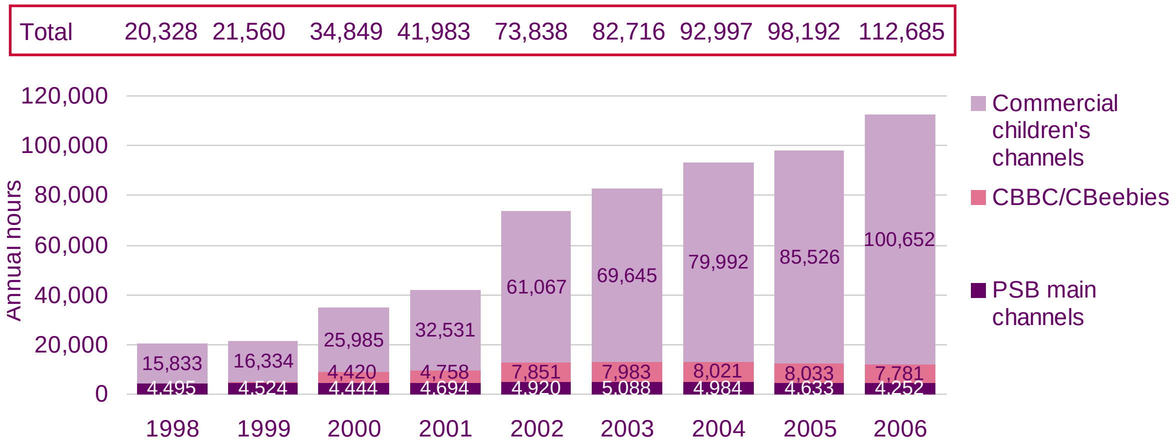
[5] Refer to Section 2.6.1 for S4C children's output in Wales.

dedicated children's channels available in the UK. The total volume of children's hours has increased from 20,328 in 1998 to 112,685 in 2006.

Total PSB output has more than doubled, from approximately 4,500 hours in 1998 to just over 12,000 hours in 2006, due to the launch of CBBC and CBeebies in February 2002. However, children's programming on the PSB main channels has dropped by 5% since 1998. As a proportion of total children's output on all channels, the PSBs' share fell from 22% in 1998 to 11% in 2006.

Commercial children's channel output has increased dramatically from approximately 16,000 hours in 1998 to over 100,000 hours in 2006. This is due to a combination of new channels as well as stagger-cast (+ 1 channel) launches.

Figure 11: Total annual hours of children's programming



Source: Ofcom/broadcasters for PSB and BARB for commercial children's channels (includes +1 channels), all days, all time. Note: As the commercial children's channels do not provide Ofcom with information on total output falling into the 'children's classification, BARB output data based on the children's genre classification are used to estimate commercial children's channel total children's output.[6]

Sections 2.4.2 to 2.7 are based on data provided to Ofcom by the broadcasters.

2.4.2 Volume of output – PSB Channels

Figure 12 looks in further detail at the total hours of children's programmes broadcast on the public service channels each year since 1998. Since the launch of CBBC and CBeebies, the overall volume of PSB output has remained at high levels, with just over 12,000 hours of children's programmes broadcast in 2006. A decline in the volume of children's programming on some channels – particularly BBC One, ITV1 and Channel 4 – has been offset by an increase on BBC Two and Five.

Statutory obligations applying between 1998 and 2003 ensured that the volume of children's programming on ITV1 remained stable throughout most of the period under review. Changes started to be implemented after those requirements fell away with the introduction of the new regulatory framework in the Communications Act in 2003. The volume of children's programming on ITV1 fell over the following three years from 724 hours in 2004 to 560 hours, with a further reduction in 2006 to 468 hours. The 2006 figure for ITV includes

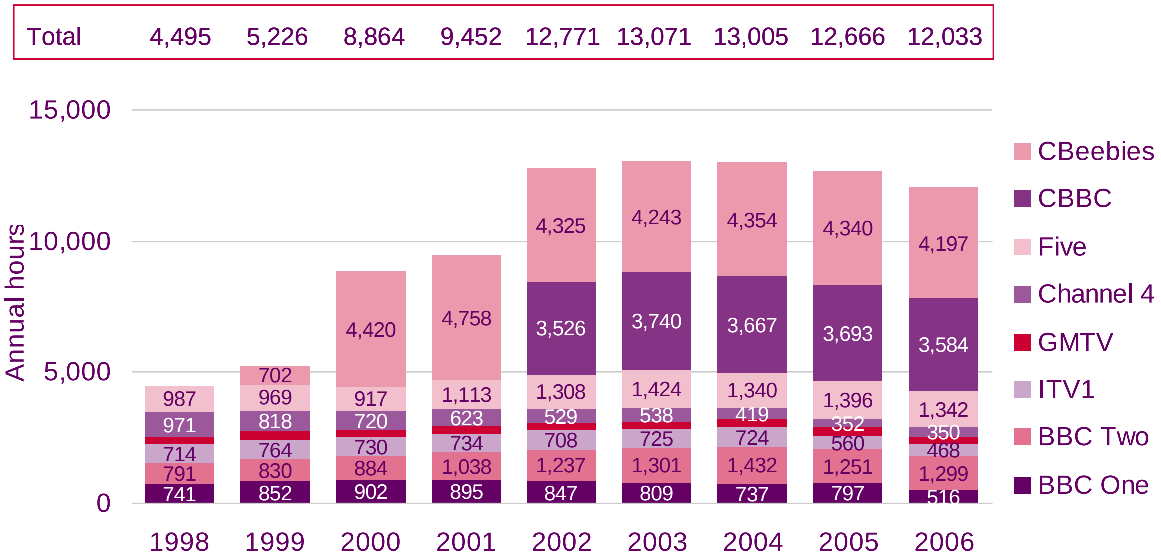
[6] The 2002 BARB children's output data for commercial children's channels should be treated with caution due to the introduction of a new BARB panel that year.

approximately 25 hours of children’s feature films which had previously been categorised within the children’s entertainment sub-genre.

BBC One saw a reduction of 281 hours between 2005 and 2006, with the transfer of weekend children’s programmes to BBC Two.

Although Channel 4’s remit has never included an obligation to provide children’s programmes, the channel has historically shown programmes for a range of age groups – from pre-school to young adults. In 1998, for example, the channel transmitted a range of children’s programmes, including acquired series and pre-school programmes, such as *Sesame Street*, which have gradually been reduced since then. The figures in the analysis shown here also incorporate T4 programmes which have been classified within the children’s genre but are actually aimed at older teenagers and young adults, rather than a children’s audience. The reduction of 12%, on average, by Channel 4 between 1998 and 2006 occurred across a number of sub-genres. However, excluding T4, the volume of first-run UK original programmes on Channel 4 has remained fairly low during this period, with the exception of two years – 2001 and 2002 – when new series of *The Hoobs* were commissioned and led to an increase in volume for those years. By 2006, Channel 4 was no longer commissioning first-run original programmes for children and its children’s output was made up of a low volume of animation, together with repeats of *The Hoobs*.

Figure 12: PSB annual hours of children’s programming



Source: Ofcom/broadcasters

2.5 First-run original, acquired and repeat output

This section looks at the composition of children's programming considering the balance between first-run original, acquired and repeat programming. It draws on data provided to Ofcom by broadcasters. In this section the following definitions are used:

First-run: First-run programmes are defined as transmissions first shown in the UK on that channel.

Repeats: Second and subsequent broadcasts of the same programme on that channel are counted as repeats. Programmes that are simulcast on two channels at the same time are only counted once. Programmes that were first shown on one channel and then re-broadcast on another channel are counted as repeats for the first showing on the second channel. Within a channel group, for example the BBC, a programme shown first on CBBC and subsequently on BBC Two is considered a repeat on BBC Two. Repeat levels on BBC One and BBC Two are affected by premiering shows on the digital channels.

Original programmes: These are programmes which are commissioned from the broadcasters in-house facilities or commissioned from independent production companies.

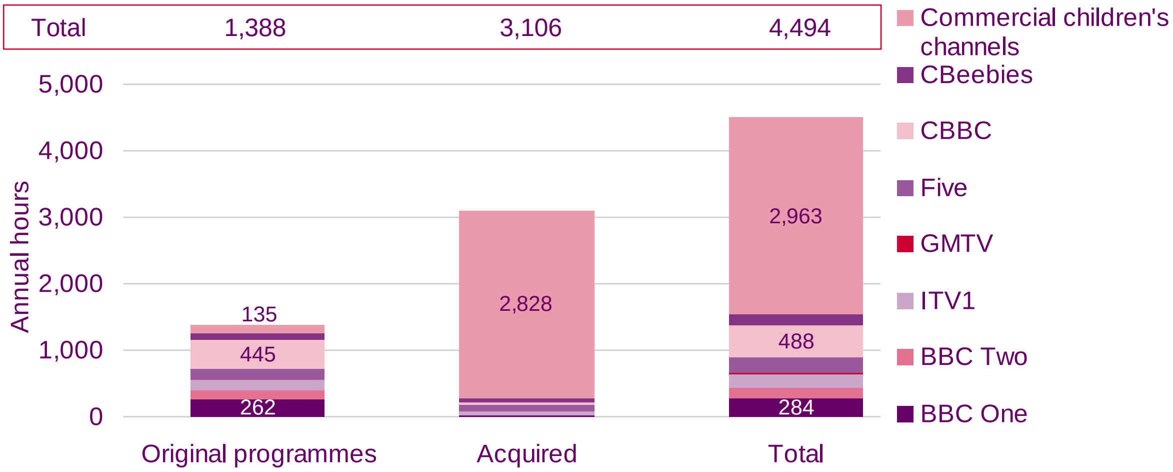
Acquired programmes: These are purchased or bought-in programmes which have not been produced or commissioned by the broadcaster.

2.5.1 Volume of first-run output – total market

The total volume of first-run children's programmes broadcast in the UK by all broadcasters totalled almost 4,500 hours in 2006, of which 3,106 hours or 69% were acquisitions – i.e. purchases or bought-in programmes which were not produced or commissioned by UK broadcasters. Most of these acquisitions (91%) were broadcast by the commercial children's channels.

Public service broadcasters are responsible for the majority of original programmes - those commissioned by the broadcasters, either from their own in-house production facilities, or from independent production companies. In 2006, 1,388 hours of first-run original programmes were shown in the UK, of which almost 90% were broadcast by the PSB channels. Acquired programmes accounted for the majority of programmes broadcast by the commercial children's channels. In 2006 95% of first-run output was acquired and only 5% was original programming.

Figure 13: First-run original and acquired hours transmitted in 2006

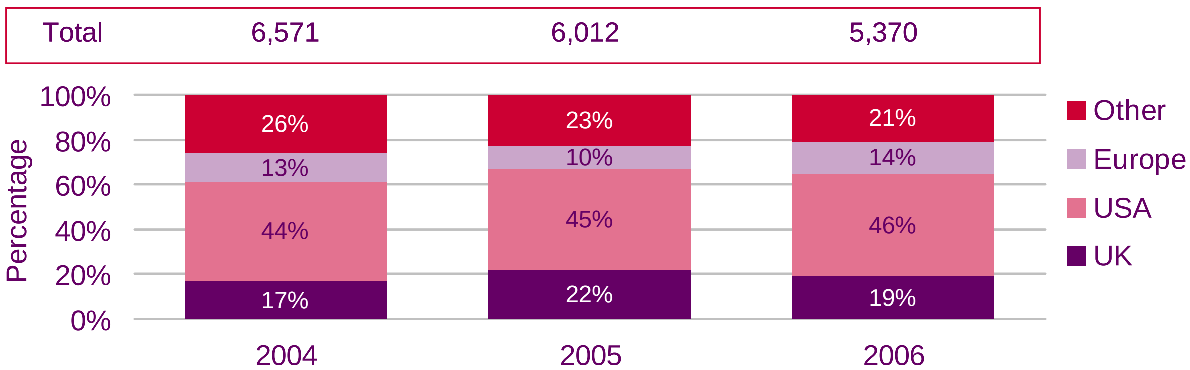


Source: Ofcom/broadcasters

2.5.2 Acquired output by country of origin

Figure 14 looks at the origin of all acquired programming (including repeats) across all broadcasters in the UK, showing that the highest proportion of acquired programmes was sourced from the US. In 2006 46% of bought-in children's programmes came from the US, with the UK accounting for 19% and programmes purchased from other European countries representing 14%. Purchases from other countries accounted for a further 21%. These proportions have remained fairly consistent over the last three years.

Figure 14: All broadcasters' proportion of children's acquired hours by country of origin



Source: Ofcom/broadcasters. Includes first-run and repeat acquired programming.

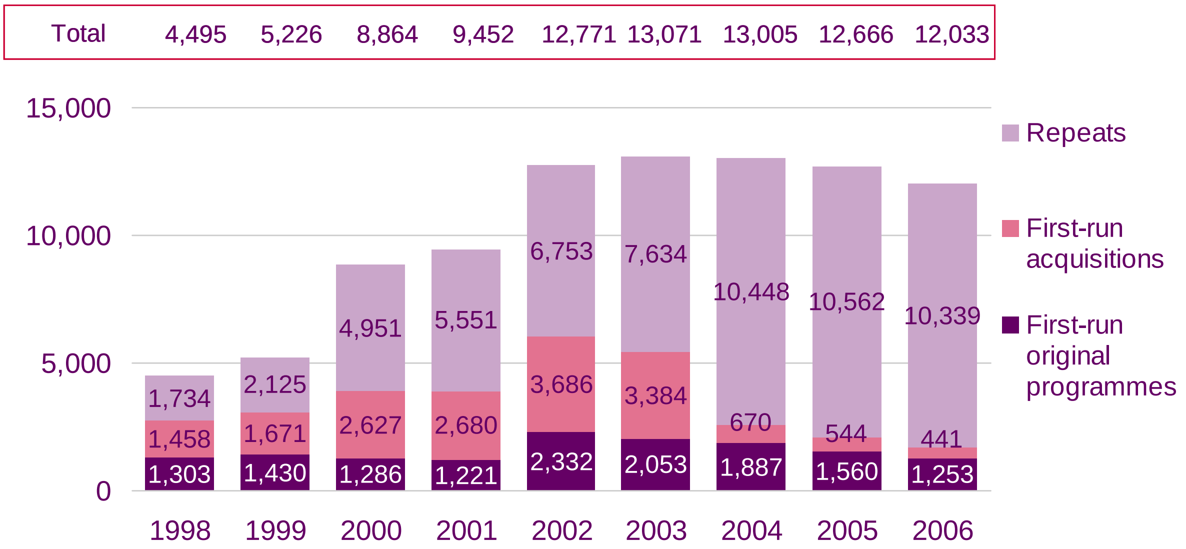
2.5.3 Volume of first-run output – PSB channels

Figure 15 illustrates that while the introduction of CBBC and CBeebies has changed the balance between first-run original, acquired and repeat programmes, the volume of first-run original programmes has remained relatively stable, albeit with a peak in the middle years to service the launch of these new channels.

In 1998 the proportions of first-run originations, acquired programmes and repeats shown by the PSBs was split into roughly equal thirds. The introduction of CBBC and CBeebies in 2002 resulted in an initial growth across the board, but particularly in the volume of repeats, as a result of having so much more airtime to fill. The volume of acquired programmes also increased to fill the new schedules, but by 2004 the pattern had settled with the majority of the output consisting of repeats – 86% in 2006 – with first-run originations and acquired output falling back to 10% and 4% respectively.

Repeats have increased on average by 25% a year and acquired programmes have reduced by 14% over the period with the volume of originations broadly stable.

Figure 15: PSB total children's output (annual hours)



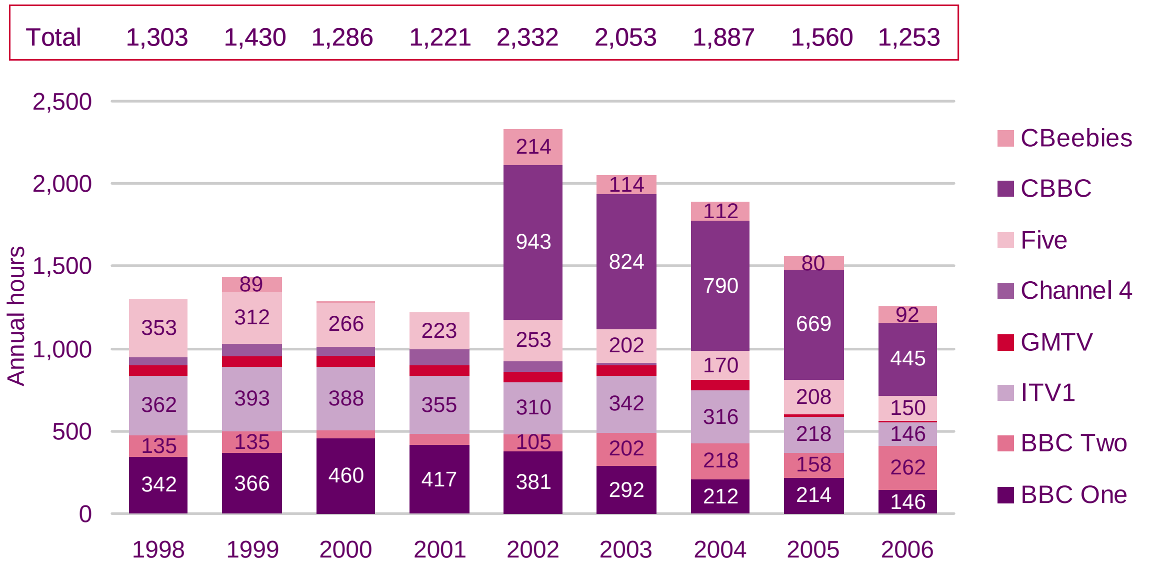
Source: Ofcom/broadcasters

Figure 16 shows that, as noted above, the overall volume of first-run original programmes broadcast by the PSB channels has remained relatively stable. Despite initial increases as a result of the introduction of CBBC and CBeebies, the number of hours of originated material fell year on year from 2002, so that by 2006, volumes were back to about the same levels as in 1998. The period has seen reductions in the volume of first-run original programmes on all channels except BBC Two, where programme slots on weekend mornings were transferred from BBC One. On ITV1 some of those first-run original programmes have moved to CITV, reflecting shifting viewing patterns from the PSB main channel. There have also been reductions in the volume of original children's programmes on Channel 4 and also on BBC One and BBC Two (taken together).[7] On Channel 4, as explained earlier, the reason for the reduction is that the figures included T4 output. Excluding T4, first-run original programmes on Channel 4 have always been relatively low.

The volume of first-run original programmes on the PSB channels as a whole peaked in 2002 at 2,330 hours, the increase being a result of the launch of the BBC's dedicated children's channels. Since then the amounts have fallen each year back to around the same levels as in the late 1990s. Original productions totalled 1,253 hours in 2006 (1,300 in 1998) a decline of 46% since 2002.

[7] It is important to note that because the BBC operates a portfolio of PSB channels, a programme is identified as a repeat if it has been previously shown on any BBC channel. Consequently, repeat levels on BBC One and BBC Two are affected by premiering shows on the digital channels.

Figure 16: PSB first-run original children's programmes by channel (annual hours)

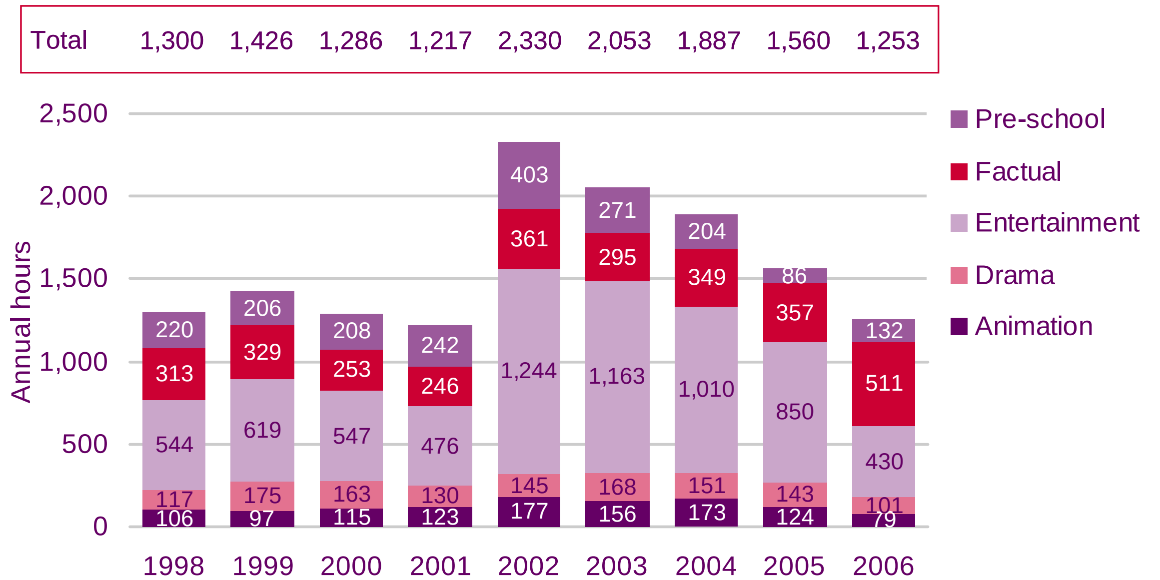


Source: Ofcom/broadcasters

Figure 17 shows that, in terms of genre mix, the most significant increase in 2002, with the introduction of CBBC and CBeebies, was in entertainment, which increased from 476 to 1,244 hours between 2001 and 2002. The levels of entertainment output were not sustained and have gradually fallen year on year to similar levels as in 1998, at about 1,430 hours in 2006, as repeats replaced first-run material.

Between 1998 and 2006 levels of first-run original programming have fallen across all the children's sub-genres, except factual programming. The amount of factual programming has remained relatively stable over the period, except in 2006 when a large increase in provision from 357 to 511 hours reflected significant increases by CBBC, where programmes such as *Level Up*, *Roar*, *Sportsround* and *Xchange* contributed to higher output.

Figure 17: PSB first-run original children's programmes by sub-genre (annual hours)



Source: Ofcom/broadcasters

2.5.4 Programming in the nations

Scotland

In the 1990s and until very recently (late 2006) children's programming was one of the major network genres produced by Scottish Television/SMG Productions (SMG), contributing to the ITV network as well as to Channel 4, Five, Nickelodeon, Discovery Kids and Disney. SMG has been responsible for producing some well-known, highly rated series including *Art Attack* and *HOW 2.* These programmes are still being transmitted on CITV, along with other SMG children's programmes. Other productions have included factual as well as drama, preschool and entertainment with such titles as *Fun House, Get Wet, Harry and the Wrinklies* and the 2006 Bafta-winning, *Uncle Dad*. SMG also produced a large number of Scottish children's programmes which were transmitted on a daily basis, before being broadcast on CITV.

BBC Scotland has built a strong reputation as a provider of children's programming for the BBC terrestrial network, as well as for the CBBC and CBeebies channels. *Balamory*, which began in 2002, achieved impressive popularity, ratings and international commercial success, while its setting in Tobermory on the island of Mull created a strong Scottish context. The department has won a number of awards across all categories, including RTS and Broadcast awards for Best Factual Programme for *The Fame Game*; The Broadcast Award for Best Children's Programme, plus a BAFTA for *Balamory*. The medieval fantasy game show *Raven* has won the BAFTA for Best Children's Entertainment Programme twice, while *Nina and the Neurons* has successfully brought science to a huge audience of under-sixes.

Young Gaelic viewers in Scotland are currently catered for by programmes both on stv (North and Central) and BBC Scotland (there are daily 30 minute BBC-funded morning slots on BBC2 Scotland). The live-action pre-school series *Na Daoine Beaga,* while offering the elements common to this genre, does so within a narrative which is firmly based in Gaelic culture. The Gaelic Media Service plays its part in funding programming for children of all ages including pre-school. The GMS-funded children's series *Dè a-nis?*, backed up by an online presence, features pre-recorded contributions from children around the country and is now making use of VOIP (Skype) technology to enable more children to take part live on-air.

Both BBC Scotland and the Gaelic Media Service have invested in producing Gaelic versions of both established and less well-known animations for children. Work is ongoing to identify suitable new and original material for this audience - in terms of animation and live action - with an eye to the requirements of the proposed new Gaelic digital service.

Northern Ireland

Viewers in Northern Ireland have access to broadly the same children's television programmes via the networks that are available to the rest of the UK, but it is worth noting some significant regional differences in terms of availability and content.

Five is only broadcast through transmitter sites serving Belfast and Londonderry – the two largest cities in Northern Ireland. Digital terrestrial television is currently available to 58% of the population, and cable television is available to 30% of households. Television stations in the Republic of Ireland (RTÉ 1, RTÉ 2, TV3 (the Republic's commercial channel) and TG4 (the Irish language channel)) are also accessible to more than 50% of homes in Northern Ireland as a result analogue 'overspill'. RTÉ and TG4 are also available in Northern Ireland via satellite and cable, and TG4 – owing to a commitment in the Belfast/Good Friday Agreement (1998) – is also broadcast on analogue from the Divis transmitter site to ensure coverage for Belfast.

There are relatively few Northern Ireland television productions for network broadcast. A recent exception has been *Bel's Boys* – an independent production for ITV, first broadcast in October 2006 – which was the first children's drama series to be produced, and post-produced, in Northern Ireland. Sesame Workshop is commissioning a local production of *Sesame Street* to be set in Northern Ireland and broadcast by BBC NI. UTV (the ITV franchise in Northern Ireland) broadcasts, and has done for several years, a very short daily children's animation series (*Buska & Barney*). BBC NI has broadcast an animated Irish language children's series and UTV produced a series of *Thomas the Tank Engine* in Irish some years ago, although the channel has no requirement for children's programming.RTÉ 2 carries a variety of children's programmes throughout its early morning and day-time schedules, the majority of which are already on the schedules of BBC and Five, eg. *Balamory* and *Make Way for Noddy*. TG4 also carries Irish language children's programming, including its own children's drama series. It also shows a selection of established children's programmes and cartoons dubbed into Irish.

Wales

There is a tradition of English language children's production in Wales, particularly through HTV Wales, BBC Wales and S4C.

Children's programmes ceased to be a licence genre requirement in the Wales and West Channel 3 licence in 2001[8]. Previously HTV Wales (now known as ITV Wales) produced a few hours a year of children's programmes for Wales such as the factual/science series *What on Earth?* and the nature series, *Crazy Creatures.* Despite children's programming not being mandatory, in 2003/4 ITV Wales also screened two series of *Jacob's Ladder*, a children's drama based on biblical stories. However, generally, children's programming has not been a key part of the broadcaster's output for Wales.

Equally, BBC Wales has not developed children's programming specifically for audiences in Wales, but in recent years it has significantly increased it's network output, including some children's programmes. BBC Wales produces the acclaimed family viewing drama series *Dr Who* and in 2006 this series also generated a spin-off Christmas network children's drama special, *The Sarah Jane Adventures*. BBC Wales also produces programming for the BBC's annual charity appeal, *Children in Need,* as well as educational and schools programming aimed at children.

Welsh language animation series commissioned by S4C are sold internationally and adapted into English and a number of European languages. Some independent companies, such as Boomerang, have developed youth-orientated 'extreme sports' programming for niche channels.

Sianel Pedwar Cymru (S4C)

S4C is the Welsh language television service which began broadcasting in November 1982 on the analogue fourth channel in Wales, with children's programming forming a key element of the channel's output. Previously, Welsh language programmes, including those for children, were screened by ITV and the BBC in Wales, opting out of the UK network schedules. Channel 4 was not therefore broadcast in Wales as a full analogue service, but re-scheduled Channel 4 programmes were screened on S4C, outside the Welsh language peak-time hours. Schools and nursery programmes were screened during early afternoons,

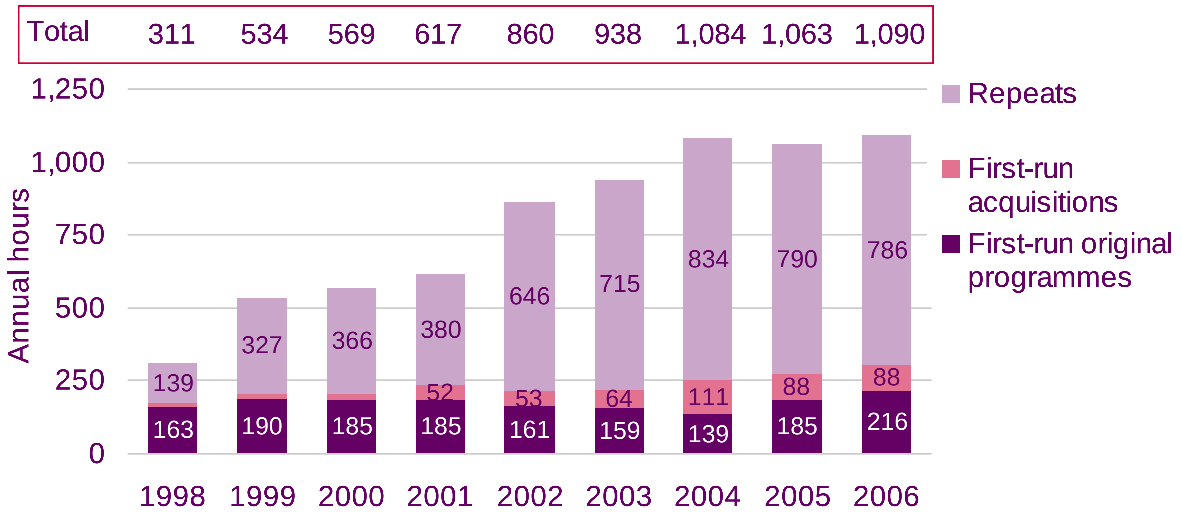
---

[8] Following the publication of the government white paper, *"A New Future For Communications",* in December 2000, which recommended that regulation of Channel 3 be streamlined, simplified and modernised, the ITC allowed a reduction of the genres for ITV's services for the nations and regions to just News, Current Affairs and Other.

along with older children's programmes between 5 and 7 pm on weekdays. During the first year on air, the children's animation series *Superted* was sold to BBC 1 and around 40 countries worldwide expressed 'firm interest' in two cartoon series *Superted* and *Wil Cwac Cwac*[9].

According to the 2001 Census, 41% of children in Wales aged 5-14 speak Welsh (an increase of 15% on the 1991 figures). Ninety-two per cent of children in Wales who can speak Welsh live in digital television homes. The weekly reach for Welsh-speaking children viewing Welsh language hours on S4C, at 21%, is significantly lower than reach among Welsh speakers generally, at 41%.The S4C Digidol service is available on digital satellite (across the UK) but it is not listed under the children's section of the Sky Digital electronic programme guide. The Welsh Authority, S4C's regulator, has recently conducted a public consultation on a proposal to create a dedicated digital Welsh language children's channel.[10]

Figure 18: S4C first-run originations by sub-genre



Source: Broadcasters

9 S4C Annual Report and Accounts, 1982/83, p45

10 Section 205, Communications Act 2003 requires the Welsh Authority to obtain approval from the DCMS Secretary of State, before launching a new public service channel. If approval is granted, the Secretary of State will also will set its public service remit. S4C Authority consultation paper is entitled *"Serving Children in the Digital Age".*

2.6 Range in children's programming

2.6.1 Introduction

This analysis focuses in detail on the sub-genre range within children's programming and looks at how it has changed since 1998. It is based on the BARB children's genre classification and uses the BARB children's sub-genres of drama, factual, cartoons, light entertainment/quizzes, pre-school and miscellaneous[11]. It is based on children's output for children's programming on the PSB main channels (BBC One, BBC Two, ITV1, GMTV, Channel 4[12] and Five), the PSB channels of CBBC and CBeebies, as well as the commercial children's channels. It does not include any children's output on other commercial non-terrestrial channels. (See Annex A3 for full details on methodology.) Additional detailed analysis of range in children's output is published alongside this report online at research annex C.

It is important to note that the BARB genre classifications have some drawbacks. Firstly, not all programme output that is targeted at children is classified as 'children's' by BARB. For example, over 20% of output on the commercial children's channels is not classified as children's output in BARB and as such is excluded from this analysis. Secondly, a new BARB panel was introduced on 1st January 2002. The new panel introduced a new children's sub-genre, children's miscellaneous. Also schools programmes, which prior to 2002 were classified as children's factual (alongside other children's factual output) are now coded under the new genre of education. All analysis from 2002 to 2006 therefore excludes schools programmes. Finally, genre data from 2002 specifically should be treated with caution; these data may be unreliable due to the setting up of the new BARB panel in that year.

Trend analysis in this report will focus on changes from 2003 to 2006; data for 1998 to 2002 are provided primarily for historical context; they can provide, at most, broad indications of changes in genre provision, as any apparent changes could be due to methodological differences between the pre-2002 and the new BARB panels, as outlined above.

2.6.2 Range in children's programming – total market hours

As noted in the previous section, the total number of hours devoted to children's programming across total television has increased dramatically since 1998.

Since 2003, while output for most genres has increased, this growth has been driven primarily by an increase in the cartoons and miscellaneous sub-genres. Drama programming has increased since 2003 by 1,970 hours, cartoons by 7,967 hours, factual by 1,295 hours, pre-school by 500 hours and miscellaneous by 19,185 hours. The only genre to have decreased is light entertainment/quizzes, by 455 hours[13] (Figure 19).

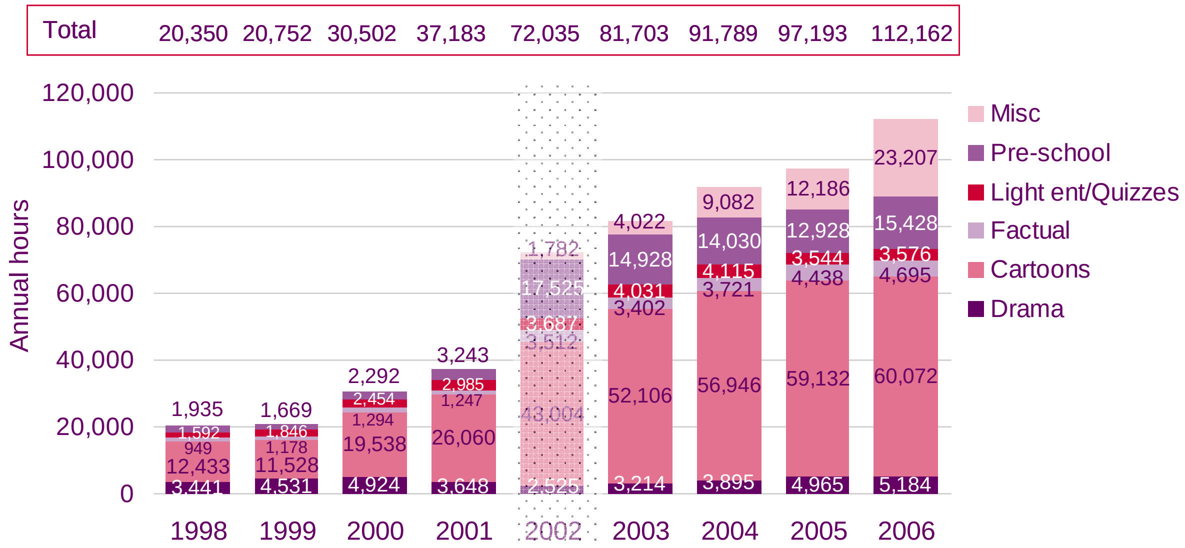
---

[11] Although the PSB channels provide Ofcom with genre level information for each channel's output, the commercial children's channels do not provide Ofcom with data at this level of detail. In order to review the total market Ofcom therefore decided to use BARB genre classifications for this part of the analysis for all channels. It should be noted that the allocation of programmes to BARB genres is not always consistent with the Ofcom genre codings.

[12] The genre analysis in this section does not include S4C.

[13] Total hours of output in Figure 19 differ slightly compared to Figure 11, due to different data sources. Figure 11 combines information on the PSB channels provided to Ofcom by the broadcasters with BARB data for the commercial children's channels. Figure 19 is sourced solely from BARB data, which allows us to analyse output by the children's sub-genres.

Figure 19: Total hours devoted to children's programming: 1998-2006



Source: BARB, all days, sum of children's output on PSB channels and commercial children's channels. Treat 2002 data with caution as BARB was in process of setting up the new panel.

Children's miscellaneous

There has been an increase in the number of children's programmes classified under 'miscellaneous' since the introduction of this sub-genre, from 5% in 2002 to 21% of total children's output in 2006.

In order to attempt to gain a clear idea of changes in genre range provision from 2003 to 2006, Ofcom carried out a manual reclassification of the BARB children's 'miscellaneous' code. All programmes in the 'miscellaneous' sub-genre were re-coded into one of the other children's sub-genres of drama, pre-school, cartoons, light entertainment/quizzes and factual. For example, a children's animated film such as Disney's *Aladdin* was reclassified from children's miscellaneous to cartoons and Jetix's *Power Rangers Mystic Force* was re-coded as children's drama. A small number of programmes couldn't be re-coded as there was no clear category to recode them to, and therefore have been excluded. Sections 2.7.3 to 2.7.7 are based on re-coded BARB data. (For further details see Annex A3).

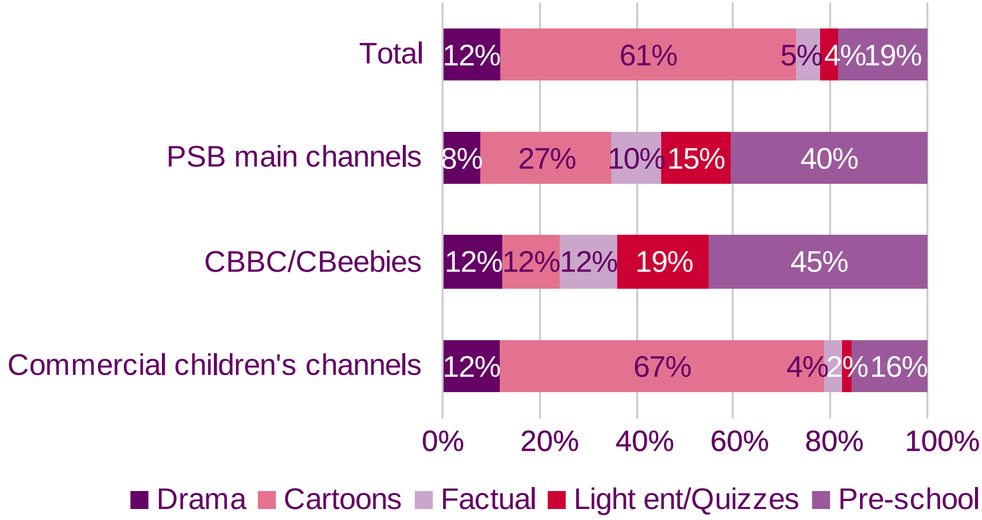
2.6.3 Range in children's programming in 2006

Both the PSB main channels, CBBC and CBeebies provide a range of genres, but with over 40% of children's programming dedicated to pre-school. In contrast, the commercial children's channel output is dominated by cartoons (67%), with 16% coded as pre-school.

Factual programming is well represented by the PSB main channels (10%) and by CBBC/CBeebies (12%), as is light entertainment/quizzes (15% and 19% respectively), whereas, as a proportion of total output, the commercial children's channels broadcast only 4% factual and 2% light entertainment programming.

However, the commercial children's channels dedicate a larger proportion of their schedule to drama programming than do the PSB main channels (12% compared to 8% of output) and are on a par with CBBC and CBeebies (12%).

Figure 20: Range in children's programming: 2006

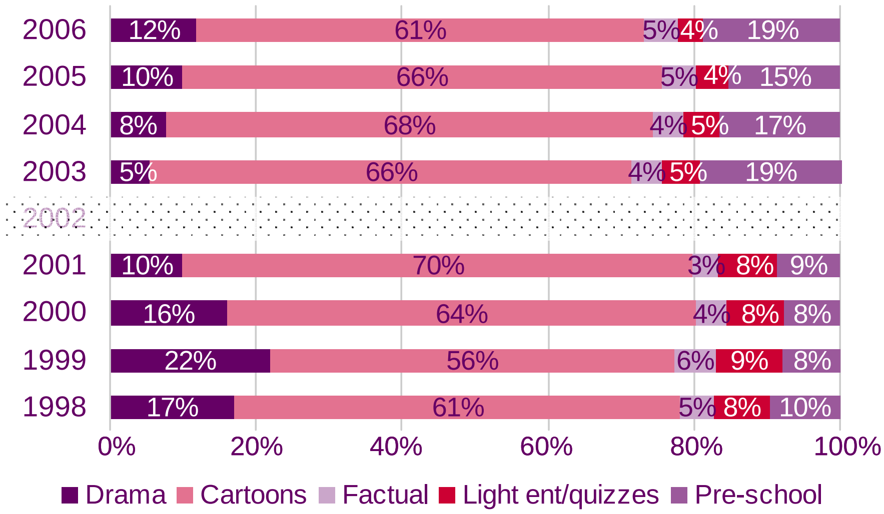


Source: BARB, all days. Note: the miscellaneous genre has been re-coded into the remaining children's sub-genres.

2.6.4 Range in children's programming – total market, 1998-2006

Analysis of the trends in genre provision since 1998 suggests that cartoons continue to dominate provision (61% in 1998 and 61% in 2006) and there has been growth in pre-school programming (10% in 1998 to 19% in 2006). Factual programming remains at around 5% of children's output and light entertainment/quizzes programming has declined (8% in 1998 to 4% in 2006). Drama, as a proportion of total children's output, has declined from 17% in 1998 to 12% in 2006.

Figure 21: Range in children's programming 1998-2006



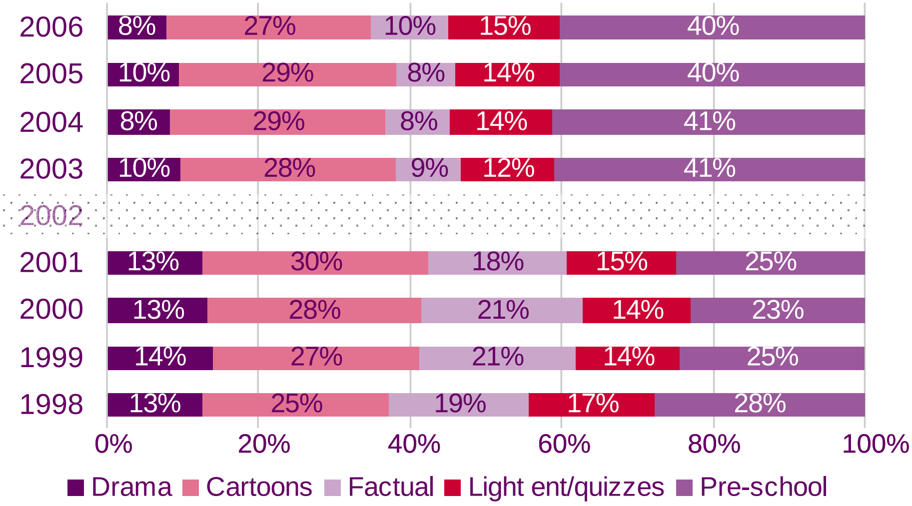
Source: BARB all days. 'Miscellaneous' genre has been recoded into the remaining sub-genres for 2003-2006. 2002 data are not provided as data may not be reliable due to set-up of new BARB panel in 2002.

The following analysis looks at changes in genre provision for the PSB main channels, CBBC and CBeebies, and the commercial children's channels. Although it presents genre provision from 1998 to 2006, the analysis focuses on changes from 2003 to 2006, due to the methodological differences in the BARB genre classifications pre- and post-2002 (outlined above).

2.6.5 Range in children's programming – PSB main channels

Children's programming on the PSB main channels, while compressed into a much smaller timescale than CBBC, CBeebies and the commercial children's channels, nevertheless provides a wide range of genres. A comparison of the distribution of children's sub-genres in 2003 versus 2006 shows that drama programming declined from 10% to 8%, cartoons, factual and pre-school programming all remained relatively stable, while light entertainment/quizzes increased slightly from 12% to 15% (Figure 22).

Figure 22: PSB main channels: children's programming by genre, 1998-2006

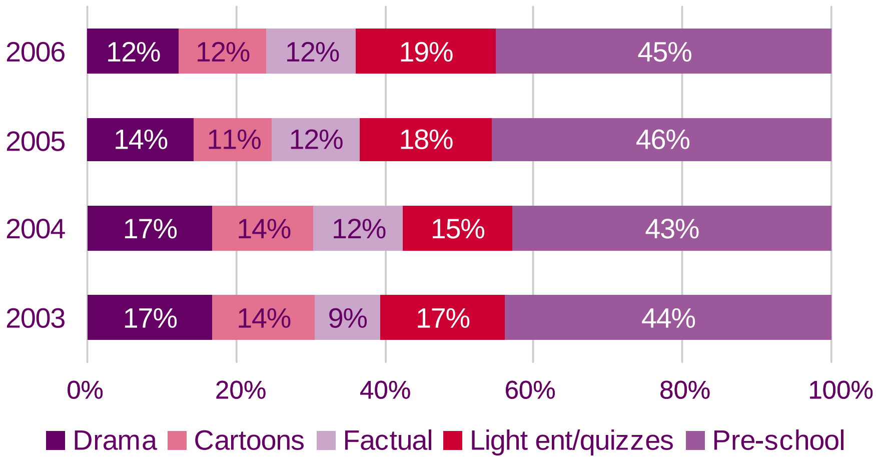


Source: BARB, all days. Note: the miscellaneous genre has been re-coded into the remaining children's sub-genres for 2003-2006 data. 2002 data are not provided as data may not be reliable due to set-up of new BARB panel in 2002.

2.6.6 Range in children's programming - CBBC and CBeebies

On CBBC and CBeebies together, drama programming declined from 17% in 2003 to 12% in 2006. Cartoons also dropped from 14% to 12%. Factual programming grew from 9% to 12% as well as light entertainment/quizzes from 17% to 19%. Pre-school programming remained relatively stable, moving from 44% in 2003 to 45% in 2006 (Figure 23).

Figure 23: CBBC and CBeebies: children's programming by genre

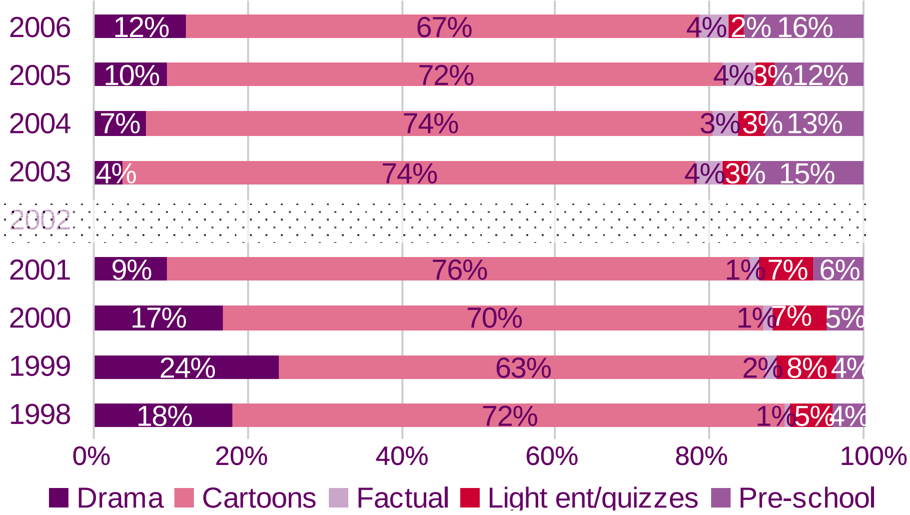


Source: BARB, all days. Note: the 'miscellaneous' genre has been re-coded into the remaining children's sub-genres for 2003-2006 data. 2002 data are not provided as data may not be reliable due to set-up of new BARB panel in 2002.

2.6.7 Range in children's programmes - commercial children's channels

Figure 24 shows changes in genre range for the commercial children's channels. Cartoons make up the majority of output each year, although their share has declined from 74% in 2003 to 67% in 2006. Drama programming has shown a substantial increase from 4% in 2003 to 12% in 2006. Pre-school programming stood at 15% share in 2003, dropped slightly in 2004 and 2005, and then increased to 16% in 2006. Light entertainment/quizzes fell slightly from 3% to 2%. Factual programming remained stable at 4% in 2003 against 4% in 2006 (Figure 24).

Figure 24: Commercial children's channels: children's programming by genre



Source: BARB, all days. Note: the 'miscellaneous' genre has been re-coded into the remaining children's sub-genres for 2003 to 2006 data. 2002 data are not provided as data may not be reliable due to set-up of new BARB panel in 2002.

2.6.8 Range by sub-genre and by channel

This section examines the changes in volume of output from 2003 to 2006 for each children's sub-genre for the PSB main channels, CBBC/CBeebies and the commercial children's channels. We have not re-coded miscellaneous into other genres for this analysis.

Drama programming

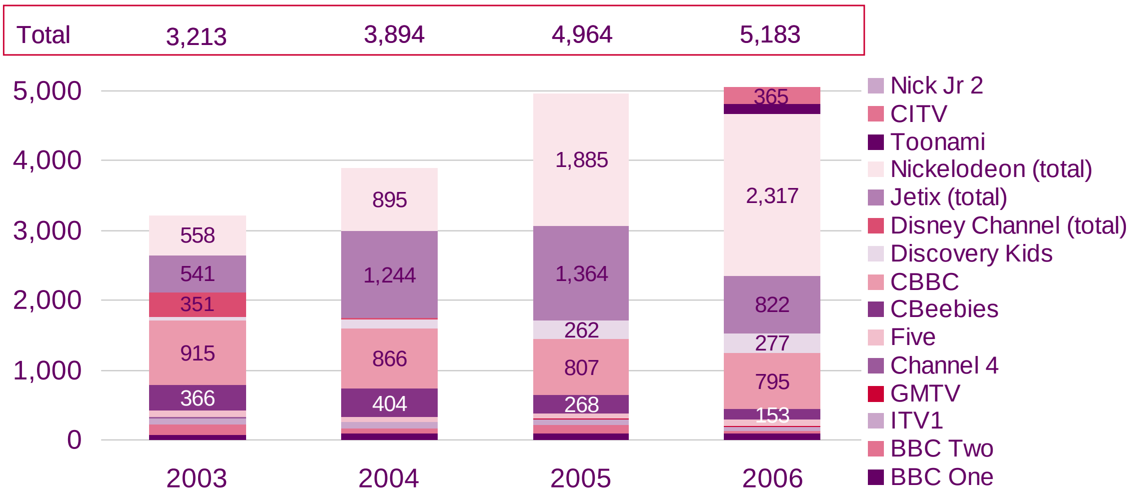
Figure 25 shows the total hours devoted to children's drama. Total hours of drama have increased from 3,213 in 2003 to 5,183 hours in 2006; this is due to an increase on the commercial children's channels. Both the PSB main channels and CBBC/CBeebies have seen decreases.

Total hours devoted to children's drama programming across the PSB main channels has declined by almost a third (31%) between 2003 and 2006, from 431 to 297 hours. Five was the major provider of total children's drama hours among the PSB main channels in 2006, with 91 hours.

Total provision by CBeebies and CBBC decreased from 1,281 hours in 2003 to 948 hours in 2006.

Total provision of children's drama on the commercial children's channels has increased by over 150% from 1,501 hours in 2003 to 3,938 hours in 2006. This has been as a result of the increase in supply by channels already offering the genre and by new channels starting to offer it (for example, CITV provided 365 hours of drama in 2006). In 2006 Nickelodeon was the main provider of children's drama programming, accounting for 45% of total drama output overall. (The Disney Channel shows a number of US dramas, such as *Suite Life of Zack and Cody*, that are coded as children's miscellaneous by BARB, and some US dramas targeted at older children, teenagers and young adults, for example *That's So Raven*, are not coded as 'children's' but as 'entertainment situation comedy US'.)

Figure 25: Hours devoted to children's drama programmes: total market



Source: BARB, all days, core channel and +1s combined for Disney Channel, Nickelodeon and Jetix

Cartoons programming

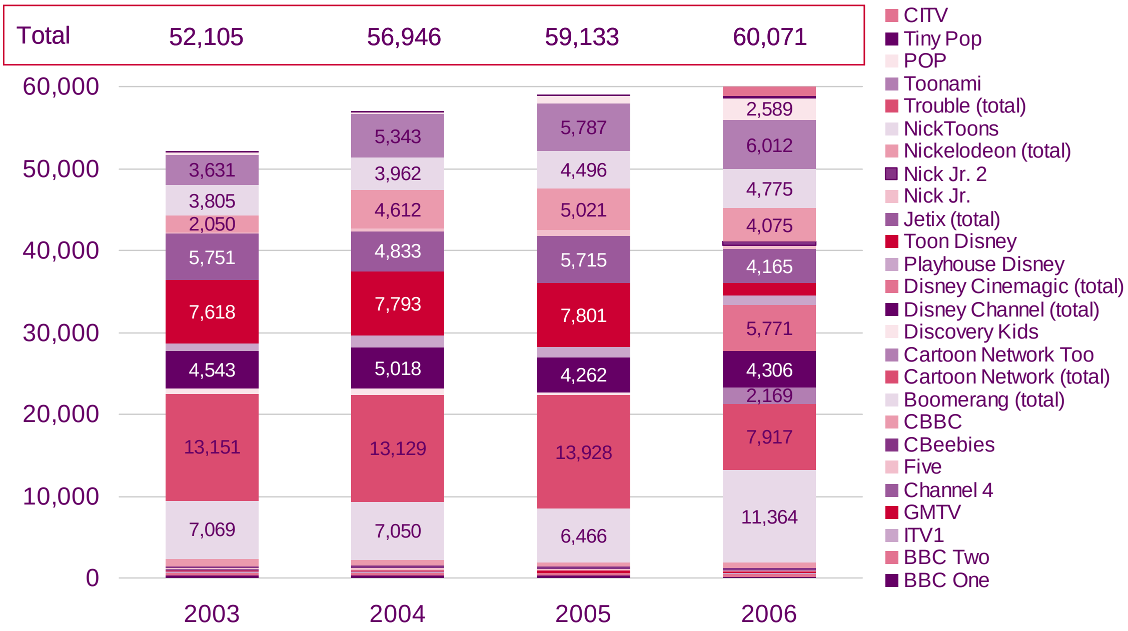
Figure 26 shows the total hours devoted to children's cartoons. Total provision of children's cartoons has increased by 15% from 52,105 in 2003 to 60,071 hours in 2006. This is solely due to an increase by the commercial children's channels. Both the PSB main channels and CBBC/CBeebies as a whole have reduced their volumes of cartoons.

Total provision of children's cartoons on the PSB main channels has declined steadily year on year overall, by almost one fifth from 2003 to 2006 (1,250 in 2003 to 1,015 hours in 2006).

CBeebies and CBBC reduced their cartoon output over the period, a fall of 17%, bringing their 2006 output to just 1.5% of total cartoon output (890 hours).

In contrast, provision of children's cartoons on the commercial children's channels increased between 2003 and 2006 by 17% from 49,789 to 58,167 hours. This increase is the result of two factors: the increase in supply by channels already offering the genre; and new channels starting to offer it. The main providers of cartoons in 2006 are Boomerang (total), Cartoon Network (total), Disney Cinemagic (total) and Toonami, each representing around 10% of total cartoon hours. (Toon Disney was also a key provider of cartoons from 2003 to 2005 but it came off air in March 2006, replaced by Disney Cinemagic.)

Figure 26: Hours devoted to children's cartoons: total market



Source: BARB, all days. Note: Core channel and +1s combined for Disney Channel, Nickelodeon, Boomerang, Jetix, Trouble, Disney Cinemagic, Cartoon Network.

Factual programming

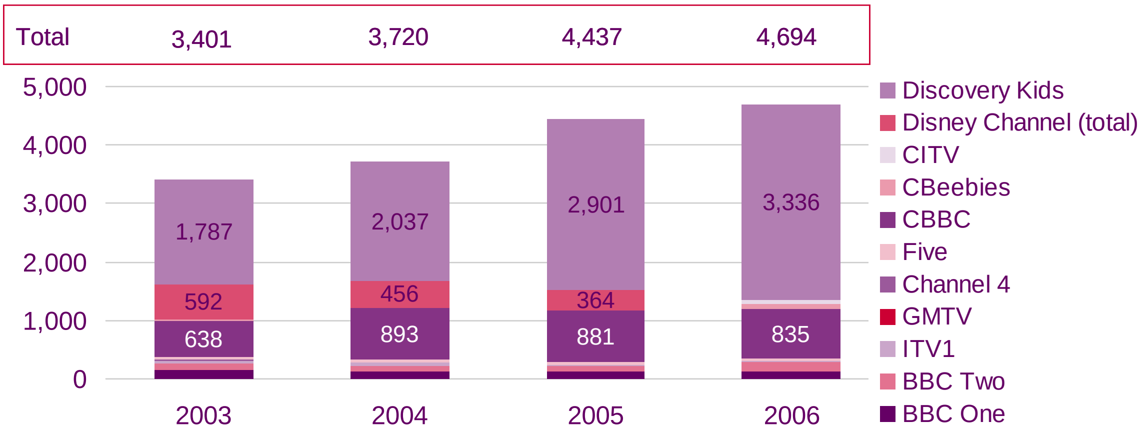
Figure 27 shows the total hours devoted to children's factual programming. Total hours of factual output have increased by 38% from 3,401 in 2003 to 4,694 hours in 2006, due to increases by CBBC/CBeebies and the commercial children's channels.

Total hours devoted to children's factual across the PSB main channels declined by 2% from 2003 to 2006. In 2006 the PSB main channels provided 357 hours of factual programming, or 8% of total factual output. Until 2006, BBC One provided the most hours of factual programming among the PSB main channels, but in 2006 BBC Two took the lead with 164 hours of programming, and BBC One provided 123 hours.

CBeebies has dramatically increased its provision of factual programming, from 18 hours in 2003 to 91 hours in 2006. This is also true of CBBC, which increased provision from 638 hours in 2003 to 835 hours in 2006. These channels combined represent 20% of total factual output.

Total provision of children's factual programming on the commercial children's channels has increased by 43% in 2006 compared to 2003, primarily because of the increase in supply by the Discovery Kids channel, which grew by 86%, from 1,787 hours in 2003 to 3,336 hours in 2006. Out of all the commercial children's channels, only Discovery Kids and CITV provided factual programming in 2006 and they represented 73% of total factual output across the market. Discovery Kids stopped airing in 2007 and this will have a large impact on the provision of factual programming in 2007.

Figure 27: Hours devoted to children's factual programming: total market



Source: BARB, all days. Note: Core channel and +1s combined for Disney Channel.

Schools programming

In BARB, since 2002, schools programming is categorised under the genre of education and is therefore not included in this analysis of the children's genre.

At present, Channel 4, BBC Two and CBBC are the core providers of schools programming. Under the Communications Act, Channel 4 has a special obligation to broadcast schools programmes, with the current minimum requirement set at 330 hours per year, including repeats and first-run material. Based on the information provided to Ofcom by the broadcaster, Channel 4 delivered 420 hours of school programming in 2006. Although Channel 4 does not have a specific remit to air children's programming, it broadcasts a small number of children's programmes on weekday early mornings. These are generally repeats and are aimed at a pre-school audience.

The BBC's commitments to schools programming are set out in its service licences and *Statements of Programme Policy*. BBC Two and CBBC are the BBC's key providers of schools programming. CBBC's *Statement of Programme Policy* states that CBBC "…will deliver over 1,000 hours of factual and schools programming. BBC Two's *Statement of Programme Policy* gives no measurable commitment on quantity but says: "More formally, we will broadcast school programmes on weekday mornings". In 2006, BBC Two broadcast 715 hours and CBBC broadcast 242 hours of schools programming.

Light entertainment/quizzes programming

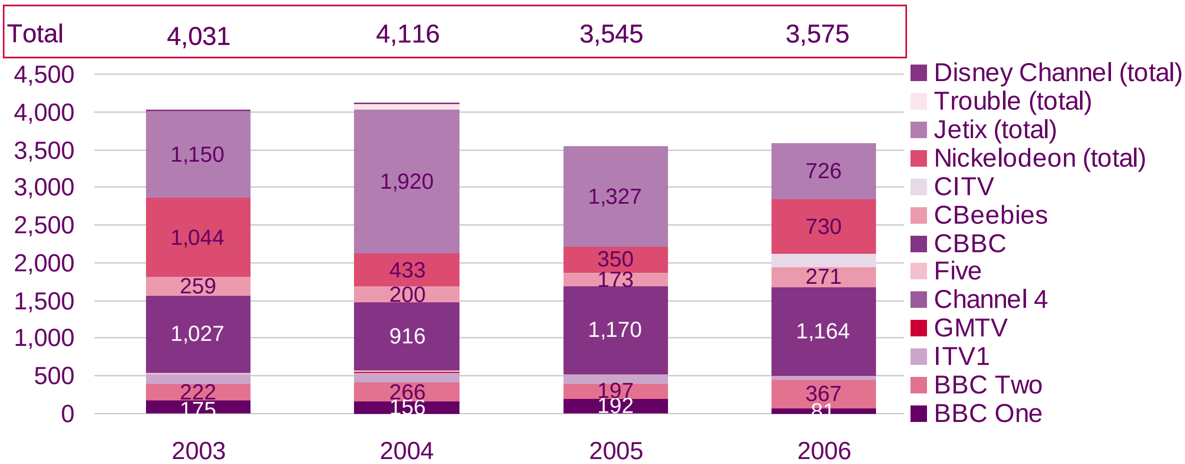
Figure 28 shows total hours devoted to children's light entertainment/quizzes programming. Total provision of children's light entertainment/quizzes has declined by 11% since 2003, from 4,031 to 3,575 hours in 2006. The decline is due mainly to a drop in provision by the commercial children's channels (26% since 2003) as well as a slight decline by the PSB main channels. The PSB main channels provided 14% of total output in 2006, compared to 40% by CBBC/CBeebies and 46% by the commercial children's channels.

PSB main channel provision has declined overall by 4% from 2003 to 513 hours in 2006. In 2006 BBC One and Two were the main providers of light entertainment/quizzes among the PSB main channels, accounting for 88% of their provision, with 81 hours and 367 hours respectively.

CBBC's provision increased between 2003 and 2006 by 13%, to 1,164 hours. CBBC accounted for 33% of total provision of this genre in 2006. CBeebies accounted for 8% of total output overall, with 271 hours in 2006.

Provision on the commercial children's channels declined by 26% over the period, from 2,212 hours to 1,628 hours. Almost all the channels have reduced their provision of this genre since 2003. CITV started provision in 2006 with 172 hours; which accounts for 5% of total output. The other two main providers of light entertainment/quizzes are Jetix (total) and Nickelodeon (total), which between them represent 41% of total light entertainment/quizzes output.

Figure 28: Hours devoted to children's light entertainment programming: total market



Source: BARB, all days. Note: Core channel and +1s combined for Disney Channel, Nickelodeon, Trouble and Jetix.

Pre-school programming

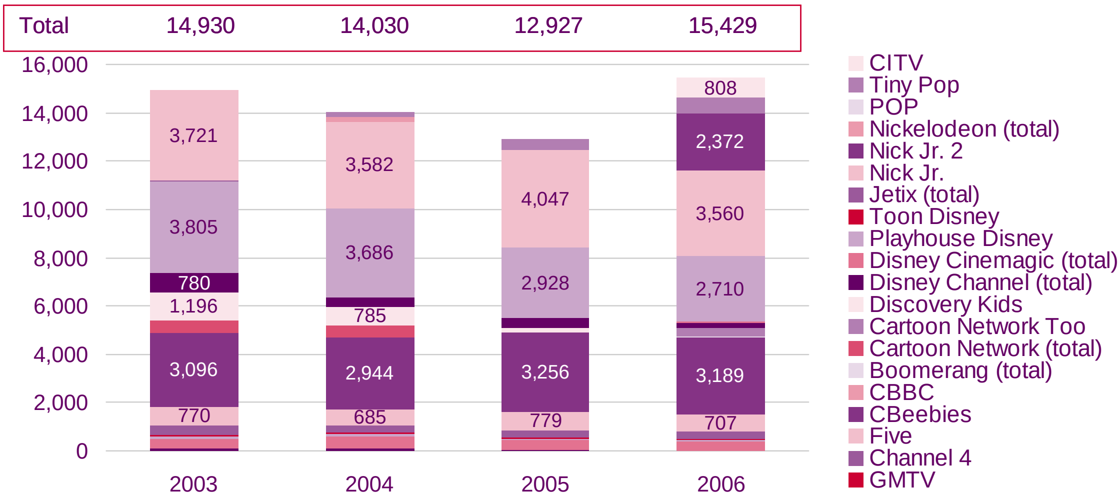
Figure 29 shows total hours devoted to children's pre-school programming. Total provision has increased by 3% from 14,930 in 2003 to 15,429 hours in 2006. The PSB main channels account for 10% of total pre-school output in 2006, compared to 21% for CBeebies and 70% for the commercial children's channels.

Among the PSB main channels, provision of children's pre-school programming declined by 16% between 2003 and 2006, with most channels showing a decline. Five is the major provider of pre-school programming among the PSB main channels, providing 47% of PSB main channel output in 2006 and 5% of overall pre-school output, with 707 hours in 2006.

CBeebies has increased output from 3,096 to 3,189 hours in 2006. (CBBC does not air pre-school programmes.)

Total provision of children's pre-school programming on the commercial children's channels rose between 2003 and 2006 by 7% to 10,724 hours. In 2006, Nick Jr., Nick Jr. 2 and Playhouse Disney are the main providers of pre-school programming and together make up 56% of total pre-school output.

Figure 29: Hours devoted to children's pre-school programming: total market



Source: BARB, all days. Note: Core channel and +1s combined for Disney Channel, Nickelodeon, Disney Cinemagic, Boomerang, Cartoon Network and Jetix.

2.6.9 Genre range by channel, 2006

Figure 30 shows the genre range within children's programming in 2006 by channel, according to BARB, including the miscellaneous code.

Of the PSB main channels, BBC One, BBC Two and ITV1 all offer a range of genres, whereas Five and Channel 4's output is predominantly coded as pre-school programming.

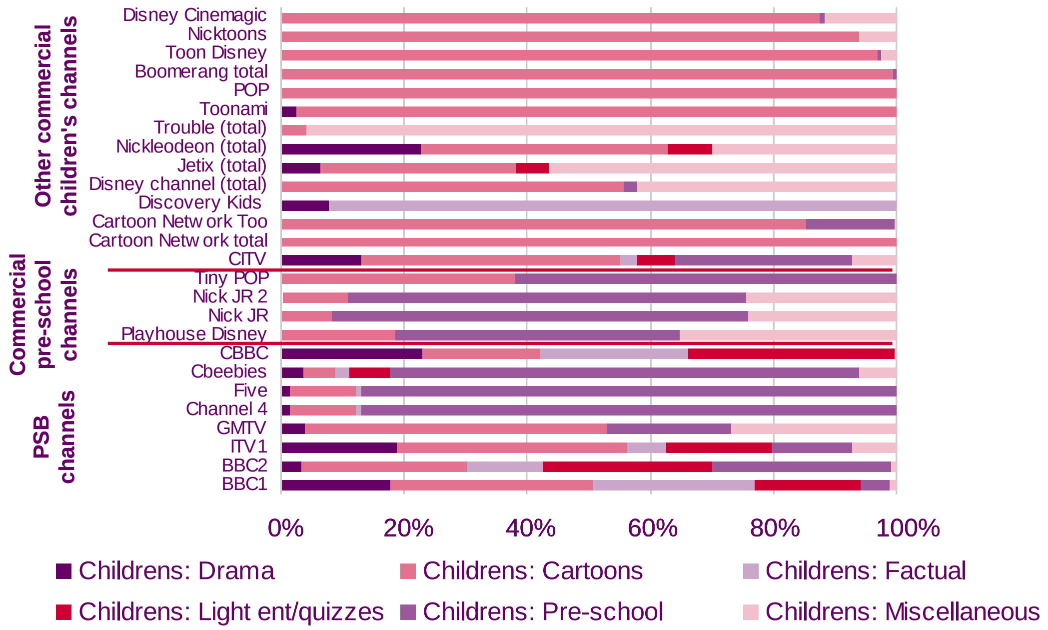
CBeebies' output is predominantly pre-school, whereas CBBC provides a balanced range of the other children's genres. This reflects CBeebies position as a channel for under-6s and CBBC for 6-12 year olds.

Among the commercial children's channels there are four channels aimed at pre-school children which provide predominantly pre-school output (Playhouse Disney, Nick Jr., Nick Jr. 2 and Tiny Pop).

Of the other commercial children's channels, Nickelodeon's output has the highest level of drama, at over 20%. CITV, Jetix, Discovery Kids and Toonami are the only other channels whose output includes drama programming. However, it is important to note that a large proportion of the Disney Channel's and Jetix's output is coded as 'miscellaneous' and may include drama. The only commercial children's channel showing more than 5% of factual programming is Discovery Kids (92% of its output).

A number of commercial children's channels show over 80% of cartoons (Cartoon Network, Cartoon Network Too, NickToons, Boomerang, Disney Cinemagic, Toon Disney, Pop and Toonami).

Figure 30: Channel genre split: 2006



Source: BARB, all days, core channel and +1 channels combined

Section 3

The business of children's programming

3.1 Summary findings

- The UK children's television industry accounts for 3% of total industry turnover, but 4% of original programme spend. Many of the challenges being experienced by the children's market are similar to those being felt across the television industry. However, some features, for example those relating to the advertising market and the ability of broadcasters to transact with children are quite different.
- The significant rise in volume of commercial children's programming has not been matched by an increase in commercial revenues. Subscription and advertising revenues to children's broadcasters have declined since 2001. This is largely as a result of the high degree of viewer fragmentation and competition between channels, which tends to drive down the relative value of each channel for advertisers and platform operators.
- On the other hand, the allocation of public funding (through the BBC licence fee and S4C funding) to children's broadcasting has increased from £70m in 2001 to £126m in 2006 (+80%). At the same time, there has been an increase in the importance of the licence fee as a funding mechanism for children's programming in the UK, from 25% to 45% of total revenues to UK children's broadcasters.
- Section 2, *Broadcaster output*, shows the decline in hours of first-run original programmes on the PSB channels since 1998. The commercial PSB channels have tended to reduce or remove programme hours in the traditional 'children's slots' (weekdays after school), and are pursuing a dedicated children's channels. Ofcom estimates that the opportunity cost to ITV1 of showing children's programmes in its traditional late afternoon slot up to 2007 was in the order of £18 - £28m per annum.
- Comparing 1998 and 2006, overall broadcaster investment in children's programming has been relatively constant in real terms (although commercial PSB investment has been falling since 2001). There has been a gradual increase in the total level of spend by the commercial children's channels – up by about 40% since 2001. Over the same time period, the number of dedicated children's channels has increased from six to 25.
- However, much of the industry debate has focused on the need to deliver more UK-originated programming, prompted by reducing spend on first-run original children's programming. Despite a significant increase in the number of dedicated children's channels available, overall spend on first-run original programming across all broadcasters fell from an estimated £127m in real terms in 1998 to £109m in 2006 (14%). It peaked in 2002 at £163m but declined by one-third since then.
- Spend on first-run original programming by the commercial PSBs – ITV1, GMTV, Channel 4 and Five - halved in real terms from 1998 to 2006. Spend by the BBC has increased between 1998 and 2006, reaching a peak in 2002, coinciding with the introduction of CBBC and CBeebies. Spend by the commercial children's channels – including Disney Channel, Nickelodeon, Cartoon Network and Jetix - remained relatively constant at approximately 10% of the total.
- S4C spend has increased over this time, although it also peaked in 2002. It is now a significant commissioner of children's content in the UK, with total spend on Welsh language programmes for children in 2006 at £9m, or 10% of total expenditure in the UK. Welsh speaking children represent approximately 2% of all children in the UK.

- The commercial children's channels are generally active in producing UK-originated programming. However, global sales of UK programmes are often a key goal in their production strategies and some argue that this has an impact on the ability of such programmes commissioned, particularly drama, to reflect the UK's cultural values.
- The decline in commercial spend on first-run original children's programming has also had an impact on the role of the BBC. In 1998 the BBC contributed 40% of overall spend 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%.
- Among the public service broadcasters, spend on first-run original programmes in animation, drama and entertainment has reduced in real terms; spend on pre-school and factual has increased marginally. Spend on drama and entertainment has been cut back significantly over the last two years. In 2006 expenditure on drama programmes totalled £26m, compared with £41m in 2004 (-37%), while entertainment fell from £58m to £31m over the same period (-47%). Similar figures for expenditure by sub-genre were not available for the commercial children's channels.
- Evidence from case studies shows that the business model for funding production of children's programmes varies depending on sub-genre. Broadcasters are generally expected to contribute less of the budget for pre-school and animation programmes, because a producer of these programmes is able to attract a more diverse range of income sources. Pre-school programming remains commercially attractive over a longer period: producers who are rights owners are able to secure an initial broadcast and funding of programmes up front, which then supports secondary revenues, while broadcasters can sell advertising aimed at parents. Original animation follows a similar model, with low levels of broadcaster investment reflecting the fact that programming is often available in volume through the international market.
- Broadcasters are expected to contribute almost all the budget for production of drama and factual programming, often with a fee for production built in above costs. This reflects the fact that these types of programmes are less economically viable to produce. UK original drama tends to be high-cost and is unlikely to be supported by the budgets of the commercial children's channels without some potential for global distribution. Factual programmes tend to be less expensive to produce but do not have the exportability, repeatability or secondary revenues of other children's sub-genres. The BBC is the main commissioner of original factual programming.
- In 2006, 67% of all spend on first-run original programmes by the BBC, ITV1 and Five for children occurred in London. ITV1 spent the highest proportion on children's programming outside London (at 67%). The proportion of the BBC's spend outside London was 24%.
- With ITV1 commissioning significantly reduced and the BBC's growing role as the main commissioner of new material, together with the likely trend towards fewer, larger independent producers in the sector, there are possible implications for the location of children's production centres. Production seems likely to be centred in London, the North West of England (with BBC children's productions in Salford), Scotland (BBC Scotland in-house production) and Wales (through S4C).
- The overall reduction in spend on new commissions is also likely to lead to further consolidation in the UK independent production sector, particularly among smaller children's specialist independents. Larger, more diversified independents (which tend to rely on merchandising and home entertainment revenues) may increase their presence in the UK children's programme production market.

3.2 Introduction

This section examines the business of children's programming in the UK. It looks first at the differences between the whole UK broadcast and the children's market. It explores the broadcaster business model for children's programming, by considering sources of revenue for broadcasters and the costs associated with the provision of children's programming. It then goes on to look at the model for commissioning first-run original children's programmes in the UK, considering sources of funding and how these vary by programme sub-genre. We also consider these issues from the perspective of the production sector.

This section draws on two main sources. First, data provided to Ofcom by broadcasters and secondly, a study by Oliver & Ohlbaum into the funding models in the sector, commissioned by Ofcom for this report. The study is published online at research annex B, and is drawn on in the analysis below.

3.3 Differences between the wider UK market and the children's market

The revenues available to broadcasters from broadcasting children's programmes represent a relatively small proportion of the revenues available to the broadcasting industry from all television programming, accounting for just over £300m (3%) of the total industry turnover of approximately £10bn. Expenditure on children's programmes in 2006 was £170m (4%), compared to the £4.5bn spent across all programme genres. However, the children's genre represents a higher proportion of total original programming expenditure, accounting for £109m (4%) of the £2.7bn spent in 2006.

The UK children's television market has grown more slowly than the overall TV market. Between 2001 and 2006, total revenues to UK television increased by 25% from £8.6bn to £10.8bn, while total revenues to children's television increased by only 8%, from £248m to £267m, over the same period.[14]

Investment in original children's programming has fallen over this time, while investment in the wider market has increased. Between 2001 and 2006, total investment in UK original programming increased by 4%, from £2.6bn to £2.7bn, while investment in UK original programming for children declined by 17%, from £131m to £109m.[15] This is despite a large increase in the number of channels broadcast, reflecting the fact that most of these channels base their business model on acquiring rather than originating content.

In many ways, the children's television market is experiencing the same changes as the UK television market overall:

- the availability of more programming on many competing platforms, including via linear broadcast, on-demand, internet and as retail (DVD, pay-per-view);
- across all platforms, more competition, from numerous existing and new entrants, for share of the limited attention available from audiences and limited revenues from advertisers;

[14] Total television industry revenues are set out Ofcom's Communications Market Report 2007 p.101 2.1.1 http://www.ofcom.org.uk/research/cm/cmr07/tv/ and Ofcom's Communications Market Report 2005 p.23 1.4.2 and p.208 4.3.4

[15] Children's industry revenues are estimated by Oliver & Ohlbaum, refer to Annex B, published online with this report.

- the proliferation of digital-only 'thematic' channels, both by the public service broadcasters and multi-channel broadcasters, to target niche markets;
- cost inflation in, and less predictable returns for, the production of new content; and
- consolidation of the independent production base to larger 'super-indies' focused on genres affording higher secondary returns and international sales.

However, there are a number of characteristics of the children's market that have made the business model for provision of children's programming particularly challenging in recent years:

- as set out in Section 4, *Children's media consumption habits*, children's viewing behaviour has changed more rapidly than adults' – children are viewing less television, and their viewing time has fragmented among channels far more than for older viewers. In the overall television market, the main terrestrial channels have retained a higher share of audience, particularly for indigenous programmes;
- as minors, children are not able to enter directly into transactions such as licence fees, subscription contracts, pay video-on-demand or premium rate calls which have been key drivers of revenue growth in the television industry. Most of the transactional commercial opportunities associated with children's television relate to indirect use of properties – merchandising, licensing of brands to manufacturers and DVD sales. These opportunities are most frequently exploited by producers, with perhaps little of the revenue returned directly to television broadcasters. In adult television, there are more sources of direct financial return available to the television broadcaster;
- the advertising market for children's audiences is relatively finite and inelastic. The advertising market for children's airtime is comprised of relatively few specialist industries and manufacturers – principally in consumables, toys and entertainment. Any other potential demand for advertising in children's airtime is limited by the age groups it attracts. The exception is pre-school programming, where many adverts are targeted at, and sold on the basis of, watching parents;
- unlike the general television advertising market, there is less scope in the children's market for generalist advertisers. A decline in commercial impacts is likely to be accompanied by a steeper decline in advertising, and an increase in commercial impacts is likely only to disperse expenditure of incumbent advertisers further. Advertising revenue to children's television has fallen by just under 9% per annum between 2001 and 2006, whereas the total value of television advertising has been constant in real terms in the same period; and
- additionally, concern for minors means that children's television is subject to greater commercial restrictions than mainstream broadcasting. For example, Ofcom recently introduced measures to restrict the television advertising of food and drink products that are high in fat, salt and sugar (HFSS) around programmes of particular appeal to children.[16]

These distinct challenges to children's television highlight the question for broadcasters about the value of funding original programming. If, compared with the general television market, the viewer is less likely to seek it out or pay for it, the advertiser is less likely to find an audience, and the broadcaster is less likely to see direct financial returns. As a result,

[16] Refer to section 3.5.4 below for further detail.

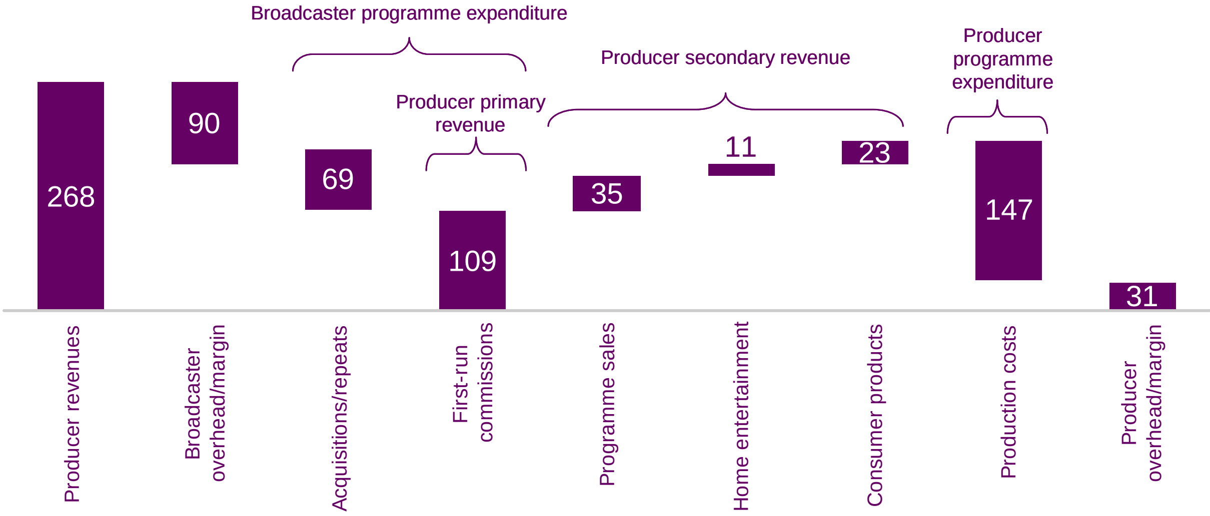
children's television can be seen as a relatively self-contained market with its own distinct economics and ecology.

3.4 The UK children's television business model

To gain a better understand the funding of children's television, Ofcom commissioned Oliver & Ohlbaum to conduct an analysis of the current flow of funds in the sector.

The overall flow of funds and the estimated size of the UK children's television value chain is detailed in Figure 31. This suggests that, in simple terms, broadcasters continue to receive revenue significantly in excess of programming spend. However, producers are dependent upon secondary revenues, both to fund the costs of production and to make a commercial return (of 20%) on the production of original programming.

Figure 31: UK children's television value chain, 2006 (£m)

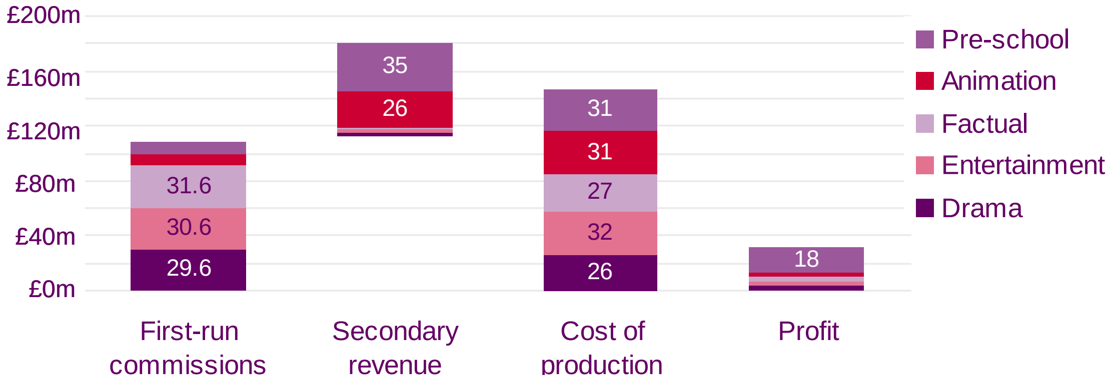


Source: Ofcom/broadcasters/Oliver & Ohlbaum

However, the returns vary most significantly by genre as shown in Figure 32. Animation and pre-school programming receive the least income from broadcasters but account for nearly 90% of secondary revenue. The live action genres, by contrast, are largely dependent on income from the commissioning broadcaster to cover the cost of production and a low profit margin.

Pre-school programming makes a better commercial return (58%) for producers than any other genre, due to the secondary revenues available. The other genres make a lower commercial return of about 10%. This would suggest that pre-school programming is a more attractive genre for producers in economic terms: it is less dependent on a given broadcaster's investment and makes a better commercial return on their production investment. In the live action genres, producers are almost entirely dependent on the value of the primary commission from broadcasters to make a profit.

Figure 32: UK producer revenues / costs of original programme by genre, 2006 (£m)



Source: Ofcom/broadcasters/Oliver & Ohlbaum

However, the secondary revenue that makes animation and pre-school programming viable is dependent on broadcasters' support, if not their investment. It is widely believed in the industry that commission funding and first showing by a domestic free-to-air broadcaster remain crucial to precipitating secondary revenue. A foreign broadcaster is more likely to purchase a programme which has had the participation of, and successful ratings on, an established broadcaster. Similarly, where the programme is used as a 'shop window' for home entertainment or merchandising products, the producer will want to maximise reach of programmes to potential customers on a universally available channel.

The current funding of children's programming relies increasingly on a complicated mixture of, and interaction between, a number of business models to produce a return.

- The licence fee acts as venture capital for funding larger, bigger productions which, by virtue of airing on the BBC, may recoup investment through secondary programme sales and merchandising.

- The commercial PSBs partially fund commissions from external producers, which are either co-funded or sold thereafter to multi-channel broadcasters.

- UK dedicated children's channels use repeats of acquired programmes to generate revenue which may then fund original commissions.

- Rights owners make new episodes of programmes, for which a broadcaster pays a low licence fee, to reach a wide audience with repeat airings to promote secondary revenues.

- On-demand services rely on 'spin-off' content based on the commissioning and broadcasting of linear programmes.

As such, a decline in income to, or returns from, any particular part of the market may have reciprocal effects elsewhere. For instance, the withdrawal of commercial PSBs from the broadcasting of children's programmes would impact upon:

- advertising revenues within the industry overall, as the availability of audiences is reduced;

- availability of high audience reach for rights-owner funded programmes;

- the value of, and number of outlets for, primary commissions to external producers; and

- the availability of this programming to other broadcasters on either a co-production or acquisition basis.

In Section 8 *Future prospects for children's programming,* we use scenarios to examine the impact of these combinations of factors on the industry as a whole.

3.5 The broadcaster business model

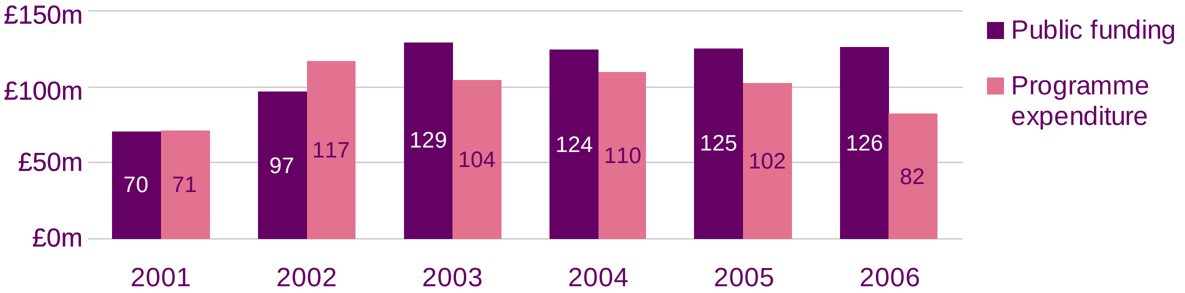
As with the whole UK television market, the current UK children's television market is not a pure commercial market but uses a mix of funding models. The principal models currently in use; public funding, commercial PSB cross-subsidisation and commercial children's channels, are explained in this section.

3.5.1 Public funding of children's programming - BBC and S4C models

As described in Section 1 *Setting the scene*, the BBC and S4C each have commitments to broadcast children's programming set out in their service licences and statements of programme policy. Proportions of the BBC licence fee and S4C's public fund are dedicated to providing these services[17].

The estimate for BBC licence fee revenue is based on the total budget of the BBC children's department, which has nearly doubled in nominal terms in the last six years. Some of this increase is due to BBC accounting changes, but the majority is the step up in funding in 2002 and 2003 for the expansion of children's output into multi-channel and multi-platform (CBBC, CBeebies and associated websites). Section 3.6 explains broadcaster investment in programming in more detail. S4C's allocation for children's services has increased as a proportion of its total income in the period, but in recent years has fallen in real terms. S4C's estimated spend on programming for children during 2007 makes it one of the largest commissioners of original programming for children in the UK.

Figure 33: Public funding of and programme expenditure by BBC and S4C on children's programming (nominal)



Source: Ofcom/broadcasters/Oliver & Ohlbaum. BBC figures include BBC One, BBC Two, CBBC and CBeebies.

These levels of funding remain dependent on the total amount of public funding available and the proportion allocation of this to children's programming.

[17] Note that S4C is predominantly funded by the Welsh Authority, through a DCMS grant. S4C services also derive a relatively small proportion of revenue from commercial sources (including advertising and generate airtime sales income, rights sales, sponsorship income, merchandising, publishing and digital multiplex capacity leasing income), which is held in S4C's General Fund.

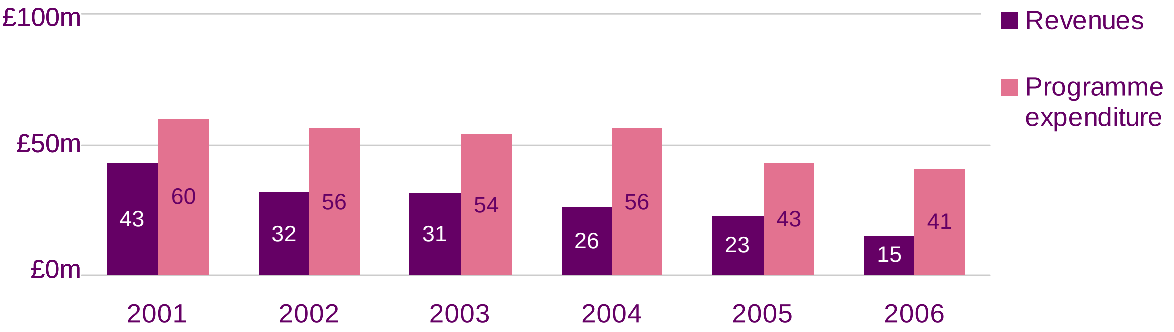
3.5.2 Commercial funding of children's programming - PSBs

As described in Section 1, *Setting the scene*, the Communications Act 2003 ended formal quotas for children's output on the commercial PSBs. Provision by the commercial PSBs is part of the historic PSB compact whereby children's programming is funded by surplus across the licence as a whole.

Overall, for the commercial PSB channels, children's programming continues to be relatively inexpensive when compared with other genres. The cost of children's programming is relatively low (4% of total spend) compared to its share of schedule (10-20% of total hours), due to the levels of acquired and repeat programming. However, as the potential children's audience is small compared to adult audiences, potential revenues are effectively capped while the cost of programming may be proportionately higher per viewer.

In recent years commercial returns have fallen, as has expenditure, due to a range of factors including increased competition from multichannel television.

Figure 34: Revenues and programme expenditure to commercial PSBs (nominal)



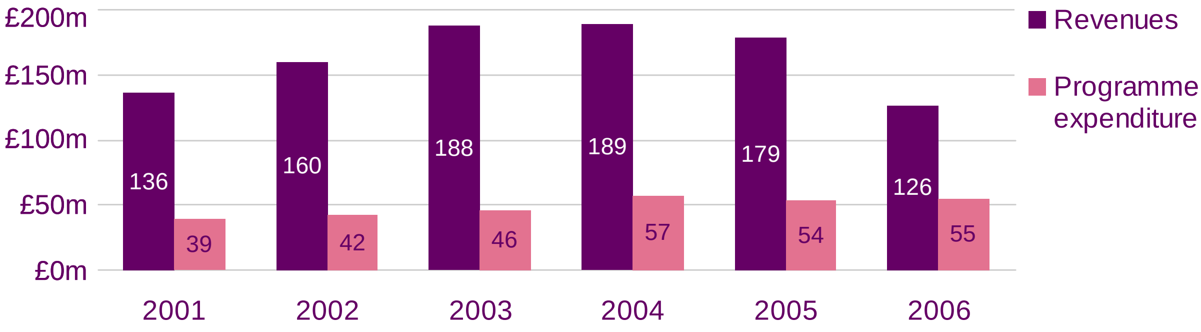
Source: Ofcom/broadcasters/Oliver & Ohlbaum

3.5.3 Commercial funding of children's programming – dedicated children's channels

The commercial model for dedicated children's channels is entirely different to the commercial PSBs. It relies on longer broadcast hours (often 24 hours a day) of targeted channels showing repeats of slots of programmes to cumulatively build audience share. This secures revenue in two ways: via subscription fees from platform owners and from advertising.

This model has proved in the past to be profitable, and compares favourably with the typical returns available from operating a music or leisure themed channel. Programme costs are relatively manageable due to the availability of acquired programming, mainly from US parent companies (where the original cost of programme is already sunk), but also from the UK PSBs and European broadcasters. Advertising and subscription revenues shown in Figure 35 increased between 2001 and 2004 due to the launch of new channels and the migration of audiences to the dedicated children's channels: however, these are now under pressure.

Figure 35: Revenues and programme expenditure to commercial children's channels (nominal)



Source: Ofcom/broadcasters/Oliver & Ohlbaum

3.5.4 Pressures on commercial funding models

There are a number of structural changes affecting advertising revenues from broadcasting children's programming:

- the total value of advertising expenditure targeting children has fallen;
- trends in the decline in children's television viewing and increase in use of interactive platforms may have led advertisers to migrate from television or stop advertising entirely; and
- in the advertising sectors: toys and entertainment products, rights-owner programmes feature brands, and this reduces the need for standalone advertising.

In the future, another possible source of pressure is the introduction of measures by Ofcom, after detailed analysis and consultation, to restrict the television advertising to children of food and drink products that are high in fat, salt and sugar (HFSS); these measures are being phased in from April 2007 to 2008. While the extent of the impact of these restrictions is not yet clear, the average revenue loss, after mitigation, for the PSBs in total was estimated at 0.3% of total revenues (£7.3- 12.4m, of which between £3.8 - £6.5 would be lost around children's specific airtime). Commercial children's channels' revenue loss, after mitigation, was estimated at 4.7% (£4.6 - £6.0m).[18]

The EU AVMS directive (due to be implemented from 2009) proposes a restriction on advertising breaks in the middle of children's programmes that are not over 30 minutes in duration; this may also reduce advertising minutage in children's hours.

Additionally, changes within the broadcast market itself have also had an adverse effect on advertising revenues:

- the decline in hours of children's programming on ITV1 and Channel 4 between 2001 and 2006 has resulted in a 20% decrease in total commercial PSB hours broadcast, causing an estimated £9m reduction in advertising revenue;
- the average audience for commercial PSB children's programmes more than halved between 2001 and 2006, causing an estimated £19m reduction in advertising revenue; and

[18] Further detail on these estimates, and definitions of children's airtime, can be found in http://www.ofcom.org.uk/consult/condocs/foodads_new/statement/ia.pdf

- despite an increase in hours and viewing share on commercial children's channels, the lost advertising revenue has not migrated to them on such scale. The average cost per thousand (CPT) of advertising minutage on these channels is just over half that of the commercial PSBs for children's airtime: additionally, some advertisers will advertise only on a channel with universal reach.

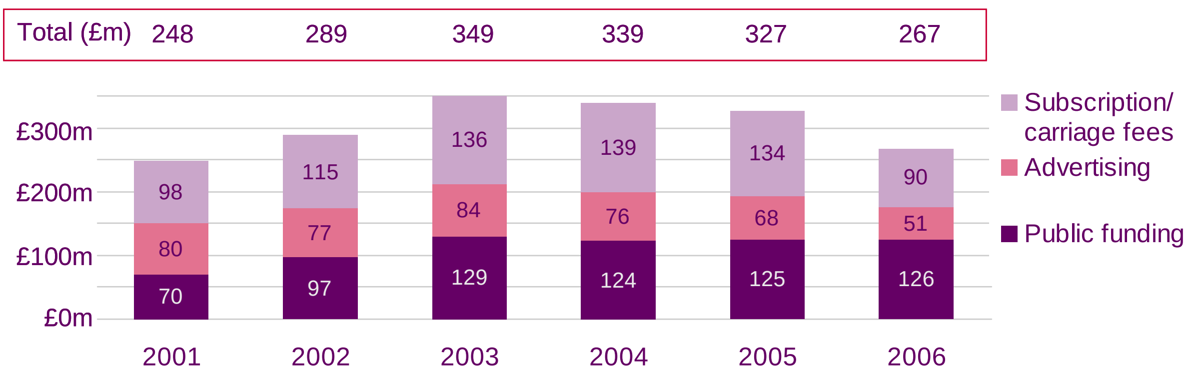
Subscription (or carriage) fees are paid by television platform operators (principally BSkyB and Virgin Media) to multichannel broadcasters whose content is distributed in their channel packages. The payments are based on commercial contracts that are negotiated between pay-TV platform operators and broadcasters. Negotiations maybe based on numbers of households, the share of subscription revenues that the channels help secure or the perceived value of the channels in driving uptake and high-tier subscriptions.

After a period of growth in total subscription fees due to the launch of new channels and the increased distribution of existing ones, the most recent round of negotiations has seen substantial reductions in carriage fees, which are expected to remain. The decline may be accounted for by:

- a slow down in pay-TV penetration;
- less exclusivity in distribution – for example, Nickelodeon and Turner channels are available on Top Up TV and Tiscali TV;
- lower customer premiums paid for channels – for example, Disney channels have moved from premium to basic tier subscription;
- availability of free to air competition – for example, the Chart Show TV and Baby TV channels, and the BBC channels and CITV do not require subscriptions.

As a result of the above changes, the values of these different sources of funding have changed in recent years. Figure 36 shows an estimate of these changes. While overall revenues grew by 8% between 2001 and 2006, commercial revenues fell by 21% over the period, and by 36% between 2003 and 2006. It is notable that, given a decline in the value of advertising and subscription fees, public funding (through the BBC licence fee and S4C funding) has increased in importance from 25% to 45% of total revenues to UK children's broadcasters.

Figure 36: Revenues to children's broadcasters (nominal)

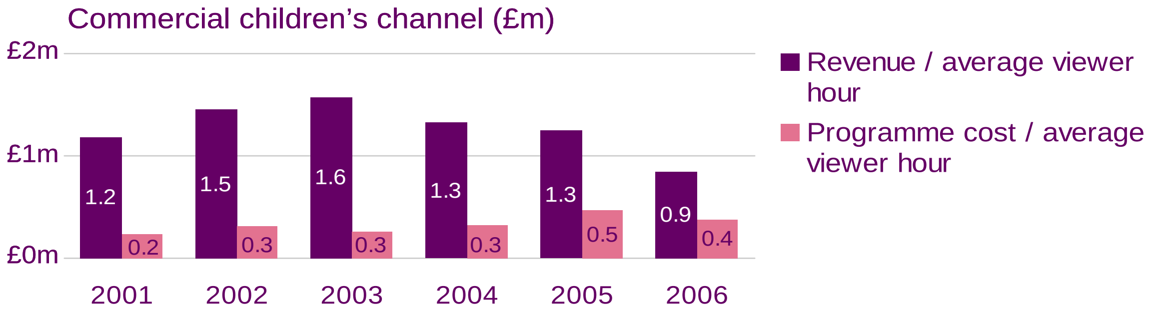


Source: Ofcom/broadcasters/Oliver & Ohlbaum. Note: Public funding includes BBC licence fee and S4C funding allocated to children's programming. Data not available before 2001.

A successful commercial broadcasting model depends on building audiences and therefore revenues, at a faster rate than the programme costs required to attract them. However, using a benchmark of the cost and revenue accrued to broadcasters based on children's average viewing, it is apparent that the cost-effectiveness and profitability of children's broadcasting is worsening.

Figure 37 shows that revenue per viewer hour to commercial children's channels, though still significantly higher than the increasing costs, are declining. The cost per viewer hour has doubled in the period, while revenues per viewer hour have almost halved, as audiences have fragmented among a wider number of channels.

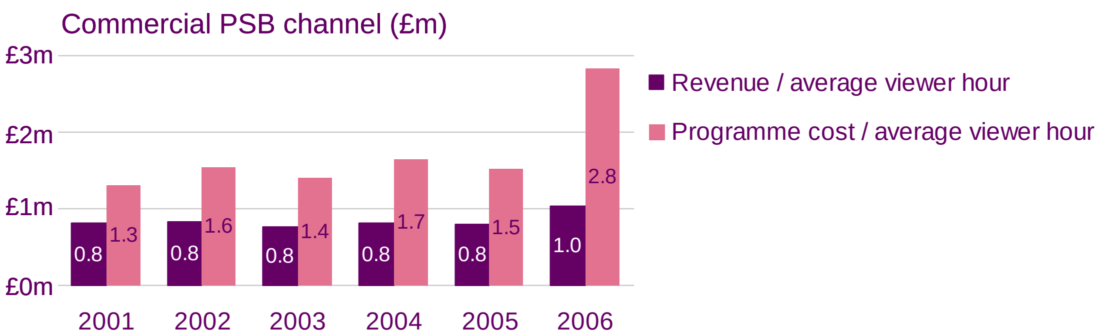
Figure 37: Total expenditure and revenue per average viewer hour/year (£m) – commercial children's channels



Source: Ofcom/broadcasters/Oliver & Ohlbaum

Figure 38 shows that the costs per viewer hour for commercial PSBs are considerably higher than revenues, and are increasing. The difference between the costs and revenues per viewer hour have increased by a factor of three in the last five years, as audiences and revenues have fallen while expenditure has declined at a slower rate.

Figure 38: Total expenditure and revenue per average viewer hour / year (£m) – Commercial PSB channel



Source: Ofcom/broadcasters/Oliver & Ohlbaum

The analysis indicates that the global commercial model may have peaked in terms of commercial return, and further investment may now be re-appraised by broadcasters. While commercial children's channels carry only the costs of programming and operating the channel, which are relatively low, broadcaster groups may choose to invest in higher-growth markets or genres.

The analysis also suggests that there is clearly growing pressure on the PSB cross-subsidised model. The gap between the costs of and the commercial returns available from, children's airtime is widening. Cost per viewer hour increased sharply in 2006 due to a substantial decline in average viewer numbers to the commercial PSBs, while their programme expenditure decreased marginally year on year. More importantly, competition for overall viewing and a static advertising market have required the commercial PSBs to maximise adult 'share of commercial impacts' (SOCI) across all day parts, so that the airtime afforded to children's programming has become more valuable to attract potential adult audiences. The opportunity cost of programming of children's television (discussed below) is therefore the most important consideration for the commercial PSBs.

3.5.5 Opportunity cost of children's television for commercial PSBs

What is opportunity cost?

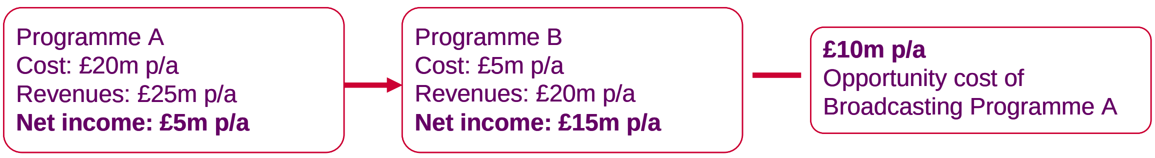
Many activities have a direct cost (and corresponding benefit) attached to them. For example, the direct cost to a broadcaster of scheduling a programme at a particular time of day would be based on the cost associated with commissioning or acquiring and broadcasting that programme. However, that direct cost does not necessarily represent the true economic cost of that activity. The economic cost of activity is better measured in terms of 'opportunity cost'. A simple definition of opportunity cost is the cost of an activity measured in terms of the benefit foregone from the next best alternative activity.

For broadcasters, the opportunity cost is the true economic cost of using a particular slot of airtime to broadcast one type of programming rather than another. It is of particular importance to broadcasters using a finite and wasting resource – in this case, terrestrial broadcast spectrum and airtime – and who must choose between a number of markets and types of output for delivery.

This section develops the concept of opportunity cost and considers how this concept might be applied to ITV children's programming. The section uses the specific example of how ITV scheduled children's programming in the first half of 2007 to consider the opportunity cost to ITV1 of screening children's programming on weekday afternoons and looks at the factors that contribute to the magnitude of that cost.

On a free-to-air commercial channel any programme that is broadcast will incur production costs but will also generate revenue through advertising placed in and around that programming. The net income of any programme is the difference between the direct costs and the revenue associated with it. There may be an opportunity cost if there is alternative programming available which would generate a higher net income than the programmes currently being broadcast. The example below helps illustrate this point.

Figure 39: Illustration of opportunity cost to free-to-air broadcasters



Source: Ofcom analysis

In the example above, a hypothetical broadcaster currently broadcasts Programme A in a particular time slot which generates a net income of £5m each year. However, if it chose to broadcast Programme B instead it would receive less advertising revenue, but this would be more than offset by lower production costs. The broadcaster's net income would increase from £5m from Programme A to £15m from Programme B. Therefore, the opportunity cost from showing Programme A rather than Programme B is £10m a year.

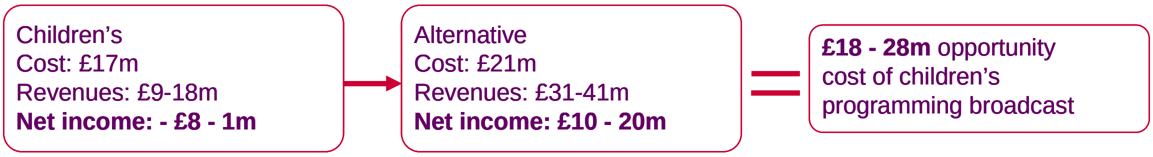
Examining the opportunity cost of weekday children's television for ITV1

In the beginning of 2007, ITV1 removed children's programming from its usual late afternoon time slot (3.30pm–5.00pm) and replaced it with adult/family oriented programmes. In order to understand better the commercial rationale for ITV1's scheduling decision, Ofcom used data available from this period to estimate the difference in net income of the programming shown this year and the children's programming that was shown up to the end of 2006. For a full description of the methodology employed please see Annex A3.

BARB data was used to measure the increases in viewing figures and was combined with data from Nielsen Media and Ofcom licence return information to estimate the subsequent increases in advertising revenues generated. Broadcaster return data was used to estimate the difference in cost between children's programming and the replacement programming. Differences in the advertising minutage employed in the late afternoon slot were also explicitly taken into account; if ITV was using more minutage to generate greater income then this should not be included in the opportunity cost.

Using this data, Ofcom estimates that the opportunity cost to ITV1 of showing children's programmes in the late afternoon slot to be in the order of £18-£28 million per annum (in 2005 prices and dependent on the exact costs of the replacement programming that was aired instead). This is represented diagrammatically below.

Figure 40: Elements of the opportunity cost analysis for afternoon children's programming on ITV1 (15.30-17.00)



Source: Ofcom analysis

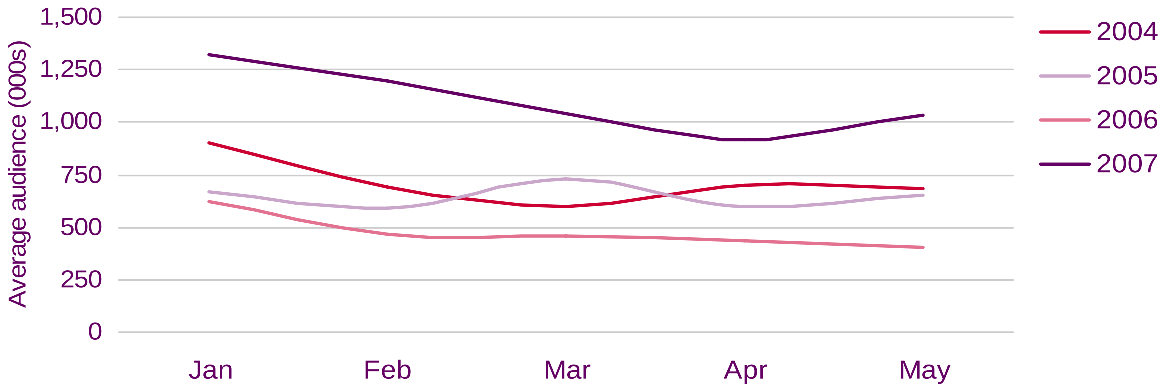
A range has been given around each of the revenue numbers above as there is uncertainty as to the exact level of discounting that occurs from the stated rate card prices for advertising. The higher end of the range assumes that there is only a 20% discount given from the rate card price of advertising (as given by the figures obtained from the Nielsen Database). The lower end of the ranges assumes that ITV1 offers advertisers discounts of around 60% from the rate card price for children's programming and 40% for adult programming. Research by Oliver & Ohlbaum suggests that discounts from the rate card are substantial during children's television and so the revenue number may be at the lower end of the range. However, the alternative adult programming in the same slot may be subject to smaller discounts and so has been subject to a correspondingly smaller discount. Therefore the overall opportunity cost should be within the £18m to £28m range given.

The lower end of the estimation is lower than the opportunity cost of £27 million that was estimated for children's programming on ITV1 in 2002. This difference is due primarily to the methods of estimation used. The 2002 report was examining the opportunity costs across all the PSB genres and did so in a more general fashion than the children's specific method employed in this instance. In addition, in this report Ofcom has focused on an evaluation of the performance of non-children's programming in the specific weekday afternoon slot, something that could not be done in 2002. Ofcom has not looked at the overall opportunity cost of children's programming: if there is actually a net benefit associated with children's programming at weekends then this would tend to reduce the overall opportunity cost and vice versa.

In order to take a longer term view of the opportunity cost of this airtime, Ofcom has assumed that the cost of replacement programming would be in line with the average cost of daytime programming as reported by ITV. Although it is worth noting that to date ITV has screened a large volume of repeat programming, which is cheaper than ITV's average programming.

The key factor behind the value calculated for the opportunity cost is the large increase in the viewing figures for the late afternoon slot that has resulted from the removal of children's programmes. This is illustrated in the chart below, which shows a comparison of the average audience in the 3.30pm to 5.00pm slot in the first five months from the last four years. It shows a significant increase in 2007 over previous years. It also demonstrates that 2006, the last year with children's programmes in this slot had particularly poor viewing figures.

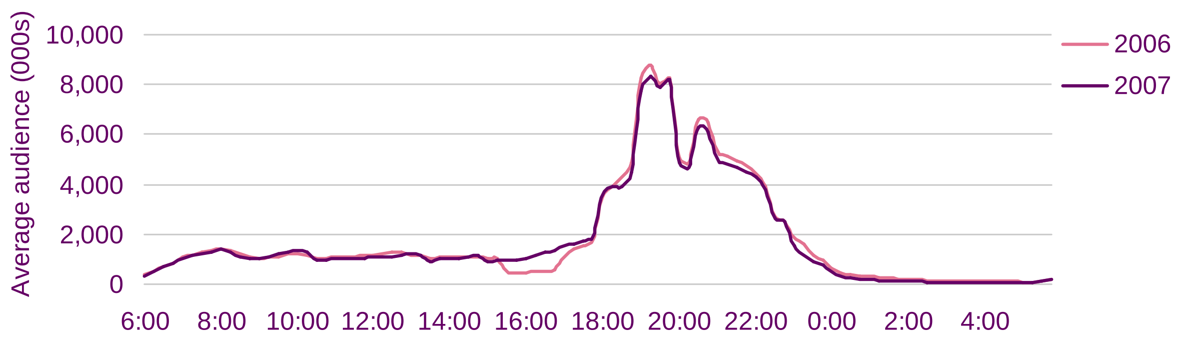
Figure 41: Average audience for ITV1 weekday (15.30-17.00)



Source: Barb, all individuals 4+

The chart below shows the effects that this change may have made to ITV1's viewing figures across the day.

Figure 42: Average audience for ITV1 on weekdays



Source: Barb, all individuals 4+, January – May

This shows the audience by 15 minute timeslot averaged for weekdays in the first 5 months of 2006 and 2007. It is clear that ITV1 used to suffer a dip in its viewing figures around the children's slot in the mid to late afternoon. The 2007 line shows that this downturn has been arrested and now the audience is maintained into the early peak. Interestingly, the effects of removing children's programming seem not to be confined just to the former children's timeslot; audiences are also slightly improved between 17.00 and 18.00, which is highlighted in the chart above. These additional revenues, although possibly small, are not captured within the opportunity cost figures that Ofcom has calculated.

Qualifications

There are some important qualifications to make in relation to this calculation which mean that the calculation is likely to represent an upper estimate of the opportunity cost of this programming:

- The calculation does not represent an analysis of the opportunity cost of ITV's programming as a whole. It applies only to the late-afternoon children's airtime and does not include any assessment of children's airtime during weekend mornings. Ofcom's analysis has focussed on the afternoon slot as the changes by ITV in the early part of 2007 provided a counterfactual with which to evaluate how different programming might perform. Other children's programming, for example on weekend mornings, is likely to have a lower opportunity cost, if any, as children form a larger share of the audience at these times.

- There are likely to be other intangible benefits of children's programming to ITV which have not been factored into the analysis. For instance, broadcasters have made the argument that aiming programming at children promotes a loyalty which may continue into adult life. If this is accepted then the opportunity cost numbers may be overstated.

3.6 Broadcaster investment in programming

There are three principal sources of programming for children's broadcasters: first-run original commissions (or co-commissions), first-run acquired programming that has previously been shown on another broadcaster and repeats programmes that the broadcaster has previously aired.

There are key differences in the amounts that broadcasters spend on children's programming, varying by different programme types, genres and by broadcaster. For example, broadcasters contribute more of the production budget for drama and factual programmes than they do for animation, as the case studies later in this section demonstrate. Additionally, some commercial broadcasters invest only a proportion of programme budget alongside parent group companies or other international broadcasters. Bearing this in mind, the average typical cost per hour spent by broadcasters is set out in the table below.

Figure 43: UK broadcaster expenditure per hour by programme source (£'000s)

Spend per hour 2006 (£'000s)	PSB children's average	Commercial children's channel average
First-run original commission		
Drama	258	148
Animation	70	31
Factual	59	35
Entertainment	57	70
Pre-school	61	38
Acquisition	22	8
Repeat	0.9	0.1

Source: Ofcom/broadcasters/Oliver & Ohlbaum

Repeats are generally included in the original contract for commission or acquisition of a programme, and allow for either unlimited or a high number (approximately 30 repeats) at a negligible cost. Repeat fees are only paid when the programme is re-licensed. This is more common for pre-school and animation programming which can generally be repeated more often before the audience is fatigued.

Acquired programmes are usually bought in bundled deals, usually from foreign broadcasters or producers. The costs of production have usually been already met by the commissioning broadcaster (and or the producer), with the value of the acquisition being further profit or a small proportion of production cost. Acquired programmes are often pre-school and animation programmes that are produced by global media groups and can be re-versioned for local markets.

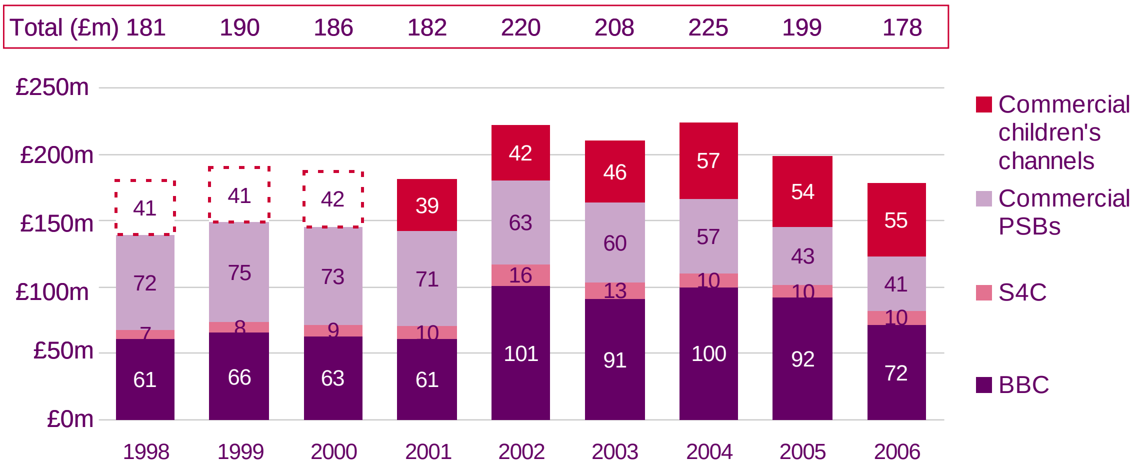
3.6.1 Broadcasters' expenditure on children's programming

Total expenditure on children's programming by all broadcasters was about £178m in 2006. While the commercial children's channels broadcast a higher volume of children's programmes than the PSBs, the levels of expenditure by PSBs far exceed those of the commercial children's channels.

Comparing 1998 and 2006, overall broadcaster investment in children's programming has been relatively constant in real terms (although commercial PSB investment has been falling since 2001).

However, the trend line shows a gradual increase in the level of expenditure by the commercial children's channels – up by about 40% since 2001 when the figure was £39m. Over the same time period, the number of dedicated children's channels has increased from six to 25. Conversely, the PSB's expenditure figure has fallen in the same period by about £21m from £143m in 2001.

Figure 44: Broadcasters' total children's programme expenditure (real)



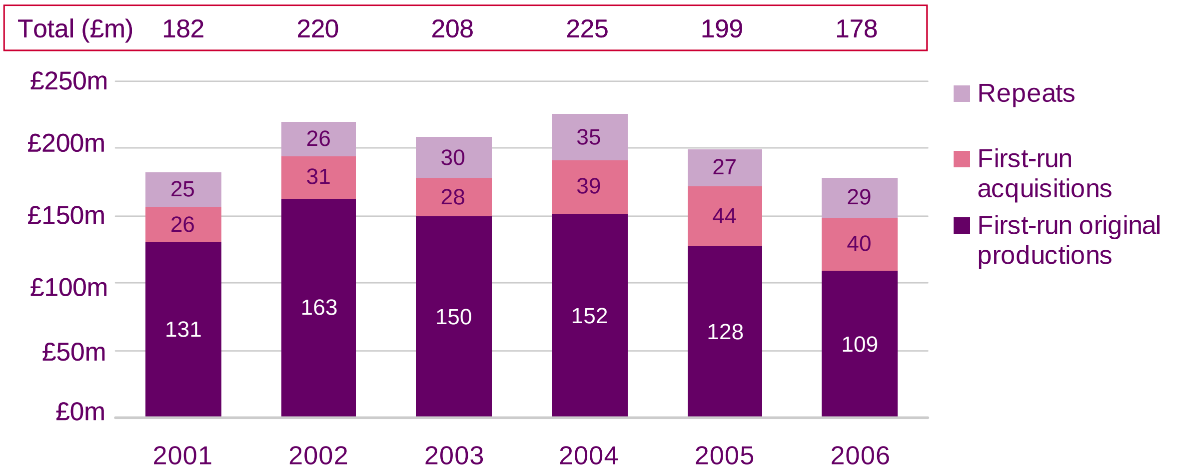
Source: Ofcom/broadcasters. Data are in real terms, indexed to 2006 prices. Commercial children's channels estimated from 1998 – 2000. Refer to Section 8 for estimated 2007 figures.

Breaking down the expenditure figures by source of production, expenditure on first-run original productions has fallen by nearly a third from a peak in 2002, from nearly £163m to £109m per annum. In the same period, expenditure on acquired programmes has increased by £10m to £40m per annum.

The cost of repeat programming is normally included in the cost of commission and acquisition, and so has remained constant despite a large increase in the volume of hours broadcast by dedicated children's channels.

Additional repeat expenditure is incurred when a programme is re-licensed from its producer. In a few cases, a repeat may be of a co-funded programme that has been first-run by a partner broadcaster; for instance, a dedicated children's channel may share the cost of a programme with a terrestrial broadcaster but not screen the programme before it has debuted it on terrestrial television. This funding, which can be critical to the funding of an individual programme, is estimated to account for 2% of total repeat expenditure.

Figure 45: Broadcasters' total children's real programme expenditure (real)



Source: Ofcom/broadcasters

3.6.2 Broadcaster expenditure on first-run original programmes

Overall spend on first-run original programming across all broadcasters fell from an estimated £127m in real terms in 1998 to £109m in 2006. It peaked in 2002 at £163m and has declined by one-third since then.

Spend on first-run original programming by the commercial PSBs – ITV1, GMTV, Channel 4, Five – almost halved from £60m in real terms in 1998 to £27m in 2006. Spend by the BBC has increased between 1998 and 2006, reaching a peak in of £85m in 2002, coinciding with the introduction of CBBC and CBeebies.[19] S4C spend has risen from £6m in 1998 to £9m in 2006, although it reached a peak of £13m in 2002. The BBC's share of total PSB expenditure on children's programmes rose from 40% in 1998 to 57% in 2006, with the commercial PSBs down to 33%.

During this time spend, by the commercial children's channels – including Nickelodeon, Cartoon Network and Jetix - remained relatively constant at approximately 10% of overall spend.[20]

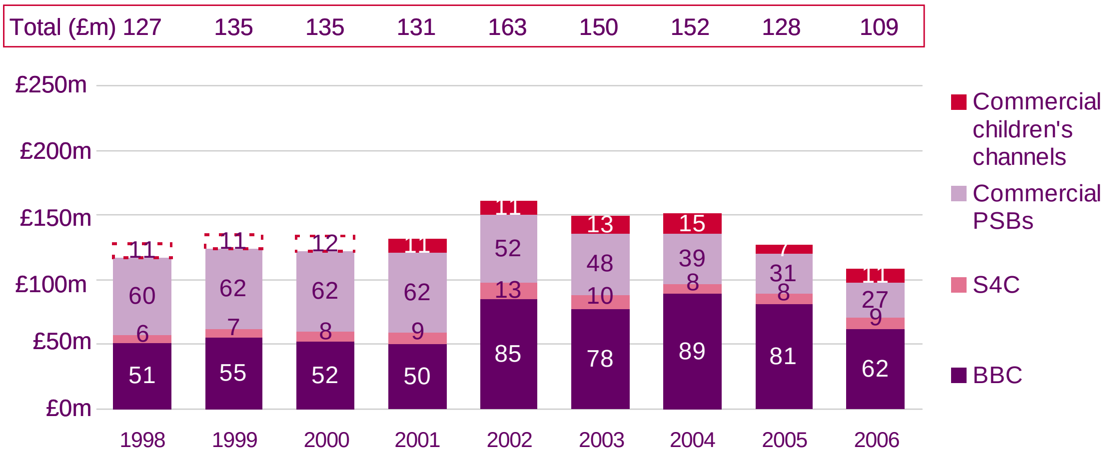
Nickelodeon, Cartoon Network, Disney and Jetix all produced some UK-originated programming in the period and propose to continue production. For example, Nickelodeon produced the UK drama series *Genie in the House* and co-produced the pre-school programme *FiFi and the Flowertots* and *Peppa Pig* with Five. Disney has produced its first UK live action drama series, *As the Bell Rings*. Cartoon Network has this year established

[19] Refer to Section 8 for further detail on BBC expenditure of first-run original programming for 2007. The BBC's expenditure is likely to increase to 2005 levels, following a fall in 2006 due to phasing of spend and staff changes.

[20] These figures do not account for investment in co-productions with another UK broadcaster, where that programme is first broadcast the other channel. We estimate this would represent approximately 5% of expenditure by commercial children's channels.

an animation studio in London to develop European programmes and an animation skills base in Europe. However, global sales of UK programmes is often a key goal in dedicated children's channel production and some argue this has had an impact on the ability of their original children's programmes, particularly drama and factual programmes, to reflect the UK's cultural values.

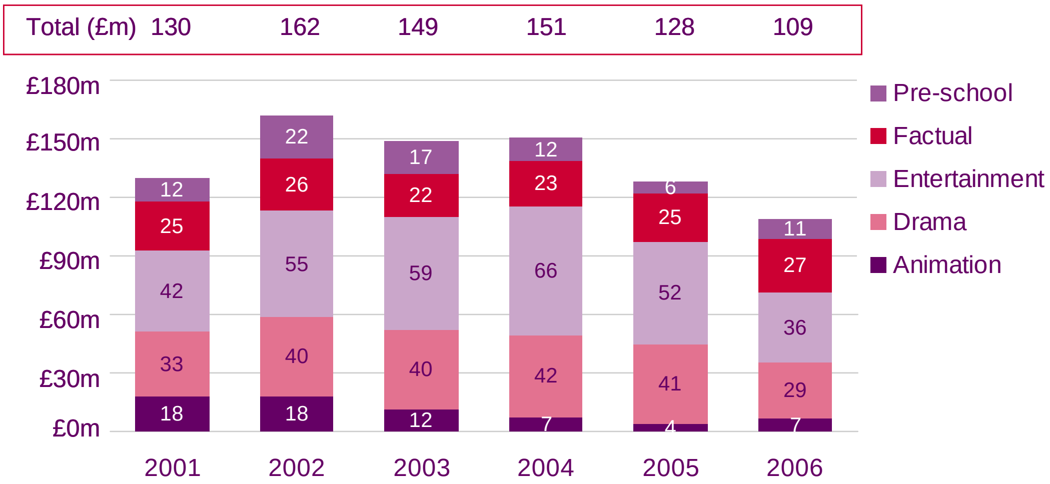
Figure 46: Broadcasters' total expenditure on first-run original programmes (real)



Source: Ofcom/broadcasters. Data are in real terms, indexed to 2006 prices. Commercial children's channels estimated from 1998 – 2000. Refer to Section 8 for estimated 2007 figures.

There have been reductions in programme expenditure in all sub-genres, apart from factual which has increased a little – about £2m over the six year period. The 'live-action' genres – drama, entertainment and factual programming – attract the greatest shares of investment in first-run programming. Expenditure on animation commissions by UK broadcasters has progressively declined, from a peak of £18m in 2001 to £6.5m in 2006. Spend on drama and entertainment has been cut back over the last two years. In 2006 expenditure on drama programmes totalled £29m, compared with £42m in 2004 while entertainment fell from £66m to £36m in the same period. Pre-school spend was £11m in 2006, a drop of 60% from its peak of £22m in 2002.

Figure 47: All broadcasters' expenditure on first-run original programmes by genre



Source: Ofcom/broadcasters. Data are in real terms, indexed to 2006 prices

3.6.3 PSB expenditure on children's programmes

Expenditure on children's output by the PSBs has fallen by 12% from £140m in 1998 to £123m in 2006, despite the increases in total volumes over the period.

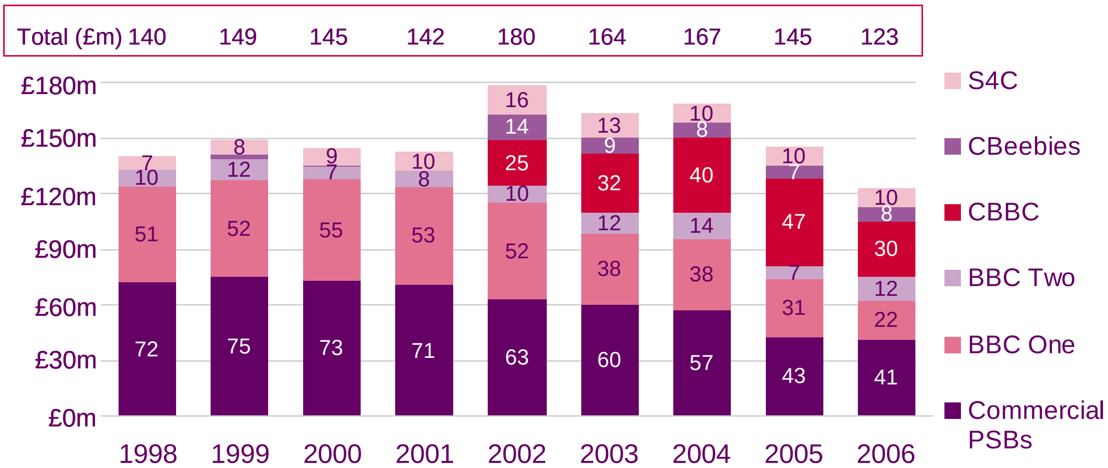
All channels apart from BBC Two and CBBC reduced their spend over the period. The peak year in terms of value and volume occurred in 2002 when the BBC digital channels launched. Expenditure in that year totalled £180m.

Expenditure across BBC channels for 2006 shows a dip, primarily caused by the difference between calendar year reporting and the BBC's financial year, and the phasing of investment in several large commissions. This does not reflect a trend and it is expected that expenditure on children's programmes in 2007 will return to 2005 levels.

An important factor in considering these charts is that in the BBC's case, the allocation of programme costs by channel is complicated by the fact that the BBC operates a portfolio of services. Programmes are shared across BBC One, BBC Two, CBeebies and CBBC but this is not reflected in these charts since programme costs are allocated to the channel which received the first transmission.

It is also worth noting that, because BBC data log a programme as a repeat if it has previously been shown on any BBC channel, the effect is that the value of programme spend on the digital channels is increased (sometimes significantly) above the channels' actual commissioning budget and conversely the value of programming spend on BBC One and BBC Two is reduced.

Figure 48: PSB children's programme expenditure by channel

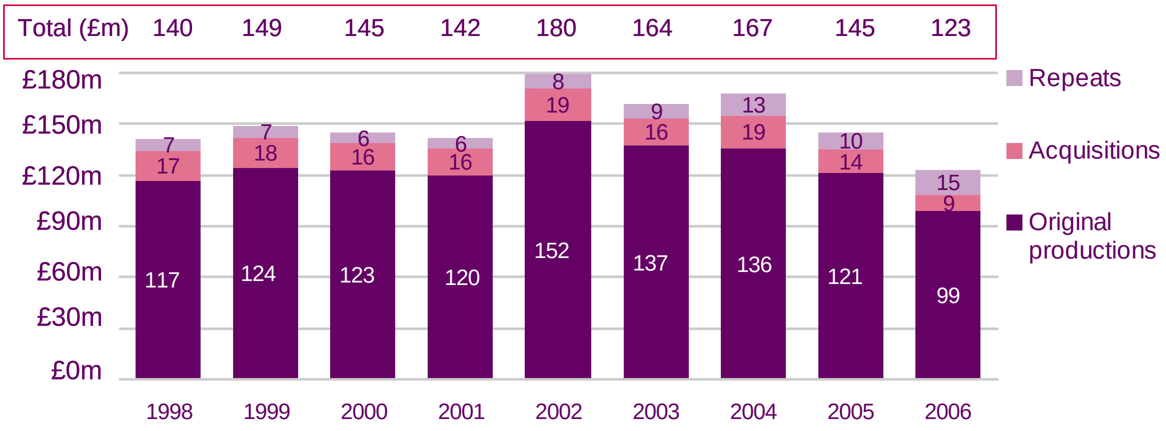


Source: Ofcom/broadcasters. Data are in real terms, indexed to 2006 prices. Refer to Section 8 for details on estimated 2007 figures.

Breaking down the expenditure figures by source of production, the value of first-run original programmes has fallen by 16% in the nine year period. The value of acquisitions has almost halved, while expenditure on repeats has more than doubled in the same period.

While the number of hours of first-run original programmes are at about the same levels now as they were in the late 1980s, expenditure has reduced from £117 million in 1998, down to £99 million in 2006.

Figure 49: PSB children's real programme expenditure

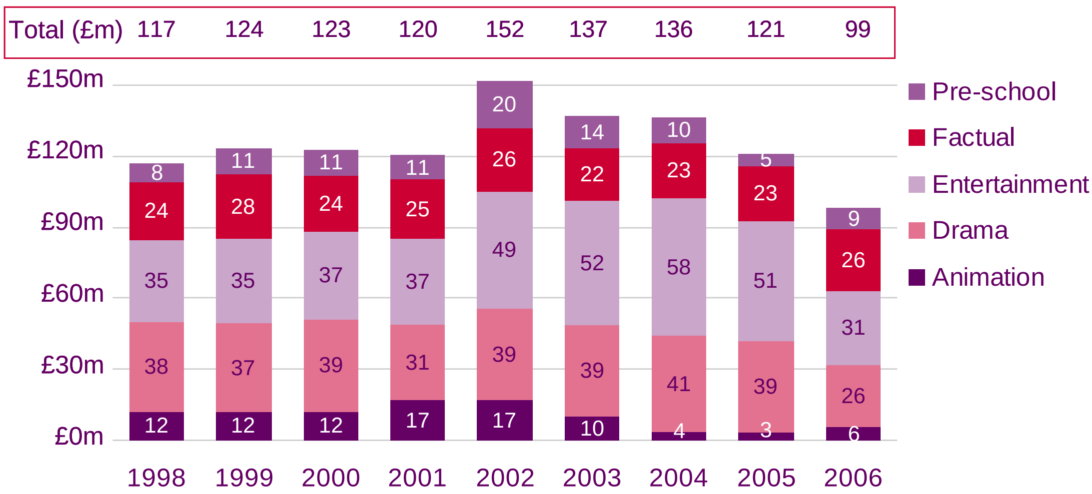


Source: Ofcom/broadcasters. Data are in real terms, indexed to 2006 prices.

Across the PSBs there have been reductions in real terms in programme expenditure in animation, drama and entertainment; pre-school and factual have increased marginally. Spend on drama and entertainment, the two largest genres, has been cut back significantly over the last two years. In 2006 expenditure on drama programmes totalled £26m, compared with £41m in 2004, while entertainment fell from £58m to £31m in the same period.

Pre-school spend was £9m in 2006, a drop of 60% from its peak of £20m in 2002 (at the launch of CBeebies). Expenditure on animation output was fairly buoyant until 2002, having hit a peak of £17m the year before. Thereafter it fell to £6m in 2006. Similar figures for expenditure by sub-genre were not available for the commercial children's channels.

Figure 50 PSBs' expenditure on first-run original programmes by genre

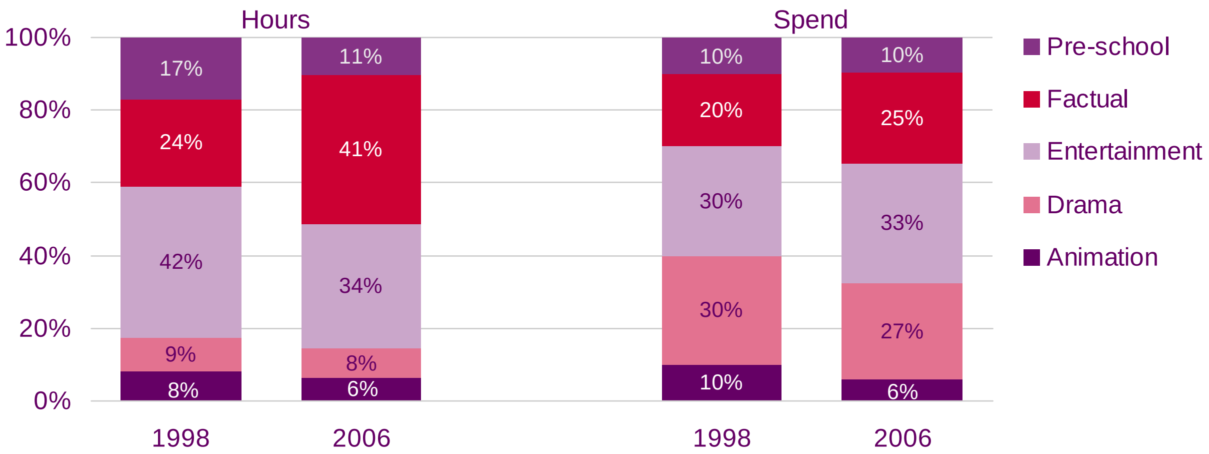


Source: Ofcom/broadcasters. No figures available for commercial children's channels.

Comparing hours and expenditure for all PSB channels, taken together, for first-run original programmes, Figure 51 shows that in 2006, as a proportion of total hours, drama accounted for the minority of the PSB's original production hours at just 8% but 27% of the expenditure figure. This reflects the fact that drama is a high cost genre for original production. The proportion of hours and expenditure on drama has declined since 1998.

The proportion of hours of factual increased from 24% of the total in 1998 to 41% in 2006 but with a much smaller increase in the proportion of spend – from 20% to 25%. This reflects the genre's lower costs per hour and the tendency for long-running series.

Figure 51: PSB hours and spend on first-run original children's programmes by genre

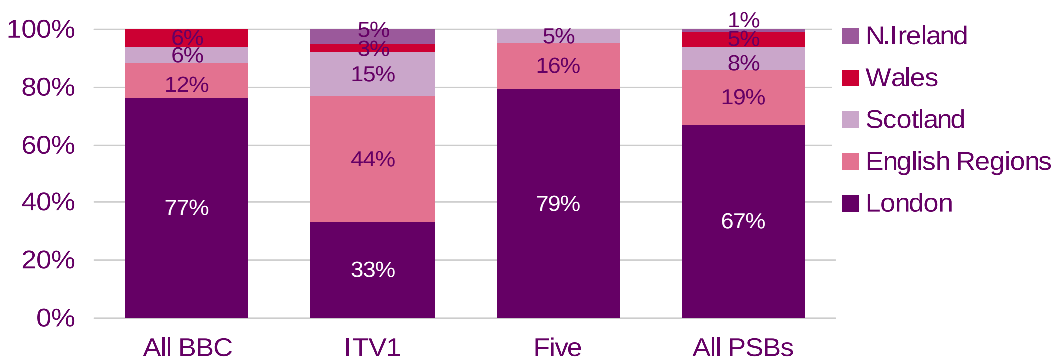


Source: Broadcasters

3.6.4 PSB spend on original production in the nations and regions

Figure 52 shows the proportion of first-run original programme expenditure in London and in the nations and English regions in 2006. In 2006, 67% of all spend on first-run original programmes by the BBC, ITV1 and Five for children occurred in London. In 2006, ITV1 spent the highest proportion on children's programming outside London (at 67%). The proportion of the BBC's spend outside London was 24%.

Figure 52: PSB spend on children's original production outside London (BBC, ITV1 Five)



Source: Ofcom/broadcasters. Note: Channel 4 did not commission any first-run original children's programmes in 2006. S4C figures not available.

Under sections 286 and 288 of the Communications Act, and through the approach to Tier 2 regulation of the BBC, the main terrestrial broadcasters must deliver what Ofcom considers to be a suitable proportion of programmes made outside London – defined as quotas for production outside London – as well as a suitable range of production centres. For the BBC, this is currently 30%, for ITV1 50%, for Channel 4 30% and for Five 10% of production. These quotas are supported by Ofcom's definitions of out of London productions. New definitions were put in place in 2004 to help ensure that out of London (OOL) production makes a significant contribution to the diversity of supply.

BBC children's in the nations and regions

BBC One, BBC Two, CBeebies and CBBC have commitments to represent the UK's nations and regions, as set out in their *statements of programme policy*. These commitments apply across the BBC services taken as a whole rather than to individual channels and individual genres.

In conjunction with other BBC network television services:

- To spend at least 30% of relevant programme production budgets, representing 25% of hours of productions by volume, outside the M25.
- To maintain the current broad range of programmes produced outside the M25, and broad range of different production centres used across the UK.

The BBC children's department has a strong in-house production centre in Scotland and also commissions programmes from BBC Bristol and from independent producers in the nations and English regions. It plans to move to Salford over the next three to four years, which is likely to affect the location of much of its in-house production.

S4C Welsh language provision for children

S4C's two core strands of children's programming are *Planed Plant Bach*, content aimed at pre-school children, to age 5 and *Planed Plant*, content primarily aimed at older children, aged 5-10. From October this year, continuity presentation for S4C's two core strands of children's programming will be provided by the Wales-based independent company Boomerang, which won the contract following an open tender process.

S4C programmes are commissioned entirely from independent producers (including ITV Wales) and from BBC Wales. £9.7 million was spent on original programmes during 2006. S4C's top ten children's programmes in 2006 included the children's news programme *Ffeil*, (BBC Wales, 50,100 viewers), the makeover series *Hip Neu Sgip?* (43,600 viewers) produced by independent company Fflic, *Cer i Greu* (40,100 viewers) and *Ofn!* (38,100 viewers) both produced by the independent company, Cwmni Da.

Total spend on the services for children (including the cost of programmes and other related costs such as marketing activities, repeats and web services) is estimated to increase from £10.5 million in 2006 to £11.8 million in 2007.

3.7 The producer business model

First-run original commissions are typically funded in the main by the commissioning broadcaster. Within commissions, drama is significantly more expensive than other genres for broadcasters to produce – the BBC and ITV1 in particular invest similar amounts per hour as they do for adult drama, to maintain quality.

In some cases the cost to the broadcaster may be subsidised by a co-commissioning broadcaster, particularly where the broadcaster is also the producer and/or part of an international group. This structure of funding is common in pre-school and animation programming. The commercial children's channels in particular are able to take advantage of these arrangements and pay a low cost per hour for such programming.

Additionally, there are a number of alternative sources of income for children's television producers that may subsidise the participation of a broadcaster. These are:

- Secondary programme sales. These occur when a programme is sold – either before or after production – to a broadcaster other than the commissioning one. A small proportion of secondary programme sales may be payable to a commissioning broadcaster. In some instances, the producer accounts for the entire cost of production itself and then licenses the programme to international broadcasters.

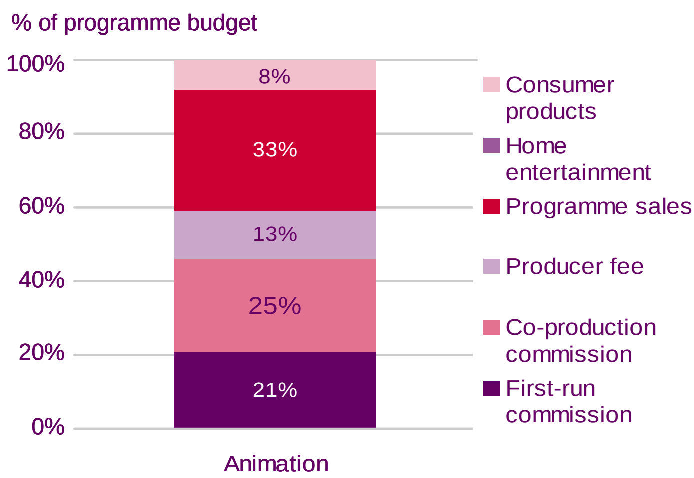
- Home entertainment income (e.g. DVD, books). This is based on the profit share or royalty payment agreed with the publisher and distributor. In some instances, larger producers act as their own distributor.

- Merchandising and character licensing. Royalties are paid to the rights owner for use of the character trademarks in consumer products (toys, games, clothing or consumables). The level is agreed with the manufacturer and distributor, but for most properties the royalty rate is typically only 5% of the retail price of the product.

The availability of these sources of funding, and therefore the contribution and cost of programming to broadcasters, varies significantly by genre. Estimates of proportions of funding by genre in the table below have been made from industry case studies.

For pre-school and animation programming, the value of the broadcaster commission is rarely more than 25% of the total income for the programme. For successful properties, secondary revenues may exceed the initial cost of production by a considerable margin and may lead a producer to finance the cost of production themselves. Typical funding models for pre-school and animation programmes are set out in the next two figures.

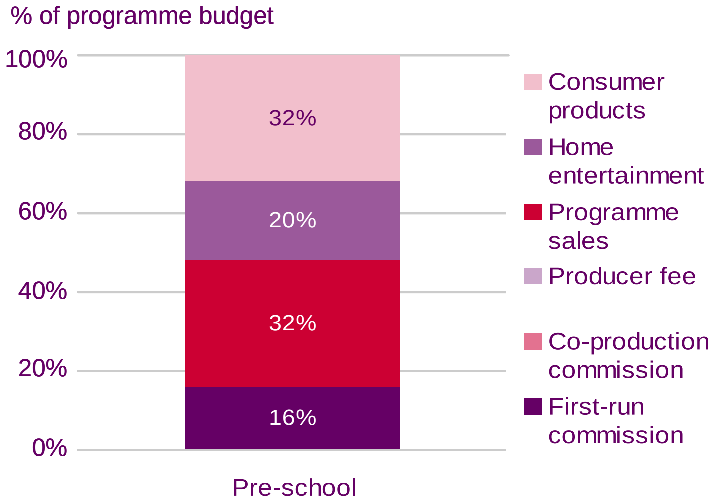
Figure 53: Case study: UK animation programming



- UK broadcasters have an 'unwritten rule' that they will fund only 20-30% (typically 25%) of an animation or pre-school property
- Producers then have to obtain the remaining revenue from a wide range of sources including:
  - International co-production partners
  - Programme sales – pre and post production
  - Home entertainment (including, hopefully, advances and guarantees)
  - Licensing of publishing and merchandising rights

Source: Ofcom/broadcasters/Oliver & Ohlbaum

Figure 54: Case study: UK pre-school programming

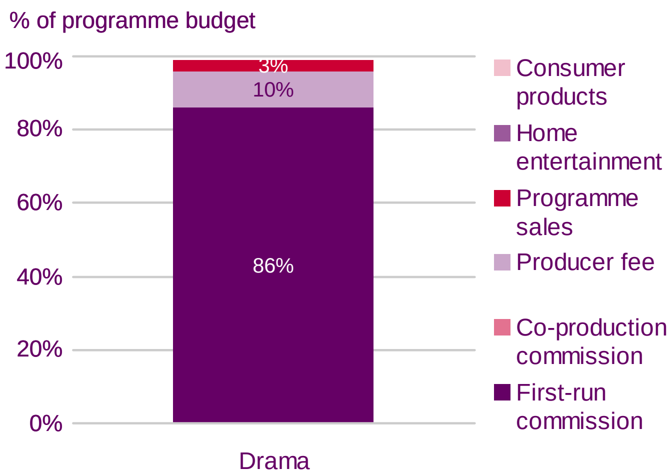


- The pre-school funding model has a complex structure, with producers building up revenue from many sources
- In this case primary commissioning was replaced by pre-sales – allowing the producer to retain all rights
- Home entertainment and licensing contributed a substantial part of the revenue mix – and a large proportion was in the form of an advance, which helped secure production (note that the market has changed in recent years and such advances are now very rare, and possibly non-existent)
- While produced in the UK, the property generated only 20% of revenue from its home territory – a global network of customers supply the majority of funding

Source: Ofcom/broadcasters/Oliver & Ohlbaum

For live action genres (drama, factual and entertainment) the commissioning broadcaster typically has to fully fund the cost of production and the producer's fee (at 10% of the production cost). Secondary revenues, from programme sales, home entertainment and consumer products, are unlikely to represent more than a 10% share of the total income. Typical funding models for drama and factual programmes are set out in the next two figures.

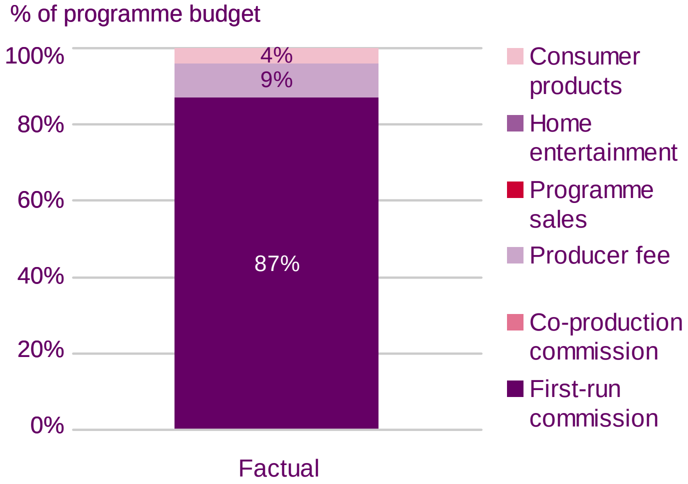
Figure 55: Case study: UK drama programming



- Drama typically has:
  - Very little international sales potential (co-pro/pre-sales or programme sales)
  - Very little consumer products/HE revenue
- The commissioning element covers the production cost – the producer also receives a production fee/contribution to overheads
- In this case study the series was only commissioned in two short runs, limiting further the potential for international sales (which typically require 26 episodes as a minimum)

Source: Ofcom/broadcasters/Oliver & Ohlbaum

Figure 56: Case study: UK factual programming



- The limited international market for factual children's programming means that this source of funding is unavailable and the primary commission has to fund the entire cost of production
- In this case study there was an element of licensed merchandise which provided an additional revenue stream – this is typically not the case

Source: Ofcom/broadcasters/Oliver & Ohlbaum

The changing economics of broadcasting and the different models for funding of programmes have led to changes in the UK production sector.

There are a number of types of producer operating in the UK children's original programmes market: integrated producers, specialist UK producers, rights-owner producers and diversified producers.

3.7.1 Integrated producers

The BBC, Nickelodeon and Disney operate UK integrated production units whose output – in the first instance – is broadcast on their respective channels. ITV's in-house children's production unit was closed in 2006.

The BBC dedicates most in-house expenditure to genres that are less likely to be supplied by other broadcasters – drama, entertainment and factual programming. It also produces some pre-school programming where funding may be provided by secondary revenues through its commercial distribution arm, BBC Worldwide.

Disney and Nickelodeon produce the vast majority of their original commissions in-house, which allows them to both commission programmes and to retain rights to exploitation across their corporate groups. In recent years, both have commissioned across all genres.

3.7.2 External producers

Apart from the integrated producers, original programmes to UK broadcasters are supplied by external producers. The UK external production market is comprised of three types of producer:

Specialist UK children's producers (e.g. Wised Up, Childsplay Productions), who may focus on one particular genre e.g. factual or drama. With a few exceptions, the producers are commissioned on a fully funded basis by UK broadcasters and are therefore largely reliant on one or two annual commissions for their income. Specialist producers in the pre-school and animation genres (e.g. Novel Entertainment, Ragdoll) may be funded to reflect broadcaster participation in secondary revenues.

Children's departments of large, diversified producers (e.g. The Foundation/RDF, Initial/Endemol) or general factual or drama producers working in the genre (e.g. Mentorn, Kudos, Feelgood Fiction). These producers are often able to use resources and commissions in other genres, either to cross-subsidise children's productions or to align them with genres with wider appeal e.g. family entertainment.

Large rights-owner producers (e.g. Hit Entertainment, Chorion, Entertainment Rights) which typically focus on pre-school and animation. The producers often fund and own the rights to programmes they create, which are then licensed to broadcasters around the world to support programme sales, home entertainment and merchandising revenues. This model was established in the 1980s by US toy manufacturers such as Mattel (He-man) and Hasbro (Transformers), but in the UK has mainly been driven by producers or broadcaster/producers with key brands.

3.7.3 Dependency of producers on broadcasters

Revenues to external producers are heavily weighted toward rights-owner producers. In the Broadcast 2007 Independent Producer Survey, Hit Entertainment and Entertainment Rights' combined total turnover was more than double the turnover of all the other specialist children's producers combined. Very little, if any, revenue of these companies is derived from commissions from UK broadcasters. The turnover and profit reported to the survey by the five largest specialist children's producers is given below.

Figure 57: Largest UK based specialist children's television producers by turnover (£m)

Company	Turnover (£m)	Profit (£m)	Main sub-genres
Hit Entertainment	166.2	55.1	Pre-school
Entertainment Rights	30.7	6.0	Pre-school – classic UK brands
Aardman Animation	43.7	2.8	Animation
Ragdoll	11.0	0.6	Pre-school
Darrall Macqueen	4.1	0.3	Factual, entertainment, animation

Source: Broadcast Survey 2007

The major sources of revenue for integrated, specialist and diversified producers in children's television are commissions from broadcasters.

Commissions remain weighted towards in-house producers, which account for 55% of the total value of commissions. BBC in-house production accounted for 40% of the total value of industry commissions in 2006. Over the last five years, the BBC has consistently spent 65-75% of its commissioning budget in-house. The key remaining investors in original programming – Disney and Nickelodeon – also continue to commission mainly in-house. Of UK broadcasters, ITV (since the closure of its in-house children's production arm), Five and Jetix commission only to external producers.

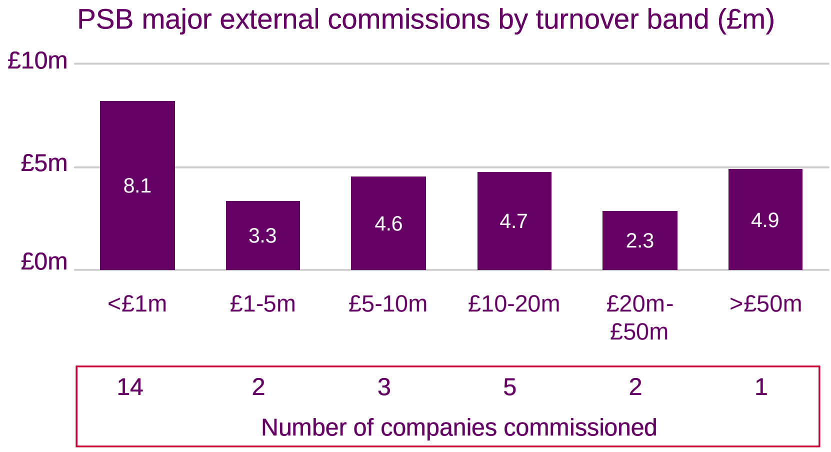
In the future, the volume of in-house production at the BBC may be reduced by the Window of Creative Competition (the WOCC)[21] and the BBC's strategy of producing fewer, larger commissions around key properties.

[21] The WOCC introduces a 50% in-house guarantee across the BBC as a whole, a 25% independent producer guarantee and a 25% contestable window open to in-house, independent and other external producers.

Continuation of in-house production at other commercial broadcasters will be more dependent on comparative efficiency of production and performance of their output across their parent companies territories of operation.

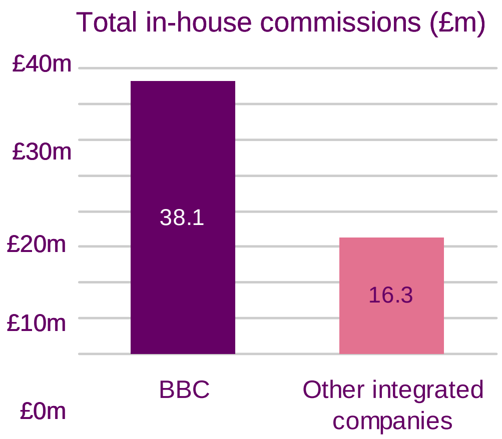
External commissions are divided equally between specialist and diversified producers. In analysis of the major external commissions for each PSB for 2006, 50% of the total £32m spent went to companies where income from children's programming accounted for less than 20% of total turnover, at an average value of £2.6m per producer. Of the specialist children's producers, where commissions accounted for between 90-100% of turnover, the average expenditure per producer was £771k.

Figure 58: Distribution of PSB major external commissions to UK producers by turnover (£m)



Source: Ofcom/broadcasters

Figure 59: Distribution of in-house commissions to UK producers by turnover



Source: Ofcom/broadcasters

If the number and value of primary commissions from broadcasters continues to fall, specialist UK producers will become at risk and may leave the market. Diversified producers are likely to prove more resilient as they have access to a greater range of revenue streams.

Section 4

Children's media consumption habits

4.1 Summary findings

- Children are at the forefront of changes to technology and as a result, the in-home media landscape for children has changed dramatically in recent years. The majority of households with children have a wide range of media equipment in the home, including more than one TV set (91%), a DVD player (96%), CD player (90%), radio (89%), games console (85%), computer (81%) and internet access (72%).

- A television is the most owned piece of media equipment for a child to have in their bedroom, with 71% of children aged 5-15 claiming to have one. However, once children reach the age of 12, mobile phones become the most owned piece of media equipment.

- For children of all ages, television viewing has the highest (self-reported) levels of consumption, at 15.8 hours per week, compared to the other media measured. Internet usage increases with age and young teenagers spend the most time on the internet (10.5 hours per week).

- Each medium has a clear function for children, which remains relatively consistent as they get older. Children see television as being for fun, relaxing or passing the time and mobile phones are for contact with people. The internet has a dual purpose of fun and finding out or learning things.

- When they use the internet, younger children use it most for playing games online. As children reach primary school age, they still use it primarily for games, followed closely by school work or homework and looking for information. Young teenagers use the internet for many things – most frequently for school/homework (80%), followed by instant messaging (70%).

- Almost all households with children have a TV set and just over 90% have more than one, with an average of 3.3 TV sets per household. In Q1 2007, 90% of households with children were able to receive multichannel television (up from 82% in Q1 2006). Of these, 25% had digital terrestrial television and 65% had cable or satellite television (cab/sat). Households with children are more likely to have multichannel television compared to households without children (90% compared to 76% respectively in Q1 2007). Only a small percentage (7%) of households with children had analogue television.

- As more media compete for children's attention, BARB data show that children's total viewing has been in decline across all television platforms and across all age groups since 2002. Viewing among children aged 4-15 has declined from 16.7 hours per week in 2002 to 15.5 hours in 2006. However, viewing in children's airtime has grown over this time, as a proportion of total viewing, from 27% in 2002 to 30% in 2006.

- This share growth for children's airtime is due to an increase in viewing to the dedicated children's channels (including CBeebies and CBBC) which has grown from 14% to 25% of children's total television viewing in 2006, whereas the children's slots on the PSB main channels have dropped from 12% in 2002 to 6% in 2006. However, viewing of the children's channels is fragmented due to the range of choice; no single dedicated children's channel accounted for more than 4% of the total viewing share in 2006.

- This shift in viewing of children's airtime on the PSB main channels to the dedicated children's channels is taking place within the wider context of a shift from the PSB main channels to non-terrestrial channels. There has also been a decrease in the reach and share of the main public service broadcasters. Their combined share among 4-15 year olds fell from 64.5% in 2002 to 45.8% in 2006. At the same time there has been an increase in the share of non-terrestrial channels from 35.5% to 54.2%.

- Despite the growth in viewing of commercial children's channels, an analysis of viewing in children's airtime by country of origin shows the proportion of viewing of UK-originated programming is higher than the proportion of hours of output delivered, demonstrating the continuing importance of this type of programming to audiences.

- Analysis of the range of viewing by children across different types of programmes shows that in 2006 cartoons accounted for 41% of viewing of children's programming, with drama at 19% and factual at 7% of viewing. After cartoons, pre-school is the largest sub-genre at 24% of viewing.

- Comparing the proportion of total output broadcast by children's sub-genre to the proportion of total viewing by all children by sub-genre (on a 24 hour basis) shows that cartoons are the only sub-genre for which output (61%) exceeds viewing levels (41%). Drama programming accounted for 12% of output but 19% of viewing. Factual programming accounted for 5% of output but 7% of viewing. Pre-school programming accounts for 19% of output compared to 24% of viewing. Naturally, platform access and time of day affect what children are watching.

4.2 Introduction

This section focuses on children's media consumption habits, providing a basis for understanding the overall media context within which children's television sits. Children are at the forefront of changes in technology and the increase in their use of the internet and other media is having an impact on the way that television is used and viewed by children today.

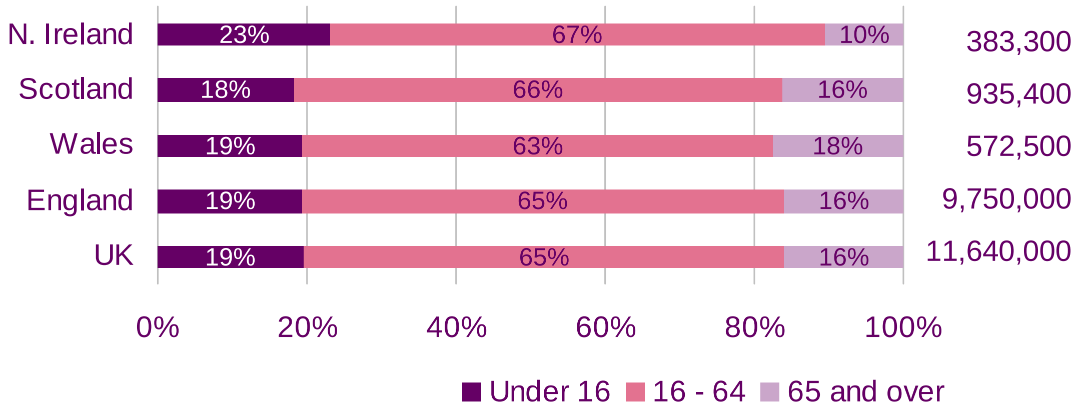
We look in detail at the in-home media landscape for children, the communications devices they have access to and how they use them, based on Ofcom's *Young People's Media Usage Survey* (2007) of parents and children aged 5-15. We draw on Ofcom's *Communications Tracking Survey* (2007) for information on television platform access among households with, and without, children. Finally we undertake an analysis of children's viewing habits based on statistics from the BARB industry television panel (see Annex A3 for details of the methodologies).

4.3 Demographics of UK children today

ONS statistics estimate that in 2004 there were 11.64 million children aged under 16 living in the UK.

Figure 60 shows the age distribution in the UK and the nations. The majority of UK children live in England. However, the age profile of the population varies by nation - Northern Ireland has a younger population profile than the other nations. Of the 11.64 million children in the UK, 383,300 live in Northern Ireland, 935,400 live in Scotland, 572,500 in Wales and 9.75 million in England.

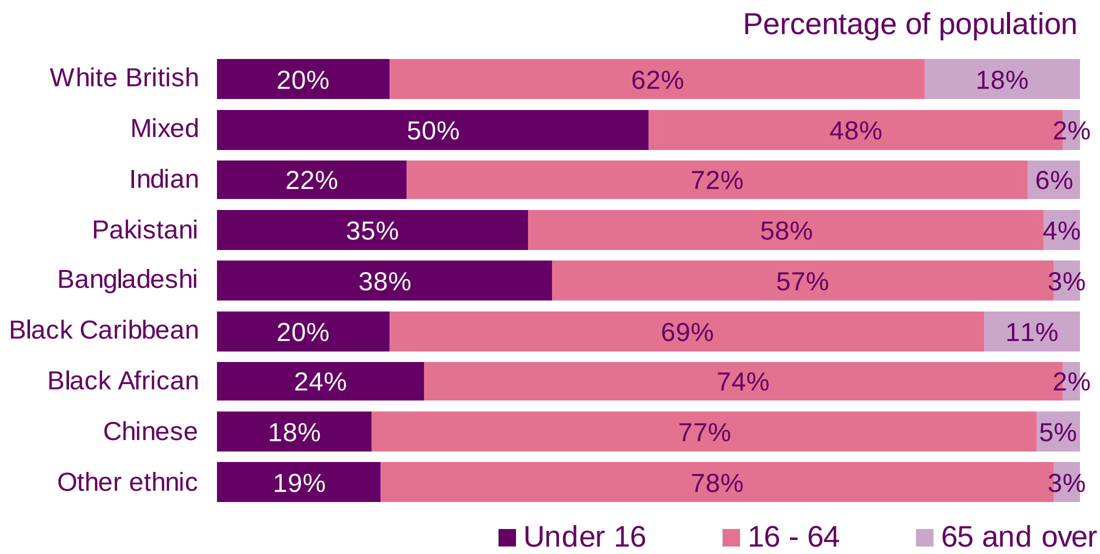
Figure 60: Age distribution in the nations



Source: ONS; General Register Office for Scotland; Northern Ireland Statistics and Research Agency

The individual ethnic minority groups (EMGs) have a younger age structure than the White British population as shown in Figure 61. The mixed group has the youngest age structure, with 50% under 16 in 2001; the Pakistani and Bangladeshi groups also have larger proportions of their populations aged under 16. The White British group has the oldest age profile with 18% of UK residents aged 65 and over. Among the individual EMGs, Black Caribbeans had the largest proportions of people aged 65 and over (11%).

Figure 61: Age distribution by ethnic group



Source: ONS, 2001 Census (Crown copyright material is reproduced with the permission of the Controller of HMSO)

4.4 Access to and use of media by children

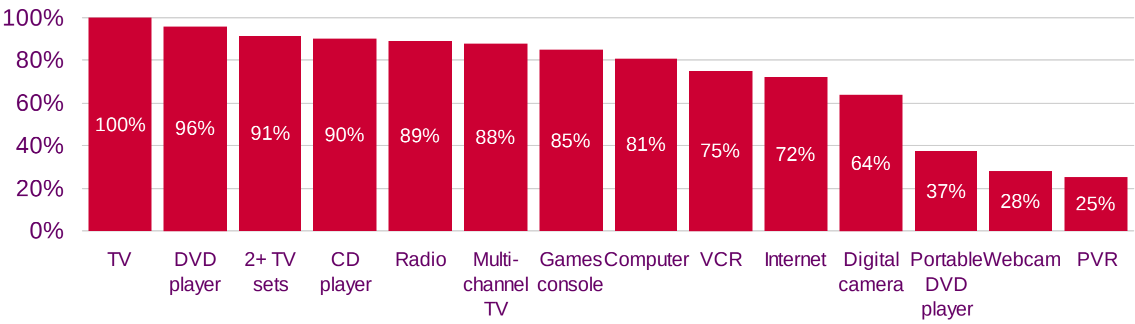
The in-home media landscape for children has changed dramatically in recent years. This is mainly due to changes in access to different media, as well as the ways in which children consume media.

The Ofcom *Young People's Media Usage Survey* was carried out among parents and children aged 5-15 years to assess children's media access in the home, usage and attitudes. Ofcom commissioned research agency saville rossiter-base to undertake this face-to-face in-home quantitative survey in April – May 2007. A total of 1611 interviews were conducted: with parents and children aged 5-7 (428 interviews), aged 8-11 (591 interviews) and aged 12-15 (592 interviews). All interviews were conducted in the respondents' homes by a team of interviewers across 189 locations in the UK. (The methodology used in this survey is laid out in Annex A3).

4.4.1 Media equipment in the home, children aged 5-15 years

The majority of households with children have a wide range of media equipment in the home, including more than one TV set, a DVD and CD player, radio, games console, computer and internet access. Virtually all households have a TV set and just over 90% have more than one TV set, with an average of 3.3 sets per household. Just under 90% of households with children have access to multichannel television (cable/satellite or digital terrestrial television), and one quarter of households have a PVR. Seventy-two per cent of households have access to the internet, of these households, 91% have broadband access and 35% have a wireless connection. Eighty-five per cent of households have a games console and 81% have a computer.

Figure 62: Household access to media equipment, children aged 5-15 years



Base: Parents of children aged 5-15. Source: Ofcom's *Young People's Media Usage Survey,* saville rossiter-base, April/ May 2007. Multichannel television – 88%[22]

4.4.2 Media usage in the home

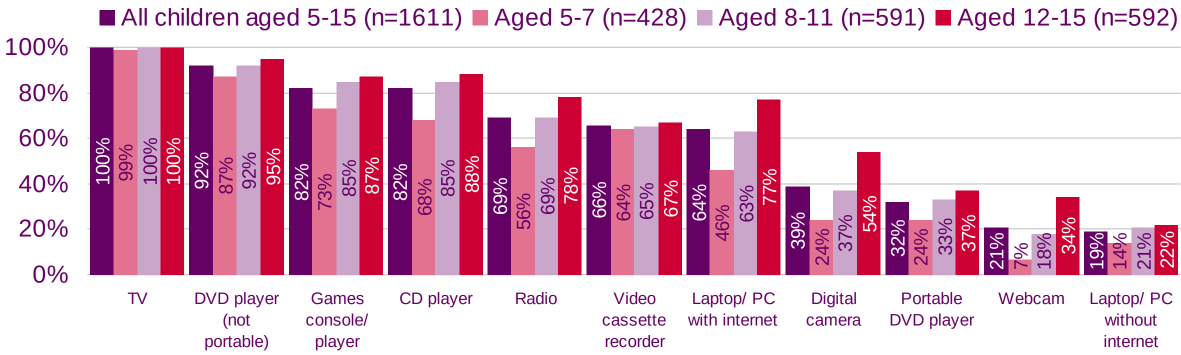
The results of the *Young People's Media Usage Survey* show that children are using a wide range of media equipment at home, and the range becomes greater as children get older. Access to such a diverse range of media is changing the way children spend their leisure time. It has an impact on the way they watch television and the amount they consume. Television, however, remains the most-used medium by children of all ages, with all children aged 5-15 using a television at home.

[22] Ofcom's primary source for multichannel television access is Ofcom's *Communications Tracking Survey* (see Figure 74) which shows multichannel household access at 90% for households with children under 16 in Q1, 2007.

A significantly higher proportion of 8 to 11 year olds and 12 to 15 year olds say they use each of the media, compared to 5 to 7 year olds, with the exceptions of television and video recorders, where there are no significant differences by age.

A comparison with Ofcom's *Media Literacy Audit (2005[23])* among children aged 8-15 years reveals some significant differences in usage over time. Internet usage in the home has increased both for 8-11 year olds (from 48% in 2005 to 63% in 2007) and 12-15s (from 64% in 2005 to 77% in 2007). MP3 player usage has also increased for both age groups (21% up to 47% in 2007 for 8-11s and 32% up to 74% for 12-15s).

Figure 63: Equipment children use at home - by age of child



Base: Parents of children aged 5-15. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.4.3 Media in the child's bedroom

Parents were asked what media equipment children had in their bedrooms. The results showed that there is a wide range; a TV set is the most popular, with almost three-quarters (71%) of children aged 5-15 years having one in their bedroom and just under a fifth (19%) having some form of multichannel television. In contrast, internet access in the bedroom is low (11% of 5-15 year olds). Of those children with internet access in the bedroom, 97% have broadband access.

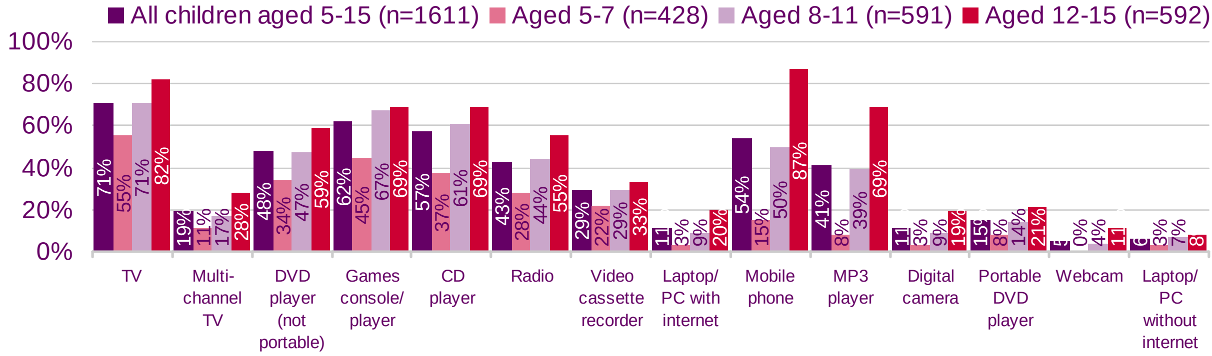
Ownership of media equipment in the bedroom increases with age for all media. A significantly higher proportion of young teenagers own each type of equipment compared to younger and older children, with only a few exceptions: for games consoles, video recorders, and computers without internet access where there are no significant differences between older children and young teenagers. The most marked increase in ownership with age is for mobile phones and MP3 players. Eighty-seven per cent of 12-15s own a mobile phone, compared to 50% of 8-11s and just 15% of 5-7 year olds. In fact, more young teenagers own a mobile phone (87%) than have a television in their bedroom (82%). Sixty-nine per cent of 12-15s own an MP3 player (and have it in their bedroom) compared to 39% of 8-11s and just 8% of 5-7s.

A comparison with Ofcom's *Media Literacy Audit* (2005) shows that mobile phone ownership for 8-11 year olds has remained stable over time at around 50%, whereas it has increased slightly for 12-15 year olds, from 82% to 87%. Regarding internet access in the bedroom, this has gone up significantly for 8-11 year olds (from 3% in 2005 to 9% in 2007) and 12-15 year olds (from 13% in 2005 to 20% in 2007). Television in the bedroom has remained stable at around 70% for 8-11 year olds and has increased significantly from 74% to 82% for 12-15 year olds.

---

[23] See Annex 2 for methodology on Ofcom's *Media Literacy Audit* among children (2005).

Figure 64: Equipment child owns and has in the bedroom - by age of child



Base: Parents of children aged 5-15. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.4.4 Regular media activities

Children were asked which media activities they do almost every day. Almost all children say they watch television most days and television remains the most popular activity for all ages (Figure 65).

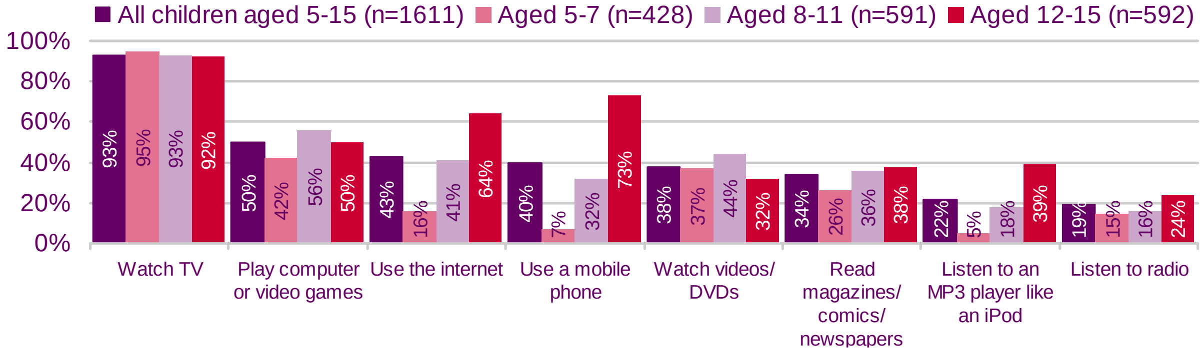
For 5-7 year olds, playing a computer game (42%) and watching DVDs/videos (37%), are the most popular activities after television. This applies to 8-11 year olds too, with 56% of 8-11s playing a computer game and 44% watching DVDs/videos. In fact, significantly more 8-11s play computer games and watch DVDs/videos than either 5-7s or 12-15s. For 12-15s, using a mobile phone (73%) and using the internet (64%) are the most popular activities after watching television.

The range of media activities carried out almost every day increases with age. A significantly higher proportion of 8-11s uses each medium than 5-7s (with the exception of television and radio where there is no significant difference). Except for games consoles and DVD/videos, each of the other media activities is significantly more likely to be a regular activity for 12-15s than for 8-11s.

A comparison of boys' and girls' media activities reveals some significant differences. Boys aged 5-15 years are more likely to play computer games regularly (63%), compared to girls aged 5-15 (38%), and watch videos/DVDs (40% compared to 35% respectively). On the other hand, a higher proportion of girls (45%) say they use a mobile phone regularly compared to boys (36%).

A comparison with Ofcom's *Media Literacy Audit* among children aged 8-15 years (2005) shows that regular internet usage has increased slightly for 8-11 year olds (37% in 2005 to 41% in 2007) and mobile phone usage has remained stable (31% in 2005 and 32% in 2007). Among 12-15 year olds there have been slight increases in internet usage (59% in 2005 up to 64% in 2007) and in mobile phone usage (69% in 2005 up to 73% in 2007) and a significant increase for MP3 player usage (27% up to 39% in 2007).

Figure 65: Regular media activities - do almost every day



Base: Children aged 5-15. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.4.5 Overall media consumption[24]

Of all the media measured in Ofcom's *Young People's Media Usage Survey*, television had the highest level of consumption for 5-15 year olds overall (15.8 hours per week) and for each age split within this age group. (Figure 66). It is important to note that this television viewing figure is self-reported and although close to BARB's television viewing figure of an average of 15.5 hours per week for children 4-15 years old, it does differ slightly overall and by age group.

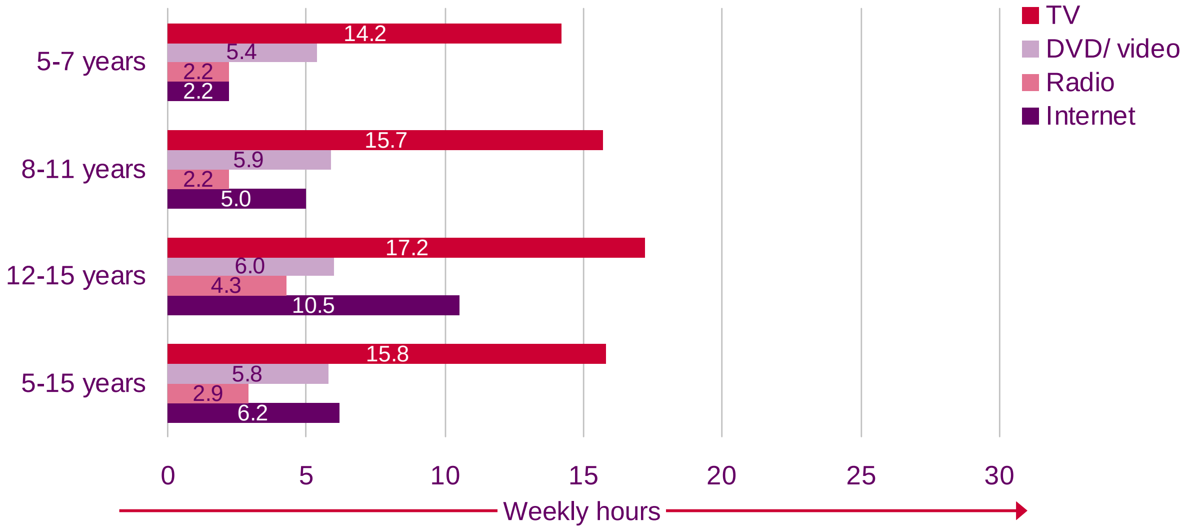
According to Ofcom's *Young People's Media Usage Survey,* children aged 5-7 watch an average of 14.2 hours (self reported) of television per week, and an average 5.4 hours of DVDs or videos. Children aged 8-11 watch slightly more at 15.7 hours per week and 5.9 hours of DVDs or videos. Children aged 12-15 say they watch 17.2 hours per week and six hours of DVDs/videos.

Time spent on the internet increases with age, with 12-15s spending an average of 10.5 hours per week online. A comparison with Ofcom's *Media Literacy Audit* among children 8-15 years (2005) shows that time spent online has increased significantly from 1.8 hours to 5.0 hours per week for 8-11 year olds and from 4.6 to 10.5 hours among 12-15s. However, television remains, even among this older age group, the most-consumed medium, according to the *Young People's Media Usage Survey*.

Mobile phone use also increases with age. Children aged 5-7 make an average of 0.3 calls and 0.7 texts per week, compared to 2.3 calls and 7.5 texts for 8-11s. It is clear that 12-15 year olds make, on average, a significantly higher volume of calls (9.7) and send significantly more texts (36) per week, compared to 5-7s and 8-11s.

[24] Media consumption data are based on an average of all children, whether they have access to each medium or not.

Figure 66: Media consumption – among children 5-15 years



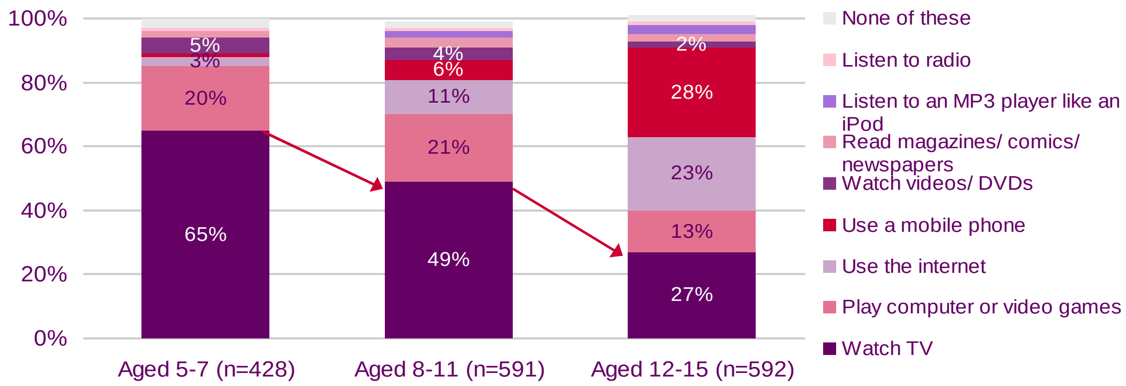
Base: Parents of children aged 5-11 and children aged 12-15. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

Figure 67 shows the responses given by children to the question about which single regular media activity they would miss most. This data are based on all children; each child was asked to choose from those media activities they do regularly, which one they would miss the most if it were taken away.

Television is the activity that 5-7 year olds (65%) and 8-11s (49%) would miss the most. However, among 12-15s the proportion nominating TV (27%) is similar to mobile phones (28%) and using the internet (23%). There are some significant differences by age. For 5-7s, television is significantly more important than for 8-11s and 12-15s, whereas for 12-15s, the internet and the mobile phone rate significantly higher than for the younger age groups.

Among children who own a mobile phone, TV remains the activity 5-7s (59%) and 8 -11s (47%) would miss the most. However, mobile phones are in first place among 12-15s (32%), with TV in second place (26%), and internet is third (23%). Among children with internet access, TV remains the activity they would miss the most, both for 5 -7s (63%) and for 8-11s (47%). However, for 12 -15s the internet rises to 30%, with mobile phones in second place (26%) and TV in third place (24%).

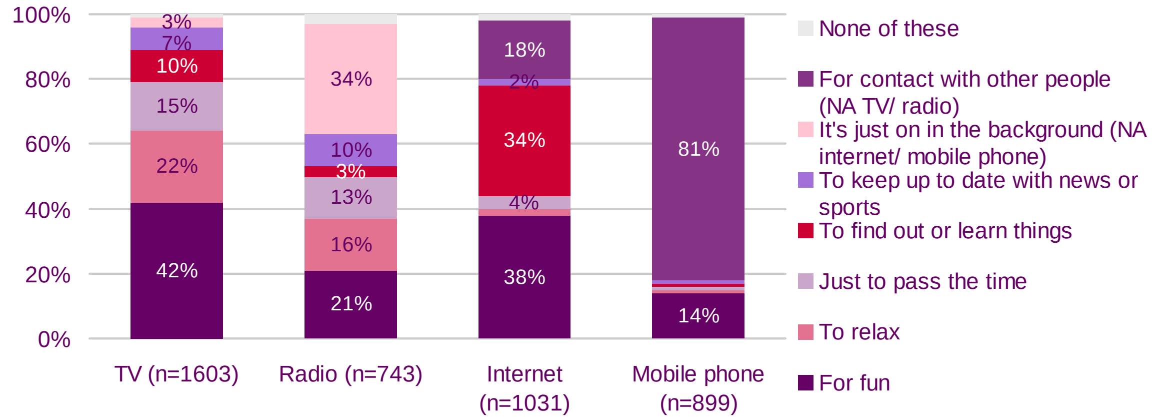
Figure 67: Media activity children would miss the most, by age of child



Base: Children aged 5-15. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

Figure 68 shows the one main reason children gave for using each medium that they use at home. Each medium has a clear role, and this remains relatively consistent by age. TV is for 'fun', 'relaxing' or 'passing time' (in total 79% of 5-15s). As children get older they are more likely to say television is 'to relax' and less likely to say 'for fun', compared to younger children. The mobile phone is for 'contact with people' (81% of 5-15s). The internet has a dual purpose of 'fun' (38%) and 'finding out or learning things' (34%), with 'contact with other people' at a lower 18%. However among 12-15s the internet has three clear main reasons for use, with 26% of 12-15s saying 'for fun', 32% 'for finding out or learning things' and 31% for 'contact with other people'.

Figure 68: Main reason for using media, children aged 5-15 years

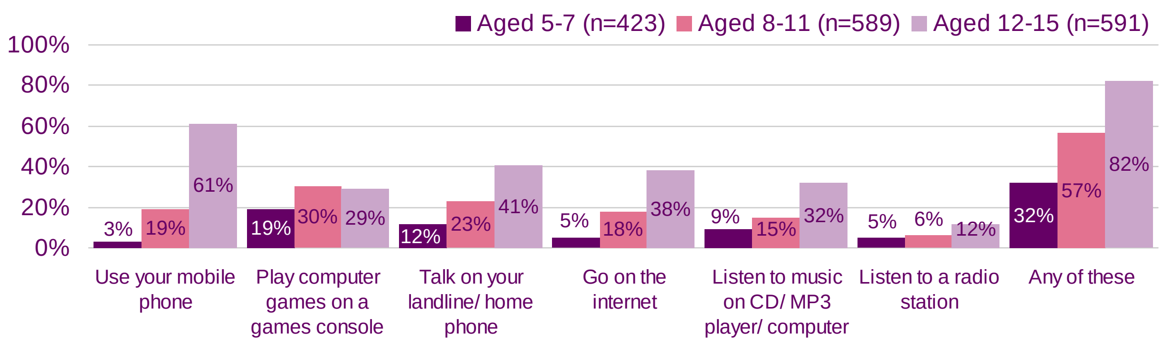


Base: Children aged 5-15 who use each type of media at home. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.4.6 Media stacking

One third of children aged 5-7 (32%) claim to watch television and have either 'sometimes' or 'most times' done other media activities at the same time. This rises significantly as children get older, to 57% for 8-11s and 82% for 12-15s. These responses are based on an average of all children and depend on which media each child has access to at home. Simultaneous media consumption is not solely associated with television. Of those children who use the internet at home, 27% of 5-7 year olds claim to do another media activity, either 'most times', or 'sometimes', when they are online. This rises to 55% for 8-11s and 82% for 12-15s.

Figure 69: Extent of media stacking when watching TV at home, by age of child



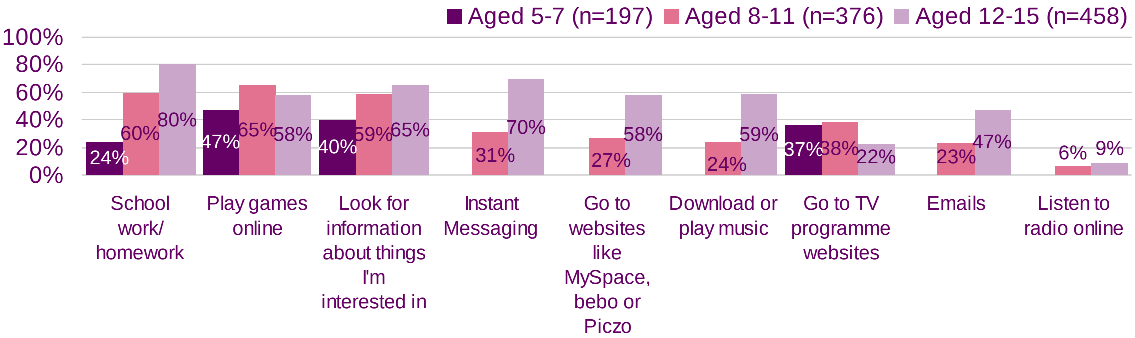
Base: Children aged 5-15 who watch TV at home. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.4.7 Internet usage

Children who use the internet at home were asked about the activities they do online[25] (Figure 70). Among 5-7s and 8-11s 'playing games' (47% and 65% respectively) is the most popular activity. For 5-7s this is followed by 'looking for information' (40%) and for 8-11s 'school/homework' (60%). Among 12-15s, 'school/homework' (80%) and 'looking for information' (65%) are also popular activities, but social activities are significantly more popular than with younger age groups, with 70% of 12-15s 'using instant messaging' at least once a week, compared to just under one third of 8-11s (31%).

Internet usage broadens with age, with 12-15s showing significantly higher levels than 8-11s for most uses, including 'downloading music' (59% vs. 24% respectively), 'emailing' (47% vs. 23%), 'visiting sites like Bebo/Piczo and MySpace' (58% vs. 27%). There are two exceptions; a significantly higher proportion of 8-11s play games online compared to younger and older children and significantly more 5-7s (37%) and 8-11s (38%) visit television programme websites compared to 12-15s (22%).

Figure 70: Uses made of the internet at home at least once a week, by age of child



Base: Children aged 5-15 who use the internet at home. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

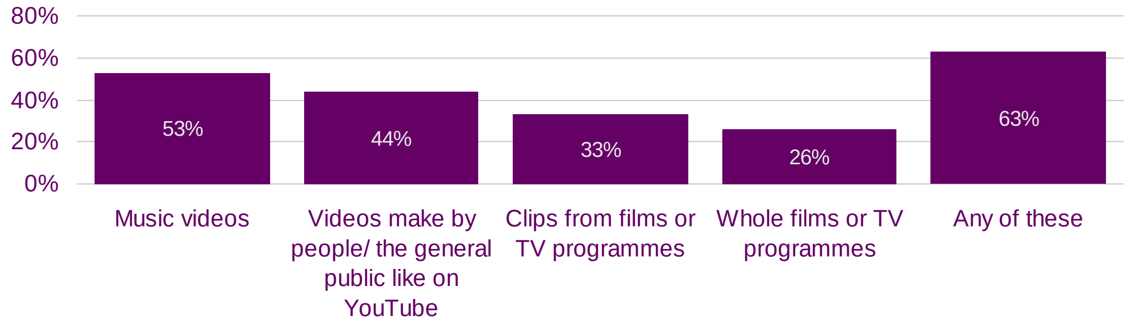
4.4.8 Convergence of television and internet

Just over three-quarters of children aged 12-15 (77%) said they used the internet at home (see Figure 63). These children were asked whether they had downloaded or watched audio-visual material from the internet. Just under two-thirds said they had, with music videos being the most popular (53%) followed by 'home-made' videos (44%) (Figure 71).

---

[25] 8-11s and 12-15s were asked about the same list of activities, whereas 5-7s were asked about a shorter list.

Figure 71: Internet convergence - ever watch online or download from the internet, children aged 12-15



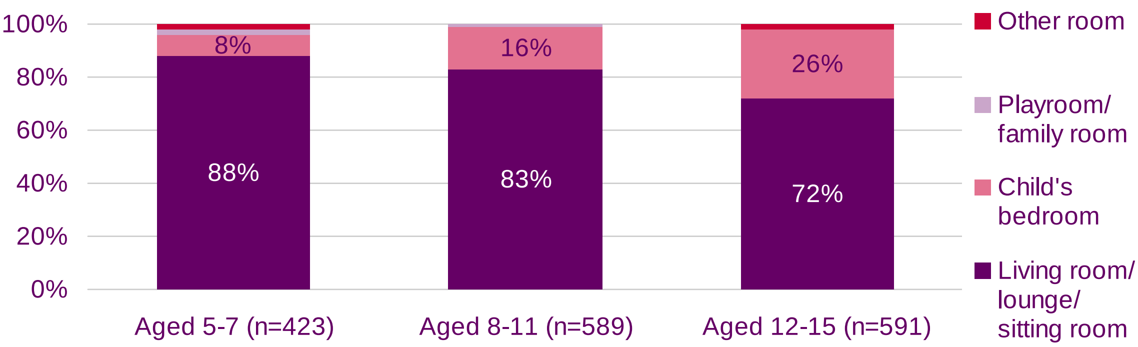
Base: Children aged 12-15 who use the internet at home (n=458). Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.5 Children's television consumption

This section describes where and with whom children watch television.

Children were asked in which room they watched television most often. Figure 72 shows that the lounge/living room is the place where children of all ages said they watch television most often. However, a significantly higher proportion of young teenagers (26% of 12-15s) claim to watch television most often in their bedroom, compared to 16% for 8-11s and just 8% for 5-7s. Among those children who have a television in their bedroom, 15% of 5-7s, 20% of 8-11s and 31% of 12-15s claim to watch television most often in their bedroom.

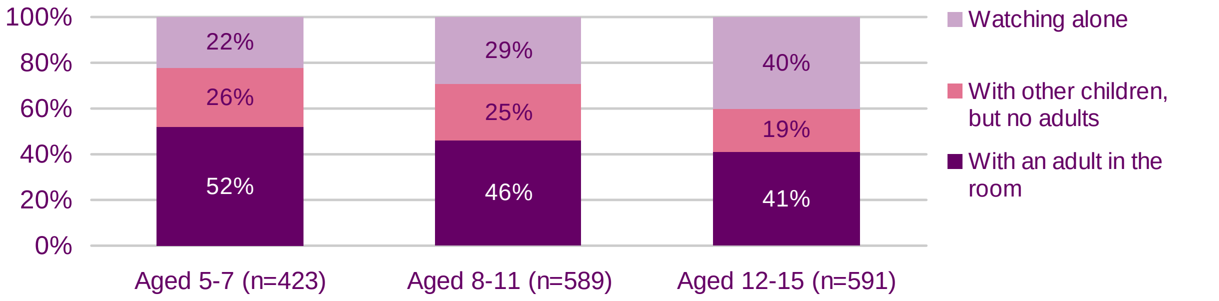
Figure 72: Room at home where watch TV most often, by age of child



Base: Children aged 5-15 who watch TV at home. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

When watching television, a significantly higher proportion of young teenagers and older children watch on their own compared to younger children, with just over a fifth of 5-7s (22%), just under one third of 8-11s (29%) and two-fifths (40%) of 12-15s saying they mostly watch television on their own.

Figure 73: Who spend most time watching television with, by age of child



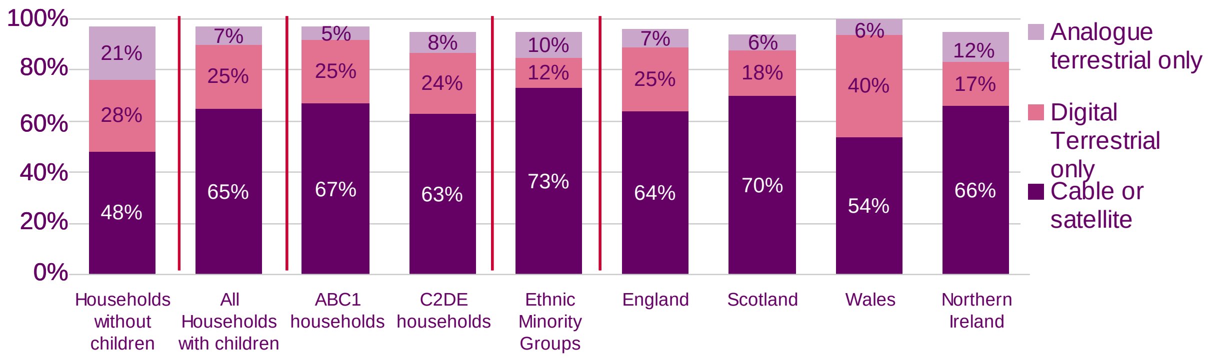
Base: Children aged 5-15 who watch television at home. Source: Ofcom's *Young People's Media Usage Survey*, saville rossiter-base, April/ May 2007

4.5.1 Television platform access by household type

Ofcom's *Communications Tracking Survey*[26] (see Annex A3 for details on methodology) shows some differences in television platform access between households with and without children (Figure 74). Households with children are significantly more likely to have multichannel television (90%) compared to just over three quarters (76%) of households without children. Households without children are more likely to have analogue terrestrial television (just over one-fifth of households) compared to only 7% of households with children based on Q1 2007 survey results.

Focusing on households with children, there are some differences in television platform access by socio-economic group, ethnic minority groups and nation. Just over two-thirds (67%) of ABC1 households have cable or satellite television, compared to 63% of C2DE households. Ethnic minority group households are significantly more likely to have cable or satellite television (73%) compared to all households with children (65%). Comparing the nations, cable and satellite penetration is lowest in Wales (just over half of households) and highest in Scotland (70%). Wales has the highest digital terrestrial television penetration (40%), whereas Scotland and Northern Ireland have the lowest levels, at just below one fifth of households with children.

Figure 74: Proportion of households with children by reception type (%)

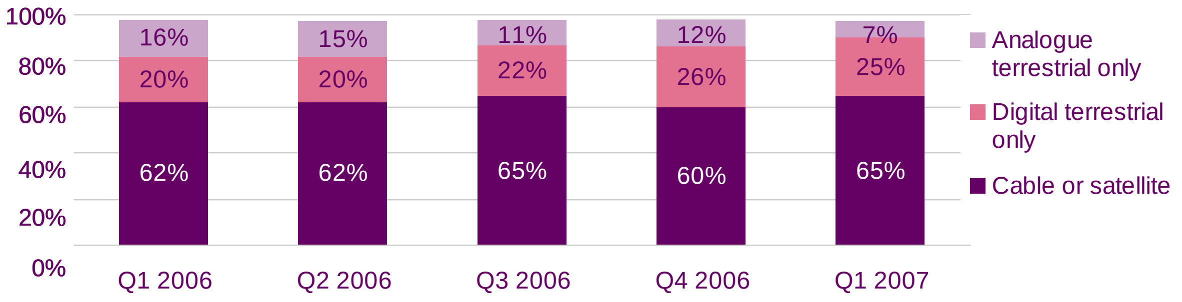


Source: Ofcom's *Communications Tracking Survey*, Q1 2007. Households with children under 16 years old, and households without children under 16.

Access to multichannel television has been growing steadily among households with children, and analogue terrestrial-only homes have dropped from 16% in Q1 2006 to 7% in Q1 2007. (Figure 75)

[26] This data varies slightly compared to BARB owing to the different methodologies.

Figure 75: Proportion of child households by reception type (%)



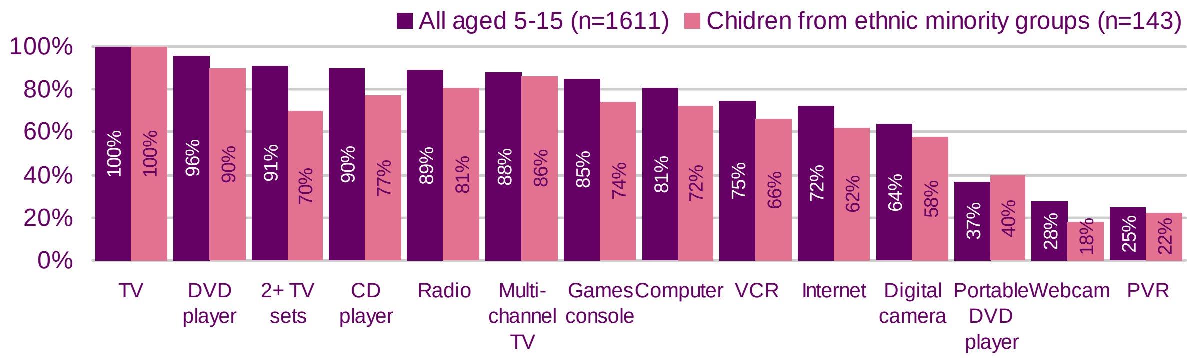
Source: Ofcom's *Communications Tracking Survey*

4.5.2 Comparison in media consumption of children from EMGs

The profile of the ethnic minority population in the UK is younger than that of the total UK population (as shown in Figure 14), with larger proportions of most ethnic minority groups (EMGs) being under 16 years old. Previous research by Ofcom has shown that the media consumption and usage habits of people from EMGs differ in some ways to that of the overall UK population. Some of these differences may be attributed to a younger age profile.

Within Ofcom's *Young People's Media Usage Survey*, we are able to look at parents and children from ethnic minority groups in comparison to all children aged 5-15. Although there are differences between individual ethnic groups, it provides a good overall picture of where overall habits diverge. Media access varies significantly for children from ethnic minority groups for almost all media equipment compared to 5-15 year olds overall, with a higher proportion of 5-15 year olds having audiovisual equipment and computer and internet access compared to ethnic minority groups. However, with regard to multichannel access there is no significant difference; with 86% of ethnic minority groups having multichannel television compared to 88% of 5-15 year olds overall.

Figure 76: Household media access



EMG multichannel television – 86%[27]. Base: Parents of children aged 5-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

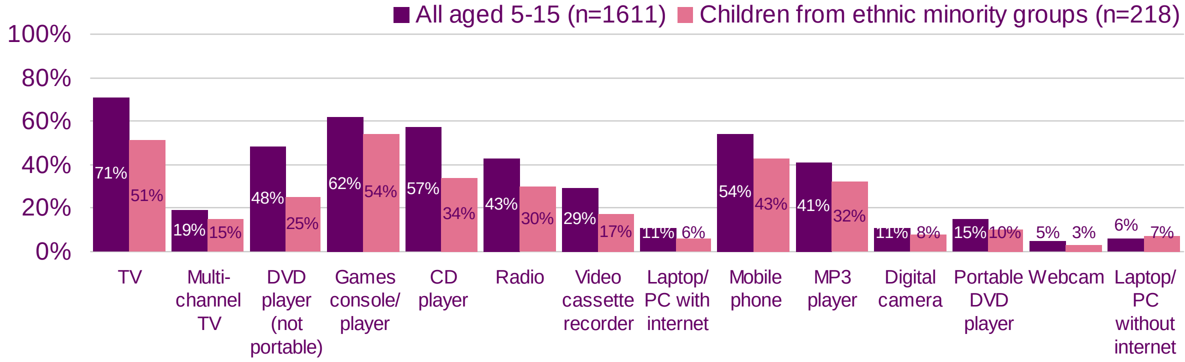
Equipment child owns and has in their bedroom

Children from EMGs were less likely to have almost all media and communication devices in their bedroom than all children aged 5-15. This difference was most noticeably seen for

[27] Ofcom's primary source for multichannel television access is the *Communications Tracking Survey* which shows EMG households with children under 16 at 85% in Q1, 2007 (Figure 74).

television sets, DVD players (fixed and portable), CD players, radios, video cassette recorders, mobile phones and MP3 players.

Figure 77: Equipment child owns and has in their bedroom



Base: Parents of children aged 5-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

Media consumption

Children from EMGs say they watch a similar amount of television and listen to a similar amount of radio compared to all children aged 5-15 years overall. However, there were significant differences in DVD/video and internet consumption, with children from EMGs spending less time watching DVDs/videos and using the internet. Children from EMGs make significantly more phone calls and send fewer text messages than children aged 5-15 overall.

Figure 78: Media consumption

Average number of… in a typical school week and weekend	All children aged 5-15	Children from EMGS aged 5-15
Hours TV watched	15.8	15.6
Hours watch DVD/videos	5.8	4.6
Hours use the internet	6.2	4.8
Hours listen to the radio	2.9	3.0
Mobile phone calls made	4.5	7.0
Text messages sent	16.0	10.0

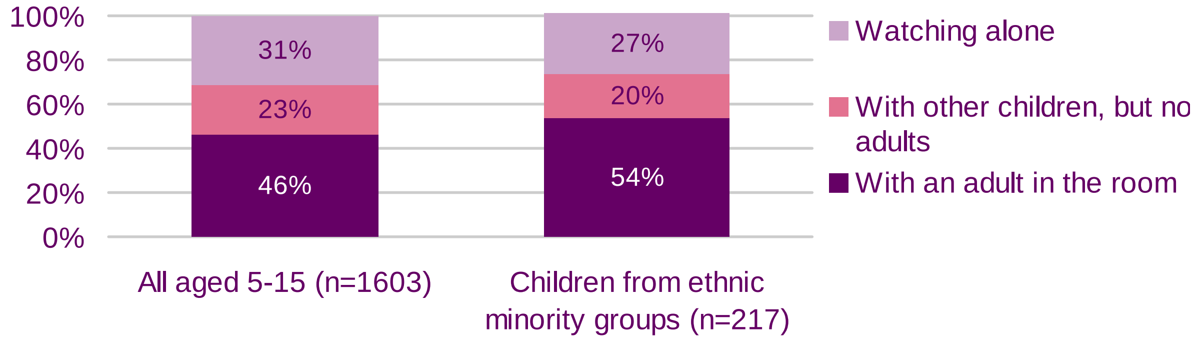
Base: Parents of children aged 5-11, children aged 12-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

Viewing habits

Children from EMGs are more likely than all children aged 5-15 to watch television with an adult in the room (54% compared to 46%). This may be related to the average size of EMG households being bigger than that of all UK households.[28]

[28] Census 2001 data.

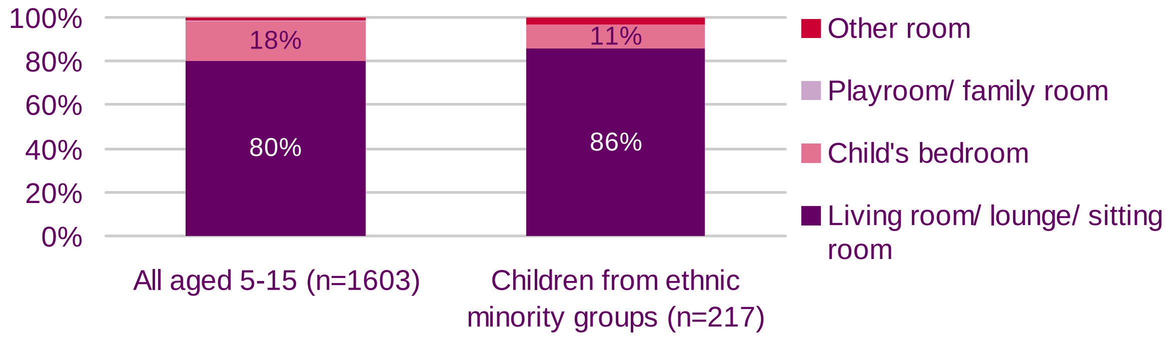
Figure 79: Who spend most time watching television with



Base: Children aged 5-15 who watch television at home. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

As well as being more likely to watch television with an adult in the room, children from EMGs are more likely than all children aged 5-15 to watch television mostly in the living room (86% compared to 80% respectively) and less likely to watch it in their bedroom (11% compared to 18%).

Figure 80: Room at home where watch television the most



Base: Children aged 5-15 who watch television at home. Source: Ofcom's Young People Media Usage Survey, saville rossiter-base, April/May 2007

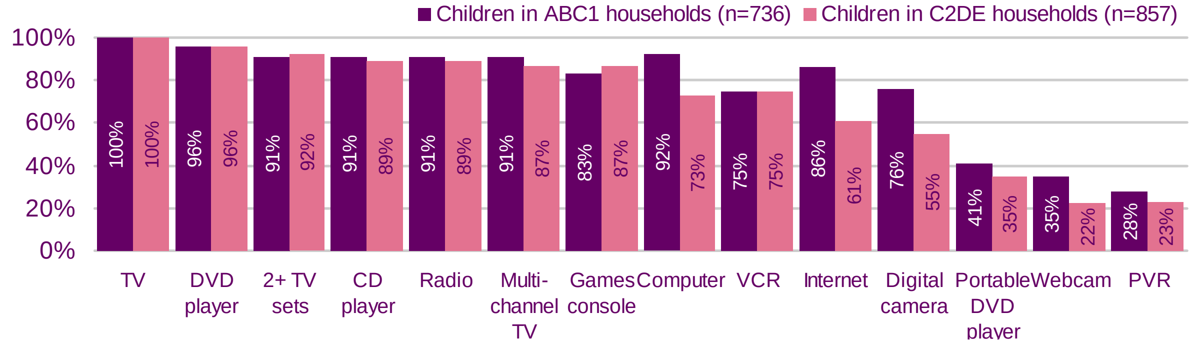
4.5.3 Children's media consumption by socio-economic group

Within Ofcom's *Young People's Media Usage Survey*, we are able to look at parents and children from ABC1 and C2DE socio-economic groups (SEG).

Household media access

For most audiovisual media, such as television, DVD or video recorder, CD player, radio or multichannel television, access to media equipment in the home does not vary significantly by socio-economic group. It does vary significantly however, for computer and internet access, digital camera, portable DVD player and webcam. A higher proportion of children in ABC1 households own a computer (92%) and have internet access (86%) compared to children in C2DE households, where 73% own a computer and 61% have internet access.

Figure 81: Household media access

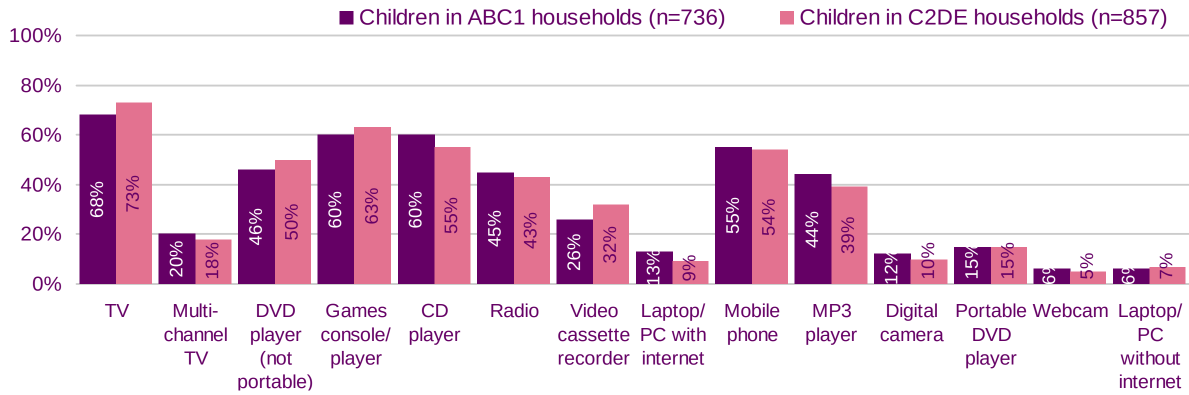


C2DE multichannel television – 87%[29]. Base: Parents of children aged 5-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

Equipment child owns and has in their bedroom

Children from C2DE households were significantly more likely to have a television in their bedroom (73%) compared to children from the ABC1 group (68%). However, children from ABC1 households were more likely to have a laptop or PC with internet access in their bedroom (13%) compared to children in C2DE households (9%).

Figure 82: Equipment child owns and has in their bedroom



Base: Parents of children aged 5-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

Media consumption

There were significant differences in television and DVD/video consumption, with children in C2DE households watching more television and DVDs/videos than children in ABC1 households.

Children in ABC1 households were more likely to spend more time online than children in C2DE households. These consumption habits could be linked to access and availability, with children in C2DE households being more likely to have a television in their bedroom, whereas children in ABC1 households were more likely to have internet access at home and to have a PC or laptop with internet access in their bedroom.

[29] Ofcom's primary source for multichannel television access is the Communications Tracking Survey, which shows ABC1 households at 92% and C2DE households at 87% in Q1, 2001 (Figure 74).

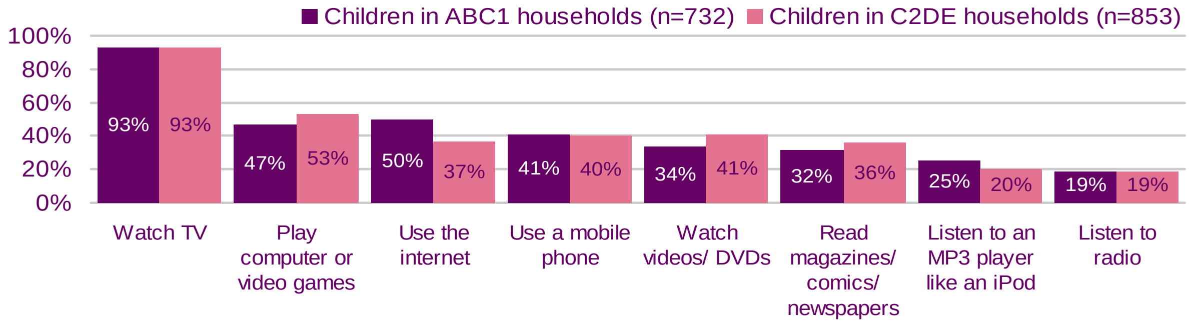
Average number of… In a typical school week/weekend	Children in ABC1 households	Children in C2DE households
Hours TV watched	15.3	16.3
Hours DVD/video watched	5.5	6.1
Hours internet used	7.3	5.4
Hours listen to radio	3.0	2.9
Mobile phone calls made	4.3	4.6
Text messages sent	15.4	16.5

Base: Parents of children aged 5-11, children aged 12-15

Regular media activities

In terms of the media activities that children do regularly, there were some significant differences between the socio-economic groups, with children from ABC1 households tending to use the internet and MP3 players more, whereas children from C2DE households were more likely to play computer games and watch videos and DVDs. There were no differences in terms of watching television, with over 90% of children from both groups watching television regularly.

Figure 83: Regular media activities – do almost every day

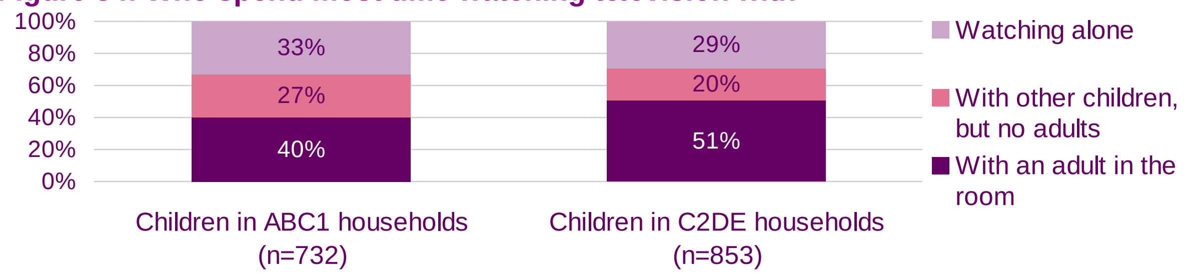


Base: Children aged 5-15. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

Viewing habits

Children from C2DE households are more likely to watch television with another adult in the room (51%), compared to children from ABC1 groups (40%), whereas children in ABC1 households are more likely to watch with other children (27%), but no adults, in the room.

Figure 84: Who spend most time watching television with



Base: Children aged 5-15 who watch television at home. Source: Ofcom's *Young People Media Usage Survey,* saville rossiter-base, April/May 2007

4.6 Viewing trends

The following analysis looks at children's viewing patterns from 2002 - 2006[30] based on BARB data. It explores viewing in terms of age of child, socio economic group and television platform (defined as analogue terrestrial-only (ATT), digital terrestrial-only (DTT) and cable/satellite (cab/sat) households).

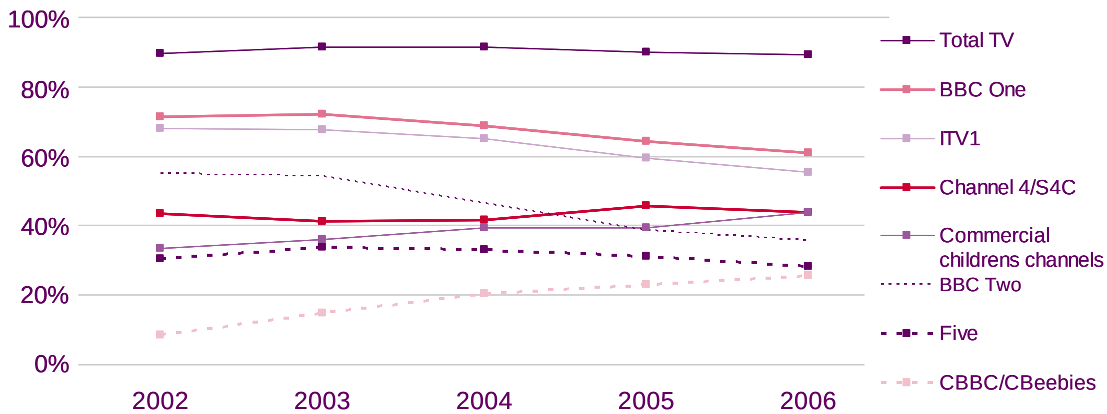
The analysis looks at children's viewing habits overall, as well as comparing viewing in adult and children's airtime. It finishes with children's viewing of children's programme genres, based on the BARB children's genre classification.

The analysis is based on viewing of the PSB main channels, the BBC dedicated children's channels, CBBC and CBeebies, and the commercial children's channels. (See Annex A3 for details on the methodology and a list of the channels).

4.6.1 Television reach

According to BARB, the PSB main channels BBC One and ITV1 have the highest weekly reach (15 consecutive minutes) at 61% and 56% respectively, among children aged 4-15. However, each channel's reach has declined since 2002 (by 15% for BBC One and by 18% for ITV1). Both CBBC/CBeebies (combined) and the commercial children's channels (combined) have both increased steadily, with CBeebies/CBBC tripling from 9% in their launch year (2002)[31] to 26% in 2006 and the commercial children's channels growing by one third to 44% weekly reach in 2006. This rise can be attributed to an increase in multichannel penetration, and the migration of children's viewing from the PSB main channels to the non-terrestrial channels.

Figure 85: Average weekly reach: children 4 – 15 years old, 2002 – 2006



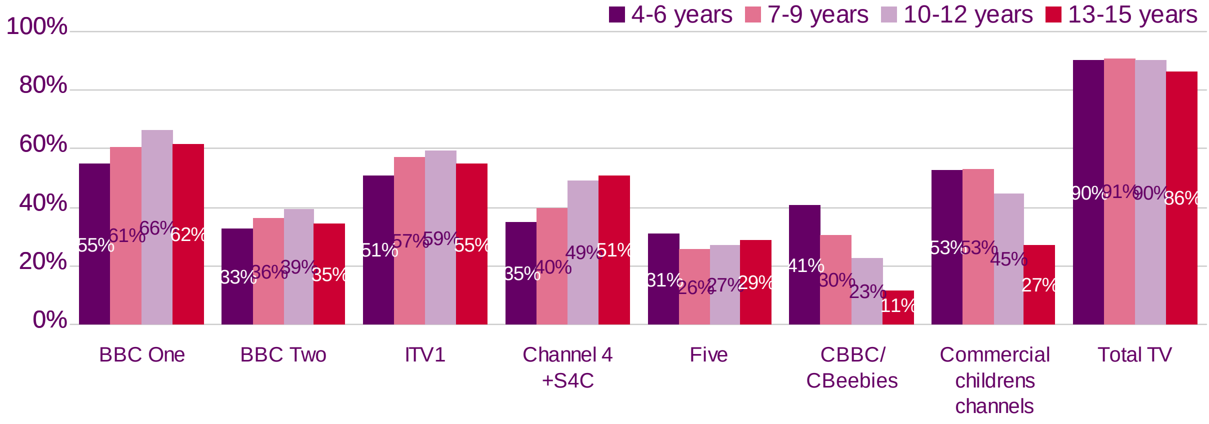
Source: BARB, based on 15 consecutive minutes, full weeks only.

Analysis of average weekly reach in 2006 by age of child reveals differences between younger and older children. Reach for total television and for each of the channels, except Channel 4/S4C, is lowest among 13-15 year olds compared to the other age groups analysed. Weekly reach for CBeebies/CBBC and for the commercial children's channels (combined) declines as children get older. CBeebies/CBBC has a reach of 41% among children aged 4-6, compared to 11% among 13-15 year olds. The commercial children's

[30] It is important to note that on 1st January 2002 an entirely new BARB panel was recruited from scratch.
[31] Based on February-December 2002.

channels attain a reach of 53% among 4-6 year olds, compared to 27% among 13-15s. (Figure 86)

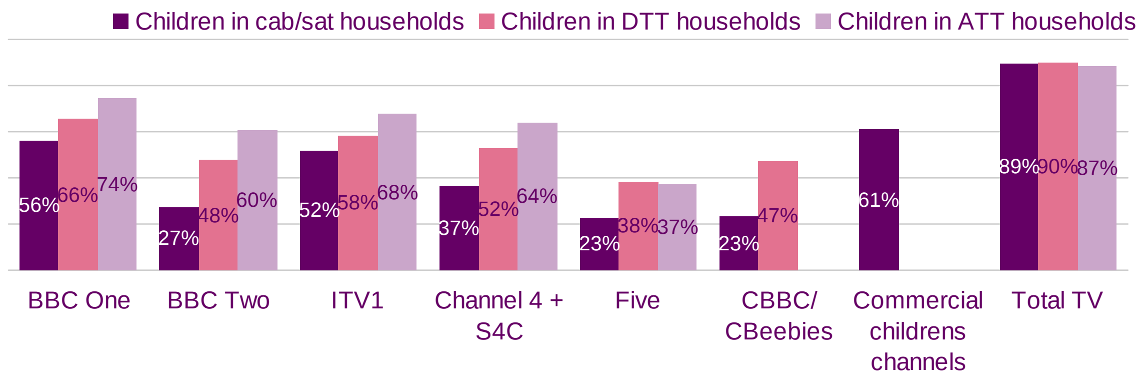
Figure 86: Average weekly reach: by age of child, 2006



Source: BARB, based on 15 consecutive minutes, full weeks only.

There are also differences in reach based on television platform. The PSB main channels attain highest reach among children in analogue terrestrial-only households. Conversely, no individual PSB main channel attains reach higher than 57% (BBC One) among children in cable/satellite households, whereas the commercial children's channels, taken as a group, attain 61% reach in 2006 (Figure 87).

Figure 87: Average weekly reach: by television platform, 2006



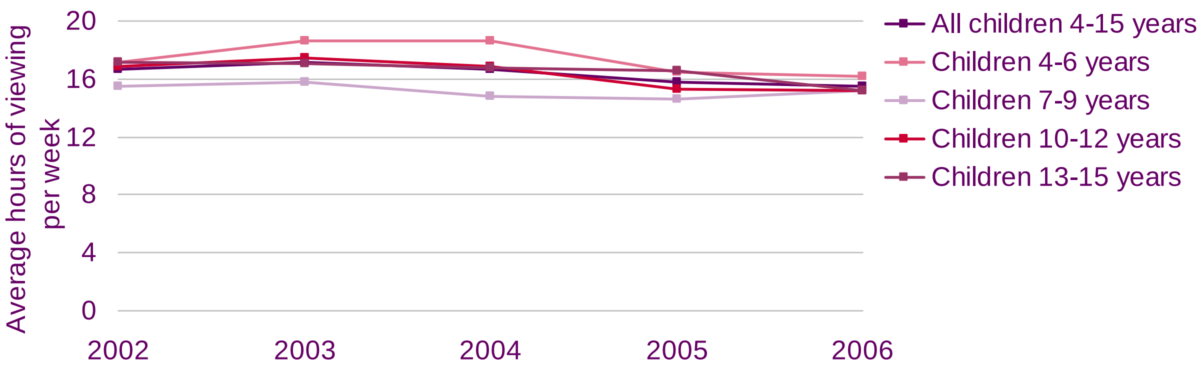
Source: BARB, based on 15 consecutive minutes, full weeks only.

4.6.2 Television viewing

Since 2002 the amount of television children watch on average each week has declined by 7% from 16.7 hours in 2002 to 15.5 hours in 2006 (Figure 89).

Children's viewing of total television has declined for each age group since 2002, with 13 to 15 year olds experiencing the greatest decline, from 17.2 hours to 15.2 hours per week, a drop of 11%. Younger children's viewing (4-6 and 7-9 years) has dropped only slightly, by less than 5%. (Figure 88)

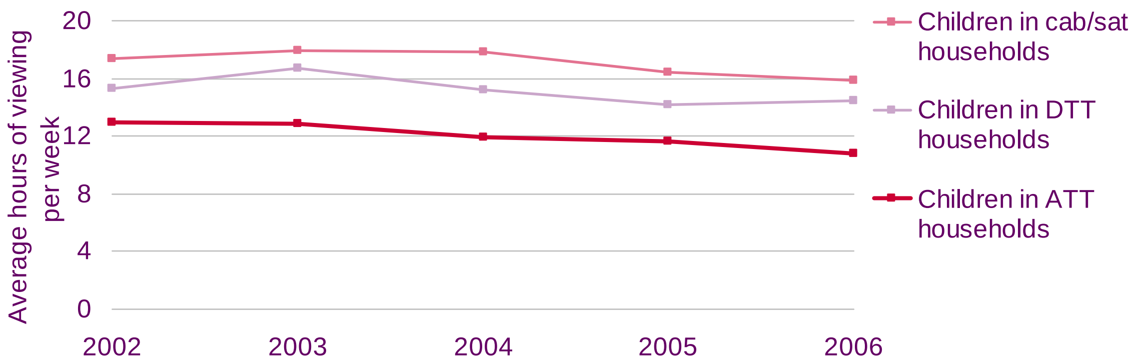
Figure 88: Average weekly hours of viewing, by age group, 2002 - 2006



Source: BARB, all days

Viewing has also declined among children for each television platform, with children in analogue terrestrial-only households experiencing the greatest decline: from 13 hours in 2002 to 10.8 hours per week in 2006, a drop of 17%.

Figure 89: Average weekly hours of viewing, by television platform, 2002 - 2006



Source: BARB, all days

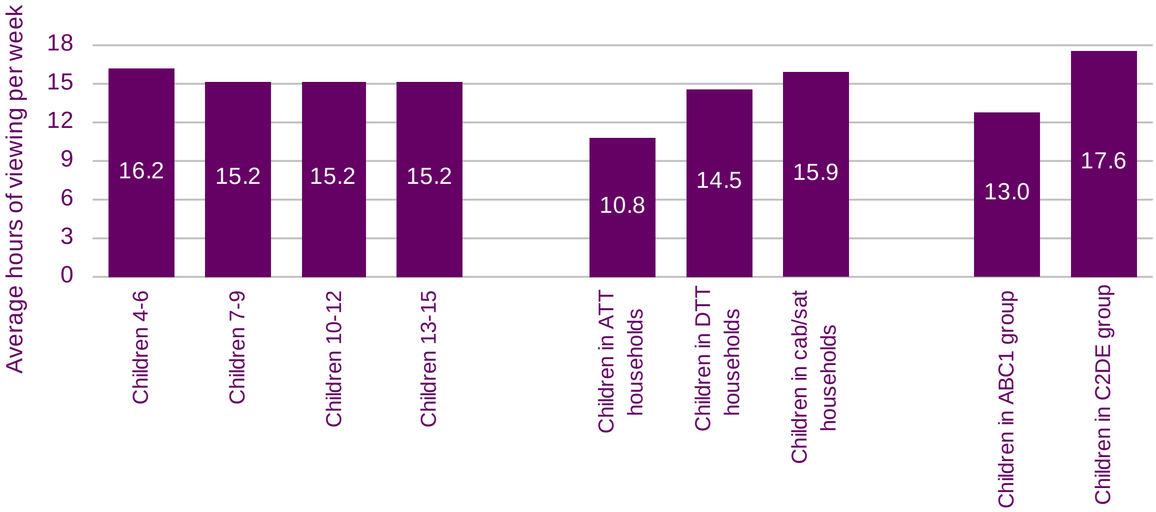
Children view less television than adults (15.5 hours per week compared to 27.2 hours for adults in 2006). An analysis of children's viewing of total television in 2006 reveals differences in viewing habits by age, television platform and socio-economic group.

Younger children (4-6 years old) watch the most television at 16.2 hours per week, compared to 15.2 hours for each older age group.

Children in cab/sat households watch on average five hours more television per week than children in analogue terrestrial-only households (15.9 hours compared with 10.8 hours).

Children in the C2DE group watch, on average, just under five hours more television per week (17.6 hours) compared to children in the ABC1 socio-economic group (13.0 hours) (Figure 90).

Figure 90: Average weekly hours of viewing by age, television platform and socio-economic group, 2006



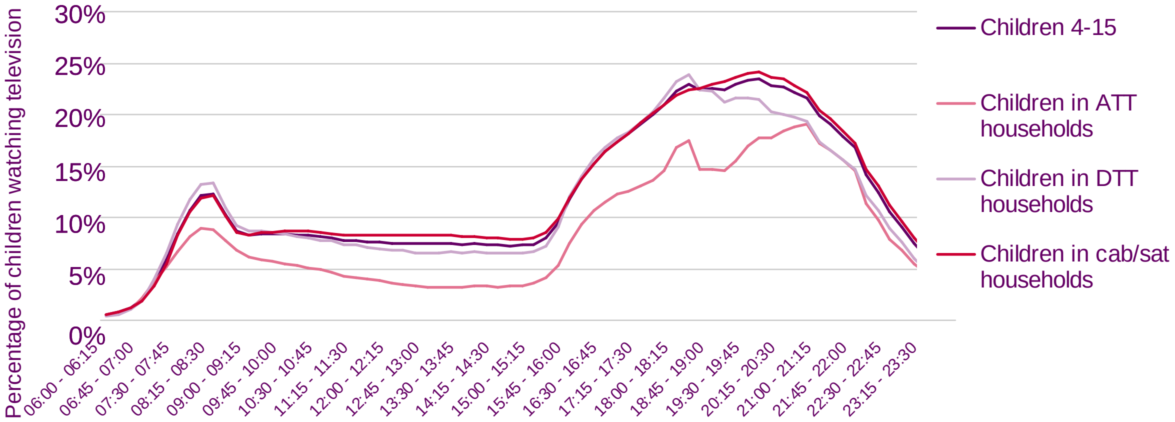
Source: BARB, all days

Figure 91 illustrates children's viewing patterns throughout the day by television platform. The time of day that children are viewing television does not vary greatly by television platform, although the amount of television consumed does: children in analogue terrestrial-only homes watch less television than children in digital terrestrial-only or cab/sat households.

For all children the first peak of the day is at breakfast time (07.45 – 08.45) and viewing then dips between 9.00 and 15.30. The second peak starts at 15.30 as children come home from school and reaches a peak at 19.45 – 20.00 (when 23% of children are watching television).

The viewing patterns vary by television platform in the evening. Children in analogue terrestrial-only homes and digital terrestrial-only homes experience a peak at 18.15 – 18.30 (driven by *The Simpsons* on Channel 4, weekdays). Viewing in analogue terrestrial-only homes reaches its highest peak at 20.45 – 21.00, an hour later than the average for all children (19.45 – 20.00). There is a steady decline in viewing on all platforms from 21.00 as children go to bed, although a notable proportion of children continue to watch television after the watershed.

Figure 91: Percentage of children watching television by time of day, by television platform, 2006



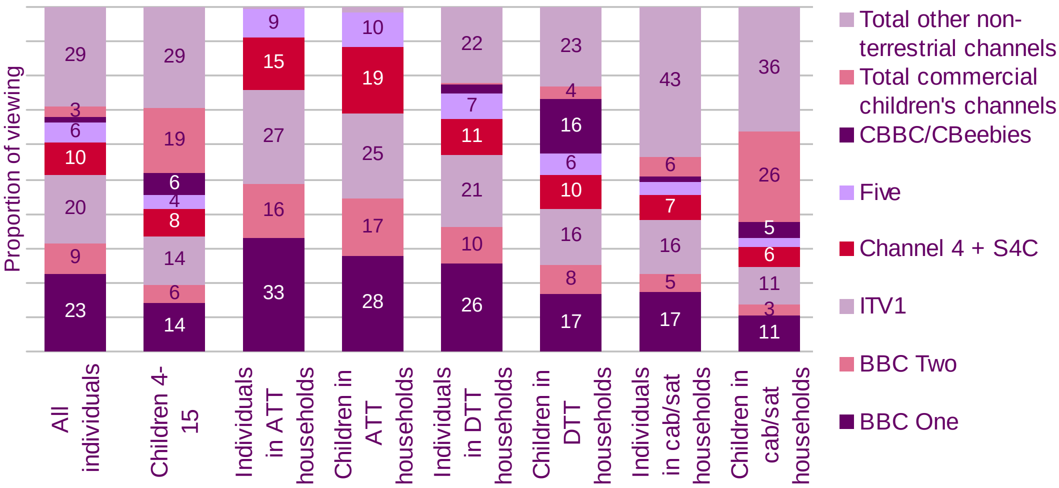
Source: BARB

An analysis of viewing to individual channels reveals differences for children compared to all individuals, with non-terrestrial channels accounting for a higher share (54%) of children's viewing, compared to that for all individuals (33%).

This difference is evident in both digital terrestrial-only and cab/sat homes. In digital terrestrial-only homes, viewing of the non-terrestrial channels accounts for 42% of children's viewing, compared to 25% for all individuals. (This difference is mainly due to children watching CBeebies/CBBC, which accounts for 16% share of their viewing.) Just over two-thirds (67%) of children's viewing in cab/sat homes is to the non-terrestrial channels, compared to just over half (51%) for all individuals (Figure 92).

An analysis of channel share since 2002 shows there has been a decrease in share for the PSB main channels among children aged 4-15. The combined share of the PSB main channels among children 4-15 years fell from 64.5% in 2002 to 45.8% in 2006. At the same time there has been an increase in share for the non-terrestrial channels (combined) from 35.5% in 2002 to 54.2% in 2006.

Figure 92: Channel shares – individuals and children by television platform, 2006

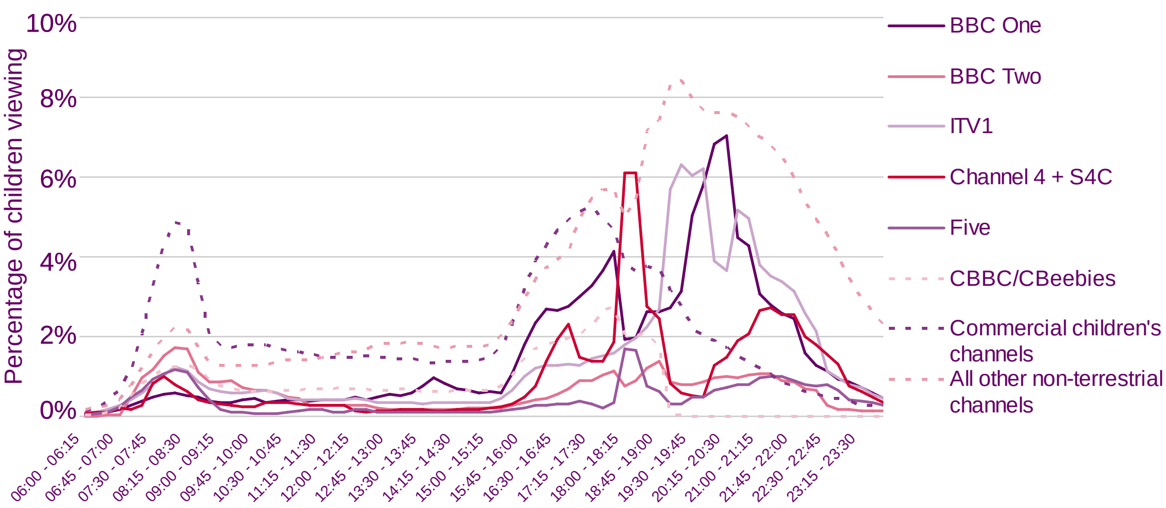


Source: BARB, all days

The following analysis looks at children's viewing of individual channels by time of day for weekdays and weekends.

On weekdays there are two viewing peaks for the commercial children's channels, one at breakfast time (08.15 – 08.30) and one after school (17.15 – 17.30); after that viewing to these channels declines slowly. CBBC/CBeebies experience a small peak in the early morning (08.15-08.30) and a late afternoon peak (17.45-18.00). (These channels both come off air at 19:00.) In contrast, viewing of other non-terrestrial channels and the PSB main channels peaks in the early evening, with viewing spread across a range of channels (Figure 93).

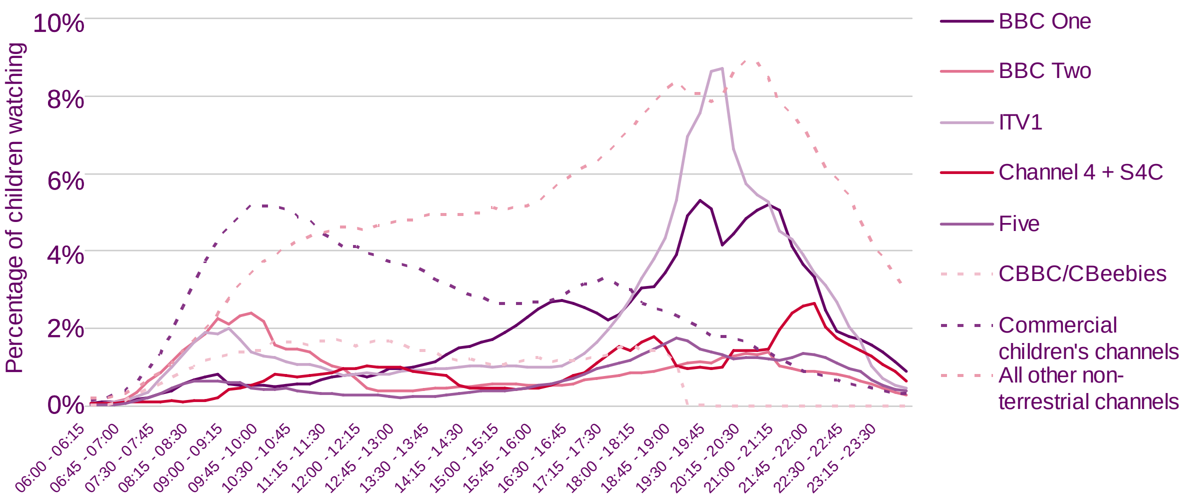
Figure 93: Percentage of children viewing each channel by time of day, weekdays: children 4-15 years, 2006



Source: BARB

At the weekends viewing of the commercial children's channels peaks mid-morning (09.45 – 10.00) and then gradually declines for the rest of the day. CBBC/CBeebies peak at 11.15-11.30 and then remain relatively stable until they stop transmission at 19.00. In contrast, viewing of the other non-terrestrial channels dominates from mid-morning throughout the rest of the day, peaking at 20.15-20.30. As on weekdays, the PSB main channels peak in the early evening (Figure 94).

Figure 94: Percentage of children viewing each channel by time of day, weekends: children 4-15 years, 2006



Source: BARB

4.6.3 Children's viewing in children's airtime compared to adult airtime

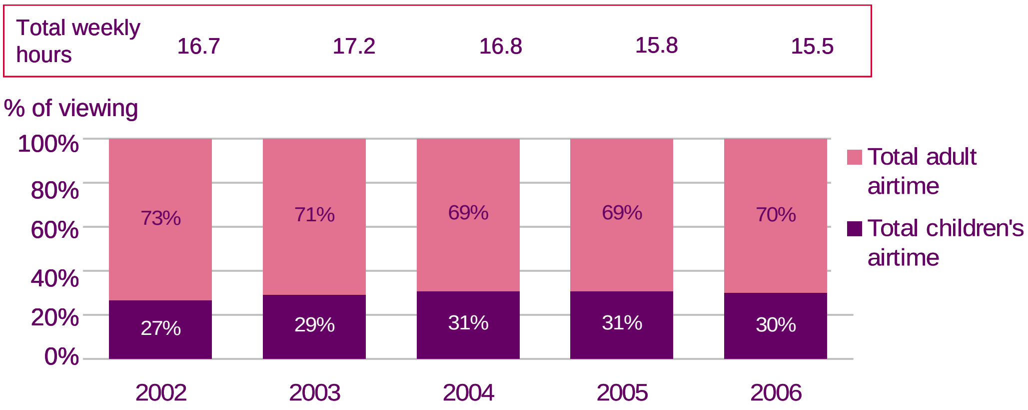
The following analysis looks at viewing by children aged 4-15 in children's airtime compared to adult airtime. Children's airtime is defined as the slots[32] on the PSB main channels and all

[32] Children's slots on the PSB main channels are defined in this section by daypart, e.g. 06:00 – 09:25 on Saturday and Sunday mornings on GMTV. See Annex 2 for specific details on the dayparts for each channel by year.

airtime on the dedicated children's channels. Adult airtime is defined as all non-children's airtime on the PSB main channels and all airtime on all non-terrestrial channels which are not dedicated children's channels.

Children spend the majority of their time (70%) watching in adult airtime. Viewing in adult airtime has declined from 12.2 hours in 2002 to 10.7 hours per week in 2006. However, despite a drop in total television viewing of just over one hour from 2002 to 2006, viewing in children's airtime has remained stable over time at around 30%. In terms of average weekly hours of viewing, children spent on average 4.5 hours viewing in children's airtime in 2002 and 4.7 hours in 2006. (Figure 95).

Figure 95: Viewing in children's and adult airtime, children 4-15 years, 2002-2006



Source: BARB, all days

Figure 96 shows the Top 20 programmes in 2006 for all children (ranked on 000s of viewers), which demonstrates the high levels of viewing of non-children's programmes. No single children's programme reaches the Top 20.

Figure 96: Top 20 programmes, children aged 4-15 years, 2006

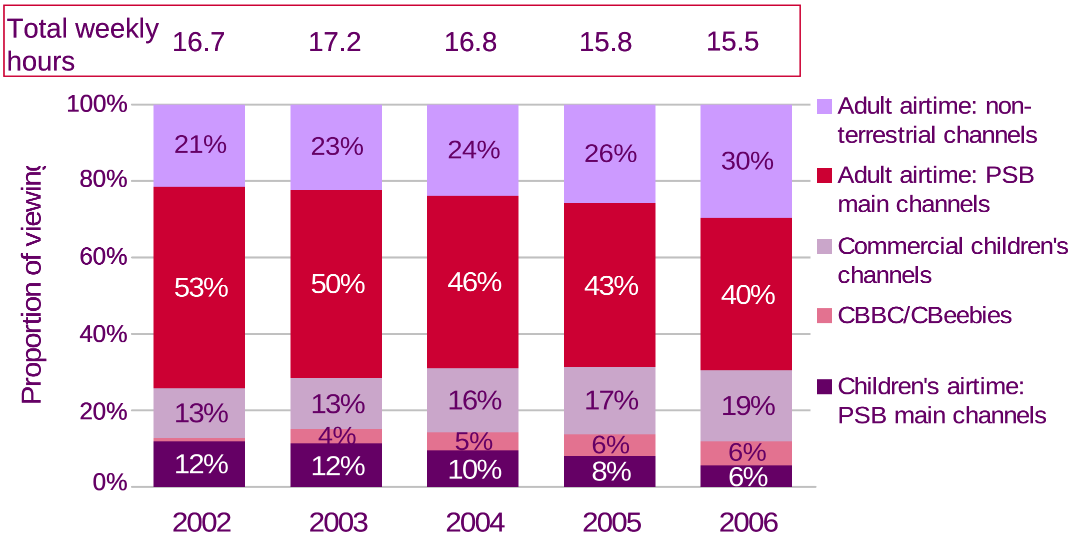
Title	Channel	Genre	Average Audience (000s)
WORLD CUP 06: ENGLAND V SWEDEN	ITV1	Sport	2058
WORLD CUP 2006: ENGLAND V ECUDOR	BBC1	Sport	1893
DOCTOR WHO	BBC1	Drama:Series/Serials	1825
WORLD CUP 2006: ENGLAND V PORTUGAL	BBC1	Sport	1740
WORLD CUP 06: ENGLAND V TRNIDADI	ITV1	Sport	1737
WORLD CUP 2006: POST-MATCH	BBC1	Sport	1649
FILM: ICE AGE	ITV1	Films:Cinema	1548
THE X FACTOR	ITV1	Entertainment	1493
EASTENDERS	BBC1	Drama:Soaps	1469
THE X FACTOR RESULTS	ITV1	Entertainment	1451
WORLD CUP 2006: ENG V PAR	BBC1	Sport	1436
DANCING ON ICE	ITV1	Entertainment	1316
WORLD CUP 06: POST-MATCH	ITV1	Sport	1285
WORLD CUP 2006: ITALY V FRANCE	BBC1	Sport	1253
ANT AND DEC'S SATURDAY NIGHT TAKEAWAY	ITV1	Entertainment	1155
CORONATION STREET	ITV1	Drama:Soaps	1153
FILM: BRUCE ALMIGHTY (2003)	BBC1	Films:Cinema	1142
FILM: PIRATES OF THE CARIBBEAN: THE CURS	BBC1	Films:Cinema	1126
I'M A CELEBRITY - GET ME OUT OF HERE!	ITV1	Documentaries	1119
CHILDREN IN NEED	BBC1	Entertainment	1087

Source: BARB. Top programmes, individual airings, highest occurrence only

Although viewing in children's airtime has remained relatively stable since 2002, there has been a shift from viewing children's slots on the PSB main channels (12% in 2002 to 6% in 2006) to the commercial children's channels and CBBC/CBeebies combined (14% share in

2002 to 25% in 2006). Viewing of adult slots on the PSB main channels has also dropped (from 53% to 40%) compared to growth of viewing on adult non-terrestrial channels (from 21% to 30% in 2006) (Figure 97).

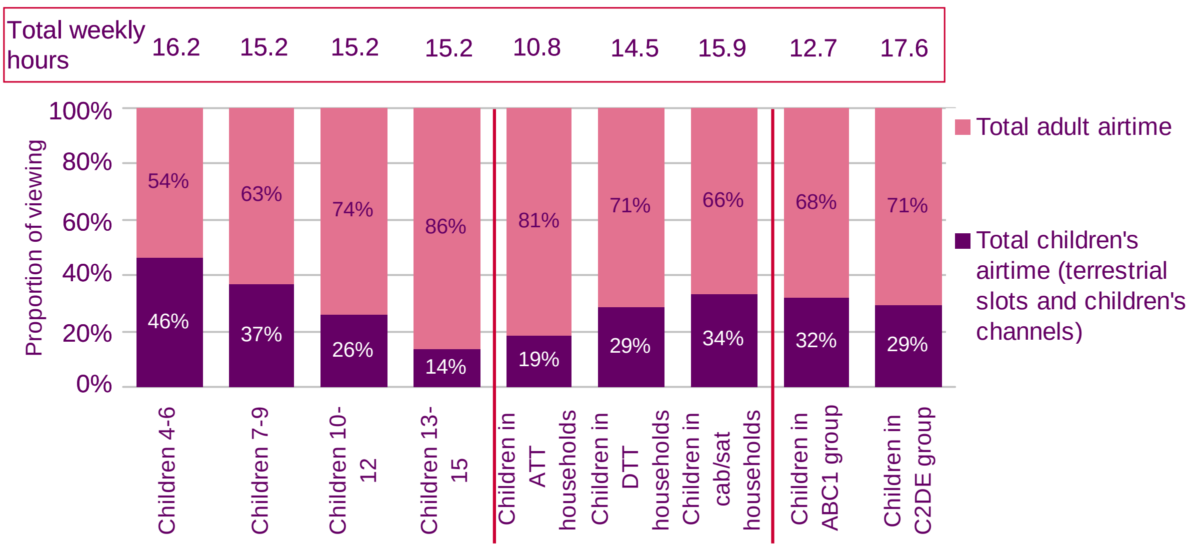
Figure 97: Viewing in children's and adult airtime, children 4-15 years, 2002-2006



Source: BARB, all days

An analysis of children's viewing in children's airtime in 2006 shows differences by age and television platform. It is highest among younger children and this proportion drops sharply as children get older (from 46% of total viewing for 4-6 year olds to 14% for 13-15 year olds). Children in cab/sat homes spend more of their time (34%) watching in children's airtime, compared to children in digital terrestrial-only (29%) and analogue terrestrial-only homes (19%). There is only a slight variation in the proportion of time spent viewing in children's airtime between children in the ABC1 and C2DE socio-economic groups, with both groups spending about one third of their time watching in children's airtime.

Figure 98: Children's viewing in children's and adult airtime by age and television platform, 2006



Source: BARB, all days

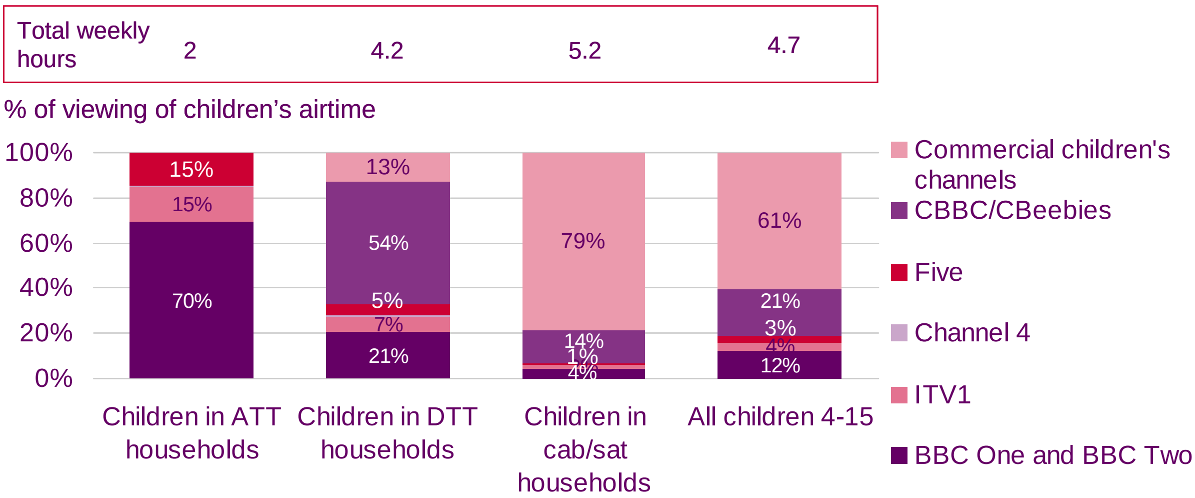
Figure 99 focuses specifically on children's viewing in children's airtime and compares viewing by television platform. Children in cab/sat households spend the greatest amount of time watching in children's airtime, (5.2 hours per week, compared to 4.2 hours for children in digital terrestrial-only households and 2.0 hours for children in analogue terrestrial-only households).

Of their time watching in children's airtime, children in cab/sat households spend only 7% watching the PSB main channel slots. The majority of their time is spent watching the commercial children's channels (79%).

Children in digital terrestrial-only households watch the PSB main channel slots, (33% of their viewing in children's airtime). However, they spend substantially more time watching the dedicated children's channels, with just over half of this time spent watching CBBC/CBeebies (54%).

For children in analogue terrestrial-only households, BBC One and BBC Two make up the majority of the time they spend watching in children's airtime (70%).

Figure 99: Children's viewing in children's airtime by television platform, 2006



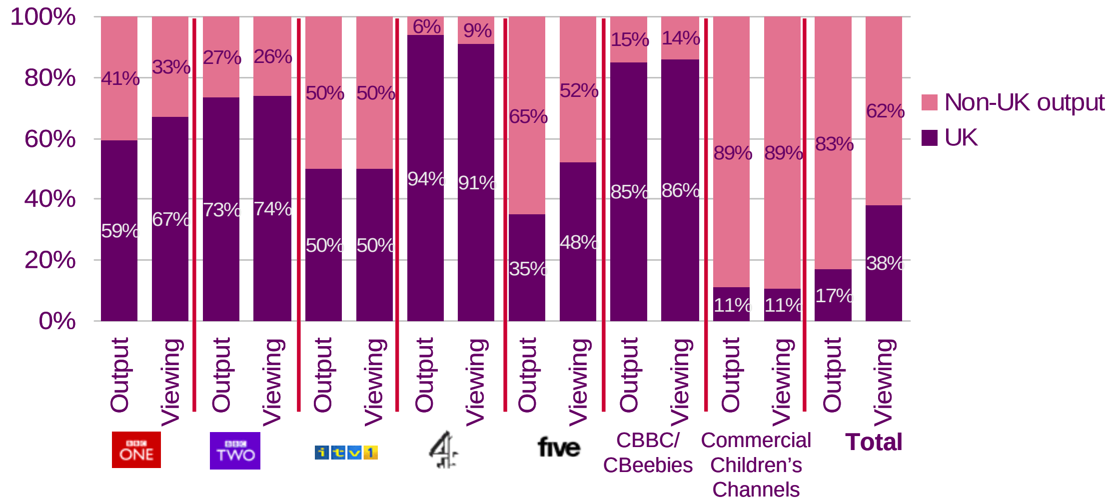
Source: BARB, all days. Note: Viewing on Five, Channel 4, ITV1, BBC One and BBC Two is of their children's programming slots

4.6.4 Children's viewing in children's airtime, by country of origin

Figure 100 compares the overall proportion of output on the PSB main channels and dedicated children's channels that is UK-originated with the proportion of total children's viewing of UK-originated programming. (See Annex A3 for details on methodology.)

The overall level of UK-originated output is higher than 35% across each of the PSB main channels and reaches 85% for CBBC/CBeebies combined. Total UK-originated output on the commercial children's channels is 11%. However, for each channel (except Channel 4) the proportion of viewing of UK-originated content either matches or exceeds levels of output.

Figure 100: Proportion of output and viewer hours by UK and non-UK programme origin, 2006



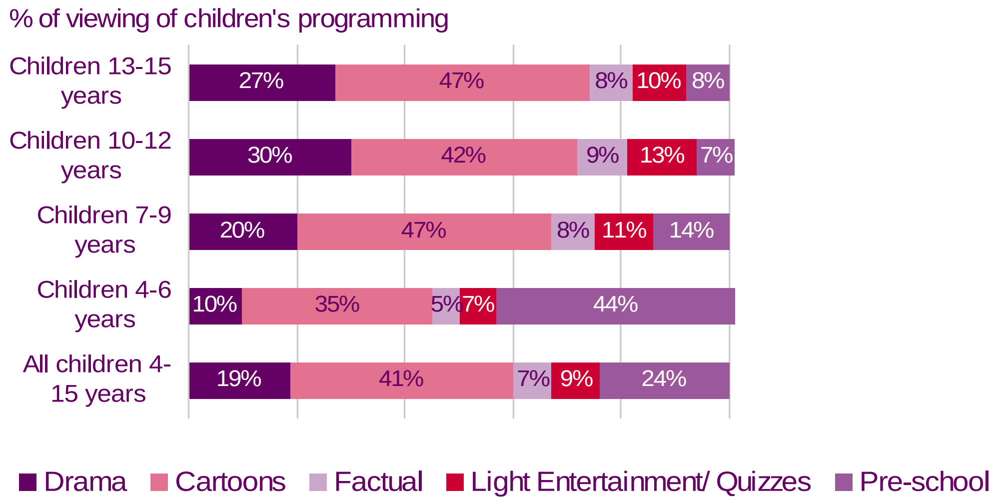
Source: Attentional, based on children aged 4-15 years viewing in children's airtime. (See Annex A2 for details on methodology.)

4.6.5 Children's viewing of children's genres

The following analysis examines children's viewing of children's genres on the PSB main channels, CBBC, CBeebies and the commercial children's channels. It is based on the BARB classifications of children's programming and looks at the different children's sub-genres (cartoons, drama, factual, pre-school, light entertainment/quizzes). In order to attempt to gain a clear picture of any changes in genre distribution over time the BARB children's sub-genre of 'miscellaneous' has been excluded and programmes have been re-coded to fall into one of the five remaining genres. Programmes which could not be re-coded have been excluded. (For full details on the methodology see Annex A3.)

Analysis of children's viewing of children's genres reveals differences by age. The dominant genre among the youngest age group is pre-school and for all other age groups it is cartoons. However, drama programming increases as a proportion of total viewing of children's programming as children get older, reaching a peak among children aged 10-12 years at 30% of viewing of children's programming. Both factual and light entertainment/quizzes each makes up less than 15% of children's viewing of children's programming for all age ranges.

Figure 101: Range of viewing of children's genres, by age, 2006

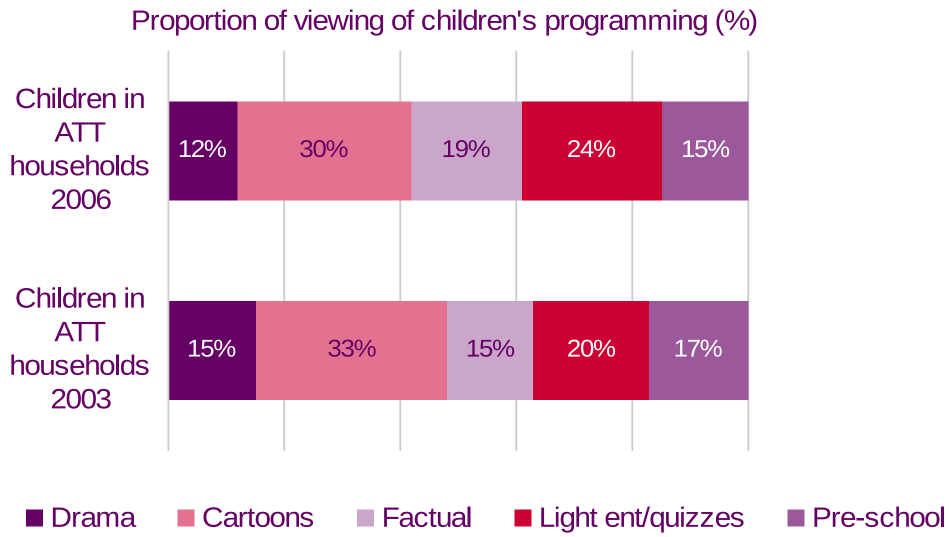


Source: BARB, all days, 'miscellaneous' genre re-coded and programmes that could not be re-coded are excluded.

Figures 106 to 108 show the range of children's viewing of children's genres by television platform and show any changes over time between 2003 and 2006.

A comparison of 2003 and 2006 viewing of children's genres (Figure 102) among children in analogue terrestrial-only homes shows that viewing of cartoons continues to dominate (30% of viewing in 2006 compared to 33% in 2003). However, there appears to be a wider genre range in children's viewing, with both the factual and light entertainment/quizzes genres each making up approximately one-fifth of viewing of children's programming in 2006. Viewing of factual programming has increased from 15% in 2003 to 19% in 2006, with light entertainment/quizzes increasing from 20% in 2003 to 24% in 2006. The proportion of viewing attributed to drama programming has declined slightly from 15% in 2003 to 12% in 2006, as has cartoons, from 33% to 30%. Viewing of pre-school programmes has also declined, from 17% in 2003 to 15% in 2006.

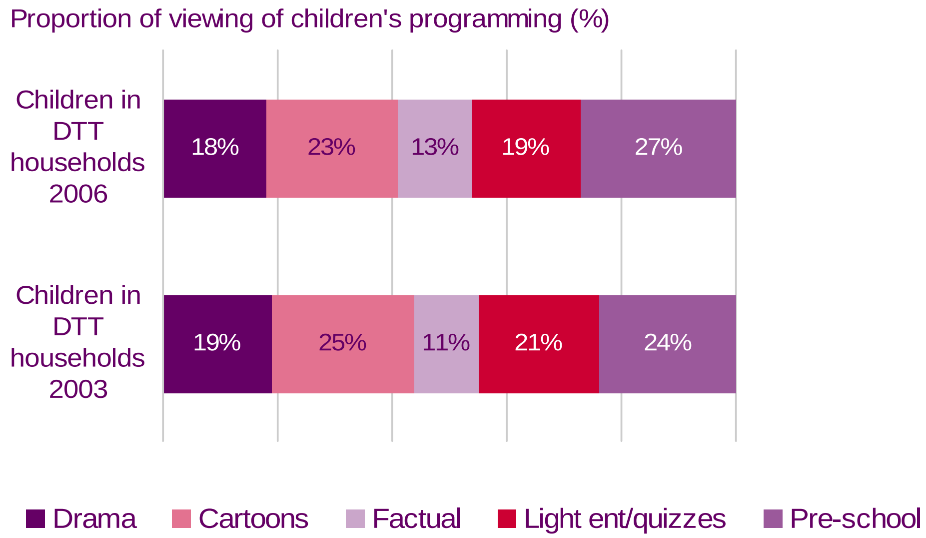
Figure 102: Range of viewing of children's genres among children in analogue terrestrial-only households



Source: BARB, all days, 'miscellaneous' genre re-coded and programmes that could not be re-coded are excluded. PSB main channels only.

Figure 103 shows the proportion of viewing hours allocated to the various children's genres among children in digital terrestrial-only homes in 2003 and 2006. It shows that this has not changed substantially between 2003 and 2006, with most genres achieving around one-fifth of viewing of children's programming. The exceptions are factual programming, with just 13% of viewing, and pre-school programming, with the largest proportion of viewing at almost one third (27%) in 2006. Cartoons remains a dominant genre at 23% of viewing of children's programming in 2006, having dropped slightly from one quarter in 2003. Pre-school programming takes the largest share of viewing in 2006 (27%), up slightly from 24% in 2003. Light entertainment/quizzes was in third place both in 2003 and 2006, despite a slight decrease from 21% in 2003 to 19% in 2006. Drama programming has dropped marginally to 18% in 2006 from 19% in 2003. Factual programming continues to have the smallest proportion of viewing, despite a slight increase from 11% in 2003 to 13% in 2006.

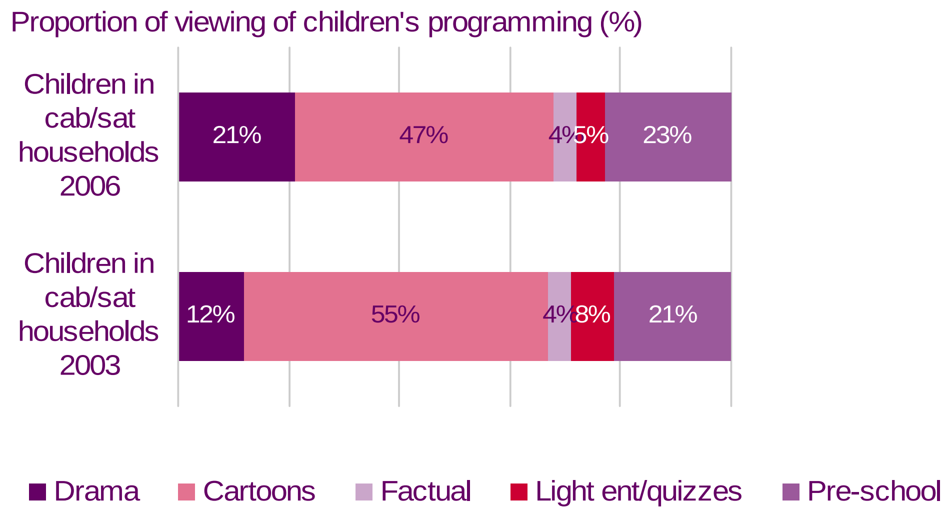
Figure 103: Range of viewing of children's genres among children in digital terrestrial-only households



Source: BARB, all days, 'miscellaneous' genre re-coded and programmes that could not be re-coded are excluded.

Among children in cab/sat households cartoons continues to dominate viewing of children's programming, but the proportion of viewing allocated to cartoons has dropped from 55% in 2003 to 47% in 2006. Pre-school programming remains in second place with 23% of viewing, having increased slightly from 21% in 2003. The proportion of viewing of drama has almost doubled from 12% in 2003 to 21% in 2006. Light entertainment/quizzes have declined from 8% in 2003 to 5% in 2006. The proportion of time spent viewing factual has remained the same at 4%.

Figure 104: Range of viewing of children's genres among children in cab/sat households



Source: BARB, all days, 'miscellaneous' genre re-coded and programmes that could not be re-coded are excluded.

A comparison of viewing of each children's genre by television platform for 2006 (based on Figures 103-105) shows that viewing varies by television platform, which is naturally influenced by the programming range available. Overall, children in analogue terrestrial-only and digital terrestrial-only households watch a balanced range of genres, whereas viewing by children in cab/sat households is dominated by cartoons. Factual programming as a proportion of children's viewing of children's genres drops from 19% in analogue terrestrial-only households, to 13% in digital terrestrial-only households, and to 4% in cab/sat households. Light entertainment/quizzes follows a similar pattern, dropping from 24% of viewing of children's programming in analogue terrestrial-only households, to 19% in digital terrestrial-only households and to 5% in cab/sat households. Viewing of drama and pre-school programmes, on the other hand, is greater among children in digital terrestrial-only and cab/sat households, where both genres represent one-fifth or more of children's viewing of children's programming

4.6.6 Children's viewing of children's programmes

The following section looks at the Top 20 children's programmes among children aged 4-15 years in 2006 based on BARB's children's genre classification.

Figure 105 shows the Top 20 children's programmes among the PSB main channels. With the exception of *Toonattik* on ITV, all the Top 20 children's programmes were BBC programmes.

Figure 105: Top 20 children's programmes 2006 among children aged 4-15 years

Title	Channel	Childrens subgenre	Average Audience (000s)
EVACUATION	BBC1	Childrens: Factual	500
BLUE PETER	BBC1	Childrens: Factual	494
NEWSROUND	BBC1	Childrens: Factual	492
ONLY IN AMERICA	BBC1	Childrens: Factual	457
THE STORY OF TRACY BEAKER	BBC1	Childrens: Drama	415
THE SLAMMER	BBC1	Childrens: Light Entertainment	414
YOUNG DRACULA	BBC1	Childrens: Drama	410
WHAT'S NEW SCOOBY-DOO?	BBC1	Childrens: Cartoons	401
STUPID	BBC1	Childrens: Drama	395
JACKANORY	BBC1	Childrens: Drama	395
PINKY AND THE BRAIN	BBC1	Childrens: Cartoons	391
SHOEBOX ZOO	BBC1	Childrens: Drama	384
THE CRUST	BBC1	Childrens: Drama	378
SERIOUS AMAZON	BBC1	Childrens: Factual	378
THE FAIRLY ODD PARENTS	BBC1	Childrens: Cartoons	377
SMART	BBC1	Childrens: Factual	374
NEWSROUND EXTRA	BBC1	Childrens: Factual	361
TOONATTIK	ITV1	Childrens: Miscellaneous	359
SCOOBY-DOO	BBC1	Childrens: Cartoons	353
50/50	BBC1	Childrens: Light entertainment	352

Source: BARB. Top programmes, individual airings, highest occurrence only, ranked on 000s

A comparison of the Top 20 children's programmes by television platform for the PSB main channels and the dedicated children's channels reveals some differences in programme preference.

The Top 20 children's programmes in analogue terrestrial-only households are all BBC One, except for one BBC Two programme.

Figure 106: Top 20 children's programmes 2006 among children in analogue terrestrial households

Title	Channel	Childrens sub genre	Average audience (000s)
EVACUATION	BBC1	Childrens: Factual	211
NEWSROUND	BBC1	Childrens: Factual	209
STUPID	BBC1	Childrens: Drama	201
THE SLAMMER	BBC1	Childrens: Light Ent/Quizzes	193
BLUE PETER	BBC1	Childrens: Factual	171
THE REALLY WILD SHOW	BBC1	Childrens: Factual	169
YOUNG DRACULA	BBC1	Childrens: Drama	167
EVEN STEVENS	BBC1	Childrens: Drama	163
GRANGE HILL	BBC1	Childrens: Drama	160
THE SCOOBY DOO SHOW	BBC2	Childrens: Cartoons	160
PINKY AND THE BRAIN	BBC1	Childrens: Cartoons	158
THE CRUST	BBC1	Childrens: Drama	156
WHAT'S NEW SCOOBY-DOO?	BBC1	Childrens: Cartoons	156
KEEP YOUR HAIR ON: CELEBRITY SCISSORHAN	BBC1	Childrens: Light Ent/Quizzes	156
THE FAIRLY ODD PARENTS	BBC1	Childrens: Cartoons	155
THE STORY OF TRACY BEAKER	BBC1	Childrens: Drama	155
KERCHING	BBC1	Childrens: Drama	153
NEWSROUND INVESTIGATES	BBC1	Childrens: Factual	150
ONLY IN AMERICA	BBC1	Childrens: Factual	148
SMART	BBC1	Childrens: Factual	147

Source: BARB. Top programmes, individual airings, highest occurrence only, ranked on 000s

The Top 20 children's programmes in digital terrestrial-only households were still predominantly on the PSB main channels, with one programme on CBBC, *Tracey Beaker*, in third place.

Figure 107: Top 20 children's programmes among children in digital terrestrial households

Title	Channel	Childrens sub-genre	Average Audience (000s)
BLUE PETER	BBC1	Childrens: Factual	219
NEWSROUND	BBC1	Childrens: Factual	189
THE STORY OF TRACY BEAKER	CBBC	Childrens: Drama	186
KIM POSSIBLE	ITV1	Childrens: Cartoons	175
THE POD	BBC2	Childrens: Light entertainment	174
SPONGEBOB SQUAREPANTS	ITV1	Childrens: Cartoons	173
THE SLAMMER	BBC1	Childrens: Light entertainment	172
TOONATTIK	ITV1	Childrens: Miscellaneous	170
EVACUATION	BBC1	Childrens: Factual	164
SERIOUS AMAZON	BBC1	Childrens: Factual	162
THE FAIRLY ODD PARENTS	BBC1	Childrens: Cartoons	156
AMERICAN DRAGON	ITV1	Childrens: Cartoons	156
STUART LITTLE	BBC2	Childrens: Cartoons	155
ONLY IN AMERICA	BBC1	Childrens: Factual	154
TOTALLY SPIES	ITV1	Childrens: Cartoons	153
STUPID	BBC1	Childrens: Drama	153
THE CRUST	BBC1	Childrens: Drama	150
NEWSROUND EXTRA	BBC1	Childrens: Factual	150
BEAT THE BOSS	BBC1	Childrens: Light entertainment	150
AVATAR: THE LEGEND OF AANG	ITV1	Childrens: Miscellaneous	149

Source: BARB. Top programmes, individual airings, highest occurrence only, ranked on 000s

In cab/sat households however, the Top 20 children's programmes shows a more fragmented distribution of viewing, due to increased choice, with five of the dedicated children's channels featuring, and only six titles from BBC One, and one from ITV.

Figure 108: Top children's programmes among children in cab/sat households

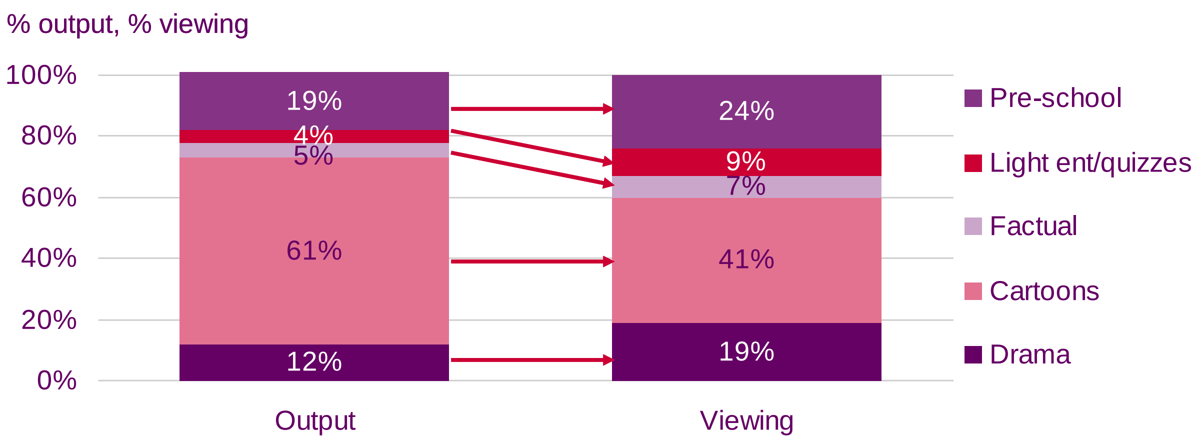
Title	Channel	Childrens sub genre	Average Audience (000s)
THE STORY OF TRACY BEAKER	CBBC	Childrens: Drama	224
FILM: HIGH SCHOOL MUSICAL SINGALONG	Disney Channel	Childrens: Miscellaneous	211
FILM: CHEETAH GIRLS 2	Disney Channel	Childrens: Miscellaneous	197
NEWSROUND	BBC1	Childrens: Factual	184
THE SUITE LIFE OF ZACK & CODY	Disney Channel	Childrens: Miscellaneous	176
BIG COOK LITTLE COOK	Cbeebies	Childrens: Preschool	165
ONLY IN AMERICA	BBC1	Childrens: Factual	154
HANNAH MONTANA	Disney Channel	Childrens: Miscellaneous	154
OCEAN ODYSSEY	BBC1	Childrens: Drama	148
BLUE PETER	BBC1	Childrens: Factual	148
SMART	BBC1	Childrens: Factual	147
KERCHING	BBC1	Childrens: Drama	142
JUNGLE RUN	ITV1	Childrens: Light Entertainment	141
JACKANORY	BBC1	Childrens: Drama	141
WHAT'S NEW SCOOBY-DOO?	Boomerang	Childrens: Cartoons	138
POSTMAN PAT	Cbeebies	Childrens: Cartoons	134
BOOGIE BEEBIES	Cbeebies	Childrens: Preschool	133
SMARTEENIES	Cbeebies	Childrens: Miscellaneous	132
BOBINOGS	Cbeebies	Childrens: Preschool	129
MAGGIE AND THE FEROCIOUS BEAST	Nick JR	Childrens: Preschool	128

Source: BARB. Top programmes, individual airings, highest occurrence only, ranked on 000s

Figure 109 compares the proportion of total output broadcast by children's sub-genre to the proportion of total viewing by all children by sub-genre, on a 24 hour basis. It shows that cartoons are the only sub-genre for which output (61%) exceeds viewing levels (41%). Drama programming accounted for 12% of output but 19% of viewing. Factual programming accounted for 5%of output but 7% of viewing. Pre-school programming accounts for 19% of output compared to 24% of viewing.

Naturally, platform access and time of day affect what children are watching. It is therefore important to bear in mind that the viewing data is based on an average for all children and around 30% of households with children do not have access to the commercial children channels on cable and satellite platforms. Also the output and viewing analysis is based on a total day, and a number of children's channels broadcast programmes (predominantly cartoons) during the night when most children have gone to bed.

Figure 109: Range of output and viewing of children's programming, 2006



Source: BARB, all days, children 5-15

Section 5

Views of parents and children

5.1 Summary findings

Children's PSB Survey

- The Children's PSB Survey found that the majority of parents placed high value on the role television plays in society – 81% of parents felt that children's television has an important social role to play. Almost all parents agreed (94%) that it was important that the PSB main channels provide programmes for children.
- A clear majority of parents also felt it was important that the PSB channels provided children's programming that delivered each of the PSB purposes and characteristics (between 64% and 85% of parents gave each one of them a high importance rating).
- A comparison of these high ratings for importance of each purpose and characteristic with the levels of satisfaction with delivery by the PSBs overall reveals large gaps. Levels of satisfaction with delivery overall range between 39% and 54% of parents; and satisfaction also varies greatly for individual channels.
- While acknowledging that commercial children's channels do not have a PSB remit and have different strategic goals, parents' opinions on a selection of these channels were also explored. They were seen to deliver the PSB purposes and characteristics less well overall than the PSB channels. However, they were rated highly on providing programmes that children 'want to watch'.

Figure 110: Importance and delivery of the PSB purposes and characteristics

		Importance	Parental views of delivery											
			All PSBs	BBC ONE	BBC TWO	ITV1	4	five	CBeebies	CBBC	CITV	Nick	Disney	CN
Purposes	Understanding news, current issues & the world	77%	41%	73%	60%	48%	34%	24%	37%	41%	35%	14%	23%	12%
	Helps child learn and develop	85%	49%	64%	58%	44%	33%	49%	71%	60%	46%	30%	37%	38%
	Cultures/ opinions from around UK	78%	43%	57%	63%	36%	36%	37%	62%	54%	44%	23%	36%	19%
	Awareness of types of people and viewpoints	80%	47%	67%	58%	46%	47%	48%	61%	53%	48%	33%	46%	16%
Characteristics	Well-made, high-quality	80%	54%	75%	72%	51%	41%	63%	79%	65%	51%	48%	66%	31%
	Programmes made in the UK	65%	43%	60%	58%	43%	28%	41%	67%	59%	45%	11%	20%	12%
	New programmes made in the UK	64%	39%	53%	53%	37%	23%	33%	61%	49%	39%	15%	20%	14%
	New ideas and different approaches	78%	47%	60%	60%	44%	38%	52%	66%	57%	41%	34%	46%	23%
	Think for themselves	78%	42%	60%	60%	32%	32%	47%	66%	59%	44%	31%	48%	23%
	Child wants to watch	77%	54%	68%	67%	51%	49%	75%	85%	72%	60%	77%	84%	77%

Key: 0 – 25% 26 – 50% 51 – 75% 76 – 100%

Source: Children's PSB Survey, April 2007. Note: % rating 10/9/8/7 for agreement with each statement. Parents of children aged 2-15.

- The findings presented in this report reveal a decline in the total hours of first-run original programmes commissioned by the PSBs; and also demonstrate that PSB expenditure on first-run original content has almost halved from 1998 to 2006. With this in mind, it is important to note that there is a large gap between parents' perception of the level of importance of, and their satisfaction with delivery of 'children's programming that shows a range of different cultures and opinions from around the UK'. Seventy-eight per cent of parents gave this aspect a high importance rating, whilst only 43% were satisfied with delivery by the PSBs taken as a whole. However, when all adults were asked these questions about PSB programming overall (Ofcom PSB Tracker, Q3 2007), this difference was significantly smaller (72% and 49%).
- When evaluating overall satisfaction with PSB delivery of children's programming as a whole, 73% of parents said they were satisfied, of whom 13% were very satisfied and the remainder (60%) quite satisfied. This figure of 73% is most in line with the individual satisfaction scores for the BBC channels.
- Satisfaction with PSB delivery varied greatly by individual channel and was highest for CBeebies (80%), followed by CBBC (76%), and BBC One (75%). These channels also scored consistently high in delivery of most of the purposes and characteristics individually. Around two-thirds of parents were satisfied with BBC Two (65%), and smaller proportions of parents were satisfied with ITV1 (58%), Five (54%) and Channel 4 (48%).
- Satisfaction with PSB delivery as a whole varied by age group of child. Parents of pre-schoolers were most likely to think that the PSB channels taken together delivered the PSB purposes and characteristics as a whole (with 18% of parents very satisfied and 62% quite satisfied). Parents of young teenagers, on the other hand, were less satisfied with overall PSB delivery (14% of parents very satisfied and 54% quite satisfied).

Opinion Leader deliberative research

- The deliberative workshops and focus groups managed by Opinion Leader found that parents and children saw television as fulfilling an important role, providing education, entertainment and relaxation. Of the issues explored in relation to children's programming, high-quality was key for parents and children alike, and over-rode factors such as channel and programme choice and UK-originated programmes.
- Overall satisfaction with current provision differed by age group and by television platform (analogue terrestrial, digital terrestrial and cable/satellite). It was generally higher for pre-school than for older children's programming, and higher for those with cable and satellite television.
- When asked specifically about PSB programming for children, parents felt it was very important. Parents of pre-school and younger children across all platforms felt well served by BBC One and Two, CBeebies, CBBC, and Milkshake! on Five. However, parents of older children and older children themselves felt there were a limited number of PSB programmes for this age group.
- Wide availability of a range of high-quality channels and programmes was important to parents and children. Parents of pre-school children were generally happy with availability of channels and range of programmes, as were parents of younger children and younger children themselves. However, parents of older children and older children themselves in analogue and digital terrestrial households felt there was limited range and availability of programmes appealing to this age group. Some expressed the need for older children's programming in the early evening. Most

parents and older children were also concerned about the number of repeats.

- Parents and children also thought it was important to have a range of genres which appeal to children of different ages and genders; they were generally happy with current provision, but did raise some specific concerns. Parents wanted more factual programmes, which would help their children learn and develop. They also thought there was a lack of variety in drama programmes and said they would like to see more UK drama, especially for older children.
- Country of origin was seen to be particularly important for drama and factual programmes, but less so for animation. Parents of older children and some older children themselves thought it was important to have UK programming, especially drama and factual, to reflect the lives of children in the UK, and said they would like to see more. Just over two-thirds of parents thought there was too little UK programming for children. However this was less of an issue for younger children.
- Country of origin was the main area where there were differences in opinion between parents living in different parts of the UK. Parents in England, Scotland and Wales thought it was important to have a good range of programmes made in the UK, whereas parents in Northern Ireland thought it less important. Parents in Scotland, Northern Ireland and Wales (non-Welsh speakers who didn't watch S4C) recognised there were few children's programmes made or set in their nation and would ideally like to see more. In Wales, parents and children who watched S4C thought the children's programmes were of high quality, with a good range of genres for different ages.
- Although television was still important for young teenagers (13-15s), they now had access to a far wider range of media and non-media activities. Parents of young teenagers and young teenagers themselves, across all platforms, perceived there to be very few channels or programmes aimed at them. As a result, they watched programmes aimed either at adults or younger children. They thought there should be more provision for them, including sport, soaps, reality programmes, drama and music programmes.
- When asked about future provision, parents wanted a more even balance of programmes from the UK and overseas. Some parents thought that there should be more programmes made in the UK for older children and some wanted fewer US dramas. These views were not always matched by children, who enjoy US drama.
- In order to explore the issue of plurality of provision in the future, parents were asked to choose between three post digital switch-over scenarios, each delivering the same amount of children's PSB programming. Scenario 1 assumed that the BBC would be the sole provider of PSB programming. Scenario 2 assumed that alongside the BBC, a proportion of output of all commercial children's channels (and ITV1 and Five) would be dedicated to PSB programming. Scenario 3 assumed a new channel, alongside the BBC, dedicated to PSB programming for children.
- The majority (78%) of parents preferred scenario 3 which was seen to be the option most likely to fill the perceived existing gaps in provision (PSB programming for older children and young teenagers), as well as offering the potential for tonally different PSB programming and reducing the perceived risk of complacency if the BBC were to be the sole provider of PSB children's programming. Parents clearly valued a range of different voices in delivering PSB programming.

5.2 Introduction

This section sets out our findings from quantitative and qualitative deliberative research commissioned by Ofcom on children's programming in a PSB context.

As noted in Section 1, *Setting the scene*, Ofcom re-defined PSB in terms of purposes and characteristics which were designed to apply to PSB programming as a whole. In this section, the PSB purposes and characteristics have been adapted to children's statements as a research tool to understand the extent to which parents believe that there is a "suitable quantity and range of high quality and original programmes for children and young people". We commissioned GfK NOP Media to conduct a quantitative survey among parents of children aged 2-15 years of opinions on children's PSB provision. This sought to understand views on how well children's programming on the PSB channels and a selection of commercial digital children's channels in the UK was fulfilling the PSB purposes and characteristics. The findings from the *Children's PSB Survey* are set out below (section 5.3).

Recognising that this issue is a complex one and that the views of parents, children and young teenagers are an integral part of the debate, we undertook a series of deliberative workshops and focus groups across the UK, managed by Opinion Leader Research. Parents, children and young teenagers were asked about the delivery of children's PSB programming and also explored a range of issues including quality, channel and programme choice, genre range, country of origin and the balance of new programming to repeats with regard to children's programme provision as a whole. These issues were explored in relation to the age of the child and the type of television platform they had at home. The findings from the *Opinion Leader deliberative research* are set out below (section 5.4).

5.3 Children's PSB Survey

In order to gain an understanding of the delivery of the PSB purposes and characteristics in children's television, Ofcom commissioned a quantitative survey of parents of children aged 2-15 across the UK. Parents were asked to assess the amount of children's programmes, and UK-made programmes; to rate the importance of the PSB channels providing each of the PSB purposes and characteristics; and to rate how well each channel delivered these.

Parents who said their child was a regular viewer of a channel were asked to evaluate that channel against the PSB purposes and characteristics. The PSB channels considered were BBC One, BBC Two, ITV1, Channel 4, Five, CBBC and CBeebies; these channels were evaluated both individually and as a whole. Parents were also asked to separately evaluate the delivery of the main commercial children's channels - Nickelodeon, the Disney Channel, Cartoon Network, and CITV. Ofcom acknowledges that these channels do not have a PSB remit, and have different strategic goals to each other and to the PSBs. (These channels were selected on the basis of their viewing shares and to provide a representative cross-section of the main children's television companies.) A total of 821 parents were interviewed by telephone (see Annex A3 for survey methodology).

5.3.1 The PSB purposes and characteristics

The table below shows each PSB purpose and characteristic and the related statements that parents were asked to evaluate in the survey.

Figure 111: PSB purposes and characteristics and Children's PSB Survey statements

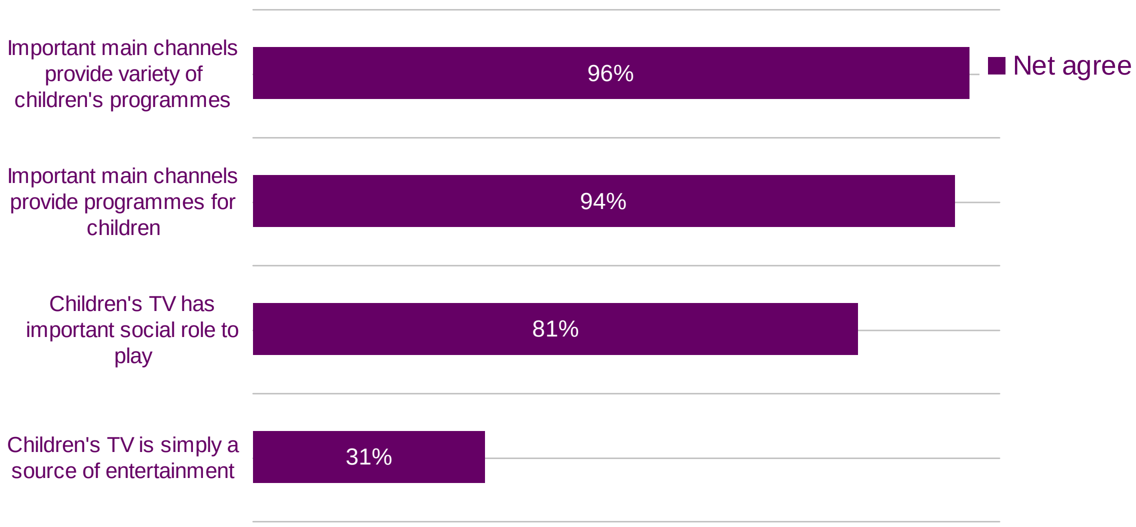
PSB purposes	Children's PSB Survey statement
Informing our understanding of the world - To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas	Its programmes increase my child's understanding of news, current issues and what's going on in the world
Stimulating knowledge and learning - To stimulate our interest in and knowledge of arts, science, history and other topics through content that is accessible and can encourage informal learning	Its programmes help my child to learn and develop
Reflecting UK cultural identity - To reflect and strengthen our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences	Its programmes show different kinds of cultures and opinions from around the UK It shows programmes made in the UK
Representing range and alternative viewpoints - To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere	Its programmes help my child to be aware of different types of people and alternative viewpoints
PSB characteristics	**Children's PSB Survey statement**
High quality – well-funded and well-produced	It shows well made, high quality programmes
Original – new UK content rather than repeats or acquisitions	It shows programmes made in the UK It shows new programmes made in the UK for children and young people
Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones	It shows programmes with new ideas and different approaches
Challenging – making viewers think	Its programmes help my child to think for themselves
Engaging – remaining accessible and attractive to viewers	It shows programmes my child wants to watch
Widely available – if content is publicly funded, a large majority of citizens need to be given the chance to watch it	Refer to other analysis.

5.3.2 Parental value of children's television

Parents value highly the social and non-entertainment role of television; almost all agreed that it was important that the main channels 'provide a variety of children's programmes' (96%) and 'provide programmes for children' (94%). Four out of five thought that children's television has an important social role to play (81%), while less than a third thought that children's television is simply a 'source of entertainment' (31%).

There were very few differences in these attitudes by television platform, and only a few differences by age of child. For example, parents of young teenagers (89% for 13-15 year olds) were more likely to agree that television had an important social role to play than parents of pre-school children (77% for 2-5 year olds) and young children (75% for 6-9 year olds).

Figure 112: Attitudes towards children's television



Source: Children's PSB Survey, April 2007

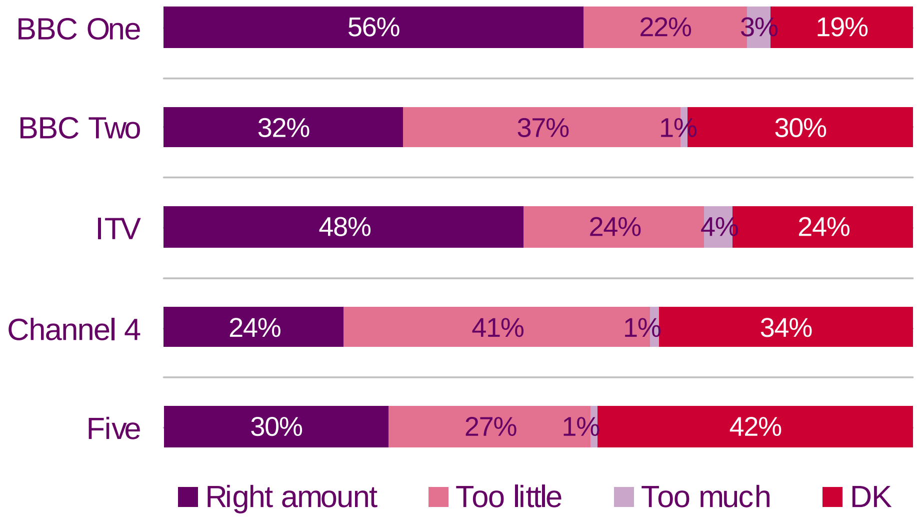
5.3.3 Amount of provision

Parents were asked what they thought about the amount of children's programmes provided by each of the main PSB channels. There were considerable differences between channels, and no consensus that any one channel showed the 'right amount' of children's programming. BBC One was seen to provide nearest to the 'right amount' with 56% of parents saying that it did, and Channel 4 the least, at 24%[33]. For all channels, a considerable proportion of parents did not know whether the amount of provision was too much, too little, or not enough.[34]

There was variation in opinions on the amount of television provided by age of child. Parents of pre-school children were more likely to think that Five provided the right amount of children's television (44%) than those with young teenagers (20%), and more likely to think ITV1 provided too little children's programming (30% compared to 20%). Parents of younger children were also more likely to think that Channel 4 provided too little children's programming (44% compared to 34%).

[33] Under the *Communications Act 2003*, Channel 4 has a special obligation to broadcast schools programmes. Channel 4 broadcasts a small number of children's programmes week day early mornings. These are generally repeats and are aimed at a pre-school audience.
[34] ITV1 provision of children's television was reduced three months before the survey

Figure 113: Amount of children's programming – PSB channels

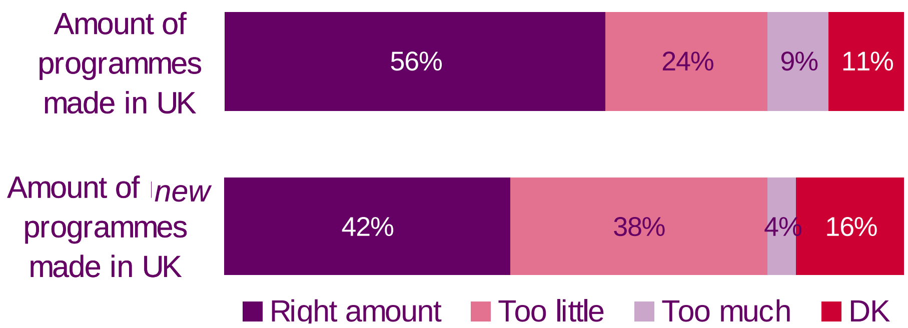


Base: All respondents = 821. Source: Children's PSB Survey, April 2007

5.3.4 Amount of UK provision

Focusing on UK-originated programming, around half (56%) of the parents surveyed thought that the main PSB channels provided 'the right amount' of programmes made in the UK; one quarter thought that it was too little. In terms of *new* programming from the UK, a considerably larger proportion of parents thought there was too little (38%); 42% thought there was 'the right amount'.

Figure 114: Amount of children's programming



Base: All respondents = 821. Source: Children's PSB Survey, April 2007

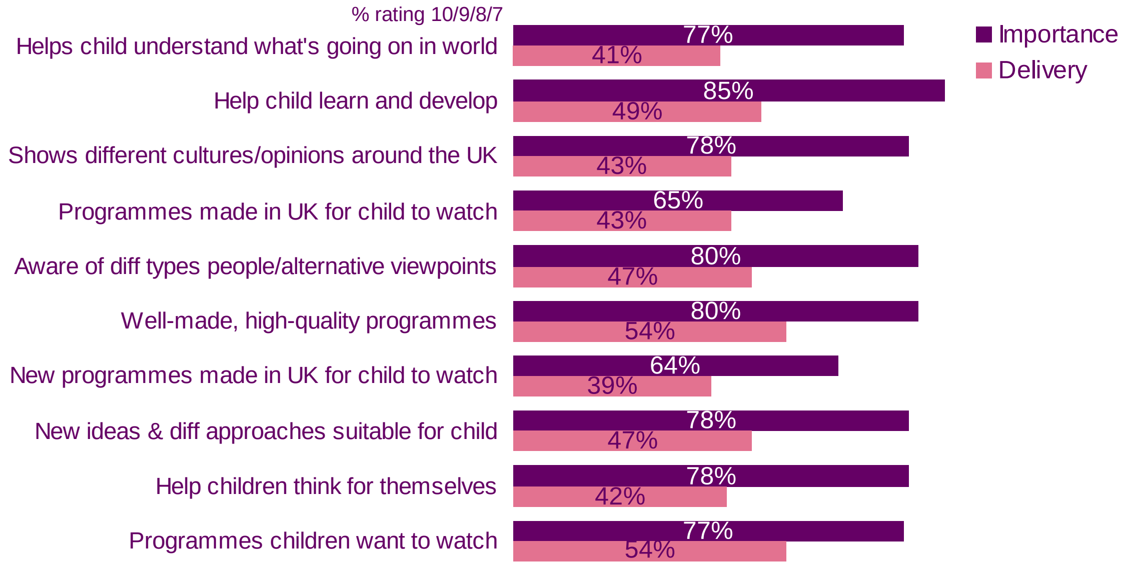
5.3.5 Importance and delivery of PSB purposes and characteristics

Parents were asked how important they thought it was that the PSB channels taken as a whole provide each purpose and characteristic. They were also asked how satisfied they were with their delivery by the PSB channels overall. For each purpose and characteristic, the majority of parents rated the statements highly in terms of how important they thought they were, with results ranging from 65% to 85% of parents. 'Helping children learn and develop' was given a high importance rating by the largest proportion of parents (85%).

A comparison of these high levels of agreement for importance of each purpose and characteristic with the levels of satisfaction with delivery by the PSB channels overall reveals large gaps. Levels of satisfaction with delivery by the PSB channels overall with regard to each purpose and characteristic ranged between 39% and 54% of parents. Satisfaction also varied greatly for individual channels.

Of particular note, just under four-fifths of parents (78%) gave a high importance rating for programmes on the PSB channels showing 'different kinds of cultures and opinions from around the UK', whereas less than half of parents (43%) thought this was being delivered satisfactorily.

Figure 115: Importance and delivery of statements



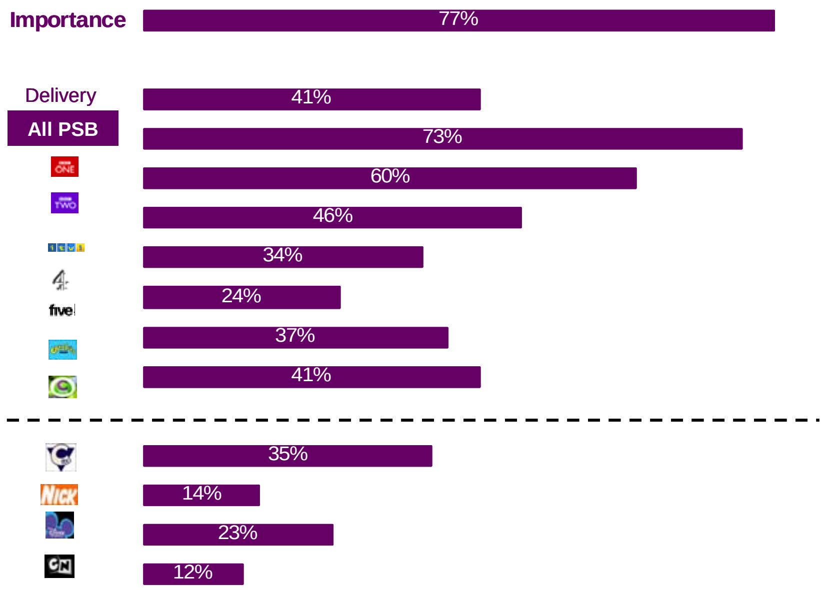
Base: All respondents = 821. Source: Children's PSB Survey, April 2007

5.3.6 Parental evaluation of the PSB purposes

Purpose 1: Informing our understanding of the world

Over three-quarters (77%) of parents felt that it was important for children and young people that the PSB channels increase children's understanding of news, current issues and 'what's going on in the world'. However, only around four in ten gave the channels a high rating for doing this (41%). BBC One was perceived to do it best, with almost three-quarters of parents agreeing it fulfilled this characteristic well (73%). Comparatively, the commercial channels were rated less well; parents were least likely to say Nickelodeon and Cartoon Network fulfilled the characteristic, with only around one in ten agreeing (14% and 12% respectively).

Figure 116: Parental views on: 'Its programmes increase my child's understanding of news, current issues and what's going on in the world'



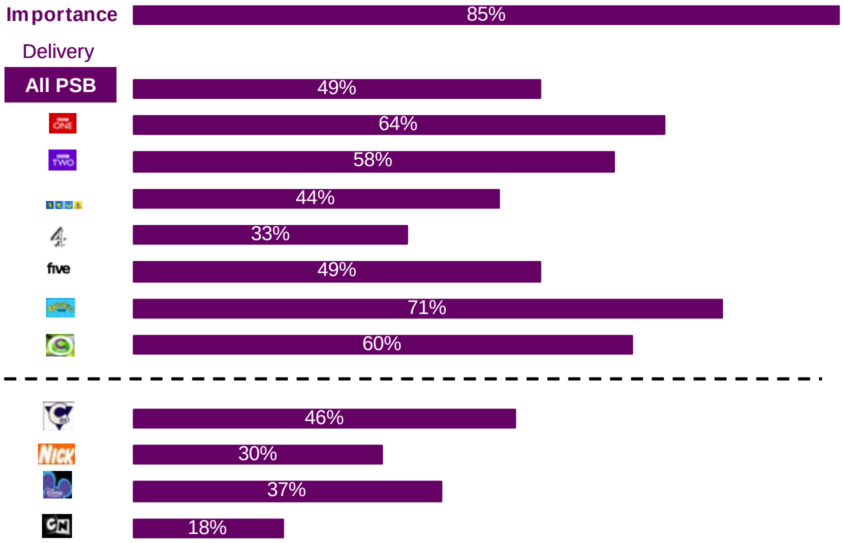
Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

Purpose 2: Stimulating knowledge and learning

The PSB purpose of stimulating knowledge and learning, defined by the statement: 'its programmes help my child to learn and develop', was seen as the most important purpose or characteristic by parents. However, while 85% thought it was important, only 49% gave the PSB channels a high rating for delivering it. In terms of delivery by all PSB channels, parents of pre-school children were more likely than those of young teenagers to say that the channels did this (57% compared to 45%).

Of individual channels, the four BBC channels were rated most favourably overall with over half of parents thinking the channels fulfilled this. For all the other channels, less than half of parents thought they delivered this purpose.

Figure 117: Parental views on: 'Its programmes help my child to learn and develop'



Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

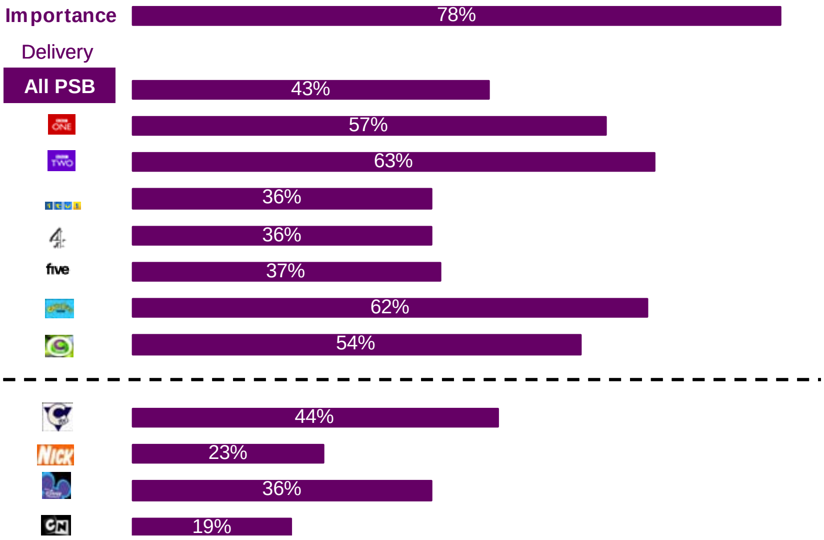
Purpose 3: Reflecting UK cultural identity

Over three-quarters of parents (78%) thought that it was important for the PSB channels to show programmes with different kinds of cultures and opinions from around the UK; only 43% thought that, overall, they delivered this well.

Most parents whose child regularly watched BBC Two and CBeebies said that these channels delivered this purpose (63% and 62% respectively), with over 50% agreement for the other BBC channels (BBC One with 57% and CBBC with 54%). Only just over a third of parents whose child regularly watched the other PSB channels thought they delivered this purpose.

Among the dedicated children's channels, CITV was seen to do this by the largest proportion of parents, followed by the Disney Channel, Nickelodeon and the Cartoon Network (44%, 36%, 23% and 19% respectively).

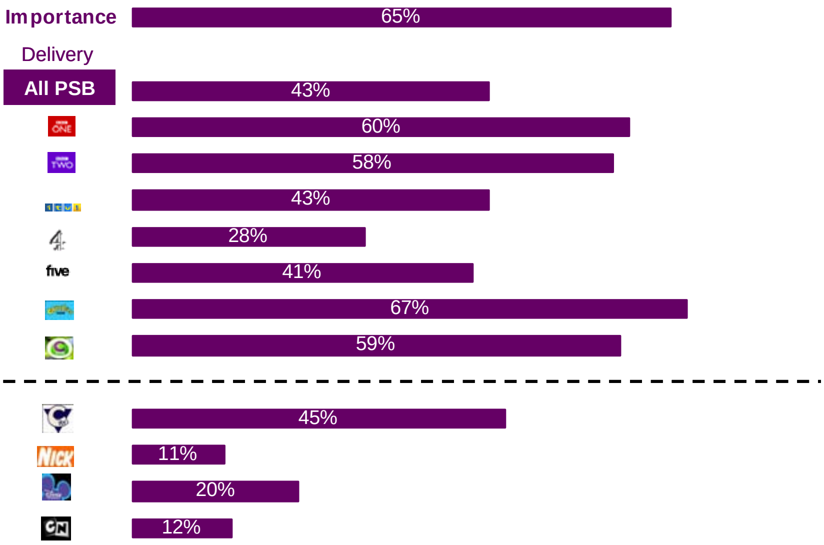
Figure 118: Parental views on: 'Its programmes show different kinds of cultures and opinions from around the UK'



Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124. Source: Children's PSB Survey, April 2007

In terms of importance, UK-originated programming for children was rated lower than all other PSB purposes and characteristics, although still important to 65% of parents. When looking at specific channels, parents have a clear recognition that the commercial children's channel channels Nickelodeon, Cartoon Network and the Disney Channel show little UK-originated programming (11%, 12% and 20% in agreement, respectively). Again, a clear pattern can be seen among the BBC channels, with more parents seeing these channels as providing programming made in the UK.

Figure 119: Parental views on: 'It shows programmes made in the UK'

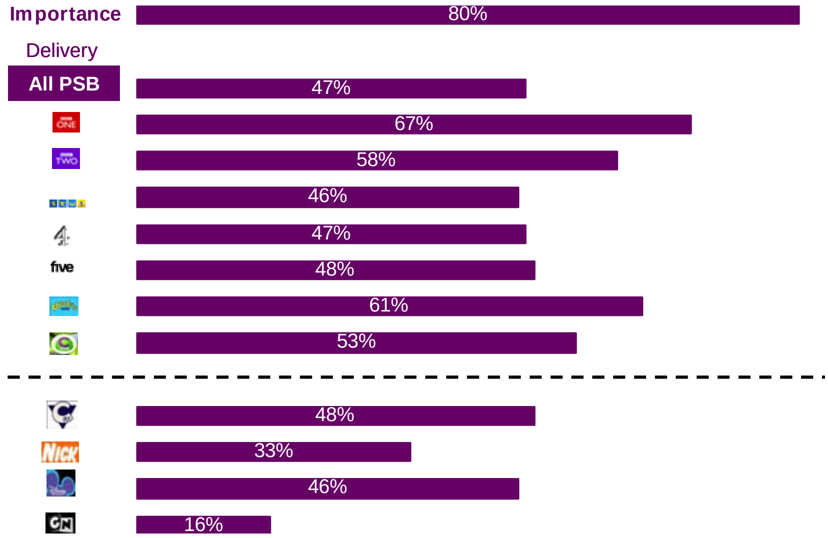


Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124. Source: Children's PSB Survey, April 2007

Purpose 4: Representing range and alternative viewpoints

A high proportion (80%) of parents thought it was important that this purpose was provided. However, across the PSB channels, only 47% of parents felt it was delivered. There was highest agreement that the BBC channels delivered this purpose. CITV and the Disney Channel (48% and 46%) received similar ratings from parents as ITV1, Channel 4 and Five (46%, 47% and 48% respectively). The Cartoon Network and Nickelodeon were perceived not to deliver this well (16% and 33% respectively).

Figure 120: Parental views on: 'Its programmes help my child to be aware of different types of people and alternative viewpoints'



Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

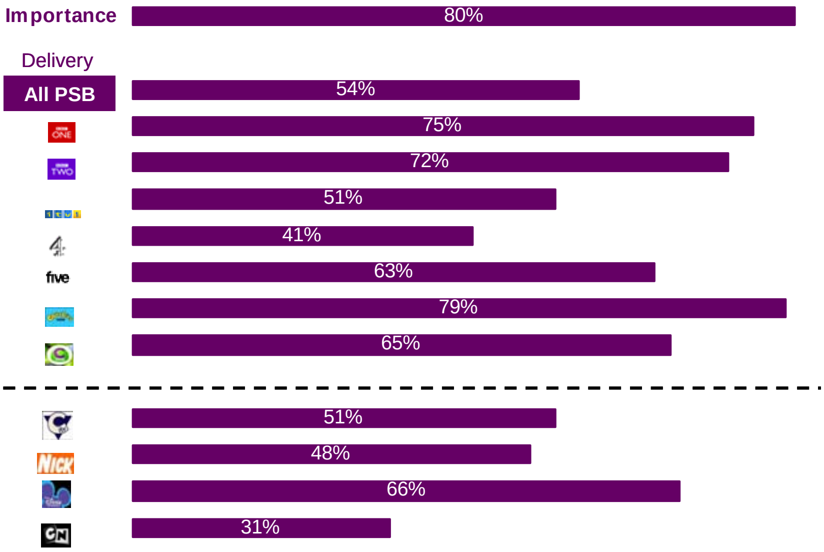
5.3.7 Parental evaluation of the PSB characteristics

Characteristic 1: High quality

Whereas 80% of parents thought it was important that the PSB channels provide well made high quality programmes, only 54% thought that they actually did that. This varied between channel, with around three-quarters agreeing that CBeebies (79%), BBC One (75%) and BBC Two (72%) provided well made, high quality programming. For CBBC and Five, this dropped to around two-thirds (65% and 63% respectively); 51% for ITV1 and 41% for Channel 4.

Parent's attitudes to delivery of well made, high quality programmes on the dedicated commercial channels did not differ greatly from their views on the PSB channels. Two-thirds of parents thought that the Disney Channel delivered this characteristic, similar to perceptions of CBBC (65%). Around half of all parents thought that CITV and Nickelodeon fulfilled it (51% and 48% respectively), similar to their perception of ITV (51%).

Figure 121: Parental views on: 'It shows well made, high quality programmes'



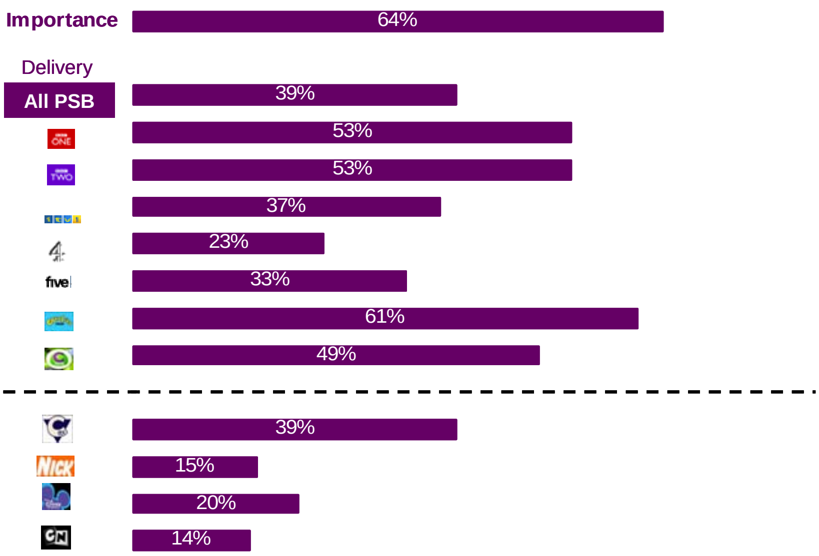
Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124. Source: Children's PSB Survey, April 2007

Characteristic 2: It shows new programmes made in the UK

Where just under two-thirds of parents (64%) thought it was important for the PSB channels to show new programmes made in the UK, only just over one third (39%) thought they did this well. Among the individual PSBs, the BBC channels were rated most highly on this characteristic by parents whose children regularly watched those channels.

Among the dedicated children's channels, more parents though CITV fulfilled this characteristic than other channels (39% compared to Disney Channel 20%, Nickelodeon 15%, and Cartoon Network 14%).

Figure 122: Parental views on: 'It shows new programmes made in the UK'



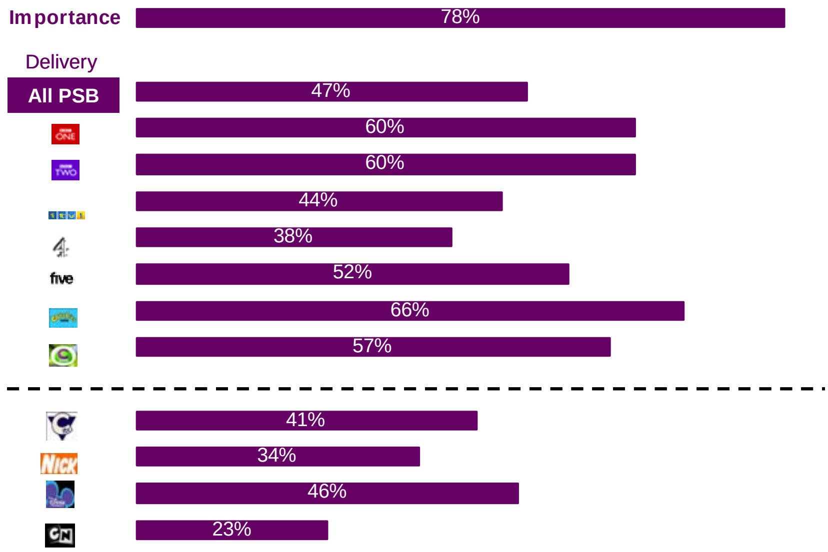
Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

Characteristic 3: Innovative

More than three-quarters of parents thought it was important that the PSB channels delivered innovative children's programming (78%), with only the BBC channels and Five being seen by over half of parents to deliver this well (CBeebies 66%, BBC One 60%, BBC Two 60% and CBBC 57%).

While, overall, 47% of parents thought all PSB channels delivered programmes with new ideas and different approaches, parents of young teenagers were less likely to think this than parents of pre-school children (41% compared to 54%).

Figure 123: Parental views on: 'It shows programmes with new ideas and different approaches'



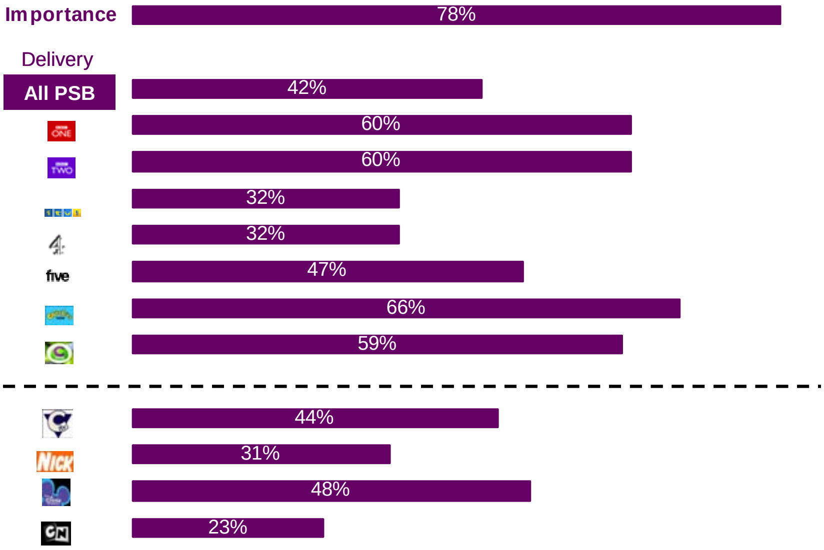
Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

Characteristic 4: Challenging

Parents thought it was important for the PSB channels to provide programming that helped children to think for themselves, with 78% rating this highly. However, only 42% thought the PSB channels did this, with parents of pre-school children more likely to do so than parents of young teenagers (52% compared to 36%).

Again, the BBC channels were most consistently rated highly on this characteristic (CBeebies 66%, BBC One 60%, BBC Two 60%, CBBC 59%). Nearly half of parents agreed that the Disney Channel, Five and CITV delivered it (48%, 47% and 44% respectively).

Figure 124: Parental views on: 'Its programmes help my child to think for themselves'



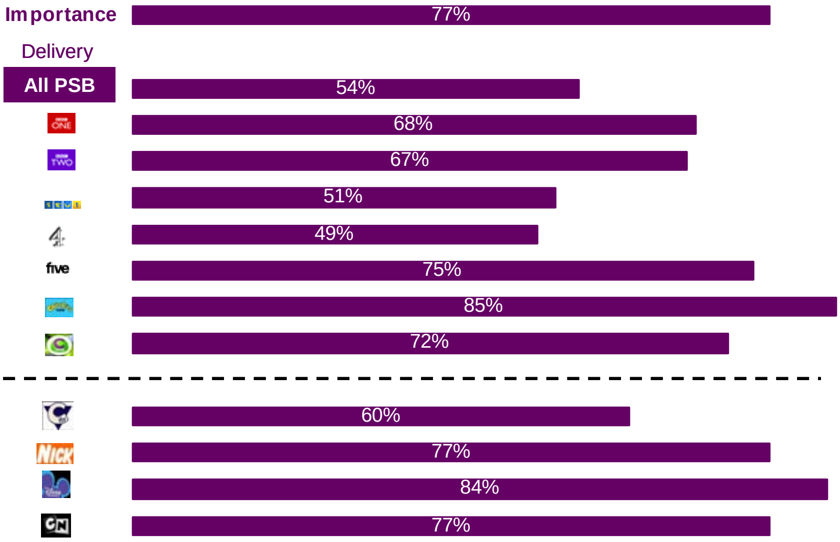
Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

Characteristic 5: Engaging

Just over three-quarters of parents felt that it was important that the PSB channels showed programmes that their child wanted to watch. Compared to all the other purposes and characteristics, this is the only one where the commercial children's channels were rated as highly overall as the PSBs. Both CBeebies and the Disney Channel were given a high rating by around 85% of parents for showing programmes their child wanted to watch. ITV1 and Channel 4 were seen to do this by around half of all parents, and all other channels by a majority of parents.

The proportion of parents who thought that the PSB channels provided programmes their child wanted to watch decreased for older age groups. Parents of pre-school children were the most likely to agree, at 64%, and those of young teenagers were the least likely to agree at 42%.

Figure 125: Parental views on: 'It shows programmes my child wants to watch'



Note: % rating 10/9/8/7. Base for importance and all PSB: 'All respondents' = 821; Parent-reported child regular viewer of BBC One = 225, BBC Two = 57*, ITV1 = 167, Channel 4 = 88*, Five = 79*, CBeebies = 227, CBBC = 199, CITV = 82*, Nick = 109, Disney = 142, Cartoon Network = 124.
Source: Children's PSB Survey, April 2007

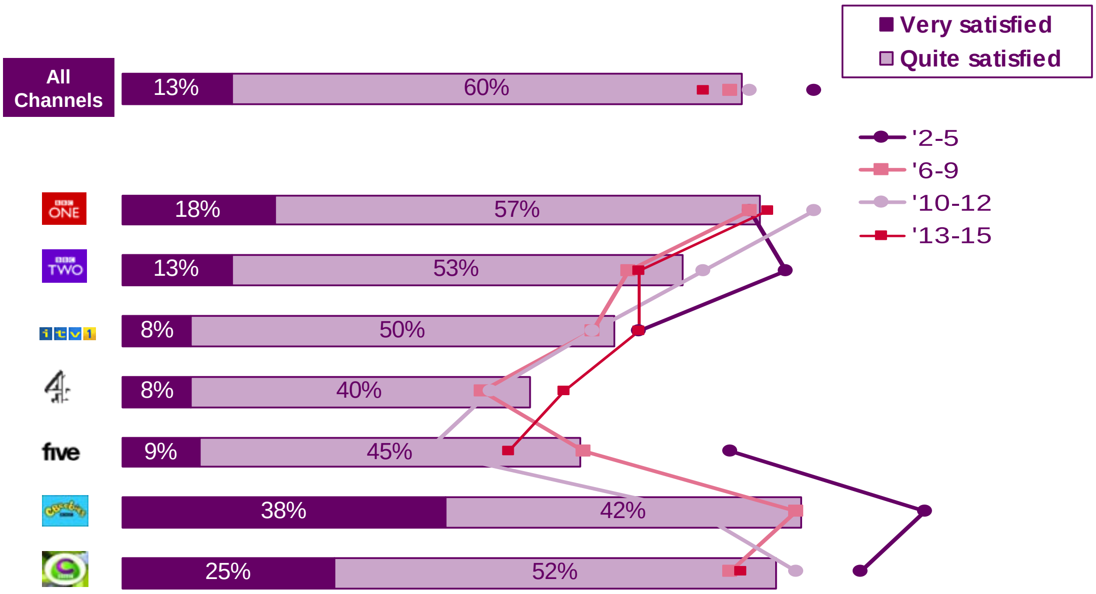
5.3.8 Overall PSB delivery

When evaluating overall satisfaction with PSB delivery of children's programming as a whole, 73% of parents said they were satisfied, of whom 13% were very satisfied and the remainder (60%) quite satisfied. (This result of 73% is most consistent with the individual satisfaction scores for the BBC channels.)

Satisfaction with PSB delivery varied greatly by individual channel. It was highest for CBeebies (80%), followed by CBBC (76%), and BBC One (75%). (These channels also scored consistently high in delivery of most of the purposes and characteristics individually.) Around two-thirds of parents were satisfied with BBC Two (65%), and smaller proportions of parents were satisfied with ITV1 (58%), Five (54%) and Channel 4 (48%).

Satisfaction with PSB delivery as a whole varied by age group of child. Parents of pre-schoolers were most likely to think that the PSB channels taken together delivered the PSB purposes and characteristics as a whole (with 18% of parents very satisfied and 62% quite satisfied). Parents of young teenagers, on the other hand, were less satisfied with overall PSB delivery (13% of parents very satisfied and 54% quite satisfied). This trend continued for specific channels: BBC Two, Five, CBeebies and CBBC. However, Channel 4 was rated higher by parents of young teenagers than those of pre-school children (53% compared to 43%).

Figure 126: Overall satisfaction with PSB delivery by each channel



Base for 'all PSB channels' = 821; Parent-reported child viewers of each channel with BBC One = 592, BBC Two = 363, ITV1 = 528, C4 = 370, Five = 315, Cbeebies = 403, CBBC = 429. Results by age group are net satisfaction scores. Source: Children's PSB Survey, April 2007

5.4 Deliberative research

5.4.1 Introduction

As part of a review of children's programming, Ofcom commissioned Opinion Leader to consult parents, children and young teenagers on children's television in the UK. The research objectives were to achieve a better understanding of their views on the importance of the issue discussed, current levels of satisfaction and concerns for the future. The areas discussed were:

- the role of children's television;
- overall satisfaction with current children's television provision;
- public service broadcasting (PSB) purposes and characteristics;
- availability of channels and programmes;
- range of children's programme genres;
- new programming and repeats; and
- country of origin of programmes.

Given the complexity of the issues, and in order to ensure the research was informed and fully debated, a deliberative approach was deemed most suitable for consulting with parents and young teenagers. Discussion groups were conducted among children. The key parameters used in this analysis are television platform, age of child, and nation lived in, and differences between these groups are noted throughout this report.

Five workshops were conducted with parents of children aged 2-4 (pre-school children), 5-8 (younger children), and 9-12 (older children), with an even split of analogue terrestrial television, digital terrestrial television and cable or satellite (cab/sat) households. The workshops were held in England, Wales, Northern Ireland and Scotland. There was also one workshop with parents of young teenagers in England and one with young teenagers in Wales.

In the workshops participants were provided with a wide range of information. The workshops lasted a full day to give participants sufficient time to absorb information and reach informed and considered viewpoints.

Nine discussion groups took place with children aged 6-7 and 8-9 (younger children), 10-11 and 11-12 (older children). The groups were split by gender and by television platform and were run across the nations.

The results of this research are summarised in this section and a full report is published online at research annex D.

5.4.2 The role of television in children's lives

Parents and children across all television platforms saw television as fulfilling an important role in children's lives. It provided education, entertainment and relaxation.

"After school's the time when kids want to watch TV most because it's when you can relax because you're tired after school."
Boy, Year 4, Scotland, DTT household

Television was also valued as a family/social activity. Both parents and children were keen for television to remain a key media choice.

Television is more important to younger children

Television was the main default source of entertainment for children aged 5 to 12. Most children enjoyed watching television and would be unhappy if it was taken away from them, although children become less concerned as they got older. This sentiment was echoed by parents. This was also partly due to both children's and parent's perceptions that there was a low volume and a lack of range of programmes for children over 8, particularly in analogue terrestrial television and digital terrestrial television homes.

Other media compete for the attention of older children

The reduction in the importance of television for older children was also due in part to other media (e.g. internet, mobile phones) and non-media activities (playing outside, meeting friends, after-school activities) which compete with television for the attention of older children.

Parents preferred their children to watch television to going online or playing on games consoles, which were viewed as more solitary activities (that parents didn't necessarily understand) and that were harder to monitor.

Television is more important in cab/sat households

There were differences in attitudes towards television across the platforms. Television was more important to parents and children in cab/sat households than in analogue or digital terrestrial households.

Reasons given for the importance of television in cab/sat households were there was greater choice of children's programmes and channels, as well as more air time compared to digital and analogue terrestrial platforms. Parents also had a relaxed attitude towards viewing.

"To be honest, my kids don't watch the rest of the channels at all; it's straight onto the cable."
Parent, Scotland, cab/sat household

Television was more important in digital terrestrial households compared to analogue terrestrial households, possibly because of the greater range, volume and air time offered by the additional children's channels (CBeebies, CBBC, CITV).

"If my kids didn't have the kids' programmes, they probably wouldn't watch television."
Parent, England, DTT household

For parents who have actively decided not to have digital terrestrial or cab/sat television, television was not very important and some parents heavily monitored viewing and children were not allowed to watch much television. However, for some parents in analogue terrestrial households, the lower importance of television was due in part to the lower volume and limited range of children's programmes.

"I was going through the workbook with my son and I thought he doesn't actually watch a lot of telly, it's normally videos and DVDs and things like that. He's in at 6 o'clock bang on to watch The Simpsons and he remembers about that, but there isn't really much else he actually watches and I realised there's not actually a lot on after school."
Parent, Scotland, ATT household

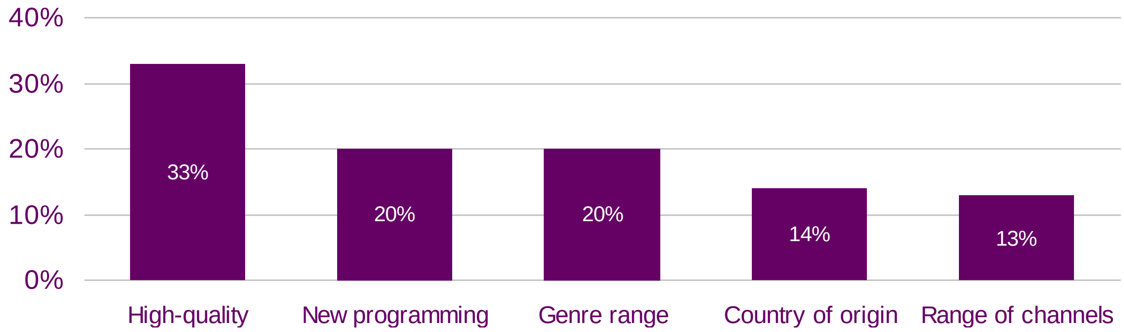
Children watch a mix of children's programmes and programmes aimed at adults

Across all television platforms, children said they watched a mix of children's programmes and programmes aimed at adults and received different benefits from both. Children's programmes were seen to provide relaxation and entertainment, whereas other programmes provided social family time and a window into an adult world.

Quality is the most important issue for parents and children

Out of the range of issues explored, high quality was key for parents and children alike, and overrode other areas such as range of channels or genres, and country of origin of programming. There were few, if any, differences in opinion by television platform.

Figure 127: Areas most important in children's programming



Base = 138 parents of children aged 2-15[35]. Source: vote allocation exercise, deliberative workshops

5.4.3 Overall satisfaction with children's television

Satisfaction with current children's television among children and parents varied according to the age of child and television platform. There was a general pattern of satisfaction levels decreasing as children grew older, and decreasing from cab/sat households to digital terrestrial and analogue terrestrial households.

Satisfaction highest for parents of pre-school children, lower for older children

Parents of pre-school children from all television platforms were very satisfied with current children's programmes provision. They considered the volume and quality to be of a high standard on both PSB and commercial children's channels.

Except in analogue terrestrial households, parents of younger children, and younger children themselves were generally satisfied and felt there was a wide range of programmes and channels available to them. In digital terrestrial households CBBC was perceived to produce high quality programmes and appeal to 6 to 10 year olds and CITV was seen to appeal to this age group too. In cab/sat households parents and children were happy with the wide range of channels available.

Parents of older children, and older children themselves, in cab/sat households were satisfied with the range and availability of programmes. While parents and children from analogue and digital terrestrial households were satisfied with the quality, they were less happy with the quantity and availability of children's programmes and channels. Parents also recognised the difficulty of achieving this with a limited number of programmes and channels.

"Once you get to ten, eleven, there's not a lot for that age group going on."
Parent, Scotland, analogue terrestrial household

In analogue terrestrial and digital terrestrial households not all CBBC programmes (slot or channel) appealed to older children. Nor did parents in digital terrestrial households think that there were many programmes on CITV for older children, perceiving there to be a large volume of animation and a lack of range of programmes for older children. Among children in digital terrestrial households, CITV appealed to some older boys who enjoyed animation; however, this channel lacked appeal for older girls and some older boys.

---

[35] At the end of the workshops participants were asked how important they felt each of the issues discussed were. Each participant was given 10 sticker votes and able to allocate their votes across the issues as they liked.

Satisfaction highest in cab/sat households, less so in digital terrestrial and analogue terrestrial households

Generally, parents and children of all ages from cab/sat households were very satisfied with the provision of children's television. They perceived there to be a wide range of children's channels and programmes for different ages available throughout the day (and night).

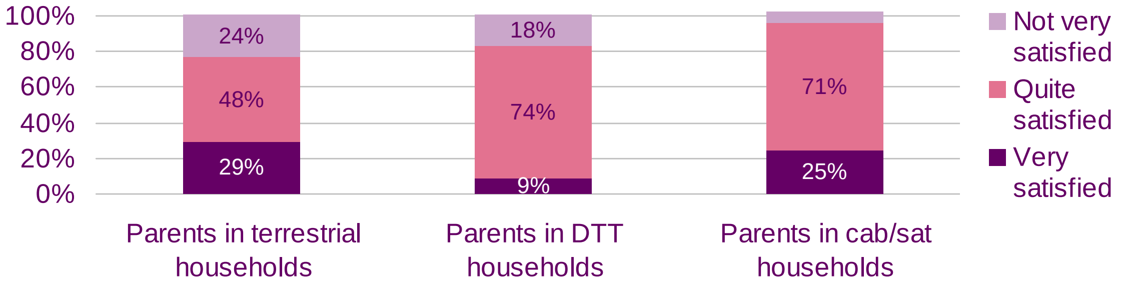
"Years ago there was just one level – they didn't cater for age groups and if they were too young to understand it or if they were too old for it, there was nothing for them whereas now they're catering for all ages."
Parent, Northern Ireland, cab/sat household

Parents and children from digital terrestrial households were satisfied with quality overall and with the provision for pre-school children and younger children but were less happy with the amount and availability for older children.

The views of parents in analogue terrestrial households varied depending on their attitude towards television and the age of the child. Some parents had explicitly chosen to restrict their children's viewing and so were happy with the volume and content available to them, whereas other parents were dissatisfied with the amount and availability of children's programmes overall, and especially for older children. Children in analogue terrestrial households were less satisfied with the range and amount of children's programmes than children with digital terrestrial or cab/sat television.

When asked to vote on levels of satisfaction, parents from cab/sat households had the highest levels of satisfaction overall. Parents in analogue terrestrial households were polarised, due to differing views on television overall, as described above. Only a small proportion of parents in digital terrestrial households were very satisfied, due to the perceived lack of provision for older children.

Figure 128: How satisfied are you with current children's television provision?



Base = 138 parents of children aged 2-12. Source: Straw poll, deliberative workshops

Regardless of their current levels of satisfaction, many parents from all platforms were concerned with the direction they saw children's television heading in, which they perceived to be an increase in the amount of US-originated and repeated programmes.

5.4.4 Public service broadcasting purposes and characteristics

PSB delivery is extremely important for parents

Parents' positive spontaneous reactions to the concept of PSB showed how important they felt it was for children's programming. When presented with the PSB purposes and characteristics (see Section 5.3.1), parents valued all of them. (They did, however, also believe there was a place for 'mindless' children's television.)

When asked to rank the purposes and characteristics, parents prioritised the ones that related to informing children about the world and alternative viewpoints, and helping children to learn and develop. Out of the PSB characteristics high quality was key and overrode characteristics such as made in the UK. Parents defined quality by referring to the PSB purposes, the most important of which were 'helping children learn and develop' and 'increasing their children's understanding of what's going on in the world'. Parents also emphasised the need for programmes that their children 'wanted to watch'.

Children were asked what they thought about television that was 'good for you'. Children from all platforms identified programmes such as *Blue Peter* and *Newsround*. They appreciated that these programmes informed children and offered variety and should be included within the mix of programmes available to children. When asked to define what made a good quality programme, children were looking for a variety of elements including comedy, interesting characters (especially those who "get one over" on the adult characters), good storylines, lots of action/excitement, and interesting or unusual locations or scenarios. Children perceived programmes such as *Dr Who, The Simpsons, Tracey Beaker, Drake and Josh, Spongebob Squarepants,* among others, as incorporating some, or all, of these qualities.

Perceptions of PSB delivery varies according to channel, with BBC highest

In discussing PSB providers (BBC One, BBC Two, ITV1, Channel 4, S4C, Five, CBBC, CBeebies) parents were surprised to discover that channels other than the BBC had a remit to provide PSB programming for children. Because of this, they tended to see the BBC children's channels and slots as stalwarts of children's PSB programming. There was some concern among parents that the BBC was the main provider of PSB. Parents felt that, given the wide range of channels available, children were now less likely to come across PSB programming. This was particularly the case for parents of older children who had less control over what their children were watching. Some parents also saw the value of having PSB programming with a different tone to the BBC.

With regard to ITV1 PSB provision, parents believed there was little PSB children's programming on the channel. It was perceived as a commercial channel and not seen to have a PSB remit. (When informed of its remit some parents perceived it to be slightly at odds with the aims of a commercial channel, which they saw to be driven by the need to attract as many viewers as possible, rather than abiding by a set of public service principles.) ITV1 was perceived by parents and children to show more animation than the BBC slots and channels. (See 'Availability of channels' in this section for parents' views on ITV's provision of children's programmes overall.)

In Wales all parents were aware of S4C and thought that the children's programmes were of a high quality and provided PSB programming. The Welsh speakers valued the wide genre range and thought there were enjoyable programmes for all ages.

Satisfaction with PSB delivery high for pre-school, lower for older children

Satisfaction with current PSB provision varied according to the age of the child.

Parents of pre-school children from all television platforms felt well served by CBeebies, CBBC (terrestrial slot or channel), and the *Milkshake!* slot on Five, since they were seen to provide a variety of high quality programmes. Some programmes on non-PSB commercial channels aimed at pre-school children, such as Playhouse Disney, and Nick Jr. were also seen to possess some PSB purposes (e.g. 'learning and developing') and characteristics (e.g. 'high quality' and 'engaging').

Parents of younger children also felt well served by CBBC programming on the channel or terrestrial slot and cited programmes such as *Bamzooki* and *Raven* as providing education, engaging programmes.

"Raven, its education but it's funny as well, you can enjoy it as well so that you can chill out watching that."
Parent, Wales, analogue terrestrial household

In contrast, parents of older children and older children themselves felt there were a limited number of PSB programmes for this age group. Children across all platforms enjoyed programmes on either BBC or CBBC which were seen to appeal to children up to about 10 years old. However, by the time children reached secondary school, most considered the channel/slot to be too young for them. (The biggest criticism overall levied at CBBC slot/channel by children was they felt there were too many repeats.)

Parents would like to see more PSB programming for older children

Parents wanted to see the amount of PSB programming for pre-school children and younger children remain the same, as they felt these groups were well served by BBC programming and by *Milkshake!* on Five. However, parents thought older children were under-served, for example, the CBBC slot and channel were not, in their eyes, providing enough of a range of programmes that appealed to the diverse range of tastes of children aged 9/10 and over. As a consequence, they wanted to see more PSB programming for older children.

Children were satisfied with the volume of programmes which are "good for them" and while they thought these programmes should be aired and form a part of their overall viewing choices, they should not "crowd out" their favourite programmes.

Parents do not see the internet as an appropriate platform for PSB delivery

Parents were asked whether they thought that the internet should have a role in delivering PSB programmes. Most parents felt that, to do this, it should still be provided via the television set as not all households have internet access. Also, television is watched passively (whereas the internet is more interactive) and it is therefore easier to impart PSB content to children via the TV. The television is safer and easier to monitor and some parents did not know how to use the internet or how to download and show programmes.

Most children did not want to have programmes delivered via the internet as they had concerns that computer screens were small and did not offer the same viewing experience as the family TV. Also, they thought there was limited potential for more than one member of the family to watch a programme on a computer at the same time due to the small screen. Some had concerns about variable download speeds. Girls aged 11-12 were the exception. They were mostly high internet users and wanted programming to be made available online. The appeal of the internet was that they were in control over what they watched and when they watched it.

5.4.5 Availability of channels and programmes

A wide range of high quality channels and slots is important to parents and children

Overall, a range of channels and programmes was seen as the means of ensuring quality and variety. Parents thought it important to provide for different age groups, genders and moods, and that competition between channels for viewing figures helps guarantee higher quality. Children thought it was important to have a range of children's channels and/or slots in order to cater for the diverse needs and interests of children.

When discussing availability of children's programming, parents and children felt that it was important to show children's programming before school, after school, in the early evenings and at weekends.

Satisfaction with the range of channels and programmes higher for pre-school and younger children

Parents of pre-school children on all platforms were generally happy with availability of channels for their children, such as CBeebies (slot or channel) or *Milkshake!* on Five. Parents in cab/sat households also referred to the commercial children's channels Nick Junior and Playhouse Disney, which were seen to provide high quality, engaging programming for pre-school children.

Except in analogue terrestrial households, parents of younger children generally perceived there to be a wide range of channels available.

Concern with availability for older children in analogue terrestrial and digital terrestrial homes

Parents of older children and older children themselves in cab/sat households were happy with the range, amount and availability of channels. However, parents of older children and older children themselves in digital terrestrial and analogue terrestrial households, felt there was a limited range of programmes appealing to this age group overall.

With regard to availability, some parents and children in analogue terrestrial and digital terrestrial households expressed the need for older children's programming to be available in the early evening. Although parents appreciated the cut-off time on the digital terrestrial children's channels which signalled the end of children's programming and the beginning of adult airtime, some said they would like this to be slightly later (8-9pm) for the benefit of older children.

"We felt 9pm was a more appropriate cut off time and we felt that the format should reflect the age of the children who would be watching at certain times of the day, because obviously the older children would be watching between 8-9pm."
Parent, Northern Ireland, child aged 5-8

Children in analogue terrestrial and digital terrestrial households wanted to see more children's programmes in the late afternoon and early evening, as well as in the morning.

Concern with ITV1 provision of children's programmes

ITV has recently changed its weekday afternoon schedules, which no longer include children's programmes. The level of awareness of this change was highest among parents from analogue terrestrial households, and they did not want any further reduction in provision of children's programmes on terrestrial television. When parents were informed about ITV1's reduction, parents in digital terrestrial and cab/sat homes were concerned for children in analogue terrestrial homes, rather than for their own children.

When children were informed about ITV1's change, children in AT households claimed they would watch less television if there continued to be no children's programmes after school on ITV1. Children across all platforms were against this decision on the basis that it reduces the amount of choice for children in analogue terrestrial homes. It did not affect the satisfaction levels of children in digital terrestrial and cab/sat homes, as they tended to watch dedicated children's channels.

Parents would value a strong, dedicated PSB provider alongside BBC

In order to explore the issue of channel and programme range in the future, parents were asked to choose between three post-digital-switchover scenarios, each delivering the same amount of children's PSB programming:

- Scenario 1: PSB programming delivered by BBC One, BBC Two, CBBC and CBeebies only;

- Scenario 2: PSB programming delivered by BBC One, BBC Two, CBBC and CBeebies, and every other children's channel[36] (including ITV1 and Five) having a quota (e.g. 10% of its output) dedicated to PSB children's programmes; and

- Scenario 3: PSB programming delivered by BBC One, BBC Two, CBBC and CBeebies and a new dedicated PSB children's channel available free-to-air (this could be provided by ITV,[37] Channel 4 or a new institution).

When evaluating the different scenarios, Scenario 3 was seen as the option most likely to fill the existing gaps in provision, e.g. PSB programming for older children and young teenagers. This scenario was chosen by most parents as the preferred scenario. Parents also liked the fact that some PSB children's programming would be provided by a different broadcaster to the BBC, providing the potential for tonally different PSB programming. In addition, as it would be a separate channel, it would be easier to find PSB content compared to Scenario 2, where PSB programming would be embedded in non-PSB channel schedules.

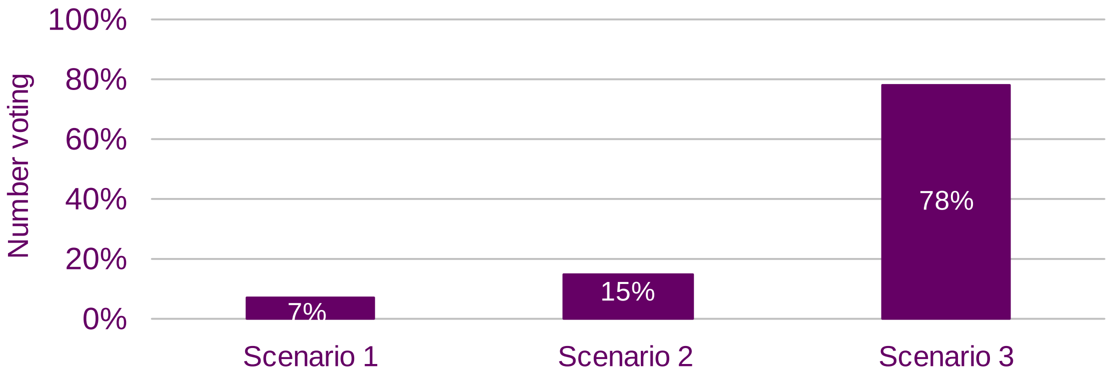
Scenario 1 was less popular as parents did not wish to see the BBC as the sole provider of PSB children's programming due to concerns around the risk of complacency. They also felt that the BBC had a distinct tone of voice and that children would benefit from a variety of perspectives. In Scenario 2, parents liked the idea of PSB programming being provided across channels as they felt there was more chance of children coming across it in a multichannel environment. However, they had concerns about how easily it would be found or identified.

"Wouldn't it be like looking for a needle in a haystack with kids flicking through the channels and then having access to flicking through and you're think okay, what is it that's good for them to watch throughout all these hundreds of channels that we've got."
Parent, England, cab/sat household

Parents were asked to vote for their preferred scenario. 78% chose Scenario 3, 15% Scenario 2 and 7% Scenario 1 (based on 138 parents of children aged 2-12.

[36] Channel 4's PSB obligations under the *Communications Act* relate to the provision of school's programming.
[37] ITV's existing children's channel, CITV, does not have a PSB remit.

Figure 129: Deliberative research: scenarios straw poll results



Base = 137 parents of children aged 2-12, in scenario 3 the new channel would be provided free to air by an existing PSB broadcaster, or a new institution. Source: straw poll, deliberative workshops, Opinion Leader Research, 2007.

The scenarios were not presented to children. Instead they were asked about their ideal television schedule. Children wanted to see a range of genres for boys and girls of all ages, incorporating new programmes, as well as repeats and new episodes of favourite programmes. They would be happy with several dedicated channels to accommodate different age groups and gender, and most older children said they would be happy with a 9pm finish.

5.4.6 Range of children's programme genres

<u>Parents and children feel it is important to have a wide range of genres</u>

There is clear consensus among parents and children across television platforms that it is important to have a range of different genres on children's television. Parents see it as essential that their children's viewing is balanced and varied.

"It's important to everyone to get a good mix that gives you choice."
Parent, England, ATT household

Parents did not single out one genre as being most important overall, but emphasised the need to achieve a balance across genres, including both serious and light-hearted programming. Each genre was seen to fulfil a different role. Factual programming was important for challenging, stimulating and educating, although parents recognised that children might not choose to watch factual programmes and they emphasised the need for these programmes to be engaging for children. Drama was important, especially for older children, for its relevance to children's everyday lives and its potential to educate children about different social and moral situations. Animation provided valuable relaxation and light-hearted viewing that fuelled children's imagination, whereas light entertainment provided simple comedy and allowed "children to be children". Pre-school offered a mix of relaxation and education.

From speaking to children, it is clear that a range of genres becomes more important to them as they get older and their interests develop and broaden.

Children wanted to watch a range of different genres, depending on their mood and the time of day, and said they would get bored and watch less television if there was only one type of programme available. Most children, however, had a favourite type of programme. Preferences differed by age and gender. Animation appealed to younger children and, by platform, all children were satisfied with the range within this genre, such as action (e.g.

Spiderman), mystery (e.g. *Scooby Doo*) and comedy (e.g. *Spongebob Squarepants*). Entertainment shows, such *as Dick n Dom* appealed to boys especially, as they made them laugh. Drama appealed mainly to older children, many of whom watched a mix of UK- and US-produced drama, such as *Tracey Be*aker and *The Suite Life of Zack and Cody*, depending on what was available on their television platform. Based on current programming, most factual programmes had limited appeal to children and tended to appeal only to some older children across all platforms. *Blue Peter* and *Newsround* were appreciated as providing a service by explaining things to children, but they polarised opinion among older children, who either liked finding out about things and the world or found this "boring".

"When you watch the news with your Mum and Dad, quite a lot of it you won't understand but on Newsround *there was stuff about getting abducted, and I didn't understand that when it was on BBC but then I was watching CBBC and* Newsround *came on about it and then I started to understand."*
Boy, Year 4, Scotland, DTT household

Satisfaction with current genre range varies by platform and by age

Parents were presented with television schedules colour-coded by programme genre and they then discussed the genre range available to their children. Children, on the other hand, were asked about the different programmes they liked and watched and the kinds of programmes they would like to see more of. Satisfaction levels varied by television platform and by age of child.

Overall, parents in analogue terrestrial households were satisfied with the current genre mix, within the confines of a relatively limited amount of programming. Parents in digital terrestrial households felt the range was satisfactory overall, but many felt the balance across the different channels was uneven. For example, the majority of factual and entertainment programmes were seen to be on BBC channels, whereas CITV was perceived to show more animation.

"Certainly on CBBC, there's a real mixture of all the categories, they do seem to intersperse the programmes almost deliberately between the categories."
Parent, Scotland, DTT household

Parents in cab/sat households were satisfied with the range of genres available.

Although satisfaction levels were generally high, both parents and children expressed some specific concerns as outlined in the table below.

Satisfaction with current genre range highest among pre-school parents

Figure 130: Satisfaction with current range of children's programme genres

	Parents' views	Children's views
Pre-school	Across all television platforms very satisfied with the genre range, perceived to be diverse within and across genres, with many programmes providing implicit educational content.	NA
Younger children (5-8 years)	In analogue terrestrial and digital terrestrial households, generally satisfied with current mix. In cab/sat households parents felt there was too much animation, however, they recognised that their children enjoyed the programmes.	In analogue terrestrial and digital terrestrial households, they felt there wasn't enough animation. In cab/sat households, they were satisfied with current mix. Children from all platforms wanted more nature programmes.
Older children (8-12 years)	Fairly satisfied across all television platforms. Most parents thought there weren't enough factual programmes or enough variety within this genre. In analogue terrestrial and digital terrestrial households parents felt there were too little drama overall. In cab/sat households some parents felt there was too much US drama.	Fairly satisfied in analogue terrestrial and digital terrestrial households, but felt there were too few dramas and not enough variety in drama and factual programmes. Generally satisfied in cab/sat households. Children from all platforms wanted more nature programmes.

Parents would like to see more drama and factual programmes

Within this overall context, parents and children would like to see some changes to the current genre provision, while maintaining a good balance overall.

Pre-school parents across all platforms would like the pre-school offering to maintain its current genre range.

"I think there's a great range. You've got Art Attack*, you've got* Tickerbella*. You've got your more sort of story types like* Charlie and Lola *and (programmes about) how things work."*
Parent of pre-schooler, Scotland, DTT household

Some parents of younger children wanted less animation, particularly fewer programmes which include what they see as 'gratuitous violence', e.g. *Power Rangers* and *Teenage Mutant Ninja Turtles*.

Parents of older children wanted to see more factual programmes, (on topics such as nature/wildlife, life skills), whereas children wanted a greater range of factual programming, especially animal and nature programmes, but not necessarily a greater volume.

Parents of older children from all television platforms said they would like greater variety within drama programmes, e.g. more drama which reflected relevant issues, such as bullying. Some older children in analogue terrestrial and digital terrestrial households wanted a greater variety and amount of drama, whereas children in cab/sat households were satisfied with the current range.

A few parents wanted 'better quality', light entertainment programmes. However, many parents did not understand the humour in programmes like *Dick 'n Dom*; although they recognised that their children enjoyed them. Children, especially boys, wanted more of this type of show.

5.4.7 New programming and repeats

Parents see new programming as an important element of children's television.

Parents wanted programme content to be fresh, stimulating and innovative in order to reflect the changing interests and attitudes of today's children, particularly when faced with competition from more interactive media. It was also very important to parents that children were not bombarded with endless repeats.

Overall, parents and children thought it was important to show more new episodes of existing programmes as well as completely new programmes, as long as these programmes were high quality. For some parents, new programming of shows they were not enthusiastic about (specifically mentioning 'low quality' or 'too much US programming') would not be welcomed.

New programmes could also offer the potential to plug perceived gaps in the existing provision for children. This was particularly important for parents of older children in analogue terrestrial and digital terrestrial households, who felt there weren't enough programmes for this age range.

Parents and older children are not satisfied with the balance of repeats versus new programmes

The current amount of repeats on children's television was spontaneously mentioned as an issue by parents and older children across all television platforms. While it was felt there were more repeats in cab/sat homes, this was offset by the greater choice available. Conversely, in analogue terrestrial and digital terrestrial households, even though there were felt to be fewer repeats, the impact of a repeated programme was greater because of the limited choice of alternative programmes. Most parents recognised that children enjoyed repeats and they could play a valid role reinforcing messages, particularly for pre-school children. Overall, however, few parents were satisfied with the current balance between repeats and new programmes.

Children aged 6-8 years old said they were generally happy to watch repeats because they enjoyed watching programmes, especially their favourites, more than once. Parents of younger children also recognised this. Children over 8 years old expressed dissatisfaction at the number of repeated programmes, although many were happy to watch repeats of their favourite programmes.

More detail on the types of new programmes children and parents wanted can be found in Section 5.4.7 'Range of children's programme genres'.

5.4.8 Country of origin of programmes

Importance of country of origin

Country of origin arose as a spontaneous issue for some parents and it was an important issue for specific genres (drama and factual) and age groups (older children). However, when compared to other elements of children's television, it was seen as less important than other issues, such as high quality, new programming and genre range.

Parents were presented with television schedules coded by country of origin, and some programme clips, and they then discussed the role that country of origin played, as well as their satisfaction with current provision. Children were asked where programmes took place and how important setting was to them.

The views of parents and children differed regarding the role of country of origin:

Figure 131: Importance of country of origin

Parent's views	Children's views
• Important to have a balance of UK and imported programmes. • Country of origin most important for drama and factual programmes aimed at older children.	• Very little concern about country of origin - appeal of the programme is most important. • Some older children saw benefits of UK programmes.

Country of origin more important for drama and factual programmes

Parents of pre-school children thought it was important for children to hear English from the UK rather than from US during their development years. Country of origin mattered most for drama and factual programmes, especially for older children, whereas it was not a concern for animation (which did not try to reflect real life). Parents thought it important for older children to be exposed to programmes set in the UK so that they would see shows which were relevant to their lives. It could also help children to appreciate the range and richness of the culture across the UK, as well as in other countries.

"You want your kids to see what life's like here, not necessarily what life's like somewhere else. There's the education side to see how other people live."
Parent, Scotland, DTT household

Parents felt that this concern was not being sufficiently addressed at present, especially within cab/sat homes, where parents perceived an imbalance between UK and US programming (there was also concern from parents in analogue terrestrial and digital terrestrial households when commenting on the country of origin of programmes on cab/sat channels).

Parents from all platforms were satisfied with the amount of UK-produced programming on the BBC slots and channels, CBBC and CBeebies, which were seen to provide a good mix of programming from the UK and overseas. Having discussed the issue, parents then voted on the amount of UK programming available for children and just over two-thirds of parents thought there was too little UK programming on children's television overall.[38]

Country of origin was not important for younger children. In fact many younger children were unable to identify where a programme comes from. Most older children had a clear idea about where dramas took place and some older children did see the benefits of UK programming for similar reasons to their parents.

'If it's made in England, it's like you're seeing these spots and you know about the sort of thing that they're talking about.'
Girl, year 6, Scotland, cab/sat household

[38] This finding is higher than the results from the Children's PSB survey where 24% of parents with children aged 2-15 thought that there was not enough UK programming. One possible reason for the difference was that in the workshops parents discussed the issue based on information about current provision before voting.

However, country of origin was not a big issue for children overall.

"I don't mind where they're made because as long as the programmes are good programmes, it really doesn't matter where they're made"
Girl, year 6, Scotland, cab/sat household

Most children of all ages and from all platforms were happy with the balance of UK and US programmes on offer.

Some dissatisfaction among parents with US drama programming

Given the perception of the importance of country of origin for drama, parents and children discussed their views on US and UK dramas, as summarised in the table below.

Parents' views	Children's views
• Some dissatisfaction with the amount of US drama. • Some dissatisfaction with the range within US dramas, perceived to be too similar in format by some.	• Children enjoy current US dramas and UK drama. • Children thought there was a range within US dramas, with programmes for older boys and girls.

Views among parents on US drama were mixed. Some parents liked the fact that US dramas offered escapism from real life, whereas others saw them to be very similar in format and of too similar a light-hearted tone.

"TV is escapism. If I was at home, I wouldn't be sitting watching Tracey Beaker – that would depress me. I would be wanting to watch Americans. It takes you away doesn't it. "
Parent, Northern Ireland, ATT household

"They all have the same format, especially the American ones. Same people different scene really."
Parent, London, DTT

Whatever their views, there was a perception among most parents that some US dramas had higher budgets and as a consequence were better made in terms of their production. Most parents felt the UK dramas were more realistic and some parents felt it important for children to watch such "hard-hitting" programmes that deal with the realities of life.

''The American way of life and our way of life is just poles apart and what we want our kids to learn is our way of life and dramas like Tracey Beaker are more to do with the every day reality of kids hating and liking and divorce and stuff like that. They're probably be more applicable'
Parent, Northern Ireland, DTT household

With regard to drama, children, especially older ones, found the US dramas entertaining, well written, with good story lines and characters, and better made or more engaging than some UK dramas, with some children mentioning *Genie in the House* and *MI High*. Some children, especially girls, related to the issues which some of the characters were going through, for example relationships with boys in programmes such as *Lizzie McGuire*.

"[What makes a good programme is when] they're your age because you can relate to them and their problems... Lizzie McGuire always has a moral at the end of the story, like something you can learn from it."
Girl, year 7, England, cab/sat household

For children from all platforms with regard to UK drama, *Tracy Beaker* stood out as a favourite programme, especially for older children. It was seen to be different in tone to the US dramas, described as 'real' and 'tough', rather than escapist. However, many children commented that they were getting tired of seeing the same episodes again and again. This issue was accentuated in analogue terrestrial and digital terrestrial households where there are not as many dramas to view overall.

Future provision

When asked about future provision, parents wanted a more even balance of programmes from the UK and overseas. Some parents thought that there should be more programmes made in the UK for older children. Some parents in cab/sat homes wanted to see fewer programmes from the US overall and specifically, some parents wanted to see fewer US dramas.

However, many children enjoyed US drama and did not want a reduction in volume of these programmes. Although some older children could see the potential benefits of having more UK children's programming, in terms of providing more 'real life' dramas and scenarios/locations that reflect the lives of children in the UK, children were generally satisfied with the current mix of UK vs. overseas programmes.

Figure 132: Future provision

Parent's views	Children's views
• A balance of UK and imported programmes.	• A good range of enjoyable programmes, country of origin has little importance.
• More UK programmes for older children.	• No strong desire for more UK programmes overall. (Some older children saw benefits of UK programmes.)

5.4.9 Summary of findings by age group

Pre-school children

Television is important for many parents of pre-school children and is perceived to provide a combination of education, entertainment and relaxation. Parents of pre-school children are currently very satisfied by the provision of programming across all platforms and do not perceive any significant gaps. Programming for pre-school children is seen to be good quality; there is a good range of genres available, a good mix of programmes made in the UK and from overseas and a good supply of new programming. Parents feel that their children are well served by PSB programming from CBeebies and *Milkshake!* on Five. Many of the pre-school channels, across different platforms, air programmes which are perceived to possess PSB purposes and characteristics which parents see to be essential for pre-school children.

Young children (under 8 years old)

The findings for younger children are more mixed. Television is important for many parents of children under 8 and is perceived to provide a combination of education, entertainment and relaxation. Children under 8 primarily watch television for entertainment. Parents of younger children are currently satisfied with children's television and believe that there is an adequate supply and range of programming available to them. Most children under 8 are also satisfied with children's television although some children in analogue terrestrial and digital terrestrial households would like to see more animation and those in analogue terrestrial households would like to have access to a greater range of children's television programming, particularly after school and in the early evening.

Parents are less concerned about the country of origin of programming for children under 8 than for older children, because they believe that this issue is less important for the genres which appeal to this age group, such as animation. Parents across all platforms would like to see more factual programmes and children across all platforms would like to see more programmes about nature and animals. Parents feel that their children are well served by PSB programming from the CBBC slot and/or channel. The issue of repeats is less important for children under 8, many of whom enjoy watching repeated programmes. Parents recognise that children under 8 are more tolerant of repeats; but they would like to see fewer repeats on children's television.

Older children (8-12 years old)

There are a number of issues regarding provision for older children. Children's television is important for 8-12 year olds and their parents, but it is less important now than compared to when the children were younger, since they now have access to a far wider range of media and non-media activities which compete for their attention. However, television is still the favourite medium for most children. Parents of 8-12 year olds are reasonably satisfied with the television currently available for their children. They think that there is a good range of genres and some high quality programmes for this age group. However, they think that there should be more programmes made in the UK, especially drama and factual programmes, and they perceive that there is not sufficient provision of high quality programming for this older age group, as CBBC appeals to children up to 9 or 10 years old but not older. Children's satisfaction with programming is strongly linked to platform. Those with cab/sat television are the most satisfied with television, and think there is a wide range of appealing programmes available to them for the vast majority of the time they are watching television. Children in analogue terrestrial and digital terrestrial households are less satisfied with children's television. Children in analogue terrestrial households don't think there is enough choice after school and they, together with children in digital terrestrial households would like to have children's programmes in the early evening, and more drama and nature programmes. The number of repeats is an issue for parents and children across all platforms, with many spontaneously mentioning this as a problem.

Young teenagers

Young teenagers have some specific issues around overall provision of programming that is relevant to them. Television is important for young teenagers; however, it is less important than when they were younger, since they now have access to a far wider range of media and non-media activities. For some television is no longer their favourite entertainment medium, with some preferring the internet. Some young teenagers (particularly girls overall and young teenagers in analogue terrestrial households) consider other media, such as the internet or mobile phones, to be more important. This is mainly because socialising with friends becomes more important at this age, and online applications such as MSN messenger, and mobile phones, allow them to keep in touch.

Parents of young teenagers, and young teenagers themselves, across all platforms perceive there to be very few channels or programmes aimed at them. Young teenagers do not think that any of the children's channels on digital terrestrial and slots on analogue terrestrial are aimed at them or cater for their needs. Those in cab/sat households can only cite Trouble and some of the music channels, such as MTV, as being aimed at them.

Young teenagers watch very few children's programmes and tend to watch reality television and adult soaps aimed at young adults such as *Pimp my Ride*, *Hollyoaks*, *America's Next Top Model* and *Big Brother*. This is partly because many young teenagers aspire to programming which has adult themes and partly due to the lack of programmes and channels aimed at them.

Young teenagers and their parents think that there should be more programmes aimed at them. Parents of young teenagers have the lowest satisfaction levels overall, compared to parents of younger children; this is driven by the low volume of programming available to this age group, including PSB programmes. Young teenagers recognise this gap and express a desire for programmes/channels aimed at them, although they enjoy the other programmes they watch, they would like to have 'teen' versions of them - soaps, reality programmes, sports, drama, and music programmes. They also appreciate the benefits of UK- made programming.

Young teenagers would like programmes to be available online and perceive the internet as a convenient medium for watching television; they like to be in control over what they watch and when they watch it and they believe that online delivery could offer them the choice of a wide range of teen-appropriate programmes. Young teenagers want interactivity in their ideal future scenario – they would like to be able to choose which programmes to watch and in which order, and many would like to be able to download television programmes to their mobile phone or watch them via the internet.

5.4.10 Findings for the nations and regions

Country of origin was the main area where there were differences in opinion among parents in different parts of the UK. Parents in England, Scotland and Wales thought it was important to have a good range of programmes made in the UK, whereas parents in Northern Ireland thought it less important.

Parents in Scotland and Northern Ireland and Wales (non-Welsh speakers who didn't watch S4C) recognised that there were few children's programmes made or set in their nation and said they would ideally like to see more, although most would be satisfied with seeing more characters or children's presenters from their nation. In contrast, children expressed little desire to see more programming from their own nations.

In Wales, parents and children who watched S4C thought the children's programmes were of a high quality, with a good range of genres for different ages.

Section 6

Views of industry stakeholders

6.1 Summary findings

- Stakeholders mainly concurred that children's programming is facing a difficult period of change at present, but opinions vary on whether this is a long-term structural change or a transitional 'crisis'.
- Many members of the children's production industry think that there is a serious crisis in funding for children's production, following the reduction of ITV1's commitments. ITV1's spend reduction has had the most impact on funding for production, on co-production spend and on providing a major UK broadcast outlet for international programme sales. Some in the production industry do not believe that the commercial children's channels will commission a sufficient amount of UK-originated programming to fill the 'gap' left by ITV1. Others see this as an inevitable market adjustment.
- Some in the production industry are also concerned that the BBC will be, by a long distance, the primary investor in children's programming, with subsequent implications for consolidation in the sector and plurality of commissioning and supply.
- Broadcasters are facing an increasingly competitive market, with competition from alternative media activities for children's viewing overall, audience fragmentation and for share of viewing by adults against children's programme slots.
- Most commercial children's channels in the UK are US-owned and most recognise that there is brand value associated with broadcasting UK-originated programming, provided it is economically viable. Often when producing UK-originated programming, the commercial children's channels will aim to distribute it back through their parent company on a global basis. Most commercial children's channels believe that the BBC should be the primary provider of PSB programming for children, but the reduction in commissioning by ITV1 means the market now has fewer opportunities for co-production with a UK terrestrial broadcaster.
- Many stakeholders we met argued that high quality, UK-originated content is vital for British society and should reflect our language and culture, both at UK and a national and regional level. Some felt that the current range and quality of programming is not meeting these needs.
- There is little consensus on what, if anything, needs to be done to address the challenges facing the industry. Opinions differ mainly between broadcasters and producers. However, many do advocate some form of intervention. A summary of the possible policy approaches suggested by stakeholders is included in this section.

6.2 Introduction

To understand the various stakeholders' perspectives, we held a series of meetings seeking views on the current and future issues facing children's programming in the UK. We also held two 'round-table' meetings: with smaller production industry members; and with a number of members of the academic community with an interest in children's media. The findings from these sessions are set out in this section.

Between April and September 2007, we interviewed a number of stakeholders, seeking their views on the current and future issues facing children's programming in the UK, the role of PSB programming for children and future prospects for delivery. These discussions were held in confidence, and a summary of views is included below.

Requests for interviews were sent to a selection of organisations including broadcasters, producers and representative groups. While we recognise that there are many with an interest in the children's television market, our aim was to meet a broad cross-section of representatives in order to gain a representative sample of opinion. A list of the organisations we spoke to is set out at Annex A5. While these views represent the core areas of the industry debate, the opinions of parents and children are also vitally important and are reflected in the deliberative work presented in Section 5, *Views of parents and children*. We are seeking further views from stakeholders during the discussion period following publication of this report.

6.3 Issues discussed

We have summarised the issues discussed with stakeholders around the following themes:

1. Key trends and challenges facing the children's industry at the moment
2. Role of the public service broadcasters
3. Role of PSB for children in the digital world
4. The funding of children's programming
5. Role of new media in distribution of content to children
6. The prospects for future delivery.

6.3.1 Key trends and challenges facing the children's industry at the moment

Stakeholders mainly concurred that children's programming is facing a difficult period of change at present, but opinions varied on whether this is a long-term structural change or a transitional 'crisis' and differed particularly between broadcasters and producers:

- **Broadcasters** cited the changing media consumption habits of children, a reduction in advertising revenues due to audience fragmentation, and the potential impact of the food advertising rules as the key issues affecting their business. Some subscription broadcasters also cited renegotiation of carriage fees as having an impact.

- Those in the **production** industry predominantly cited the impact of ITV reducing its levels of commissioning as the key issue facing their sector. Some suggested that many independent children's producers are likely to collapse in the near future. Others felt that despite the challenges facing the production sector, it would recover and find ways to adapt, for example through alternative sources of revenue such as through branded merchandise, toys, mobile and interactive revenue streams. The main factors quoted by those interviewed are explained in further detail below.

Changing media consumption habits of children

Many stakeholders noted that children's media consumption habits are having an impact on the children's market in two key ways: first, through the adoption and increased use of digital technologies; and secondly, through increased consumption of children's programming on the dedicated children's channels compared to the multi-genre channels. One stakeholder suggested that children are at the forefront of adopting and using digital technologies and therefore the changes in consumption currently experienced in the children's genre of programming will eventually be experienced by other genres. Some producers felt that the changes in media consumption provided new opportunities for revenue.

Reduction in advertising and subscription revenues due to audience fragmentation

Audience fragmentation was cited as a key issue facing all broadcasters. The increase in choice of children's programming available on multichannels had resulted in competition among all broadcasters for the viewing time of children. Fragmentation of revenues was the key issue mentioned by most commercial PSB broadcasters as having the greatest impact on their current business model, which in turn has an impact on their ability to commission UK original content. Many noted that the market for dedicated children's channels is highly fragmented and that the bargaining power of channels distributed via pay television has decreased across Europe. Subscription-based channels are under pressure and some carriage fees have recently been renegotiated downwards.

Impact of ITV reduction in commissioning

The vast majority of stakeholders in the production sector expressed concern about ITV reducing its levels of commissioning of children's programmes. It was widely held that ITV had not commissioned any children's programmes for over 12 months. Concern was expressed at four levels.

The first was the impact of a significant reduction in broadcast expenditure on the independent production sector. One stakeholder felt that there was potential for an estimated 50 specialist children's producers to close as a result of this decision. Another producer felt that without an economic reason to produce in the UK, there was a high likelihood that there would be a reduction in producers, creative talent and UK-made programmes in coming years. The impact is likely to hit specialist producers most; larger, diversified producers would be able to adapt.

The second was the impact that ITV1's withdrawal from commissioning would have on competition, with many concerned that the BBC would be left as the only major commissioner of children's programmes by a long distance. Many felt that a vibrant production industry is vital for innovation in children's programming and without an alternative to the BBC there would be little chance of maintaining this. Some did not believe that the commercial children's channels would commission a sufficient amount of UK-originated programming to fill the 'gap' left by ITV1. At the same time, many acknowledged that they understood the rationale behind ITV1's decision to scale back children's commissioning; and that the commercial PSBs are focused on managing their businesses in the most economic way possible.

The third concern was the loss of one of the main UK terrestrial outlets which acted as a 'shop window' for driving international programming and merchandising. Historically, producers have relied on the PSBs – with greatest reach – for this 'shop window' and reflecting this, the 'big' children's programmes are more likely to have ITV or BBC behind them. Without having a large broadcaster with good guaranteed exposure behind a programme, it is difficult to then translate it into merchandising and other financial opportunities. Producers of animation and pre-school programming particularly viewed ITV1 as playing this role and felt strongly that establishing successful merchandising and programme sales depended entirely on significant exposure on television. That said, international sales resulting from a programme are often relatively low, compared to sales from the home market.

The fourth and final concern was that ITV1 has in the past been a source of co-production funding with other broadcasters. A popular model would be for ITV1 to pay a licence fee for the free terrestrial broadcast rights, with dedicated children's channels paying for pay television rights. This is discussed further in Section 3, *The business of children's programming*.

Impact of the food advertising rules

Industry stakeholders (particularly broadcasters) argued that the impact of the introduction of restrictions on food advertising to children will affect their ability to commission and broadcast original children's programming. It should be noted that these arguments were made by stakeholders directly affected by the restrictions and that the views of parents are not reflected here.

6.3.2 The role of public service broadcasting

Many stakeholders interviewed agreed that high quality, original children's programming is culturally important.

For example, those attending the production sector round table agreed that UK children's programming is of immense cultural importance to children as their first experience of television and narrative storytelling.

Those attending the academic community round table discussion agreed that television plays an important role in children's lives, and felt that the proliferation in volume of programming material available may mean that children's public service broadcasting is more important now than ever before.

Interviewees generally distinguished between the role of the BBC and the role of the commercial PSBs in providing PSB programming for children. Almost all stakeholders interviewed felt that the BBC was the cornerstone of the children's market and felt that its contribution to the PSB ecology was vital. Some questioned whether there is a rationale for further PSB provision if the market provides content alongside the BBC.

Some respondents agreed that the BBC has a responsibility to maintain and fund the PSB ecology. It is funded by licence payers and therefore should provide a strong schedule. It should have duties, for example to keep CBeebies free of advertising and to maintain a significant proportion of its budget for programming focused on UK domestic commissions and co-productions.

Many stakeholders mentioned that they felt Five delivered high quality, PSB programming (particularly for the pre-school age group): however, some producers noted that Five offered very small commissioning budgets, and programmes would almost always need other sources of funding.

Many were positive about the role of CITV in providing a dedicated children's channel to a target age profile that complements the BBC digital channels. However, some were sceptical about whether or not this channel would be maintained into the future and whether it would commission new programmes.

A number of stakeholders commented on the historical role of a mixed-genre channel in providing children's programming and noted that the decline in viewing of children's programmes on these channels was a shame but acknowledged that programming should be provided where children are viewing. However, some said a mixed-genre channels still had an important role to play in encouraging family viewing. Whereas the strategy of a PSB portfolio used to be to showcase the best children's content on the main channel, this is now changing and will inevitably change further in the context of the digital world.

Many producers felt that children's production through the PSBs had provided a significant training ground for developing production and writing skills and this is in danger of being lost.

It is also worth noting that during the course of undertaking this research, S4C announced plans to greatly expand its provision of children's programming by developing a dedicated children's channel.

The role of the BBC

Few had anything negative to say about the BBC's provision of children's programming although many were concerned about the extent of reliance by the market on the BBC. This came across in two ways:

- First, there was a concern expressed about plurality of provision, particularly following the reduction in ITV1's commitments. The BBC itself was concerned about remaining the sole provider in the market, on the basis that it relies on plurality of supply and commissioning in order to maintain current levels of quality and innovation. Those in the production industry were particularly concerned that the BBC will become the most significant investor in children's programming, with subsequent implications for consolidation in the sector and plurality of commissioning and supply (and for the range of genres on offer and the quality of programming).

- Second, many were concerned that, with ITV reducing its levels of commissioning, the BBC would become the most significant market player. This could put the BBC in the position of controlling the future viability of the independent sector. Currently, the BBC is focusing on "bigger, better, fewer" commissions and favouring in-house production. As a result, one stakeholder suggested that producers are pitching "safe projects to type" in order to secure commissions. It was suggested that the WoCC and independent quota were not having the desired effect as they are based on hours – therefore they include interstitials (short programming, often between programmes) and presentation links and lead to high volume, low value commissions to independents.

Others felt that the children's genre is an area where the BBC can and should be distinguishing itself and that it is appropriate that the BBC should be the primary provider of PSB-type programming for children. In saying this, however, many commented that the role of the BBC should be tightened (for example, so that only UK programming should be shown on the BBC and to maintain certain levels of budget on programming, mostly focused on UK domestic commissions and co-productions.)

The importance of plurality in children's television

Those attending the academic community round table discussed the importance of plurality in children's television. Concern was expressed that the BBC's "bigger, better, fewer" strategy in relation to children's programmes may have an effect on the production ecology, in particular on the ability of small independent producers – who have a particular role to play in terms of diversity and creativity – to remain in the market. The participants generally felt uncomfortable with the idea of the BBC being the main provider of children's programming.

There was common recognition that children themselves are not generally concerned about plurality of provision but it was suggested that plurality might be particularly important in the context of children's, as opposed to other genres, because of the role that children's programming has in developing children's minds and in enabling them to become citizens. Some expressed concern that there is a distinct 'BBC voice' which means that an alternative PSB voice is needed.

6.3.3 The role of PSB for children in the digital world

<u>Role of children's programming compared to other PSB genres</u>

The majority of stakeholders argued that it is important to focus on children's programming to preserve the British cultural heritage through to the next generation and to provide a quality and varied diet of programming for future citizens. They argued that the concept of childhood needed nurturing and that children's programming was an appropriate mechanism for this, through addressing the needs of different age groups. In noting this, some stakeholders commented that the value of children's programming is under-researched, and that there is little public knowledge of the issues currently facing production and preservation of this genre. At the academic round table, it was suggested that the role of children's programming was different because children's exposure to variety and diversity in programming is vital in their formation as citizens.

A minority of stakeholders felt that there is no justification for treating children's differently to any other genre of PSB-type programming, like the arts. One stakeholder suggested that all genres were facing similar issues and there was no reason to treat children's programming differently. Another stakeholder noted that there is no market failure in the case of children's, evidenced by the high volume and quality of children's programming available elsewhere. One stakeholder felt that the cultural arguments being made through the debate could be a cover for achieving industrial policy objectives.

<u>PSB purposes and characteristics</u>

There was a high degree of consensus that the core PSB purposes and characteristics of children's programming - quality, range and originality - are important and should be maintained into the future. However, opinions differed on the mechanisms by which these purposes and characteristics should be best delivered (this is discussed in further detail below). In commenting on this question, many noted that children are very well served in terms of volume, but that range, quality and originality were more of an issue. Points made included the following:

- The PSBs still have benefits by virtue of their status as PSBs and therefore should be required to provide children's programming.

- PSB has an important role in providing choice and reflecting culture in programming on a free-to-air basis.

- Any channel will need a certain amount of 'PSB' content in the digital world, as it is often the content that attracts viewers.

- Along the same lines, children will seek out quality programming whichever channel provides it, as they are particularly susceptible to brands. It should be immaterial what channel providers this type of programming.

Role and production of UK-originated content

Most agreed with the proposition that there is an ongoing and important role for UK-originated content for children. It was often mentioned that people felt that it was important in order to reflect our society, language and culture. There were concerns expressed that the current range and quality of programming does not provide a sufficient level of UK-originated content. Some felt that it is the primary responsibility of the BBC to broadcast UK-originated programming.

There was a consensus at the academic community round table that the provision of indigenous content is an important issue and it was acknowledge that there are both cultural and economic arguments supporting this. It was suggested that the fact that other countries have intervened to ensure that local children's content is available may be a strong argument for its importance. Compared to other countries, it was felt that the UK may have a less obvious reason to protect indigenous content from a language perspective, as there are no language barriers restricting the extent of US imports, many of which are high quality. There was also consensus that it is more important for some genres to be locally produced. For example, it was generally felt important for factual programming, in particular news, to be indigenous. It was also agreed that country of origin is less important for animations. It was suggested that while some US drama is high quality, it is important for children to see their own culture reflected via UK originated drama programmes.

Many felt it was out of date and incorrect to assert that all imported/acquired programming was not 'PSB' and was irrelevant for UK children. It was seen as important to get away from the stereotypes that UK is good and the US is bad. In this context, some noted that the US produces a lot of high quality programming that children seek out - often well funded drama. Others noted that many of the highest rating programmes are those made in the UK. Some suggested that animation programmes (which some argue are less high quality) are in fact often high quality and hence their popularity with many children.

Some dedicated children's channels felt there was brand value associated with producing and broadcasting UK-originated programming, but they could only do so to the extent that it was economically viable. Often when producing UK-originated programming, the dedicated children's channels would aim to distribute it back through their parent company on a global basis. Some argued that this meant that their UK-produced output catered more to a global audience than that produced by UK PSBs.

Many stakeholders in the production industry did not believe that the children's digital multichannels would commission a sufficient amount of UK-originated programming to fill the 'gap' left by ITV1. One or two drama series per year were likely to be the maximum and less favourable fee and rights packages were likely to apply. Multichannels would not provide a source of commissions as they are focused on in-house production which meets global commercial objectives. In this way, PSBs will continue to be responsible (albeit at diminishing levels) for commissioning UK programmes from the independent production sector.

6.3.4 The funding of children's programming

Differences in funding sub-genres of children's programmes

Most stakeholders acknowledged that there was a wide variation in costs associated with producing different sub-genres of children's programming. It was widely acknowledged that it is more expensive to produce animation and live action drama programmes, with the consequence that it was more difficult to fund and produce these programmes in the UK.

There was broad consensus that pre-school could be the most profitable sub-genre and this type of programming is commercially exploitable, through toy merchandising in particular, in a way that doesn't exist for any other programme genre. Several stakeholders noted, however, that there is a lot of pre-school programming available in the distribution market for broadcasters to acquire. The level of repeats for pre-school programming is high, given the longevity of marketing and a high level of competition for secondary runs. Pre-school is also recognised as the most marketable sub-genre internationally. Live action is less likely to be produced for international markets as it has limited repeatability or cultural appeal.

Those attending the production sector meeting felt that factual and schools programming were the sub-genres under the most pressure, as Channel 4 and Five have reduced their production of these sub-genres and Discovery Kids had exited the market. They felt that animation may be better protected as it offers more chance of funding from sources other than UK broadcasters and they tend to fund no more than 30% of budget. It was suggested that a decline in plurality of commissioning across sub-genres should be of immense cultural concern as it:

- may impact on plurality of viewpoints represented through factual programming, particularly news;
- may limit the choice that viewers have; and
- will inevitably reduce the number of available slots / commissions to UK producers – it was suggested that BBC new series have fallen from 20-25 per year to 8-9.

Rights sharing

In the past, when levels of digital penetration were lower, co-production deals between dedicated children's channels and PSBs were possible through sharing rights between the analogue and digital platforms. However, with increases in the number of households with access to digital television, this is becoming a less frequent model of business.

Some stakeholders observed that the PSBs still dominate the market and often retain rights to UK properties, providing little scope for programmes to be broadcast on subscription channels. As a result of this there is less UK original content available for subscription channels to acquire, with rights often tied up exclusively with the PSBs. This can mean that subscription channels need to acquire this from Europe or through other global deals (often through their parent company).

6.3.5 Role of new media in distribution of content to children

Some felt television has less and less of a role to play in children's lives and many acknowledged that there is a trend toward consumption by children across a range of digital media. However, the majority agreed that the role of television varied depending on the age of a child – with older children less reliant on television and using mobile and internet technologies more than younger children.

It is virtually standard now for content to be available both through traditional television distribution outlets and also in an associated online form. Many channels had developed an online strategy, particularly a website associated with a programme. Often these sites allow children to play games. It was generally felt that the BBC is leading the way in this.

However, it was almost unequivocally recognised that it is extremely difficult to get sufficient scale to make advertising revenue or to monetise children's programming in an online environment. There is still no proven business model for such projects. And many were not convinced that alternative distribution models, including online and mobile, are a viable alternative for children. Some said that new media distribution – particularly mobile - in other European markets is becoming an important platform and proving easier to monetise. In the context of discussing monetisation of children's programming, the academic community round table discussed the role of the 'brand', noting that this is increasing in importance, with children's brands spreading across platforms and into areas like merchandising.

Some producers we spoke to have been focusing their business efforts on exploiting new media distribution channels including interactive, online and mobile. One producer noted that this is becoming an increasingly competitive area, as more and more producers work to make the most of new opportunities. However, few could see online distribution of children's programming creating a substitute commissioning model. A small minority commented that games production was a comparable model that should be considered.

Those attending the production sector round table felt that high traffic to websites by children is frequently attributable to properties with a television presence. *In the Midnight Garden* and *Numberjacks* were suggested as examples of programmes where a television show has created meaningful online interaction. It was felt that the same high standards of production and the education values of PSB should be maintained for online content.

Those attending the academic community roundtable debated the role of the linear schedule and questioned whether it would still exist in the future. It was felt by some that television may have an increasingly important role in developing a sense of common culture, in the form of a narrative that children will still want. The linear schedule could play more of a role of 'trusted guide' in the future. There was also some discussion about the over-13s and their tendency for 'aspirational viewing' above their years. It was noted that this age group are not yet adults and it was felt that this is still an important that needed to be served.

6.3.6 Prospects for future delivery

There is no consensus on what, if anything, needs to be done by Ofcom or the government to address the issues raised by stakeholders.

- Some cautioned that Ofcom should be clear whether intervention is needed for industrial policy reasons (as a source of employment and exports) or for cultural/creative reasons.

- Some were wary of any further intervention in the children's market, following Ofcom's food advertising decision.

Many felt that there was a need for some further intervention, but were unclear on what might be the most appropriate mechanism to do this.

Core options were raised under the following broad categories:

<u>Maintain status quo</u>

Some stakeholders felt it best to leave provision of children's programming to the BBC, the commercial PSBs and the market under the current terms of the Communications Act. This comment was often made on the basis that the BBC needs to take the lion's share of responsibility for provision of new PSB children's programming in the future. However, in suggesting provision be left to the BBC and the market, many felt it would be appropriate to look at tightening the BBC's remit for the provision of programming to children and particularly UK-originated programming (a role for the BBC Trust). The central argument about this option is whether there should be plurality of broadcast provider, other than the BBC, in the provision of children's PSB content.

Broadcaster-based interventions

This option covers a number of possible models. One core idea is a dedicated fund for the commissioning of children's programming available to broadcasters, with funding coming from a number of potential sources including the government, lottery funding, the licence fee or a levy on broadcasters.

One feature of this model could be that the funding is tied to a broadcast distribution outlet.

Arguments made in favour of a fund were that:

- it could help to fill the perceived gap in UK-originated children's programming in a targeted way;
- there could be commercial reasons why the government may wish to establish a fund, as some projects could be viable financially with the right exposure;
- it could enable the production of programmes that broadcasters are keen to show, but which are not always economic to produce;
- it could help foster creative talent and deliver plurality of programming;
- an independent fund could assist in maintaining provision of children's programming on the traditional PSB channels in the future; and
- it would encourage and enable children to watch more programmes made in the UK.

Arguments against were:

- that it could be too bureaucratic and unaccountable;
- that it would not incentivise or deliver innovation;
- that, unless properly structured, it might not guarantee that its output would actually be broadcast or watched; and
- a fund raises too many implementation questions – who would make the decisions on what to produce, and what rights would be retained or sold? It would only work alongside quotas.

Many mentioned international examples when discussing funding models, and noted that in other countries with PSB children's requirements there is associated government support available.

Another option suggested in the context of broadcaster-based interventions would be a fixed output quota for provision across all broadcasters with an interest in children's programming.

Extending the remit of existing PSB institutions

This option could include extending the remit of existing PSB institutions other than the BBC – including ITV1, Channel 4 and Five – to provide PSB programming for children.

As noted above under the 'maintain status quo' option, in discussing this option, many also mentioned tightening the remit of the BBC and holding it to higher levels of UK-originated children's production.

As a main PSB competitor to the BBC, Channel 4's role was particularly mentioned by stakeholders in this context. Channel 4's current remit under the Communications Act relates to the provision of schools programming. This range of suggestions included extending the remit of Channel 4 to include the provision of original children's programming. However, some also argued that it would be difficult to impose new obligations on Channel 4 if they were not compatible with its brand, also noting that Channel 4 has less history or tradition of provision of children's programming than some other channels.

Others suggested that ITV should not be allowed to reduce its obligations to broadcast further and that these should be reinstated in the form of more structured quotas.

This option is akin to the imposition of quotas, which were mentioned as an alternative by some. A small number of stakeholders suggested implementing quotas across all children's channels such as through the European content quotas. However, many were extremely cautious of this approach and felt quotas to be a step backward – guaranteeing volume rather than quality, with the risk that they would generate low-quality programming.

Production incentives

Tax incentives for the production sector, similar to those used in other markets internationally, were also suggested.

Tax breaks were seen as a potentially helpful industrial policy measure, to attract further investment in producing programmes in the UK. Some producers commented that the existence of tax breaks in other international markets made it difficult to compete and sell programming on a 'level playing field' internationally. One stakeholder suggested that they could work to offset the costs of long-running drama and animation production, but might be less successful in live entertainment and factual.

Some producers felt that the introduction of tax breaks in the UK would help to level the international market for production. A producer in Canada, France or Ireland can bring 40% of the budget to the table due to government matched funding (Canada) or tax breaks (Ireland). UK producers can bring nothing "except for their expertise".

Some attending the production round table argued that the UK is distinct from other developed markets for children's programming, as it has no tax incentives and only the BBC as a direct source of funding. As a result, children's accounts for only 5% of the total television production market (compared to 25-30% in Australia and Ireland). Ireland in particular has developed an animation industry from almost nothing by using tax breaks to gain European and US investment. Wales is investigating the Irish model as a way of reinvigorating its industry. Therefore, in the UK, the finances of production will always be worse for producers. For animation, a producer in the UK might raise 10% of the budget from a broadcaster, whereas in France it might raise 45% of the budget from the broadcaster, funds and tax breaks.

Pact – Children's Content Credit proposal

Pact, the trade association which represents the commercial interests of the independent production sector, recently proposed a Children's Content Credit (CCC), a producer tax credit to make up a minimum of 30% of production costs for programmes meeting a public service requirement. A number of features of the scheme have been suggested: it would be focused on areas of children's content most under threat, including programmes for children aged 5 to 12 and factual programming; a broadcaster must have committed to airing the show in the UK for it to be eligible; and programmes must achieve a number of points on a cultural test addressing UK subject matter, contribution to cultural diversity, heritage and creativity and the use of UK production facilities and personnel. It has also been suggested that the credit be fitted with a "sunset clause" so that it would expire in 2012, or a soon as any further, larger scale intervention regarding public service broadcasting as a whole comes into effect.

New institutions

Some stakeholders suggested that the government should set up a dedicated PSB children's channel, funded with public money. This would be tasked with delivering PSB programming unlikely to be funded by the market as a whole (for instance, UK live action drama) and would act as a creative competitor to the BBC.

The group Save Kids TV, which is a coalition of parents, producers, artists, educators and others concerned about screen-based media for children in the UK, has also recently proposed a new media service producing UK content, available online, on television, via mobile and on demand, and are researching this model.

There was interest in a new institution to play the role of 'shop window' for UK programming with global appeal. It was mooted that such a channel might be partly funded by international programme and merchandise sales.

Some mentioned Ofcom's proposed public service publisher (PSP) – a new institution for PSB in the digital age which was proposed during the first statutory PSB Review (2004-5) - in this context. There was interest in the potential role of the PSP to deliver content to a new generation of children brought up with the internet and interactive media. Others noted that it was an interesting concept but that children aren't necessarily underserved online, so questioned the need to intervene in this way.

Other suggestions

Some argued that different methods of support may be needed for different sub-genres of programming:

- Animation would benefit from tax breaks, which support industry start-up costs and could be repaid following success;
- Factual would need to be fully funded, probably from a dedicated fund;
- Drama would require top-up or match funding to a broadcaster.
- Some also suggested that ancillary revenues from worldwide sales and merchandising (for pre-school) tended to be a myth, with big hits like *Bob the Builder* or *Teletubbies* happening only once in a generation. Retailers tend to rely on proven

product lines; consequently there is less interest in developing new programmes or new streams of ancillary income.

Stakeholder policy approaches suggested are summarised in the following table.

Figure 133: Stakeholder policy approaches to children's television

Maintain status quo	• This would involve leaving provision to the BBC, the commercial PSBs and the market under the current terms of the Communications Act. In practice this would essentially mean that the BBC is the major provider of new PSB programming for children in the UK. • One model might be for the BBC Trust to tighten the BBC's remit for children's programming in order to hold it to at least current levels of UK-originated children's programming. The central argument about this option is whether there should be plurality of broadcast providers, other than the BBC, in the provision of children's PSB content.
Broadcaster-based interventions	• This covers a number of possible models. One core idea is a dedicated fund, for the commissioning of children's programming available to broadcasters, with funding coming from a number of potential sources including the Government, lottery funding, the licence fee or a levy on broadcasters. • One feature of this model would be that the funding is tied to a broadcast distribution outlet. Another option suggested would be a fixed output quota for provision across all broadcasters with an interest in children's programming.
Production incentives	• Tax incentives for the production sector, similar to those used in other markets internationally, have also been suggested. • Pact, the trade association which represents the commercial interests of the independent production sector, has proposed a short-term producer tax credit to make up a minimum of 30% of production costs for programmes targeted at 5-12s and factual programming meeting a public service requirement. It is suggested that this would expire in 2012, or should any larger-scale PSB-wide intervention come into effect. • A production-based fund such as those models used in Canada and Australia has been suggested as another possibility.
Extending the remit of existing PSB institutions	• This option could include extending the remit of existing PSB institutions other than the BBC – including ITV1, Channel 4 and Five - to provide PSB programming for children. • As a main PSB competitor to the BBC, Channel 4's role was particularly mentioned by stakeholders in this context. Channel 4's current remit under the Communications Act relates to the provision of schools programming. This range of suggestions included extending the remit of Channel 4 to include the provision of original children's programming.
New institutions	• This suggested option would involve developing a new institution for the provision of children's programming such as a further dedicated PSB children's channel, funded from a number of sources (noted above). • The group Save Kids TV (a coalition of parents, producers, artists, educators and others concerned about screen-based media for children in the UK) has also recently proposed a new media service producing UK content, available online, on TV, via mobile and on demand, and are researching this model. • Ofcom proposed in its first PSB Review (2004-5), a new institution for PSB in the digital age called the public service publisher (PSP). Some stakeholders have suggested that if the PSP comes to fruition it could be used to deliver content to a new generation of children brought up with the internet and interactive media.

Section 7

The international perspective

7.1 Summary of findings

- Children's television markets internationally have been shaped by two underlying trends: the increase in multichannel penetration and the growing number and popularity of dedicated children's channels. In 2006, the vast majority of households in Germany (98%), Sweden (87%), Canada (81%) and the USA (86%) had multichannel television with over 80% take-up. The UK is now approaching these markets, with a 79% take-up rate, while multichannel penetration in France (46%) and Australia (41%) is lower.
- In 2006, the UK had the highest number of dedicated children's channels among the countries surveyed, with 18 channels (excluding time-shifted channels). France had the second highest level of dedicated provision, with 17 channels, followed by the USA with 15.
- As the number of children's channels grows, viewing is migrating away from the main channels to dedicated outlets. The relative decline was highest in the UK, where children's viewing of the main five terrestrials fell by nearly a third between 2002 and 2006. The highest absolute decline, of 23 percentage points, was in Sweden. The declines were slowest in Canada and the USA – the two markets where dedicated channels have long dominated children's viewing.
- In countries with historically high multichannel penetration, dedicated channels dominate children's viewing, suggesting that this is the likely direction for the UK market. The top three dedicated children's channels accounted for 42% of all children's viewing in Germany and the USA in 2006, while in Canada 38% of children's viewing went to the top three children's outlets. In comparison, in the UK the top three dedicated children's channels (CBeebies, CBBC and Disney Channel) jointly attracted 8.5% of children's viewing in 2006).
- The overall provision of children's programmes on the main channels in the UK (4,252 hours in 2006) is similar to that of France (4,191 hours) and above that of Germany (2,843 hours), Sweden (2,267 hours), Australia (3,968 hours) and the USA (3,723 hours).
- The UK trend of declining children's output on the main commercial mixed-genre channels is echoed in other markets. In Germany, the main mixed-genre commercial outlets showed 46% fewer children's hours in 2006 (1,603 hours) than in 2001. In France, commercial free-to-air channels reduced output by 22% since 2001, to 1,441 hours in 2005. Similar trends can be seen in Sweden and the USA. Despite a 12% fall since 2002, the UK had the highest level of provision to children on its main national commercial channels at 2,437 hours in 2006.
- Broadcaster spend on children's television in the UK (£149m in 2006, excluding spend on repeats) was below estimated spend in the USA (£183m), but significantly above all other markets surveyed. Broadcasters in France (£74m) and Germany (£73m) are estimated to have spent half as much as UK broadcasters. Estimated broadcaster funding levels are lower in Canada (£43m), Australia (£38m) and Sweden (£16m).
- UK broadcasters had a relatively high share of originations, accounting for 73% of the total broadcaster spend on children's television. This was below that of their US

(80%) and Canadian (77%) counterparts but above that of German (71%), French (54%) and Swedish (52%) broadcasters.

- Our data suggest that the children's production sector in the UK is more dependent on broadcaster funding (75% of funding in 2006 although this varies by sub-genre) compared to some other markets. For example, in Canada, only 30% of funding for children's programmes comes from broadcasters, with the rest accounted for by a combination of government funding, foreign and co-production spend, private investment and other industry funds.
- Our estimates show that the total amount of public funding (across all types of intervention including provision by public broadcasters) of children's television varies substantially between countries and is not directly linked to the range of interventions used. Spending on children's programmes (first-run, acquired and repeat) in the UK by the BBC and S4C (a total of £5.70 per child in 2006) was below the level of estimated public spend in Canada (£14.20 per child) and Sweden (£7.10) The UK spent more on children's programming per child than Australia (£4.80), France (£3.70) and Germany (£2.80).
- Three main types of public intervention are employed in the countries surveyed to support children's television: provision by publicly-funded broadcasters (i.e. those deriving the majority of funding from public sources); measures to support provision by commercial players via output and productions quotas; and government support via grants distributed by public agencies and/or tax benefits for production.
- France, Australia and Canada employ a broad range of interventions to support domestic programme production –all three have output and production quotas in place alongside substantial direct funding and tax breaks supporting local production in addition to provision by publicly-funded broadcasters.
- The USA, Ireland, Sweden and Spain use a combination of interventions, each underlined by specific policy goals. Guidelines for the amount of educational and informational programming for children are in place in the USA while in Sweden the largest commercial channel has an hours quota for children's output. In Ireland, direct funding and tax breaks are available to producers, while regional funding is available to producers in Spain.
- Publicly-funded broadcasters are the main intervention mechanism supporting provision of children's programming in Germany, the Netherlands, Denmark and Norway. In these markets some regional funding is available to children's television producers, but overall amounts are small. Italy can also be included in this category although the mixed public-private model of funding for its public broadcaster RAI means that output and investment obligations for RAI in Italy fall in between public provision requirements and the typical requirements for commercial channels.
- The motivations behind policy approaches in the countries examined vary substantially depending on regulatory goals and historical policy traditions. While most interventions support provision of locally-produced children's programming, the underlying rationale may be that of industrial support (e.g. animation funding in France), supporting cultural goals as part of broader cultural broadcasting policy (e.g. funding for Canadian content in Canada) or serving children's educational needs (e.g. educational content guidelines in the USA).

Figure 134: Summary of children's television markets in key countries surveyed

	UK	France	Germany	Sweden	Australia	Canada	US
Children (m)	11.6m	12m	12.6m	1.4m	4m	5.7m	60.7
Multichannel penetration (% households)	79%	46%	98%	87%	41%	81%	86%
Main generalist channels' share of children's viewing	46%	76%	42%	68%	73%	18%	24%
Children's output on main generalist channels (hours)	4,252	4,191	2,274	2,267	3,968	n/a	3,723
Number of children's channels (publicly funded in brackets)	18 (2)	17 (1)	9 (1)	7 (1)	6	7	15 (1)
Broadcasters spend on children's programming	£149m*	£74m	£73m	£16m	£43m	£38m	£183m
Public spend on children's TV – total	£70m	£35m	£45m	£10m	£19m	£81m	<£0.5m
Public spend on children's TV – per child	£5.70	£3.70	£2.80	£7.10	£4.80	£14.20	£0.00

Note: Data are for latest year available, which in most cases is 2006; reference points and sources are included in the section and more detail by country is provided in online research annex E, *Children's programming, the international perspective*. *For comparative purposes, the UK spend in this table excludes the cost of repeats and is different from the £178m reported in Section 3.

7.2 Introduction

As part of the research evidence for our review of children's programming in the UK we have looked at developments in this area internationally, surveying market trends and policy approaches around the world. Six countries were analysed in depth:

- in Europe, we looked at France and Germany. These are the largest television markets elsewhere in the EU, comparable to the UK in size and composition, with PSB systems existing alongside the commercial television markets;
- we also looked at Sweden for a Scandinavian perspective and because, as in the UK, publicly-funded channels do not take advertising;
- Canada and Australia were selected as the major English-speaking markets; and
- we have also considered developments in the US, home of many global children's media brands.
- In addition we have considered policy approaches to children's television in another seven markets: Italy, Ireland, Spain, the Netherlands, Denmark, Norway and Japan.

The analysis draws on several data sources:

- viewing data from the international television consumption measurement service Mediametrie/Eurodata TV;
- a study of production sectors in France, Germany, Sweden, Canada, Australia and the USA conducted by the consultancy Oliver & Ohlbaum Associates for this project;

- a combination of desk research and consultancy service by Screen Digest for an overview of policy approaches internationally; and
- data provided by a number of third parties including national regulators, public service broadcasters and market intelligence services.

Online research annex E, *Children's programming, the international perspective*, published alongside this report contains the detail of our country-by-country analysis of children's television sectors as well as the methodological detail behind the data.

Figure 135: Broadcasting outlet definitions used in this section

The differences in the way that broadcasting markets operate in different countries means that the terminology adopted to refer to different types of channels in the UK does not necessarily apply. This section uses the following definitions:

Main channels: the main national mixed-genre channels, including commercial and publicly-funded channels. This is the equivalent of what we refer to as the PSB main channels in the UK, but the term doesn't necessarily apply in other markets. For example, in Germany the majority of households receive the main national channels via cable or satellite, while in Australia this term refers to the three free-to-air networks operating in metropolitan areas (most regional broadcasters in Australia air content from one of the three metropolitan networks).

Main publicly-funded channels: these are national mixed-genre channels which derive the majority of their funding from public sources such as licence fee or government funds. In some markets there is a clear distinction with public channels deriving all of their funds from public sources (e.g. UK, France and Sweden). In other countries mixed models are in place, with advertising and other commercial income supplementing public funds (e.g. Italy, Spain and Ireland). While channels with mixed funding models are likely to be facing similar pressures to their purely commercial counterparts, for simplicity channels with over 50% of public funds have been included in this category.

Main commercial channels: commercial channels operating on a national basis. In countries with historically high multichannel penetration such as Germany and the USA, this term refers to the main mixed-genre national networks. In markets where multichannel penetration has increased over the past five years, these are usually the main commercial terrestrial channels.

Dedicated children's channels: as in the UK, these are channels dedicated to children's programming available on digital terrestrial television, via cable or satellite.

Publicly-funded children's channels: dedicated children's channels operated and funded by publicly-funded broadcasters.

Commercial children's channels: dedicated children's channels deriving revenues from commercial sources such as advertising and subscription.

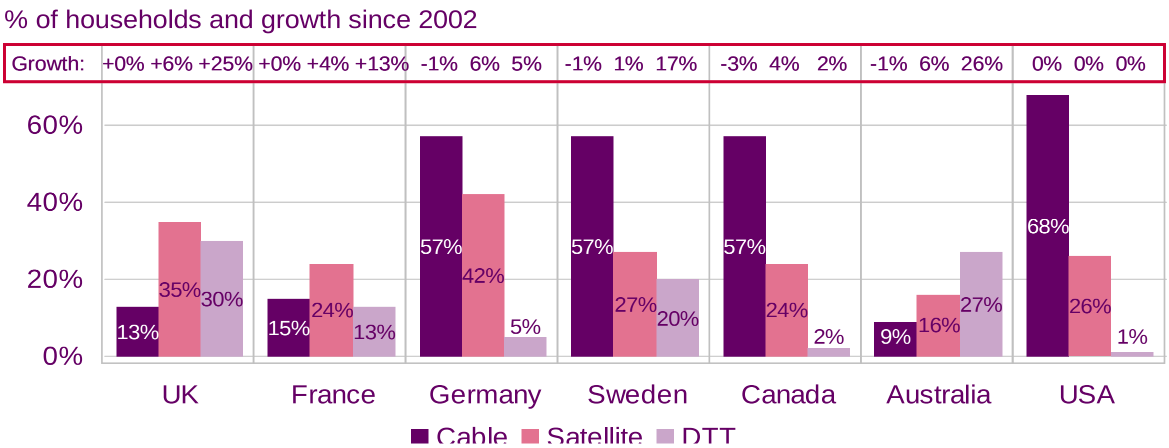
7.3 Viewing, output and origination trends

7.3.1 Children's viewing around the world is migrating to dedicated children's channels

Children's television markets internationally have been shaped by two underlying trends: the increase in multichannel penetration and the growing number and popularity of dedicated children's channels.

The countries surveyed in our study fall into two broad groups: those with growing multichannel penetration, and those where multichannel penetration has historically been high. Satellite and digital terrestrial take-up has increased significantly in France and Australia over the past five years, while in Sweden there has been rapid growth in digital terrestrial take-up. Sweden, Germany, Canada and the US have historically had high take-up of multichannel cable services and/or satellite services.

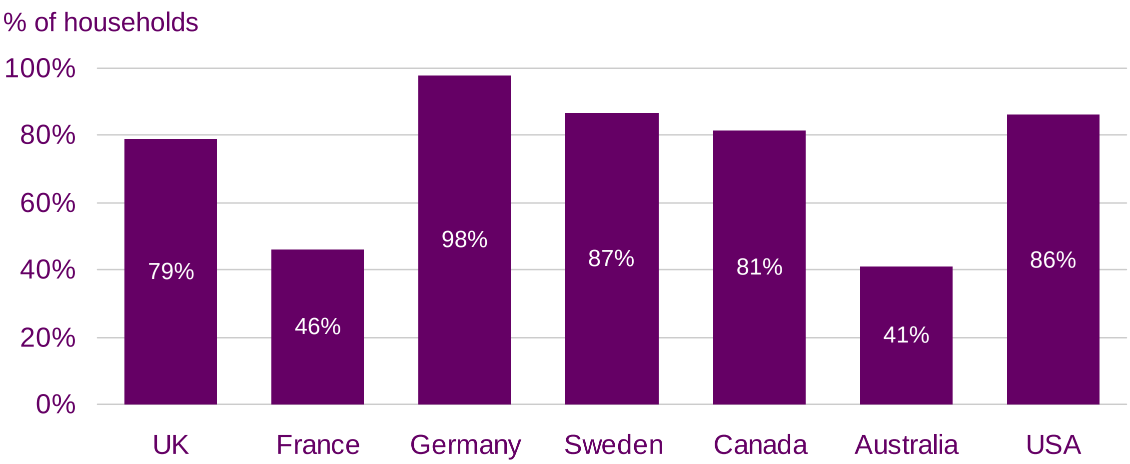
Figure 136: Multichannel penetration by platform – 2006 and growth since 2002



Source: Screen Digest, Ofcom

In 2006, the vast majority of households in Germany, Sweden, Canada and the USA had multichannel television with over 80% take-up. The UK is now approaching these markets, with a 79% take-up rate, while multichannel penetration in France and Australia is lower.

Figure 137: Total multichannel penetration, all households, 2006



Source: Ofcom, Screen Digest, Médiamétrie – MédiaCabSat, ACMA, ALM/GSDZ

The types of outlets offering children's content in other countries are similar to those in the UK, consisting of publicly-funded and national commercial mixed-genre providers (referred to as the "main channels" in this section) and dedicated children's services.

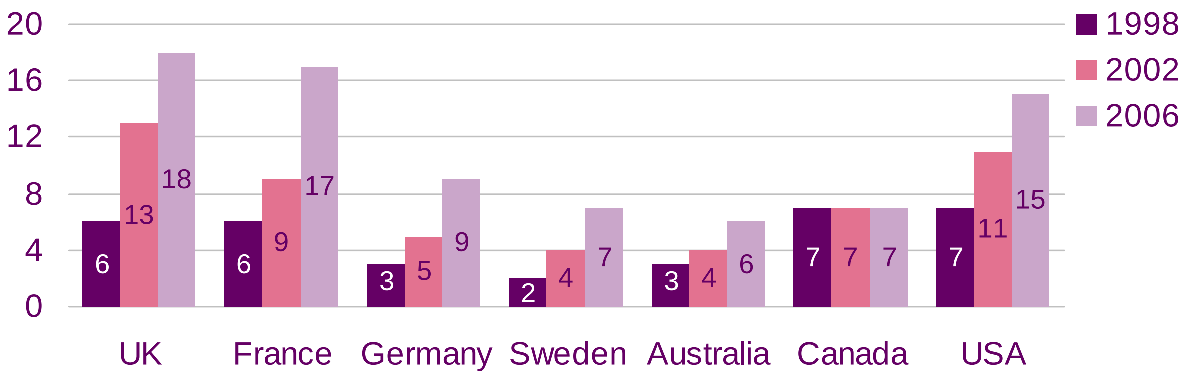
Figure 138: Main television outlets offering children's content

	Channels/ country	UK	France	Germany	Sweden	Australia	Canada	USA
Main channels	Publicly-funded	BBC1, BBC2	France 2, France 3, France 5	ARD, ZDF	SVT1, SVT2	ABC, SBS	CBC, SRC[39]	PBS
	Commercial	ITV, GMTV, Channel 4, Five	TF1, M6, Canal+	RTL, RTL2, SAT1, PRO7	TV3, Kanal5, TV4	Seven, Nine, Ten	CTV, Global, TVA	ABC, NBC, CBS, FOX, The CW, My Network TV
Dedicated children's channels	Publicly-funded	CBBC, CBeebies	Gulli (JV with Lagardere)	Kinder-Kanal	Barn-kanalen	N/A	N/A	PBS Kids Sprout
	Commercial	16	16	8	6	6	7	12

Source: Ofcom research, Screen Digest

The number of dedicated outlets has increased significantly over the past decade in all countries surveyed (Figure 139). The UK had the highest number of children's channels, with 18 in 2006, followed by France and the USA.

Figure 139: Growth in the number of dedicated children's channels



Source: Ofcom for UK data, other country data from Screen Digest – The Business of Children's Television (3rd edition). Note: data excludes +1 channels.

Global US-based children's channels operating in the UK were present in most markets surveyed. In addition, several locally-produced commercial children's channels operated in France and Canada, while Germany's RTL Group teamed up with Disney to provide the Super RTL channel. Publicly-funded children's channels were available in Germany and

[39] In addition to CBC and SRC there are several regional educational networks in Canada funded by provinces and offering children's content (see Annex E, Children's programming, the international perspective for detail).

Sweden, and in France the public broadcaster France Television entered into a joint venture with the Lagardere group to offer a the dedicated digital terrestrial service Gulli.

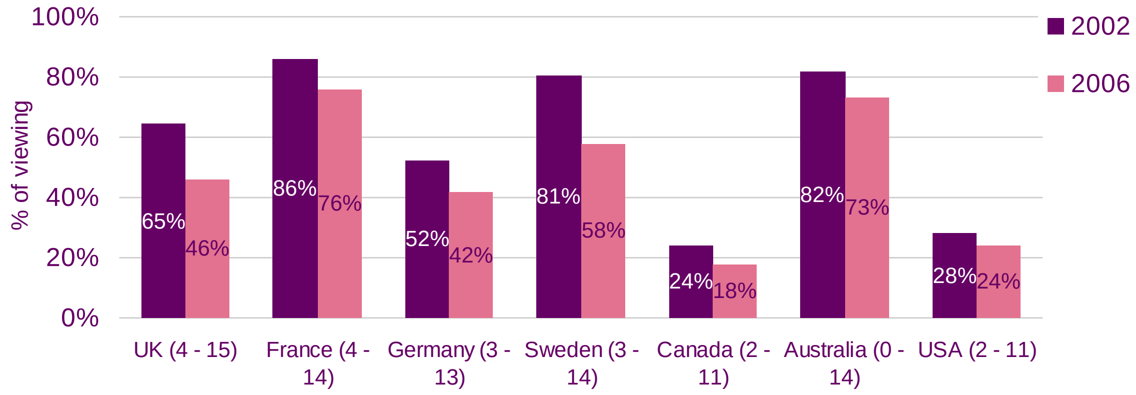
Figure 140: Dedicated channels by country, 2006

	UK	France	Germany	Sweden	Australia	Canada	US
Boomerang	✓	✓	✓	✓	✓		✓
Cartoon Network	✓	✓		✓	✓		✓
Disney Channel	✓	✓	✓	✓	✓		✓
Playhouse Disney	✓	✓	✓	✓	✓		
Toon Disney		✓	✓	✓			✓
Jetix	✓	✓	✓	✓			
Nickelodeon	✓	✓	✓	✓	✓		✓
Nick Jr.	✓				✓		
NickToons	✓						✓
Other commercial	CITV, CN Too, Discovery Kids, Disney Cinemagic, Nick Jr. 2, Pop TV, Tiny Pop, Toonami	Canal J, Eurêka!, Filles TV, Ma Planete, Mangas, Piwi, Télétoon, TFOU, Tiji	Junior TV Super RTL			BBC Kids, Télétoon, Discovery Kids, The Family Channel, Treehouse TV, VRAK TV, YTV,	Discovery Kids, Funimation Channel, HBO Family, Nick 2, Nogging/ The N, Nick GAS, Starz Kids & Family, Tickle U
Other publicly-funded	CBBC, CBeebies	Gulli	Kinderkanal	Barn-kanalen			PBS Kids Sprout

Source: Screen Digest, Ofcom, data excludes + 1 channels

As the number of children's channels grows, viewing is migrating away from the main channels (as listed in Figure 140 above) to dedicated outlets across the markets surveyed. The relative decline was highest in the UK, where children's viewing of the main five terrestrials fell by nearly a third between 2002 and 2006. The highest absolute decline, of 23 percentage points, was in Sweden. The declines were slowest in Canada and the USA – the two markets where dedicated channels have long dominated children's viewing.

Figure 141: Main channels' share of children's viewing

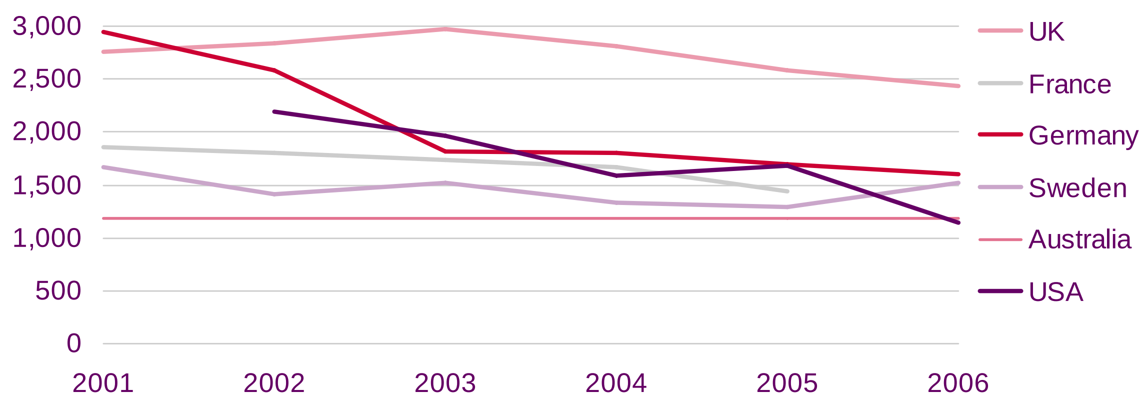


Source: BARB, Eurodata TV/Médiamétrie – Médiamat/AFG – GfK, MMS Mediamätning I Skandinavien AB, CRTC/BBM-Nielsen Media Research, ACMA/OZTAM, Eurodata TV/Nielsen Media Research USA

7.3.2 The UK trend of decline in children's provision by the main commercial channels is echoed in other markets

As viewing migrates to dedicated children' channels, main commercial channels in many markets show and commission fewer children's programmes. In Germany, children's output on the main commercial outlets declined by 46% between 2001 and 2006, to 1,603 hours. In France, the main commercial channels showed 1,441 hours of children's programmes in 2005, down from 1,858 hours in 2001. Similar trends can be seen in Sweden and the USA.

Figure 142: Children's output on the main commercial channels (hours)



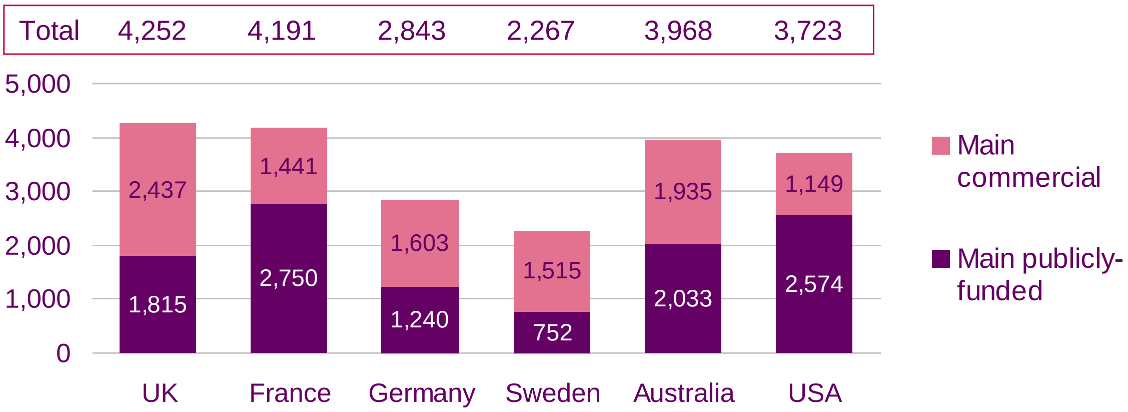
Source: Broadcasters, CSA, ALM/GöfaK Medienforschung, ZDF, Kent Asp, ACMA. Note: Output data for France in 2006 were not available at the time of writing, and no data on output in Canada were available. *Output hours in Australia reflect children's and pre-school content specified by output quota (the so called C and P programming) on the free-to-air metropolitan channels.

The hours shown in Figure 142 for Australia reflect children's and pre-school content specified by the output quotas for Australia's three commercial free-to-air metropolitan networks (also referred to as C and P content). This output has been stable over the past few years at around 1,180 hours per year, in line with the quota requirements. No historical data exist on the total output of children's programmes in Australia; according to estimates provided to Ofcom by regulator ACMA in addition to required programming the three networks showed around 750 hours of other children's programming in 2006[40]. This non-quota content mainly comprises magazine and cartoon programmes as well as films directed to children.

7.3.3 Children's output on the main national channels in the UK is higher than in most other major markets

The amount of children's programmes on air on the main commercial channels in the UK was above that of other countries, at 2,473 hours in 2006. Combined with hours shown on BBC One and BBC Two, total provision for children on the UK main channels was on a par with that of France and above that of Sweden and Australia. Children's output on the main channels in Germany and the USA, where the vast majority of children's viewing goes to dedicated channels, is also below that of the UK.

Figure 143: Children's output on the main channels (hours per year)



Source: Ofcom, CSA, ALM/GöfaK Medienforschung, ZDF, Kent Asp, ACMA, ABC, Screen Digest, Eurodata TV/Nielsen Media Research USA Note: data for the UK, Germany, Sweden and the USA is for 2006. Data for Australian free-to-air commercial networks is an estimate for 2006 and data for the publicly-funded broadcaster ABC is for financial year 2005/06; data for France is for 2005.

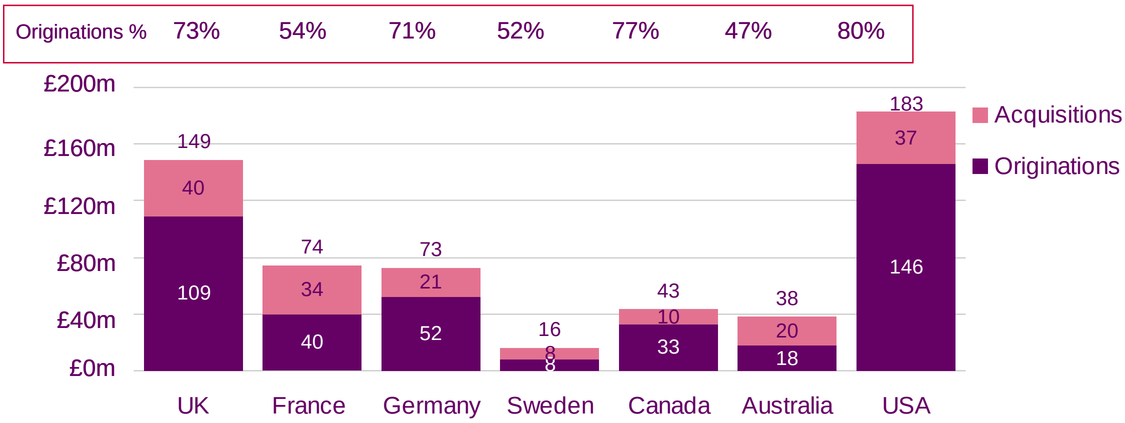
7.3.4 Total UK broadcaster spend on children's television is second to the US

While UK broadcaster spend decreased by 23% between 2002 and 2006, UK broadcasters spend nearly the same amount on children's programmes as their US counterparts. This is despite a much smaller size of the UK market (11.6m children compared to 60.7 million children in the USA). Estimated broadcaster spend in other markets included in the study is considerably lower than the UK.

Within total spend, the share spent on originations by UK broadcasters, at 73% in 2006, was below the equivalent of their Canadian and US counterparts, but higher than that of broadcasters in France, Germany, Sweden and Australia, according to Screen Digest estimates.

[40] The non-quota programme hours are an estimate based on a sample of children's programmes that are not C or P programmes. The sample is for the week commencing on 3 September 2007.

Figure 144: Broadcaster spend on children's programming

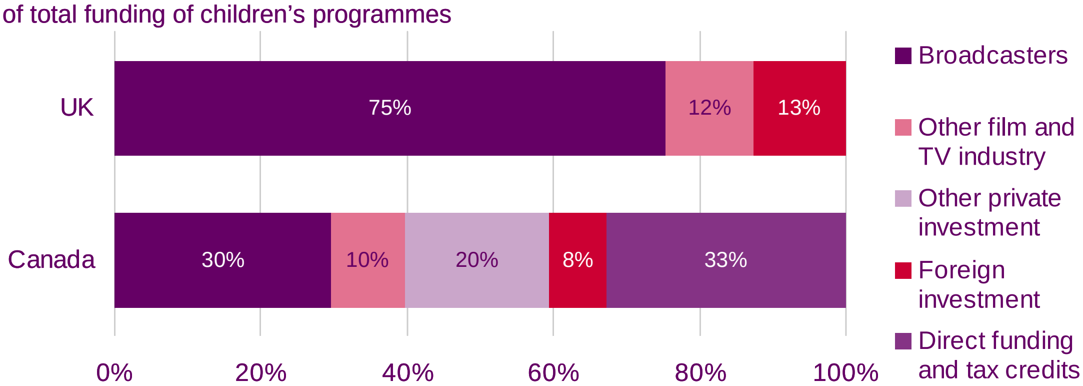


Source: Ofcom, Screen Digest. Note: For comparative purposes, the UK spend of £149m used in this figure excludes the cost of repeats and is different from the £178m reported in Section 3 of this document. Figures for France and Australia are different from data on spend included in Annex E, Children's programming, the international perspective. This is because Screen Digest estimate accounts for other genre on top of animation in France and children's drama in Australia.

While in the UK broadcasters provide the majority of funding for children's programmes (although this can vary by genre) this is not the case in many other markets (Figure 145). For example, in Canada broadcasters accounted for a third of children's programme funding with the rest made up of a combination of private investment, government funding and foreign investment. In Australia the film and television industry provided around a third of all children's production drama funding in 2005/06 and in France, broadcasters accounted for just over a quarter of funding for animation in 2005.

Figure 145: Total spend on children's programming

% of total funding of children's programmes



Source: Ofcom/broadcaster returns, CFTPA

No data on children's programme funding were available for Germany, Sweden and the USA, but evidence from interviews carried out by Oliver & Ohlbaum Associates for this project suggests that, as in the UK, broadcasters account for the majority of children's programme funding in these markets.

7.3.5 Children's production volumes are cyclical and affected both by local and global market trends

Children's television production volumes are highly cyclical, depending on local demand, funding for children's television, broader shifts in the countries' production sectors and developments in the global children's television market, according to evidence from other countries. While no comparative information exists due to different classifications and reporting requirements, trend data were available for France, Canada and Australia:

- Total spend on animation production in France increased significantly, from £106m in 2005 to £147m in 2006, according to a report released by the national audiovisual body Centre National de la Cinématographie (CNC) in June 2007. According to CNC, the increase is partly due to more investment from the public broadcaster, new CNC subsidies and new tax credit rules for programmes produced in France.

- The sector is currently facing challenges in Canada due to a shift in global demand away from Canadian-produced programmes, according to a recent report by the producers' trade body, CFTPA. Production volume stood at 708 hours in 2005/06, a 14% decline on the previous year.

- Spend on children's drama in Australia varied significantly over the past five years. In 2005/06 139 hours were produced, up 50% from 2004/05 but below the 146 hours produced in 2003/04. Despite the recent increase, the regulator ACMA's ongoing review of children's television production has highlighted the growing difficulty of securing foreign funding as quality requirements increase while international licence fees decrease due to fragmentation in children's viewing.

7.4 Policy approaches to children's television

Three main types of public intervention are employed around the world to support children's television:

- provision by publicly-funded broadcasters (i.e. those deriving the majority of funding from public sources) on both generalist and dedicated children's channels;

- measures to secure provision by commercial broadcasters such as output and investment quotas; and

- support by national or regional governments through direct funding of children's programmes and/or tax benefits for production.

In the remainder of this section we look at how these mechanisms have been applied in the six countries included in the study. This is followed by a summary of approaches in seven other countries to provide a broader overview of policy approaches around the world. .

7.4.1 Provision by publicly-funded broadcasters

Publicly-funded broadcasters play an important role in serving children's audiences, both in terms of output and origination, in all six countries surveyed. Many public broadcasters have an explicit obligation to cater for children embedded in their foundation documents and/or licence obligations.

Figure 146: Public broadcaster's commitments to children's provision

Canada – CBC *(Broadcasting Act, 1991)*

- The Canadian broadcasting system should serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children.
- Its programming should be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes.

Australia – ABC *(Editorial Policies, 2007)*

- ABC's editorial policies state that children's is part of content through which ABC reflects a wide range of audience interests, beliefs, and perspectives. Editorial policies also outline specific content standards for children's programming.

Germany - ARD & ZDF, KinderKanal *(ARD-Satzung, ZDF-Satzung, KinderKanal Philosophie)*

- ARD and ZDF do not have an explicit obligation in relation to children's output, but a commitment to the protection of children.
- KinderKanal is committed to providing advertising-free, target group orientated and varied programming for children up to 13 years of age.

France - France Télévisions (Statute, September 2006)

- France Televisions' statute requires the broadcaster to provide diverse programming for young audiences at the times when these audiences are available to watch. Children's content should contribute to fight against discrimination and promote the values of integration and good citizenship. France 5 in particular is required to provide programmes that support the development of children and teenagers, develop their understanding of rights and responsibilities and help them acquire independence and professional capabilities.
- France Televisions must invest particular effort in original production of audiovisual works for the young, with annual volumes decided by the Board of Directors. Revenues from exploitation of French or foreign animation rights must be re-invested in production.

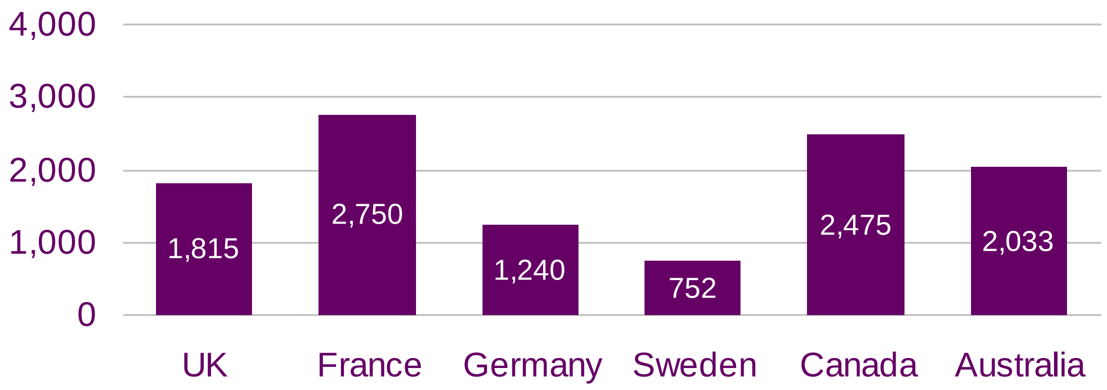
Sweden – SVT (Service licence 2007 – 2009)

- SVT has an explicit obligation to provide a diverse range of high quality programmes for children and the young in its broadcasting licence. These programmes should, on children's and young people's terms, convey news and facts as well as cultural and artistic experiences from different parts of Sweden and the world.
- SVT shall have an extensive origination and own production of different genre programmes for children and the young. SVT should in particular develop programmes for the older children and young people. It should specifically cater for the language needs of children and young people belonging to linguistic or ethnic minorities including those using sign language as their first language.

Source: Ofcom research

Publicly-funded broadcasters' main channels show a significant amount of children's programming across all markets (Figure 147 below shows output for the latest year the data were available). In terms of total output, the UK's BBC One and BBC Two channels show fewer programmes than France Televisions' main channels and ABC in Australia. It is also below the combined output of CBS and SRC in Canada – although the fact that SRC is mainly targeted at the French-speaking market should be taken into account. BBC One and BBC Two output in the UK was above that of publicly-funded channels in Sweden and Germany.

Figure 147: Children's output on main publicly-funded channels



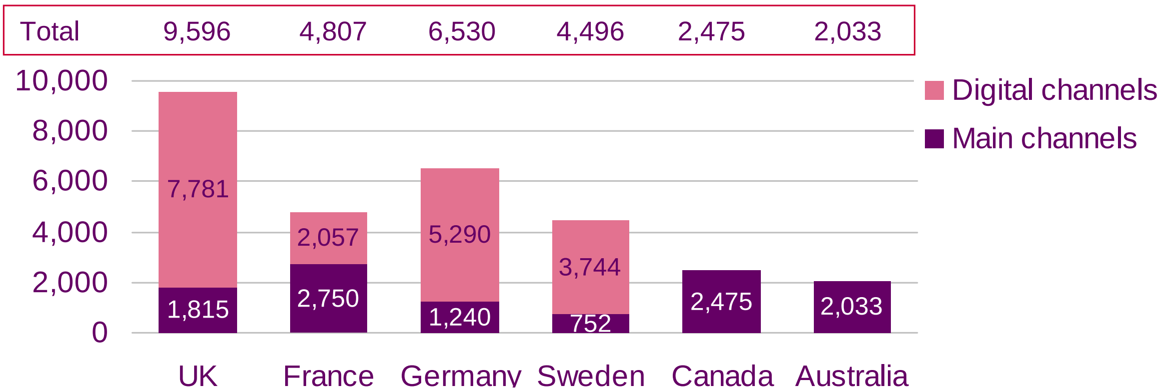
Source: Ofcom, CSA, ALM, ALM/GöfaK Medienforschung, GRN, CBS, SRC, ABC, ACMA. Note: Data for France refer to 2005. Data for Australia combines the latest available data for the three commercial networks (2006) and public broadcaster ABC (2005/06). UK, Germany and Sweden refer to 2006. Data on Canada reflects the combined output of CBS and SRC main channels. Data for PBS output in the USA were not available.

Publicly-funded broadcasters provide the majority of new programmes shown on the main national channels in France, Germany and Sweden. As with the BBC in the UK, France Télévisions accounts for 57% of all new children's hours funded by the main national channels in France. The estimated share of first-run hours funded by public service broadcasters is higher in Germany and Sweden, at 84% and 82% respectively. In Australia, where first-release children's quotas apply to commercial networks, originations are split equally between the public broadcaster and the commercial channels.

Public broadcasters in many markets have extended their provision to children via dedicated outlets, with children's channels in Germany (KiKa on all platforms), Sweden (Barnkanalen on digital terrestrial television) and France (Gulli on digital terrestrial television, together with the commercial television group Lagardere). These channels have been a success, despite competition from US-based children's channels.

When publicly-funded digital channels' output is taken into account, the publicly-funded broadcasters in the UK provide the highest amount of children's programming on air with nearly 10,000 hours in 2006, followed by Germany with 6,534 hours and France with 4,805 hours.

Figure 148: Children's output on publicly-funded channels including dedicated services



Source: Ofcom, CSA, ALM, GöfaK Medienforschung, O&O, GRN, CBS, SRC, ABC, ACMA, Eurodata, Nielsen, Screen Digest. Note: Data for France refer to 2005; Gulli's hours allocated to France Television based on its proportion of channel ownership (34%). Data for Australia refer to fiscal year 2005/06. UK, Germany and Sweden refer to 2006. Data for PBS output in the USA were not available.

In the USA, PBS – a non-profit public television service with 355 local member stations – is active in children's provision with its PBS KIDS brand. PBS is available in 99% of US households and is funded by a combination of government grants, donations, sponsorships, income from video sales and royalties. PBS KIDS' mission is to make 'a positive impact on the lives of children through curriculum-based entertainment'; it aims to build children's knowledge, critical thinking, and to encourage interaction as 'respectful citizens in a diverse society'[41].

PBS children's content forms the basis of PBS Kids Sprout, a commercial joint venture with Comcast, HIT Entertainment and Sesame Workshops and launched in 2005. The service offers a 24-hour digital channel available on cable and satellite platforms, and a video-on-demand (VOD) service online.

7.4.2 Output and investment quotas

Output quotas are applied to maintain children's provision where it might otherwise not be provided – usually on the main commercial channels. Output quotas are often used in combination with content specifications for particular kind of programming, such as local programmes or programmes targeted at specific audiences.

Production investment quotas are used to direct funding from commercial broadcasters to locally-produced children's content. Investment obligations can be used in combination with output quotas for mixed-genre channels or applied to dedicated children's channels.

As in the UK, in other EU markets, origination and independent production quotas specified by the Television without Frontiers (TWF) Directive are applied to encourage investment in EU-originated content and independent production. The Directive requires broadcasters to reserve:

- Where practicable, broadcasters must reserve a majority (i.e. over 50%) of airtime for European works, with at least 10% of transmission time or 10% of programming budget reserved for independent productions.

[41] http://www.pbs.org/aboutpbs/aboutpbs_corp_pbskids.html (accessed 7/09/07)

- The quotas exclude time devoted to news, sports, games advertising, teletext and teleshopping services.

The Directive is motivated by the industrial support aim of promoting “markets of sufficient size for television productions in the Member States to recover necessary investments”. It provides the minimum requirements to be applied “where practicable and by appropriate means”; countries may also establish additional rules suited to national cultural and market conditions.

In France broadcasters are required to show 60% of European works and 40% French-language content, including in peak times. Lower quotas (but not below 50% EU origination) may apply to cable and satellite outlets in exchange for investment in French-language content. In Germany, the 50% EU-origination quota applies, and no specific provisions are made in national legislation for the independent production requirement. TWF requirements are implemented in line with the Directive.

The use of output and production quotas for children’s television differs among countries included in the analysis (

Figure 149). In France, output and investment obligations apply to the largest commercial generalist channel, TF1, while the generalist channel M6 has an investment quota for animation. In addition, cable and satellite services are also required to invest a certain share of turnover in animation. In Sweden, the output requirement for the largest commercial channel T4 was increased in 2006 from five to at least seven hours of children's programming between September and May, of which half should be material in Swedish or another Nordic language. In Germany no specific quotas are set for children's television, although the generic TWF requirement may have some effect on investment by thematic channels.

Among other English-speaking markets, Australia applies output quotas to commercial free-to-air television licensees including quotas for Australian children's drama; there are also minimum spend requirements in place for subscription television drama channels which apply to five of the six existing dedicated children's channels. In Canada, output quotas apply to generalist broadcasters, while most dedicated channels have obligations for particular types of output and/or levels of investment in Canadian programmes. The educational content guideline of three hours per week in the USA aims to ensure that children's educational and informational needs are served.

Figure 149: Summary of output and investment quotas for commercial broadcasters

Country	Children's output and investment obligations
France	TF1 is required to air 1,000 hours per year of programmes for children and youth, of which 50 hours must be documentaries, and to invest 0.6% of turnover in animation. M6, the second largest commercial channel invests 1% of turnover in animation and has a 50% EU origination quota for animation. Since 2003, cable and satellite channels are required to invest in French animation (in 2006, 10% of turnover for Disney, Toon Disney, TiJi and Eureka; 13% for Canal J and Tfou, 14% for Jetix and 16% for Teletoon).
Germany	No children's content quotas
Sweden	TV4 is required to air seven hours of children's programmes during September-May, of which half should be programmes in Nordic languages.
Australia	Requirement on commercial free-to-air television licensees to broadcast at least 390 hours of children's programmes a year, of which 260 hours must be children's (C) programmes and 130 hours must be pre-school (P) programmes. Programmes other than Australian children's drama should not be repeated more than three times in a five-year period. Half of the 260 hour quota of C programmes must be first-release Australian content, and all P programmes must be Australian. Licensees must broadcast at least 96 hours of first release Australian children's drama over a three-year period, with a minimum of 25 hours in each year. At least eight hours per year of repeat Australian C drama is also required. C programmes must be aired during C periods to count towards the quota. C periods are 7-8am and 4-8.30pm Monday to Friday; and 7am-8.30pm Saturday, Sunday and school holidays. P programmes must be aired between 7am and 8.30pm on weekdays to count toward the quota. C and P programmes must be child-specific, entertaining, well-produced; enhance children's understanding and experience, and be appropriate for Australian children. Requirement for subscription drama channels (i.e. channels dedicating more than 50% of airtime to drama programmes) including children's drama channels to spend at least 10% of their programme expenditure on new eligible (Australian and New Zealand) drama. This is applicable to five of the six existing subscription children's channels.
Canada	A number of detailed requirements for children's output, Canadian origination and investment in children's programmes applicable to commercial channels. Commercial network CTV is required to broadcast 2.5 hours per week of children's programmes, while CanWest is required to cater for children's (no hours quota). Most dedicated children's services have output and investment obligations in relation to Canadian programming (see online research annex E, *Children's programming, the international perspective*).
USA	A guideline for all television stations to broadcast three hours per week of core educational programmes, which is programming that furthers the positive development of children under 16 years of age and services the child's intellectual/cognitive or social/emotional needs. Programmes should be at least 30 minutes long and be aired between 7 am and 10 pm.

7.4.3 Direct government support

In addition to provision by publicly-funded broadcasters and measures to secure investment by commercial channels, direct support from national or regional government sources is applied in several of the countries included in our study. There are two types of support in this category: direct funds channelled into production of children's programmes, and tax benefits for audiovisual production.

Direct funding

Direct funding is usually distributed by public bodies set up for this purpose, offering support which is typically targeted at particular genres or types of children's content. Funds are distributed either as automatic allocations based on previous broadcaster and/or producer investment in children's content, or on a contested basis. Among the countries surveyed in this study, substantial public funding is directed to children's production in France, Australia and Canada:

- In France, the national audiovisual body CNC funds animation projects (equivalent to £26m in 2006). Over 70% of this is distributed via automatic contributions allocated to broadcasters based on their past investment in children's programmes. The remainder is split between selective funding (distributed on a contested basis to smaller and/or new producers) and advance payments for reinvestment for producers in receipt of automatic funding.

- In Australia, support for Australian children's drama is available from the Film Finance Corporation which invested the equivalent of £10m in children's programmes in 2005/06. Funding is also available from the Australian State agencies, such as the Pacific Film and Television Commission (PFTC) in Queensland, with the aim of supporting local producers and attracting interstate productions..The levels of investment by state agencies vary from year to year.

- In Canada, the Canadian Television Fund contributed the equivalent of £21m to Canadian children's programmes in 2005/06. The CTF is a public/private partnership created to provide support provision of high quality, distinctly Canadian programming in under-represented genres, particularly in peak viewing times. In addition, a number of other bodies, usually funded through private sources such as cable provides, broadcasters and donations, offer support for children's programming. Shaw Rocket Fund is the largest, with the equivalent of a £4.8m contribution to Canadian children's programmes in 2006.

Tax benefits

Tax benefits are an industrial support measure aimed at encouraging private investment in local production and/or attracting foreign funds. Among the countries analysed, France, Canada and Australia had tax benefit schemes in place to support television production:

- Two schemes exist in France: SOFICAs are investment funds allowing tax liability write-offs for up to 50% of production budget and the Credit d'import scheme allows up to 20% tax deductions on production expenditure in France. In 2005, the SOFICA contribution to production was £21.6m (€31.6m), representing on average 6.9 per cent of budgets. However, most of this went into film rather than television investment.

- Several types of tax credit are available in Canada. The Canadian Production Tax Credit (CPTC), implemented in 1995 to support development of the Canadian audiovisual industry requires a minimum level of Canadian creative and/or managerial control of the project and can provide 25% of the qualified labour expenditure. The Production Services Tax Credit (PSTC) can cover up to 16% of Canadian labour expenditure and is available to productions that have not claimed the CPTC. Provincial tax credits can add a further sum of 25% of budget, depending on the amount of labour costs in the relevant province. In 2005/06 the value of national tax credit that went into children's television was £14m, while provincial tax credits added a further £23m, according to the Canadian Television and Film Producers Association.

- In Australia, private investment in production is encouraged through a system of tax benefits, which is currently undergoing a change. Until 1 July 2007, income tax deductions of up to 100% were available on investment in qualified Australian projects. In 2005/06, tax benefits schemes attracted an estimated £3m of funding for children's projects. From 1 July 2007, the level of support has been increased, and the tax break system replaced with rebates to producers, this is seen by the government as a more efficient support mechanism. The Producer Rebate scheme offers up to 20% rebate on spend on qualifying Australian television projects. The location rebate, devised to increase Australia's attractiveness as a location for large offshore productions, has been increased from 12.5% to 15% of qualifying Australian spend.

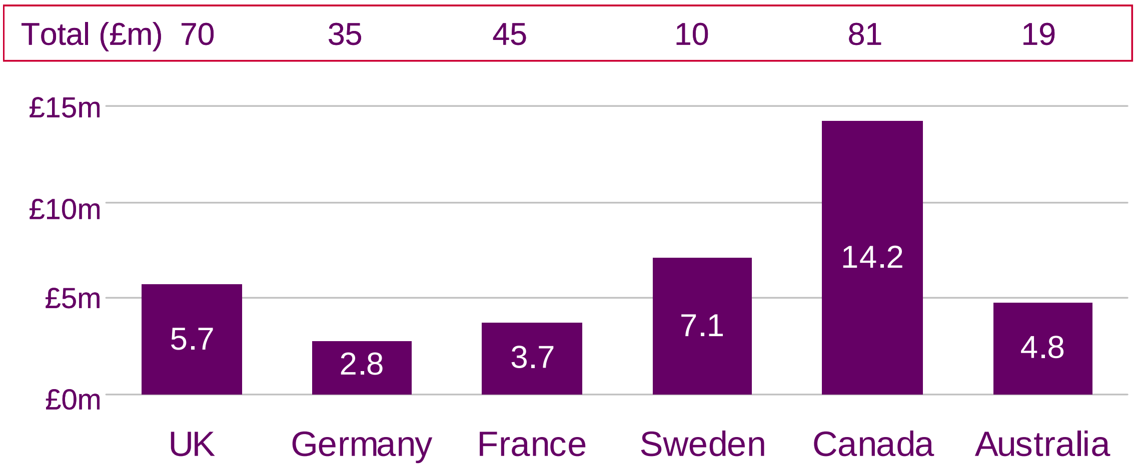
- In Germany and Sweden no national funding schemes exist (although occasional support is available, the amounts are relatively low), while in the US funding is limited to support for children's educational projects provided by the Department of Education. No tax credits for children's television production are available in these markets.

7.4.4 The UK is third among countries surveyed in public spend on children's television per child

Figure 150 below shows estimated levels of public funding for children's programming in the latest year for which data are available, taking account of children's programming spend by publicly-funded broadcasters. Canada had the highest estimated public spend (£81m) followed by the UK with £70m spent by the BBC and S4C on new children's programmes in 2006. France is third among the countries surveyed, with an estimated £45m of public money invested in new content for children.

While total funding is indicative of the level of support, funding per child is a better comparative measure as it takes account of the market size. Canada is ahead of other markets with £14.20 per child, followed by Sweden and the UK, both of which have public broadcaster-dominated funding models.

Figure 150: Public funding of children's television production, per child and total



Source: O&O analysis, BBC and S4C. Note: figures include estimates of direct funding, value of tax breaks and publicly-funded broadcaster spend, and should be used as indicative. Please see Annex A3 for methodology detail behind the estimates. Reference periods are for UK and France - 2006, for Canada and Australia – 2005/06, for Germany and Sweden – 2005.

7.4.5 All countries surveyed regulate advertising to children

All countries surveyed have rules in place regulating the kind of content children can watch; the minimum degree of child protection in Europe is set out in the Television Without Frontiers Directive which restricts broadcasting of programmes which may impair the development of minors. In all countries surveyed there are regulations in place ensuring a basic level of child protection (e.g. prohibition of alcohol advertising, violent images and pornography) and defining what content is appropriate for specific age ranges.

Limitations exist around advertising to children across all the countries surveyed. In the EU, again, the basic requirements set out in the TVWF Directive aim to ensure that television advertising does not cause detriment to minors, or exploit their inexperience or the special trust minors place in certain people like their parents or teachers, or show minors in dangerous situations. Interruption of children's programmes by advertising is only permitted for programmes of at least 30-minute scheduled duration. The Directive is currently being revised. The new rules, likely to come into effect in 2009, will require programmes to be longer than 30 minutes before they can be interrupted by advertising.

These rules are in place in France and Germany (which also prohibits programme interruption by advertising); while in Sweden advertising to children is not allowed. Canada, USA and Australia all have limitations on the amount of advertising during or around children's programmes.

Figure 151: Regulation of advertising directed at children

UK	TWF rules apply; restrictions on advertising of food and drink products that are high in fat, salt and sugar (HFSS) around programmes of particular appeal to children
France	TWF rules apply; mandatory display of nutritional warnings on all advertising of processed foods and sugary drinks.
Germany	TWF rules apply; children's programmes may not be interrupted by advertising or teleshopping.
Sweden	Advertising directed at children under 12 years of age is not permitted; no advertisement can be shown before, during or after children's programmes.
Australia	No advertising during pre-school (P) programmes Advertising during children's programmes (C) periods, where C programmes are shown is restricted to five minutes per half hour; 13 minutes per hour for Australian children's drama
Canada	Maximum of four minutes of advertising per 30 minutes of children's material Advertising aimed at children under 13 years of age is prohibited in Quebec
USA	Advertising during programmes targeted at an audience of children 12 years and younger is limited to 12 minutes per hour on weekdays and 10.5 minutes per hour on weekends.

7.5 Approaches to children's television in other countries

To place the UK in broader international context, we have also looked at the approaches adopted in smaller and non-English speaking markets around the world - Ireland, Italy, Spain, the Netherlands, Denmark, Norway and Japan. In most of these markets, a smaller range of public interventions is used compared to the markets surveyed in-depth.

Netherlands, Denmark and Norway

Public intervention in children's television is limited to provision by publicly-funded broadcasters. There are no dedicated children's channels funded by public broadcasters in these markets, although in the Netherlands public broadcasters offer a branded children's slot Zapp/Zappelin on one of their channels.

There are no output or production quotas for commercial broadcasters, or substantial government funding for children's television or tax benefits for television producers. In Denmark and Norway, the Nordic Film and TV Fund offers support for programme development and production, while in the Netherlands the Dutch Film Fund has funded animation projects. Some regional funding is also available in these markets; however, the total amount of public funding is relatively low.

Japan

The publicly-funded broadcaster NHK has a commitment to producing children's programming, with particular emphasis on educational programmes. In addition, the National Association of Broadcasters has agreed on a voluntary quota for all free-to-air broadcasters to show three hours of children's television a week.

Ireland

RTÉ – a public service broadcaster which derives around half of its funding from advertising – has made a voluntary commitment to broadcast a certain number of hours for children and young people on its two channels (650 hours in 2006). The majority of this quota is fulfilled on RTÉ Two. TG4, the Irish-language public broadcaster[42], provides a daily schedule of children's programmes, although it does not have a formal quota in place. There are no requirements for output or investment in children's television for commercial broadcasters.

Irish producers and broadcasters have access to a range of public funding schemes. The Irish Film Board funded €2.3m (approximately £1.5m) of children's and animation projects in 2006/07. In addition, the 'Sound and Vision' scheme was set up in 2006 to support the production of new television and radio programmes in the areas of Irish culture, heritage and experience and adult literacy. The scheme is funded with 5% of the television licence fee. Funding is allocated based on defined criteria such as relevance to Irish culture, and can cover up to 95% of the production budget for the programme. At the time of writing, six children's projects were awarded funding, with a total contribution of €4.06m (around £2.7m), which is around one-fifth of the total amount awarded through the grant.

Ireland also has significant tax breaks; again, an industrial measure aimed at supporting local production and attracting international investment. The 'Section 481' tax incentive offers funding of up to 20% of qualifying expenditure for film, television drama and animation.

Italy

Italy's public service broadcaster, RAI, is funded by a licence fee and by commercial revenue. RAI's current service licence, which runs from 2007 to 2009, requires it to dedicate at least 10% of its annual programming schedule between 7 am and 10.30 pm to children's programmes. RAI's service contract also includes a specific provision for investment in animation: the broadcaster is required to invest 15% of its turnover in Italian and European content, of which 5% must be spent on "animation and/or animation films produced specifically for children.

RAI also funds two dedicated children's channels. The broadcaster's original service, RAISat Ragazzi, launched in 1997, was split into pre-school channel Yoyo, and teenage-focused Smash, in November 2006. There is no targeted funding for children's television programmes or tax breaks for television production in Italy.

[42] TG4 operated under the statutory umbrella of RTÉ since 1996 until becoming an independent statutory entity on 1 April 2007.

Spain

Televisión Española (TVE), the nation public broadcaster in Spain, derives its revenue both from government funds and advertising. TVE does not have a specific obligation for children's output, but has a commitment to invest in 12 Spanish animation series. Regional broadcasters also play a role in originating new programmes – for example, Televisió de Catalunya (TVC) co-produces three animation series a year with local producers. TVE funds a digital children's channel Clan TVE, while TVS offers a children's channel in Catalonia called Club Super 3. While no national level funding or tax breaks are available for children's television producers, there is some regional support. The Catalan Institute of Cultural Industries (ICIC) allocates subsidies for development and production of animation for which any producer established in the region can apply for. In 2005, ICIC awarded €0.5m (£0.3m). Other regions also offer support, notably the Basque country, Galicia, Andalucia and Valencia (no detailed figures are reported).

Summary

While in the key countries surveyed a clear distinction could be made between publicly-funded broadcasters and national commercial networks; this distinction doesn't apply in all countries. Many countries use a mixed PSB model, where a channel may derive revenue both from public funds and from advertising. In this overview we have referred to broadcasters who derive the majority of their funding from public sources as "publicly-funded broadcasters". These include RAI in Italy, RTÉ in Ireland and Televisión Española and Televisió de Catalunya in Spain. These broadcasters do not operate in the same way as services that are fully funded by public money, and may therefore experience some of the same pressures as the commercial networks with regard to their output and production investment requirements.

Figure 152: Other countries' approaches to children's television - summary

	Ireland	Japan	Italy	Spain	Netherlands	Denmark	Norway
Provision by publicly-funded broadcasters	Yes - RTE	Yes – NHK	Yes – RAI	Yes – TVE and regional broadcasters	Yes – 2nd and 3rd public TV channels	Yes – TV2 Denmark	Yes - NRK
Publicly-funded children's channels	No	No	Two channels	Two channels	No, but a children's slot funded by public broadcasters	No	No
Children's output quota for commercial channels	No	Voluntary quota of 3 hours/week for all FTAs	No	No	No	No	No
Children's production quotas for commercial channels	No	No	No	No	No	No	No
Public funding via direct funding or tax breaks	Substantial	Small	Small	Regional support	Small	Some regional support	Some regional support

7.6 Summary and conclusions

7.6.1 The UK and global market trends

Our data show that the trends in children's television markets in other countries are broadly similar to those affecting the UK, with children's viewing migrating away from the main national channels to dedicated outlets while children's output on main national channels in many markets is in decline. The growth in dedicated children's channels and increases in multichannel penetration are the two key factors behind these changes.

While detailed market data on children's television sectors are hard to come by, the comparable statistics available to us suggest that the overall volume of provision in the UK is on par or above that of other markets. The UK has a relatively high level of output on its main national channels and the highest number of dedicated children's channels among the six markets surveyed. Total broadcaster spend on children's programmes in the UK was below only that of the USA in 2006, and significantly above that of the other countries surveyed.

However, the data also indicate in the UK children's television sector is undergoing change at a faster pace than some other markets. The relative decline in the share of children's viewing of the main national channels in the UK, from 65% to 46% was the highest among the key countries examined in this report. This is likely to be a result of the three-fold increase in the number of dedicated children's channels between 1998 and 2006 – the highest increase among all the markets surveyed – and the fast growth in multichannel take up (from 26% of all households in 1998 to 79% in 2006).

7.6.2 Policy approaches

Our research shows that a variety of mechanisms to support provision of children's television has been adopted around the world, as summarised in Figure 154 below. While approaches vary by country, three groups of markets can be identified. France, Australia and Canada employ a broad range of interventions to support domestic programme production –all three have output and production quotas in place alongside substantial direct funding and tax breaks supporting local production in addition to provision by publicly-funded broadcasters.

The USA, Ireland, Sweden and Spain use a combination of interventions, each underlined by specific policy goals. Guidelines for the amount of educational and informational programming for children are in place in the USA while in Sweden the largest commercial channel has an hours quota for children's output. In Ireland, direct funding and tax breaks are available to producers, while regional funding is available to producers in Spain.

Publicly-funded broadcasters are the main intervention mechanism supporting the provision of children's programming in Germany, the Netherlands, Denmark and Norway. In all these markets some regional funding is available to children's television producers, but the overall amounts are relatively low. Italy can also be included in this category although the mixed public-private model of funding for its public broadcaster RAI means that output and investment obligations for RAI in Italy fall in between public provision requirements and the typical requirements for commercial channels.

Figure 153: Summary of policy interventions in children's television

	UK	FRA	GER	SWE	USA	AUS	CAN	IRE	JAP	ITA	SPA	NED	DEN	NOR
Provision by public broadcasters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Publicly-funded children's channels	✓	✓	✓	✓	✓					✓	✓			
Output quota		✓		✓	✓	✓	✓		✓					
Production quotas		✓				✓	✓							
Substantial direct funding for children's		✓				✓	✓	✓			✓			
Tax breaks		✓				✓	✓	✓						

Note: the three-hour/week educational children's guideline in the USA is not a formal requirement.

7.6.3 Conclusions

The overview of approaches to children's television in other countries highlights the fact that the motivation behind policy interventions varies substantially depending on the regulatory goals and historical policy traditions, the local television environment and broader media landscape. While most interventions support the provision of locally-produced children's programmes, the underlying rationales may be different, for example:

- the industrial support rationale (e.g. funding for the animation sector in France and tax benefits designed to attract foreign investment in Australia);
- cultural goals (e.g. the Canadian broadcasting system has a strong element of promoting home-grown content overall, not just in children's television); and
- educational goals (e.g. the core educational output guidelines in the US supports educational provision in addition to market-led US-based children's production).

It is difficult to compare policy approaches in terms of how successful an approach has been as unique mechanisms have been developed by countries that fit local circumstances and that seek particular outcomes. However, we can identify some broad indicators for policy options relevant for the UK:

Output quotas for commercial broadcasters have long been employed in some other markets to support the level of provision to children which might otherwise not be provided. For example, when enacting the educational provision requirement in the USA in1990, Congress determined that "market forces alone had not produced an adequate amount of children's educational and informational programming on commercial television and that government action was needed to increase the availability of such programming".[43] Output quotas are being reviewed by policy-makes in the context of the changing market environment. In Sweden, where children's' output on the main commercial channels has been declining over the past decade, the output quota set for the commercial channel TV4 was increased from 2006 from five hours per week between September and May to seven hours per week. In the USA, the FCC has amended the educational output guidelines to apply to the broadcasters' digital streams from 2007. As part of its ongoing review of its

[43] FCC: http://www.fcc.gov/Bureaus/Mass_Media/Factsheets/kidstv.txt

Children's Television Standards, the Australian regulator, ACMA is examining whether current quota requirements are set at an appropriate level.[44]

Plurality of provision (i.e. that there are several alternative providers of children's programmes competing with each other and offering differing perspectives to the audience). While the argument itself is not always explicitly stated, the application of quotas for commercial broadcasters alongside commitments by publicly-funded broadcasters can mean that in practice these achieve the plurality of provision in markets such as France, Sweden and Canada.

Plurality of voices and **diversity of views** are also considerations for policy-makers in other markets. For example, France Televisions is required to provide "diverse programming" to its child audiences, while SVT is also obliged to convey 'experiences from different parts of Sweden and the world' and to serve the interests, and reflect the views of, minority language groups.

Funding for production, either directly allocated by government agencies or via tax breaks, is employed in many markets as a way of supporting the production of programmes which reflect national and/or local perspectives and as an industrial support measure for the industry. Our data suggest that while these measures do not necessarily increase the total amount of public funds in the sector (e.g. relatively high spend by public broadcasters in the UK means that the total public funding level is above that of many other markets), it does have implications for the range of sources available to producers. For example, while in the UK three-quarters of spend on children's programmes originates with broadcasters (although this can vary by genre). Children's television producers may be less exposed to changes in the level of broadcaster spend I markets like Canada, where only a third of funding comes from broadcasters.

In discussions with stakeholders through undertaking this research, many raised international policy approaches as alternative approaches to regulation that could be taken in the UK and accordingly, these findings are useful for informing further debate.

[44] http://www.acma.gov.au/webwr/_assets/main/lib310132/cts_review_issues_paper.pdf

Section 8

Future prospects for children's programming

8.1 Summary findings

- The BBC has indicated its intention to maintain its commitment to children's provision on the main terrestrial channels, and via its digital channels and multimedia platforms. At the same time, the BBC has announced plans for further provision to young teenagers and enhanced provision for older children. However, the BBC children's department is reported to be receiving budget cuts of around 5% each year for the next five years, following across-the-board budget reductions at the BBC resulting from a lower licence fee settlement.
- While data contained in this report show that total BBC hours and expenditure have increased between 1998 and 2006, its long term commitments to children's programming are by no means guaranteed; the BBC service licences do not reflect the BBC's current delivery of children's programming and the BBC could, at least in theory, reduce its output and spend significantly below current levels.
- The commercial children's channels, despite being under commercial pressure, anticipate a moderate increase in investment in UK content. However, the ability to use programmes across a global network of channels is often a key goal of commercial children's channel production: some argue that this will affect the ability of these programmes, particularly drama, to reflect the UK's cultural values.
- S4C is developing a digital-only service to extend the offer of its core children's slots. ITV1 is reducing provision in favour its dedicated children's channel, CITV, and has indicated it will continue broadcasting CITV as long as it remains commercially viable. Five is increasingly focusing on provision for younger children through its *Milkshake!* strand and is also broadcasting children's programming through Five Life.
- Overall, in the short term, investment in original children's programming is likely to continue to decline but by a lesser margin than in previous years, with continued decline by commercial PSBs offset by an increase by the BBC. The BBC's expenditure in 2007 is likely to increase to 2005 levels, following a fall in 2006 due to phasing of spend and staff changes in the children's department.
- Oliver & Ohlbaum modelled a number of possible hypothetical scenarios to understand the impact on primary commissions and secondary exploitation revenues available for programme funding. The first scenario assumed the possible impact of ITV1's total withdrawal from commissioning and the HFSS restrictions. The second assumed that Five ceases commissioning original children's programming. The final scenario assumed a decline in commissioning by the commercial children's channels, combined with a reduction in BBC commissioning of original productions by 20%.
- Were all these scenarios to occur, a worst-case analysis indicates that funding for original children's programmes could fall by £40m from the 2006 base case (with commissioning spend for first-run original programmes falling from £109m to £66m). Funding for original factual and drama programmes is likely to be most affected by any decline in overall funding, as these programme sub-genres rely almost exclusively on commissions from broadcasters.

- Under a best case scenario in which it was assumed that the BBC and commercial children's channels increase annual investment, this could increase annual spend in original children's programming by about £10m, with the majority of this coming from the BBC.
- Interactive platforms including websites, IPTV-streamed or VoD services, present alternative models for the distribution of television-style content to children. In the future, audio-visual content aimed at children is likely to be available on more platforms, in more places and to more children.
- However, funding models for production of content for these platforms are still being developed by industry and there are a number of challenges associated with them, including the difficulty of entering into direct contracts with children and the ability to monitor and target child audiences.
- As a result, at least in the short term, new media distribution and production of video content is likely to continue to be to be associated with, and funded by, television broadcasters. Broadcasters are likely to use new media platforms to support TV brands and associated products (films, merchandise, games) rather than as a specific revenue centre. In the medium to long term, as interactive media availability and audiences increase, on-demand programming and new content may develop.
- For pre-school, younger and older children, television is likely to remain the pre-eminent medium in the lead-up to digital switchover and beyond. While the internet and mobile phones are growing in use and importance for older children, television is also likely to remain the most important medium for that age group.
- However, as access to multichannel television and other forms of media grows, not all children will have access to that content and those services. If children's content is publicly funded, it remains an important public service broadcasting characteristic that a large majority of citizens have the chance to watch it.
- Linear television viewing among children 4-15 years is likely to continue to decline slowly, potentially due to children's continued increased usage of other media. Within this, the proportion of viewing to dedicated children's channels is likely to continue to increase slightly as more households convert to digital television.
- Based on these trends, modelling of future viewing patterns up to 2012 indicates that the BBC is likely to retain its share of viewing in children's airtime overall, based on growth in share to CBBC and CBeebies, which counters decline in viewing of its children's programming on BBC One and Two. Children's viewing of children's programming on ITV1, Channel 4 and Five is likely to account for less than 1.5% of total share among children aged 4-15 years.

8.2 Introduction

This review has highlighted some of the rapid changes in broadcaster output and funding of children's television over the last decade and in children's media consumption habits. This section brings together these trends and looks at the future prospects for children's programming in the UK. It first sets out the business model perspective, looking at trends in broadcaster output and investment and changes in the production sector. It then examines relevant future demographic trends, likely trends in access to, and use of media and viewing of children's programming.

This section draws from a range of sources. Historical trends presented earlier in this report are used as a foundation to understand their likely future direction. Discussions with stakeholders and information from industry events have also helped to inform an understanding of the sector outlook and broadcasters' and producers' future plans. In addition, in order to quantify the impact of such changes on television specifically, we commissioned work looking at future scenarios, including children's viewing by children up to 2012 and scenarios for revenues and programme funding by the industry.

8.3 Future trends in children's access to and use of media

Section 4.4 set out current trends in children's access to and use of different platforms. In this section, we consider how these trends may change in the next five years.

Long-range projections by the ONS suggest that the number of children in the UK population will have fallen from 11.6m to 11.2m by 2012. The number of households with children is also projected to fall.

8.3.1 Media equipment in the home

As set out in section 4.4, television is still the only medium that is available in virtually all households with children. However, other home entertainment platforms, notably games consoles, DVD players and computers are approaching very high levels of penetration (80%+ of households with children). The basic cost of most of these platforms continues to fall, therefore over the next five years, adoption in the remaining 10-20% of households is likely to be determined by parents' choice more than economic circumstances. Within the next five years, the vast majority of child households will have access to at least five different platforms for audio-visual content.

The most significant changes in the next five years are likely to be the introduction of next-generation and networked home entertainment platforms into households. Four platform-related trends stand out.

- The lead-up to DSO will introduce digital television and some dedicated children's channels into the majority of the households with children which have yet to adopt it (currently less than 10%), and in households that are already digital, it is likely to lead to more secondary sets, which are currently analogue only, being converted to digital. (Currently 19% of children have multichannel television in their bedrooms).

- Multi-room and multi-user access to digital television (via signal relay and multi-tuner set top boxes) and access to broadband internet (via wireless connections e.g. wifi) will both become cheaper, simpler and more widely available in suppliers' bundles. There is likely to be some degree of transfer of children's viewing and use of interactive platforms out of the main living areas and into the bedroom, away from communal devices towards personal devices.

- Digital devices, particularly TVs, DVD recorders, digital radios and portable computers, will become cheaper, with faster upgrade cycles. With the main set or device in the household upgraded, existing devices will be moved into other locations for individual use – often children's bedrooms.

- Third generation games consoles (e.g. Xbox 360, Sony Playstation 3) are now available and have already reduced in price. These premium games consoles converge DVD, CD, TV, gaming, computer and PVR functionality in one device, and are also broadband enabled, allowing these functions to be interactive between users and publishers.

These trends are likely to make access to platforms more ubiquitous, more diverse and more individual in terms of opportunities to view content. Some of the platforms, e.g. broadband-enabled games consoles and computers, will offer an alternative platform for television programme distribution, greater usability of and interactivity with video content and more alternatives to linear programming.

8.3.2 Media usage in the home

In the long term, although television is likely to remain the most used and most important platform among all child age groups, it will have greater competition from other platforms.

Television is the only platform used by almost all children at any time, and by over 90% of children of all age groups on a daily basis.

For older children (12-15 years of age), active use of other home entertainment platforms approaches that of television, but the frequency of use tends to be lower. Of 12-15 years olds, just under two-thirds use the internet on a daily basis - this figure is expected to rise as the platforms become more established in households and as their versatility and content increases. For most children in the older age groups, use of interactive platforms is likely to become a daily activity.

For younger children (5-11 years old), levels of active use, and frequency of using, the internet are lower, with games consoles and DVD viewing preferred. While it is unlikely that primary school children would want (or be allowed) the same level of use of interactive platforms as older children, they are likely to use the internet more as its usability, and their familiarity with the technology improves.

For pre-school children, whose media use is, on the whole, prescribed by parents, television and DVD players will remain the pre-eminent media platforms.

These changes in access and use, particularly by older age groups, are likely to reinforce three trends (already identified in Section 4, *Children's media consumption habits*) increasing in both incidence and volume, particularly in older age groups:

- 'Media-stacking' or use of television as a background or passive medium while using personal communications (e.g. phone) or another interactive platform (e.g. internet). In many cases television viewing may be a 'low attention' activity or complementary to another media activity, particularly interactive.

- Diverse uses of the internet, both as a complement to and a substitute for linear media consumption. As a result, net television viewing may be moderately reduced, but more programming will be consumed on interactive platforms.

- More child viewing and other entertainment activity outside main living room and therefore solitary or unsupervised. 71% of children (5 to 15 years) have a television in their bedroom and 19% of children (5 to 15 years) have access to multichannel television in their bedroom. As multichannel television becomes more prevalent in children's bedrooms, along with PCs with internet connections, solo consumption may increase. This may skew viewing towards specialist children's content, as this will be more readily available on more platforms, but not necessarily from mainstream providers.

8.3.3 Children's television viewing

Section 4.6 of the report outlines changes both in the overall media consumption of children and within their viewing of television. The prevailing trends of the last decade are that children's consumption of television overall has declined, and within this there has been a shift away from viewing on the PSB main channels towards dedicated children's channels (including CBBC and CBeebies).

To assess the cumulative impact of this trend on viewing, Ofcom commissioned research agency Attentional to forecast both the potential consumption of children's television until switchover in 2012 and the composition of viewing of channels within this, based on a number of potential scenarios. The full analysis and methodology are set out in the online report.

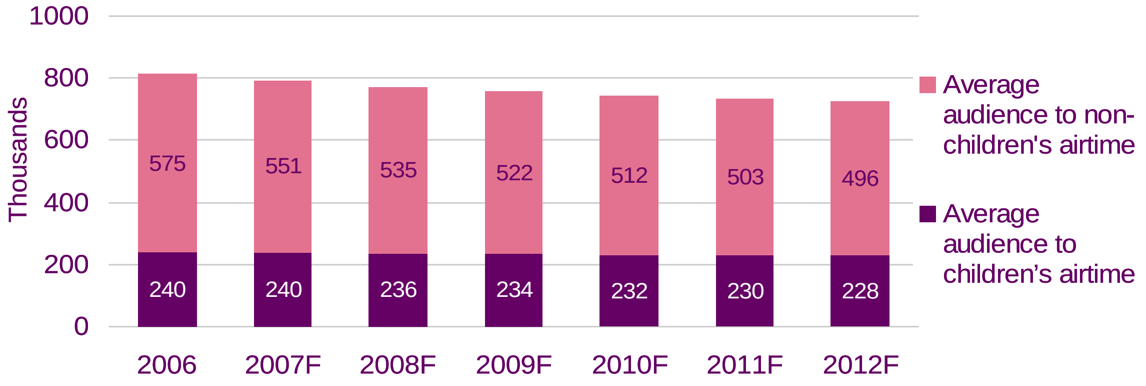
8.3.4 Television audiences

Attentional's modelling work is based on three underlying observed trends. Firstly, there is likely to be a continued fall in the size of the child population (based on projections from the Government's Actuary Department) which will shrink the number of potential child viewers. Secondly, there is likely to be a continued fall in the size of average audience of children aged 4-15 years to television (based on the current downward trend observed in BARB viewing figures, which could potentially be due to increased competition from other media). Thirdly, there is likely to be a continued growth in the number of children with access to digital terrestrial television (Freeview) and cable/satellite television and a decline in analogue terrestrial homes. (The modelling does not explicitly take account of other variables such as internet access and usage. It is assumed that these factors will be reflected in the underlying trends outlined above.)

Attentional's work suggests that over the next six years a decline in the number of children aged 4-15, combined with a decline in their average hours of daily viewing, is likely to produce an 11% drop in the average audience for all television (from 814,000 children aged 4-15 in 2006 to 724,000 children in 2012). Within this, the number of viewers of children's television airtime will fall by only 5% (from 239,500 children in 2006 to 228,200 children in 2012). In this analysis children's' airtime is defined as all programming on the dedicated children's channels together with children's programming (as defined by the BARB children's genre classification) on BBC One, BBC Two, ITV1[45], Channel 4 and Five, as well as on the children's slots on non-terrestrial generalist channels.[46]

[45] GMTV is incorporated within ITV1 in this analysis.
[46] This definition of children's airtime differs slightly to that used in section 5, which does not include viewing of children's slots on non-terrestrial generalist channels (such as ABC1) and uses day-parts to identify children's programmes on the PSB main channels, rather than the BARB children's genre classification.

Figure 154: Forecast average audience to total television ('000s)

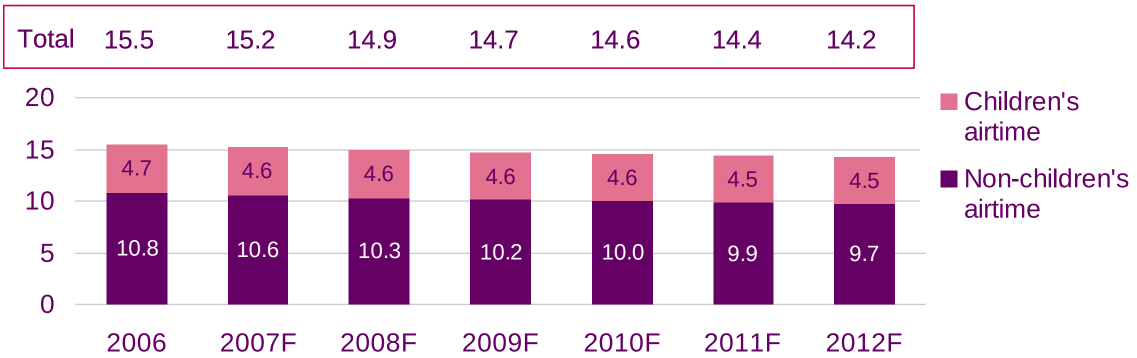


Source: Ofcom/Attentional. Note: among children aged 4-15 years.

8.3.5 Television viewing

The net impact of these changes is that while children's average weekly television viewing hours are expected to decline by 8% (from 15.5 hours per week in 2006 to 14.2 hours in 2012), the share of viewing that children's airtime represents is forecast to increase moderately, from 29.6% to 31.5% of total children's viewing. This forecast is supported by the trends we are currently observing in changes to television viewing: when children are given more viewing options at the times when most of them are viewing in later afternoon and early evening, as happens in multi-channel households, they tend to increase their viewing of dedicated children's channels at the expense of viewing in non-children's airtime. We expect that this trend will continue in homes yet to switch to digital television.

Figure 155: Forecast for children's average weekly hours of viewing



Source: Ofcom/Attentional/BARB. Note: this is based on children 4-15 years.

As detailed in Section 7, *The international perspective*, this has been the experience in international territories within mature multichannel markets, such as Germany, Canada and the US. As multichannel penetration increases, and as dedicated children's channels offer more children more opportunities to view, the viewing figures achieved by the traditional mixed-genre channels for children's programming have tended to fall and the channels' output dedicated to children's programming has reduced.

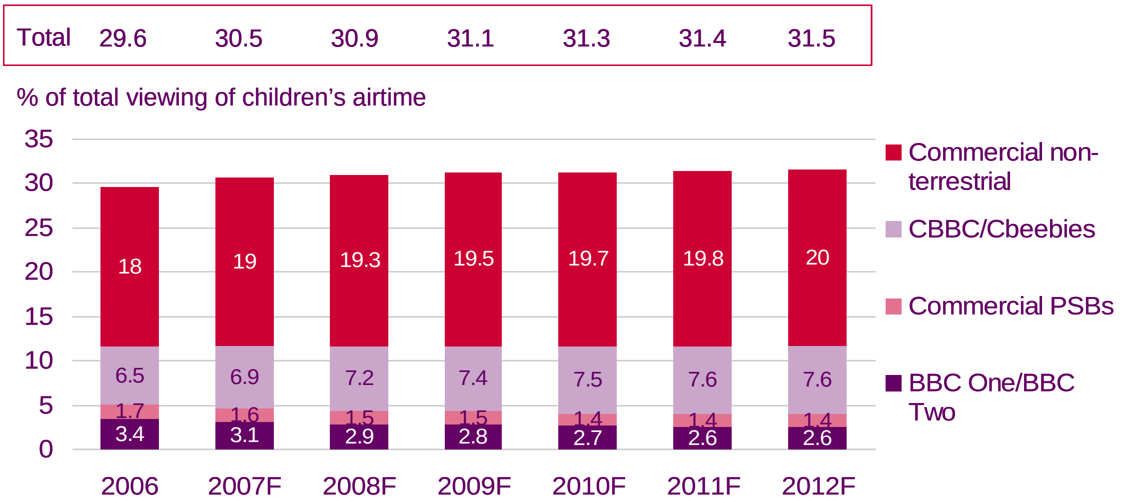
In short, a forecast for the children's television market to 2012 is that dedicated children's channels will gain a larger share of children's viewing, in the context of a broader decline in overall children's television viewing.

8.3.6 Scenarios for changes in viewing

To assess the cumulative effect of these potential changes, Attentional modelled the likely impact on viewing share in children's airtime among children 4-15 years for different channel groupings (BBC One/BBC Two; CBBC/CBeebies; commercial PSBs; and also the commercial children's channels and children's slots on the non-terrestrial generalist channels - grouped together and referred to in this analysis as 'commercial non-terrestrial' children's airtime).

A base-case forecast has been projected on the basis of the historic trends in performance by channels in 2006 and the projected changes in television viewing and television audiences detailed above. This forecasts the total share for the BBC channels taken as whole to remain stable at around 11%, a slight decline for the commercial PSBs from 1.7% total share in 2006 to 1.4% in 2012 and a slight increase for the commercial children's channels from 18% in 2006 to 20% in 2012.

Figure 156: Base case forecast for share of viewing of children's airtime



Source: Ofcom/BARB/Attentional. Note: This is based on children 4-15 years.

Attentional also forecast the impact of potential near-term and medium-term scenarios on the relative share of viewing of children's airtime for the different channel groupings.

The first scenario reflects in part changes that have been effected in 2007 and incorporates some additional more speculative potential changes:

- Removal of children's programming (CITV slot) on ITV1 (as has happened in the weekday afternoon slots in the first half of 2007);
- Focus by Five on pre-school programming (*Milkshake!* slot) only (announced in Q2 2007);
- The transfer of all BBC One children's programming to BBC Two, CBBC and CBeebies (although it has indicated it does not have current plans to do so).

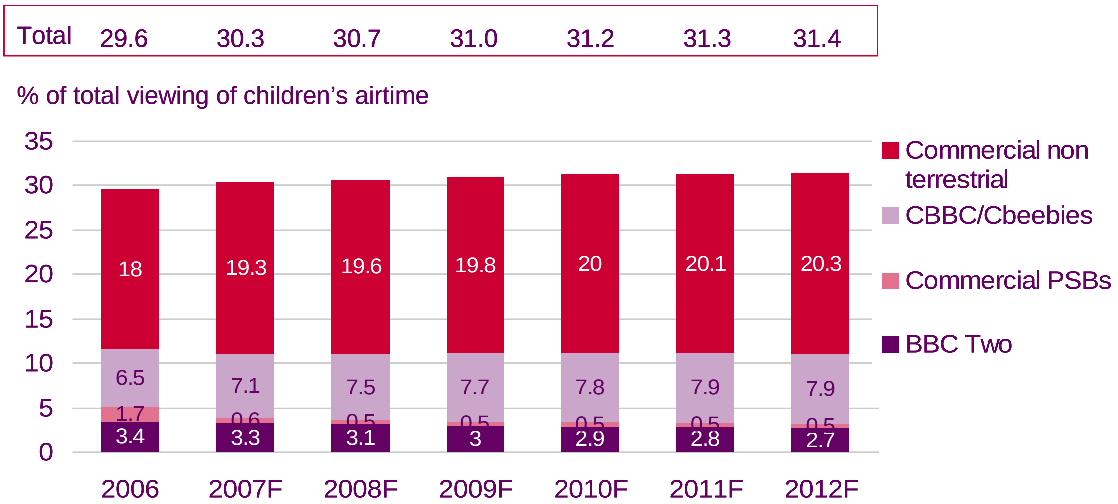
The second scenario is more speculative overall. It incorporates the scenario 1 description, but with an additional potential change:

- An increase in the volume of UK-originated programming on the commercial children's channels.

The likely impact of scenario 1 is that the share of children's viewing of children's airtime on the commercial PSBs is likely to fall from 1.7% to 0.5% of total viewing. This drop is because ITV1 accounted for most viewing of these three PSB channels in 2006. Most of this share of viewing is forecast to migrate to the dedicated children's channels in time, although in the immediate term some viewing among children in analogue terrestrial-only households is likely to migrate to BBC One and BBC Two. However, a third of the viewing that these three PSB channels represented in 2006 (0.4% of total children's viewing) may be lost to the market altogether.

The likely impact of a shift of BBC One children's slots to BBC2 and CBBC/CBeebies is that the share of children's viewing of children's airtime on the BBC overall is likely to remain stable, with a continued migration of share of viewing of CBBC and CBeebies. By 2012, BBC Two children's output is modelled to account for 2.7% of total children's viewing, while CBBC/Cbeebies are likely to account for about 8%. (Figure 157)

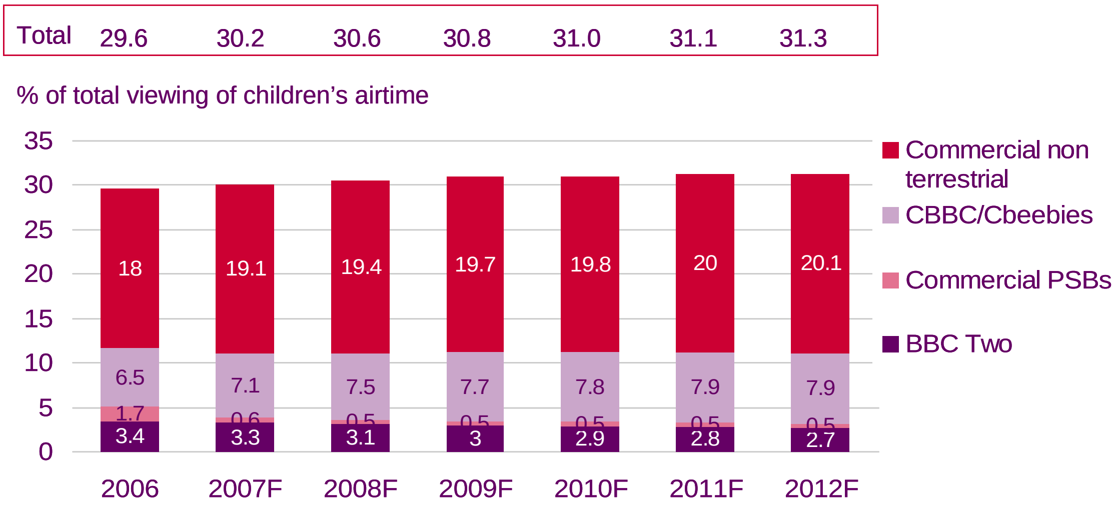
Figure 157: Forecast of impact of scenario 1 on share of viewing in children's airtime



Source: Ofcom/BARB/Attentional. Note: this is based on children 4-15 years.

The likely impact of scenario 2 (which models an increase in output of UK content on the commercial children's channels) is marginal. The increase in share of viewing of commercial children's channels over the period as shown in scenarios 1 and 2 (from 18% to 20%) is largely driven by the increased penetration of multi-channel platforms and the increased availability of commercial children's channels (as in base-case forecast).

Figure 158: Forecast of impact of scenario 2 on share in viewing of children's airtime



Source: Ofcom/BARB/Attentional. Note: this is based on children aged 4-15 years.

Overall, modelling the potential changes outlined above based on the current market suggests that growth in children's viewing of children's airtime is likely to be a result of the increased availability of dedicated children's channels. The BBC children's services as a whole are likely to retain about 11% share of total children's viewing. However, if ITV1 withdraws from the market, the other commercial PSBs, Channel 4 and Five (carrying mainly UK-originated programming) are forecast to account for minimal viewing share. There appears little incentive, in terms of increased viewing share, for commercial children's channels or slots on non-terrestrial generalist channels to carry UK-originated material.

8.3.7 Expectations of viewers for the future

Given the above analysis, we considered the likely changes in accessibility, output and investment in programming alongside the future expectations of the audience.

As part of the Opinion Leader deliberative research set out in Section 5, *Views of parents and children*, parents and children were invited to design an 'ideal' future for children's television that would fill perceived gaps in current provision.

Parents identified the following as desirable:

- dedicated children's channels should be focused by age to take into account varying requirements of different age groups, with later programming (up to 9pm) for older children;
- fewer repeats of programmes, and a greater proportion of programming to be made in the UK;
- for older children, a balance of entertainment (particularly comedy), factual content (particularly wildlife and sport), drama and interactive content (particularly quizzes); and
- for pre-school children, broadly the same service as now with the mix of types and sources of programming maintained.

Children identified the following as desirable:

- dedicated children's channels should be focused by gender as well as age, with a 9pm finish time for programming for older children;
- a reduction in the number of repeats in favour of new episodes of favourite programmes;
- for those without satellite or cable, more animation and drama, and for all children, more wildlife programmes; and
- for young teenagers, greater interactivity with programming and the ability to view programmes on demand and on alternative platforms.

The analysis in this section suggests that some of these aspirations could be delivered:

- greater access to and interactivity with programmes will become prevalent, although the content available is likely to be based around television programming and light on new investment;
- the dedicated children's channels, taken together, have effectively segmented the market by age group, although there is an indication some that niche channels may not be sustainable;
- pre-school programming is likely to remain very well supplied, though perhaps with more non-UK animation than desired; and
- the BBC, in combination with dedicated children's channels, may answer demand for peak-time programming for older children.

However, in other respects the market does not appear likely to meet the expectations of parents and children:

- repeats of programmes are likely to increase, with new programming from the UK at least proving difficult to finance;
- the market is less likely to provide more factual output and UK drama, even though parents think it is important; and
- programming targeting older children is likely to be limited to acquired programming and commissions in more commercial genres with the BBC being the main provider of programming in drama a and factual programming.

8.4 Prospects for the business of children's programming

8.4.1 The broadcaster perspective

As Section 3, *The business of children's programming,* explained, UK broadcasters continue to represent the major sources of funding for UK original production, particularly in the live-action genres of drama and factual. Our analysis of international markets in Section 7, *The international perspective*, also demonstrates that, compared to other countries surveyed, the UK children's production sector relies heavily on broadcaster funding, with 75% of funding in 2006 coming from this source (although this varies by genre). This means that any changes in broadcaster strategy are likely to have a significant impact on the amount and type of new programming produced.

In general, the trend of broadcasters towards broadcast of more repeat programming is likely to continue as the broadcasters move toward a dedicated children's channel model which is characterised by a large volume of airtime.

In the case of the PSBs, this is likely to be repeat material originally commissioned or co-commissioned by the channel. The volume of acquired programming is likely to remain low due to its wide availability on commercial children's channels.

For the commercial children's channels, the main source of new programming is likely to remain acquired material. In the main, this is likely to be from the US, and increasingly Europe, where channels have parent companies or group production. The cost of acquired programming is expected to decline as the international market becomes more competitive. However, acquisitions of UK programming by commercial children's channels may decline as the UK PSBs retain programming for their own digital channels.

8.4.2 Broadcaster programming strategies

At the recent Showcomotion Children's Media Conference held in Sheffield (4-6 July 2007), a number of broadcasters presented their plans for commissioning UK-originated material in the year ahead. The section that follows summarises some of the contributions made by those broadcasters at the event.

Commercial children's channels' strategies

Representatives from Cartoon Network, Jetix, Disney, Nickelodeon and new venture KidsCo were all on the panel during the Broadcaster Forum session. The focus of the session was on individual broadcasters' plans. However, some broad observations were made about the UK market overall.

Some noted that pre-school had become a focus in the UK during 2007, arguing that this age group is well served and that this is a genre in which the UK has an excellent reputation. Recent multichannel launches – Pop TV, Tiny Pop, Baby TV, Baby First – have all been targeted at pre-school. In 2007, Disney and Turner closed their animation-only channels Disney Toon and Toonami, and replaced these with Disney Playhouse and Cartoonito which skew towards very young viewers. The launch of the Five Life *Milkshake!* slot has also increased pre-school provision. Pre-school is the most likely genre for rights-owner producers considering launching their own channels.

It was evident that the commercial children's channels, represented in Figure 159 below, are generally enthusiastic about commissioning UK original material, although these channels are also keen to produce programmes that have international appeal and are saleable globally. The shift of funding models is likely to favour production of genres and types of programming with international appeal more than live action programming developed only for UK audiences.

Figure 159: Showcomotion 2007, commercial children's channel strategies

Channel	Strategy explained at Showcomotion
Cartoon Network	Cartoon Network's main UK produced series is *Skatoony*, a children's game show that combines live action and animation. The broadcaster is considering commissioning a similar programme for pre-school children having recently launched Cartoonito, its dedicated children's channel aimed at the pre-school market. Cartoon Network's has been undertaking international co-productions since 1997/8 with countries including the UK, France, Germany, Italy and Canada. It has just

	opened a UK animation development studio in London, intended to work with other UK creatives in pre-production and development in the UK.
Jetix	Jetix targets kids aged between 4 and 12, with the UK channel especially focusing on boys aged 4 to 9. The emphasis is on action and comedy programming – both live action and animation. Jetix announced that it has recently re-commissioned its interactive gaming show *PXG* which is due to be aired in the autumn. This is the second series and will feature more UK-centric themes, user generated content, podcasting and live chats. Jetix is also working on a *Dr Who* spin-off: *K9*.
Disney	Disney is planning to increase local production in its European territories and has located its international production hub in London. It currently has one long form re-school programme, *Bunnytown,* in production with a UK production company and two additional pre-school programmes in development. It is also in discussion to license two additional UK produced pre-school long-form programmes. It is also keen to commission comedy led animation targeted at 6-11 year olds, suitable for global distribution, and is in development discussions on four such projects in the UK. In addition, it is working with Chorion on the production of an animated version of *Famous Five* as well as other local acquisitions. Disney is also increasing local production of short form programming. *As the Bell Rings*, a short-form sitcom, is its first live action series produced in the UK, and has been produced by UK indie Talkback Thames, based on a Disney Channel Italy format. The programme is being rolled out in a range of countries with local adaptation. Disney has one other short form programme entering production, and is in development on two other short form concepts.
Nickelodeon	Nickelodeon is focused on increasing its investment in UK productions and has been raising its spend year on year. It sees this strategy continuing and is looking to expand and do more and more UK original programming. *Genie in the House* is Nickelodeon's key UK-produced series currently on air, comprising 26 x half hour programmes; a further 26 half hours are in production. Other recent productions include the preschool series *Bubble and Squeak* and a number of shorts including the BAFTA award winning *Purple and Brown*. Alongside these Nickelodeon runs a unique pilot scheme for kids producers that fully funds between 2 and 4 pilots a year. In the past Nickelodeon has invested significantly as a co-production partner with UK terrestrial broadcasters in programmes such as FiFi and the Flowertots, Peppa Pig and Roary the Racing Car. These co-productions represented a further 10% of indirect investment in original content in 2006 and will represent approximately 15% in 2007. Factual programmes such as Nick News (which has not been re-commissioned) are much more difficult to fund as they rate less well. However, Nickelodeon believes that it is important to produce "pro-social" programming, and in recent years has broadcast UK short films on bullying, the environment and healthy eating.
KidsCo	KidsCo is a new joint venture between Sparrowhawk Media, Dic Entertainment, and Chorus Entertainment (Nelvana). Its strategy is to focus on initially launching children's channels in the growing Central Eastern Europe and Middle East markets followed by South East Asia, Western Europe and Latin America. At present, KidsCo's focus is not to launch this year (2007) in the UK, although it sees a market gap here even though KidsCo believes children in the UK are better served than anywhere else in the world and the market here is extremely competitive. KidsCo will aim to launch a linear channel in the UK in 2008. KidsCo has access to the content libraries of DIC and Nelvana and plans to draw on this for a significant proportion of its output, rather than large amounts of original production at this stage in the channel's development. KidsCo agreed that the key to UK production is to create a show that travels to other territories of the world.

Representatives from both CBBC and CBeebies also took part in the Broadcaster forum panel. Their contributions are reflected in the table that follows.

BBC Channel	Strategy explained at Showcomotion
BBC One and Two	The BBC expressed its intention to maintain its commitment to children's hours on the main channels, with the corporation looking to do more teen focussed programming on BBC Two in future. The BBC's commitment (as set out in its service licences) to 500 hours per year of children's programming on the main channels shared between BBC One and Two has been well above this level, and is expected to remain constant for 2007. It was also confirmed that, although nothing is fixed, the BBC has no current plans to move its children's output from BBC One and BBC Two to its children's channels.
CBeebies	CBeebies has recently re-launched with programming appealing to children aged up to 6, having previously been focussed on slightly younger viewers. CBeebies' plans and strategy include an increase in its online and interactive production for children aged 4-6. Currently around 50% of CBeebies' output is produced by independent producers. The channel plans to invest some additional funding in in-house production and co-productions similar to In the Night Garden (a co-production with Ragdoll and BBC Worldwide, into which CBeebies invested a relatively small amount). It is also starting to broadcast on a global basis, having recently launched in India and Singapore.
CBBC	CBBC's new emphasis was described as 'fewer, bigger, better' children's programmes. The channel is focusing on producing high quality programmes that children want to watch more than once, rather than spreading budgets too thinly. *Roar* was mentioned as an example of a programme that had been produced for online and television, pursuing a '360°' strategy. It also explained that it is a priority for CBBC to extend its hours of broadcast from 7pm until 9pm, at times when children are most likely to want to watch. These plans would need approval by BBC management and the BBC Trust and would be subject to technical implementation on relevant platforms.

Other PSBs' strategies

With the exception of Channel 4, all of the PSBs have all made recent announcements on their likely output of children's programming going forward. These are explained in Section 1, *Setting the scene.*

In the short term, therefore, original programme hours are unlikely to increase dramatically from their current level of approximately 1400 hours per year. However, the measurement of investment on original programming based on data from broadcasters is likely to lag behind the rate of change in the market, because it reflects programming broadcast in the year, but which may have been commissioned in previous years. For this reason, Ofcom has estimated the value of commissioning expenditure in 2007. This estimate takes into account discussions with broadcasters and assumes that:

- expenditure by commercial children's channels on programming overall declines due to falling revenues – although original commissions will be less affected as major dedicated children's channels increase direct expenditure on first-run local production;

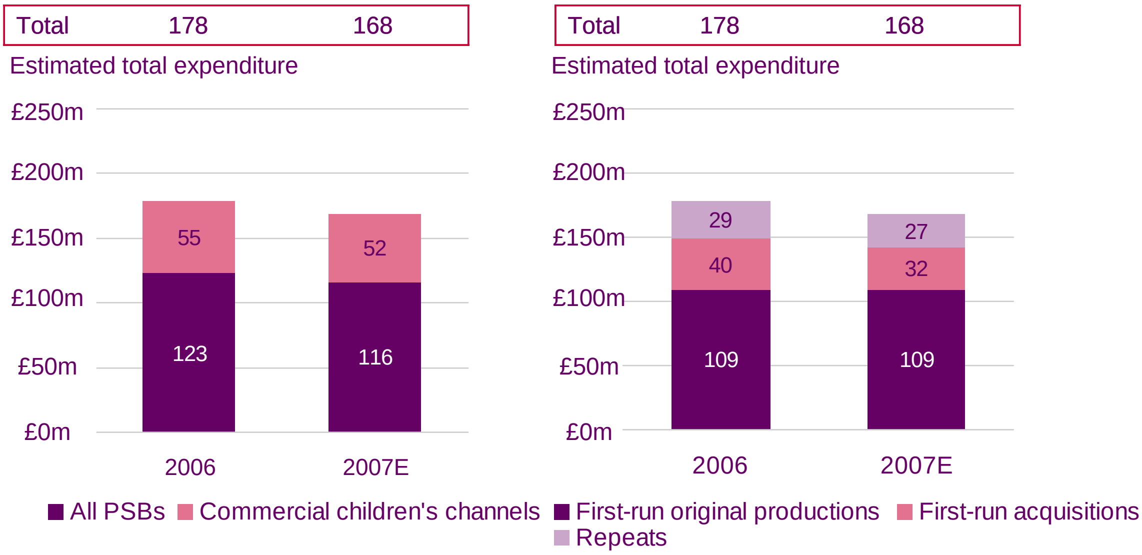
- BBC expenditure on original programming returns to levels of three years ago, due to phased expenditure on projects that are broadcast in 2007. Some commissioned programmes in 2006 were moved into 2007 calendar year transmission. In addition, senior staff changes in the children's department have also mean that some programmes were commissioned later than usual;

- ITV1 expenditure on original programming will substantially reduce, due to the reduction in total programme hours and closure of its in-house production unit for children's programmes in 2006;
- S4C expenditure will increase by about 10% as output is extended; and
- expenditure by the other PSBs will be consistent with 2006 levels.

The net effect is likely to be a decline of 6% in total programme investment from 2006, but with original programme expenditure remaining constant in nominal terms as increased BBC and S4C expenditure offsets declines for the commercial PSBs.

It is also worth noting that while data contained in this report show that total BBC hours and expenditure have increased between 1998 and 2006 and the BBC has indicated its intention to maintain its commitments to children's provision, its long term commitments are by no means guaranteed. This is because the BBC service licences do not reflect the BBC's current delivery of children's programming and the BBC could, at least in theory, reduce its output significantly below current levels.

Figure 160: Estimated total and first-run original programme expenditure 2007 (£m)



Source: Ofcom/broadcaster estimates

8.4.3 Scenarios for investment in original programming

Section 3, *The business of children's programming* explained that original programmes in the UK are funded through a variety of income sources and business models, in which broadcasters and producers are often co-dependent.

To further examine the impact of the changing strategies of major players on the production of original programming as a whole, Ofcom commissioned Oliver & Ohlbaum to model the impact on primary (commissions) and secondary (exploitation) revenues available for programme funding, based on changes arising from a number of scenarios.

The base case for the scenarios are the 2006 figures set out in Section 3 for first-run commissions by broadcasters and secondary revenues to producers.

8.4.4 Negative scenarios

In order to understand the impact of possible market changes, Oliver & Ohlbaum have modelled the cumulative impact of several negative potential factors. These scenarios, in which revenues and volume of commissioning fall, are hypothetical for the purpose of this analysis. The cumulative effect of the scenarios has been modelled in order to demonstrate the potential impact of the combination of a range of factors.

The first scenario models the potential changes that may result from the impact of ITV1's total withdrawal from commissioning original children's programming and the HFSS restrictions. ITV1's potential withdrawal has already been signalled by ITV and this may have 'flow-on' effects for a similar reduction in secondary revenues for producers as their programming is often co-funded by or sold to other broadcasters. This scenario assumed that the potential impact of the HFSS restrictions on broadcaster revenues could reduce the appetite of broadcasters to invest in original programming, although there is no direct evidence supporting a link between the two.

The following scenarios have been modelled on the basis that the impact of HFSS and ITV1's withdrawal described above has taken effect and that these scenarios have a cumulative effect on the market.

Five withdraws completely: This scenario assumes that Five ceases commissioning original children's programming. This would have a greater impact on revenues to producers, due to the loss of merchandising and programme sales opportunities, as the reduction in commissioning would be almost entirely in pre-school programming.

Commercial children's channel revenue declines: Under this scenario, commercial children's channels come to rely entirely on subscription revenues as advertising falls significantly, due to migration and fragmentation of audiences. Under this extreme scenario, the loss of primary commissioning (and therefore programme hours) is only about 2% of total, as dedicated children's channels together represent relatively little original investment, and Disney does not rely on advertising income.

BBC revenue declines: Under this scenario, the BBC reduces commissioning of original productions by 20%, prompted by a fall in licence fee funding, and concentrates on fewer, larger, repeated programmes. This scenario would impact more significantly on primary commissioning revenue, particularly in factual and entertainment programming, which would fall by around 15%. There would be less impact on secondary revenues.

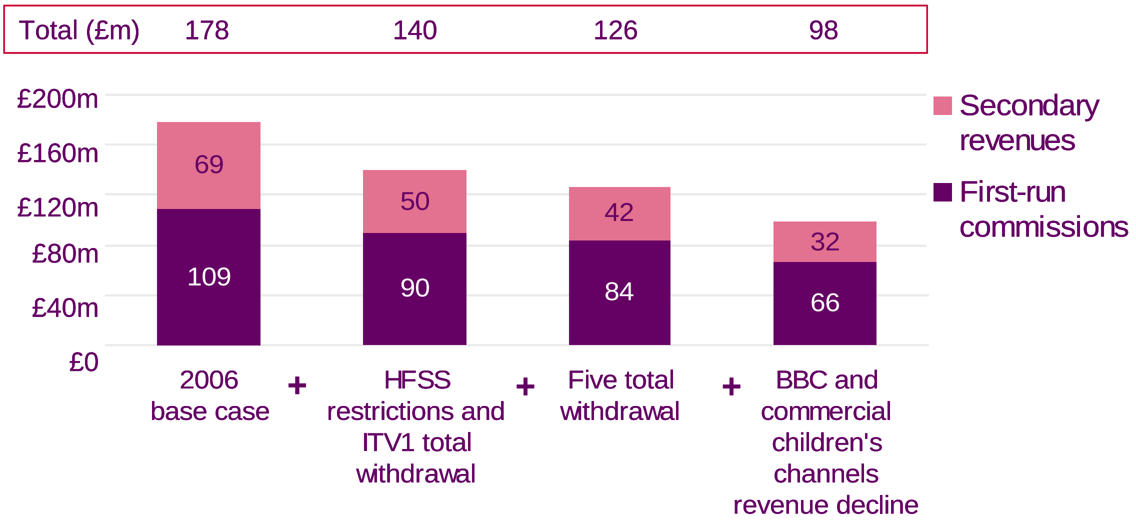
The above scenarios have been modelled separately without assumed secondary effects on the behaviour of other players. However, it is possible that, in a climate of decline, the scenarios could occur in quick succession: for instance, a decline in competition between broadcasters for viewers could lead the dedicated children's channels or BBC to reduce expenditure.

Figure 161 illustrates the cumulative impact of the scenarios. The combined impact of HFSS restrictions and ITV1's withdrawal from the market would remove an estimated £38m (21%) of programme funding. This would be equally distributed between primary commissions and secondary revenues to producers.

If Five were also to withdraw from the market, a further £14m (8%) of programme funding may disappear: in the main, this would be in the form of secondary revenues to producers as Five is a significant outlet for pre-school programming.

Reductions in commissions by the BBC and commercial children's channels of c.20% of their respective expenditure would potentially reduce funding by a further £28m (16%), mainly in the value of primary commissions by the BBC. The cumulative reduction, if all of these scenarios came to pass, would be an £80m (45%) fall in the value of programme funding from current levels.

Figure 161: Cumulative impact of negative scenarios on programme funding



Source: Ofcom/broadcasters/Oliver & Ohlbaum

8.4.5 Positive scenarios

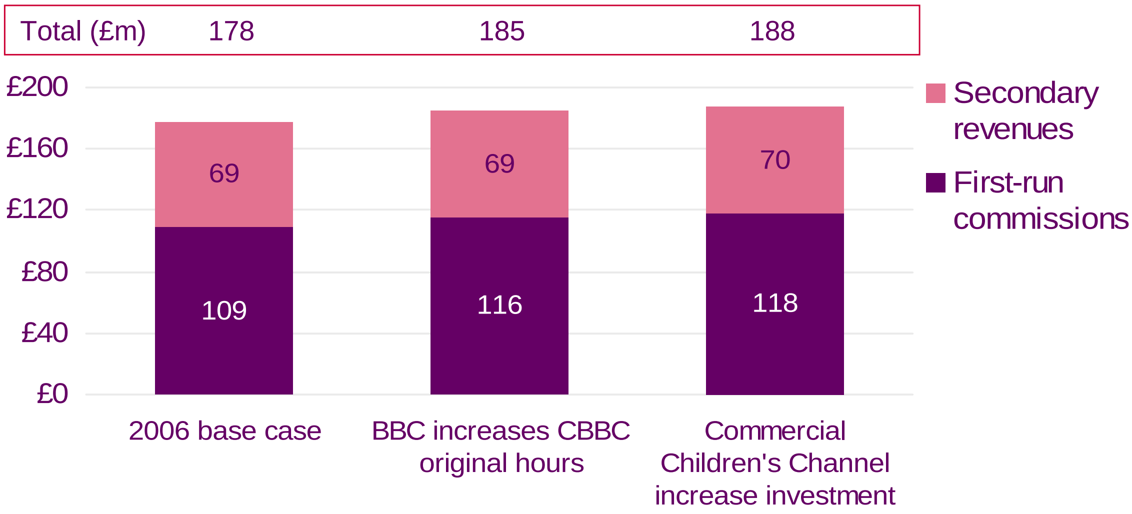
There are two main scenarios which may be possible responses under current market conditions:

BBC increases CBBC original hours: As explained above, it is a priority for CBBC to increase CBBC airtime up to 9pm to improve provision for older children. If this increase occurs and was accompanied by a proportionate increase in original programming, total commissioning revenues might be increased by £6m.

Commercial children's channels increase investment: This scenario assumes that commercial children's channels increase their commissions of UK programming by 20%, perhaps to differentiate their offer, or as part of a global group commissioning strategy. As outlined in Section 3, commercial children's channels presently invest a smaller amount on UK original children's programmes relative to the size of overall UK investment, so even a 20% increase in their expenditure is likely to increase investment in original programming by about 2%.

Figure 162 illustrates the potential cumulative impact of the positive scenarios. An increase in BBC expenditure on first-run programming proportionate to the increase in hours overall would add £6m (3%) to the current value of primary commissions. An increase in investment by the commercial children's channels would be likely to yield a further £3m (1.5%) increase in funding, with £1m of this being in the form of secondary revenues to producers.

Figure 162: Cumulative impact of positive scenarios on programme funding



Source: Ofcom/broadcasters/Oliver & Ohlbaum

The analysis suggests that, of all scenarios considered, the withdrawal of ITV1 from children's programming has the biggest impact on original production. This is because of ITV1's historical significance as a direct commissioner (particularly in drama), as a source both of programming and of co-production funding for commercial children's channels and its value as a broadcast partner to anchor animation production.

If these potential changes occur, a worst-case scenario analysis indicates that funding for original children's programmes could fall by a further £40m (with commissioning spend for first-run original programmes falling from £109m to £66m). Funding for original factual and drama programmes is likely to be the most affected by any decline in overall funding as these programme sub-genres rely almost exclusively on commissions from broadcasters with less access to ancillary funding.

Under a best case scenario in which the BBC and commercial children's channels may increase annual investment, this is likely to increase annual investment in original children's programming by about £10m, with the majority of increased investment coming from the BBC

8.4.6 Sub-genre analysis

Under both sets of scenarios, the outlook for investment in sub-genres is consistent:

Investment in original animation for older children is likely to be significantly reduced, with broadcasters opting to acquire material from the international market instead.

Commissions in factual programming will fall, and most of them will be by the BBC. Drama may receive limited funding from dedicated children's channels, but this is unlikely to compensate for much of the withdrawal of investment by ITV1, and programmes will not be made solely for UK audiences.

Original entertainment programming will fall in line with the total market, but, as a low-cost genre, it will account for the highest proportion of original programme hours. The genre will have to compete with imported programming.

Investment in original pre-school programming by broadcasters will fall marginally. This may well be offset by producers / rights-owners making up the shortfall, but the range of programmes commissioned will skew toward those with more commercial potential – animation and puppetry, rather than presenter-led live action. In the future, range within pre-school programming (which itself is difficult to measure but includes sub-genres like drama, factual, animation and entertainment programming) may become a concern if more funding is required from outside the broadcaster, and may lead to reliance on sub-genres with greater potential for commercial exploitation or global sales such as animation. There may be less live action, presenter-led programming commissioned as a result.

8.5 Emerging opportunities

There are indications that the market for dedicated children's channel services is already saturated. As a result, the number of new dedicated children's channel launches on television platforms is not likely to continue to increase at the same rate as it has for the last ten years. Evidence suggests that commercial broadcaster revenues are under pressure and there have been several recent dedicated children's channel closures. New children's broadcaster, KidsCo indicated at the 2007 Showcomotion conference that it felt the UK market very extremely competitive, yet aims to launch a linear channel in the UK in 2008.

Recent new channel launches have been on a free-to-air, rather than a subscription basis. As subscription fees decline and non-subscription platforms such as Freesat and IPTV become more widely available, more channels may pursue this business model. However, until DSO, capacity on digital terrestrial television is expected to be limited and relatively expensive for the business models of dedicated children's channels.

Interactive platforms – websites, IPTV streamed services and video-on-demand (VoD) download services – present an alternative model for the production and distribution of television-style content.

There is already a wide volume of audio-visual content that children can access and engage with. Social networking sites such as Bebo, and file-sharing sites such as Piczo, attract a high reach (58% of older children) and number of unique visitors in child demographics. There are fewer networking sites dedicated for children. Club Penguin, recently acquired by Disney, is an example of such a site that provides simple chat forums and games within a members-only environment. Online games, such as Runescape, although attracting lower unique visitor numbers, attract their longest average use within child demographics, particularly male 8-15 year olds. In time these may substitute for games console use among casual gamers.

However, as children cannot legally enter into contracts, and as the monitoring and targeting of child audiences by advertisers is restricted by voluntary industry codes, content has been difficult to monetise via either pay-per-view or online advertising. This has meant that funding for audio-visual content specifically for children has been limited, and activity is either on an experimental basis or expected to reinforce established revenue streams e.g. television viewing, DVD and merchandise sales. Many broadcasters noted the difficulties associated with monetising children's content in our discussions with them and at the Showcomotion conference in July 2007.

As such, it is frequently the case that audio-visual content available on the internet that has been specifically designed for UK children is spun-off from, funded by and cross-promoted by, established children's brands. These include rights-owners, producers and toy manufacturers – typically operating via websites based on their key brands. In the main, however, it is the traditional aggregators of the television broadcasters, such as the BBC, Disney, Nickelodeon and Turner (under the Cartoon Network brand) and their channel-branded websites that attract most attention. According to Nielsen NetRatings, in 2007 the websites of these four groups all featured in the top 20 most visited websites with the highest proportion of child users.

Figure 163: Top 20 websites by unique child visitors May 2007

Website	Unique Visitors Age 4-15 May 2007 (000s)	Website	Unique Visitors Age 4-15 May 2007 (000s)
Bebo	1,058	Freeonlinegames.com	237
BBC Children	986	RockYou!	235
MiniClip	611	Club Penguin	226
Nickelodeon Kids	495	Cartoon Network	225
BBC Learning	464	Funny Games	209
Piczo	438	Disney International	206
Disney Online	436	Stardoll	193
RuneScape	300	Adventure Quest	182
GameSpot	265	BBC Teens	179
VideoEgg	244	EverthingGirl.com	171

Source: Nielsen NetRatings

In general, websites operated by broadcasters carry games, schedule information, clips, interactive content and information posted by visitors. The content revolves around their key traditional television programme brands, in an attempt to aggregate and brand the more popular web applications. Broadcasters have begun to introduce personalisation, content syndication and social networking features to their websites in order to retain audiences. The BBC has also announced a significant investment in building a multiplayer role play game, Adventure Rock, specifically for children, allowing them to create avatars and interact in a virtual world.

In general, full-length television programming is not available on these websites. This may be due to perceived technical limitations, costs, or the risk of cannibalisation of television revenue. Dedicated children's channels have tended to make limited programming available on demand, apart from clips or programme pilots. An exception is Discovery Communications which, having ceased transmission of the UK Discovery Kids channel, has now launched a VoD service for popular programmes.

However, over time, the technical restraints and costs of on-demand distribution are likely to fall, and the imperatives to retain audiences via this platform are likely to increase. The BBC has announced that its children's programming will be included, though not heavily promoted, in the catch-up facility of its iPlayer service. Other prospective third-party IPTV aggregation services, such as Joost, are likely to include children's content sourced internationally. If such services are successful and attract child audiences, other broadcasters may follow suit with direct-to-consumer services.

Short-form programming, particularly animation, can be well suited to on-demand delivery, and may in time become an alternative method of delivery to linear television repeats. Pre-school and factual programming, much of which has traditionally been designed to stimulate learning for younger viewers with their parents, may also be offered on platforms that allow further development via interactive elements. However, long-form narrative programmes such as drama and entertainment are likely to remain primarily based on linear television.

These trends may be influenced by the proposed EC restrictions on advertising during children's programmes. The AVMS Directive (due to be implemented in the next 18 months), states that children's programmes of 30 minutes or less cannot be interrupted by advertising breaks. This may potentially make long-form programmes less attractive to commercial broadcasters, and short-form programming or episodes more so.

Due to the difficulties of monetisation explained above, commissions of new media audio-visual children's content have tended to be linked to brands with other revenue streams. An exception is mobile phone content, which has seen strong revenue growth in the UK – principally in the sale of ringtones and simple accompanying graphics. It is unlikely, however, that children will be a significant market for mobile video due to the high entry cost of high-end handsets and the ongoing cost for content.

Therefore, commissions of original children's content for interactive services are often contingent on the commission of the linear television programme. In the main, this content is likely to be supporting material, or 'mini-sodes' that contain exclusive or additional footage, hosted either by the broadcaster or the rights-owner. Many television production companies have either resourced internally, or acquired external expertise, to produce content for new media as an extension of programme brands. A new media strategy is, in many cases, included as part of the original programme proposal.

Section 9

Summary and conclusions

9.1 Introduction

9.1.1 In this section we draw together the findings from the research and consider: the implications for UK-originated programming; and the implications for provision of children's programming for different age groups – looking at pre-school children (2-5 year olds), younger children (6-8 year olds), older children (9-12 year olds) and young teenagers (13-15 year olds).

9.2 UK-originated programming

9.2.1 There are few commercial incentives on broadcasters to commission UK-originated children's programming, with business models for most of the children's sub-genres – pre-school, drama, factual, entertainment and animation – tending towards the acquisition of programming through global markets. As a result, future commercial provision of UK-originated content for children, particularly drama and factual programming reflecting the UK's social and cultural values, is in question.

9.2.2 This is demonstrated by a reduction in spend over time on first-run original children's programming. Despite a significant increase in the number of dedicated children's channels available, overall spend on first-run original programming across all broadcasters fell from an estimated £127m in real terms in 1998 to £109m in 2006 (14%). It peaked in 2002 at £163m but declined by one-third since then.

9.2.3 Spend on first-run original programming by the commercial PSBs – ITV1, GMTV, Channel 4 and Five - halved in real terms from 1998 to 2006. Spend by the BBC has increased between 1998 and 2006, reaching a peak in 2002, coinciding with the introduction of CBBC and CBeebies. Spend by the commercial children's channels – including Disney Channel, Nickelodeon, Cartoon Network and Jetix - remained relatively constant at approximately 10% of the total.

9.2.4 S4C spend has increased over this time, although it also peaked in 2002. It is now a significant commissioner of children's content in the UK, with total spend on Welsh language programmes for children in 2006 at £9m, or 10% of total expenditure in the UK. Welsh speaking children represent approximately 2% of all children in the UK.

9.2.5 Commercial children's channels are generally active in producing UK-originated programming. However, global sales of UK programmes are often a key goal in their production strategies and some argue that this has an impact on the ability of such programmes commissioned, particularly drama, to reflect the UK's cultural values.

9.2.6 According to stakeholders in the production sector, ITV1's spend reduction has had the most impact on funding for production, on co-production spend and on providing a major UK broadcast outlet for international programme sales.

9.2.7 The decline in commercial spend on first-run original children's programming has also had an impact on the role of the BBC. In 1998 the BBC contributed 40% of overall spend 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%.

9.2.8 While the BBC has always been the cornerstone provider of PSB programming for children in the UK, the importance of its role is increasing as spend on UK original children's programming by commercial PSBs declines. This raises the broader issue of plurality of providers of PSB programming for children. Parents value provision from a range of different voices.

9.2.9 However, the BBC's commitment to children's programming, expressed in the BBC service licences, do not reflect the BBC's current delivery of children's programming and the BBC could, at least in theory, reduce its output significantly below current levels.

9.2.10 With ITV1 commissioning significantly reduced and the BBC's growing role as the main commissioner of new material, together with the likely trend towards fewer, larger independent producers in the sector, there are possible implications for the location of children's production centres. Production seems likely to be centred in London, the North West of England (with BBC children's moving to Salford), Scotland (BBC Scotland in-house production) and Wales (through S4C).

9.3 Views of parents

9.3.1 Our Children's PSB Survey found that there is a large gap between parents' perception of the level of importance of, and their satisfaction with delivery of 'children's programming that shows a range of different cultures and opinions from around the UK'. Seventy-eight per cent of parents gave this aspect a high importance rating, whilst only 43% were satisfied with delivery by the PSBs taken as a whole. However, when all adults were asked these questions about PSB programming overall, this difference was significantly smaller (72% and 49%).

9.3.2 Opinion Leader deliberative research undertaken for this review also found that delivery of PSB children's programmes was important to parents. In all cases, but particularly in households with access to digital terrestrial television, the satisfaction of parents and children is associated with satisfaction with the BBC digital channels, and provision of UK original content currently relies heavily on provision by the BBC. Parents saw value in having PSB programming with a different tone of voice to the BBC.

9.3.3 Parents in Scotland, Northern Ireland and Wales (non-Welsh speakers) recognised that there are few programmes for children that are set in their nation and would ideally like to see more. In Wales, parents and children who watched S4C thought that the children's programmes were of high quality with a good range of genres for different ages.

9.4 Findings by age group

9.4.1 PSB for children has sometimes been described as a 'microcosm' of PSB as a whole. Children's programming comprises a range of sub-genres: drama, factual, animation, entertainment and pre-school. It meets the needs of a range of age groups within its audience, with children's needs, tastes and behaviour changing significantly as they grow older. Without disaggregating the children's market by age group and by sub-genre, it is difficult to understand the full nature of the current trends.

9.4.2 Recognising this, we have looked at the impact of these changes from the perspective of four different age groups to try to understand the issues in more detail. Our findings are as follows.

Provision of children's programming for pre-school children (2-5 year olds)

Pre-school children are currently well served by current programming. This view is supported by parents of pre-school children; however, there are some concerns about the future range and volume of UK original programming for pre-school children

- The overall volume of provision of pre-school programming across all channels has grown since 1998. The BBC slots (on BBC One and BBC Two), CBeebies and Five's *Milkshake!* slot represent core provision for pre-school children by the PSBs. There are also some dedicated children's channels catering specifically for pre-school children including Nick Jr. and Playhouse Disney.
- However, first-run UK original pre-school programming has declined since 1998. In 1998, the PSBs broadcast 220 hours of first-run original pre-school programming. This increased in 2002 as a result of the launch of CBeebies, but has fallen again to 132 hours in 2006.
- For broadcasters, pre-school programming is appealing to commission because they are able to contribute less of the budget (typically 25%) to producers compared with other sub-genres of programming. Pre-school programming is more resilient in terms of advertising revenues, as parents are target viewers. Notably, many recent multi-channel launches have been targeted at pre-school (Tiny Pop, Baby First TV and Cartoonito).
- For producers, pre-school programmes taken as a whole also have more potential make a better commercial return than other children's sub-genres. Producers are able to secure initial funding and broadcast of pre-school programmes are more likely to benefit from secondary revenues than with other sub-genres. However, it is generally accepted in the industry that these revenues are highly dependent on securing a broadcast window for content on a widely viewed channel.
- Levels of satisfaction with current PSB pre-school programming are relatively high. Ofcom's Children's PSB Survey shows that parents of pre-school children (80%) were the most likely to be satisfied with PSB delivery of children's programming as a whole (with 18% very satisfied and 62% quite satisfied). Parents of pre-school children were more likely to think that Five, CBeebies, CBBC and BBC Two delivered the PSB purposes and characteristics well, compared to parents of older children.
- The Opinion Leader deliberative research also supports this. Parents of pre-school children across all platforms feel well served by BBC One and Two, CBeebies, CBBC and *Milkshake!* on Five. These are seen by parents to offer a variety of high quality programmes providing a range of sub-genres, a balance of UK vs. imported programmes, and to deliver the PSB purposes and characteristics. Parents also think that Nick Jr. and Playhouse Disney provide high quality, engaging programming for pre-school children.
- In the future, range within pre-school programming (which itself is difficult to measure but includes sub-genres like drama, factual, animation and entertainment programming) may become a concern if more funding is required from outside the broadcaster and may lead to reliance on sub-genres with greater potential for commercial exploitation or global sales such as animation. There may be less live action, presenter-led programming commissioned as a result.

Provision of children's programming for younger children (6-8 year olds)

Younger children are broadly well served by current programming, but levels of satisfaction of parents and children are dependent on the type of television they have access to, whether it be analogue, digital terrestrial or cable or satellite pay television.

- Television remains an important medium for children in this age group. For 5-7 year olds, watching TV is the media activity they do most regularly, with 95% watching it almost every day. Their next most regularly-used medium is playing computer or video games (42% report they do this almost every day).
- When they watch TV, children of this age group tend to prefer cartoons. Forty-seven per cent of children's viewing of children's programming by 7-9 years olds is of the cartoon sub-genre. This also reflects the wide availability of this content. In 2006, 61% of all children's programming.
- The Children's PSB Survey demonstrated that levels of satisfaction with delivery of the PSB purposes and characteristics by the PSB channels as a whole among parents of 6-9 year olds are slightly lower than levels of satisfaction among pre-school parents (71% - 11% very satisfied and 60% quite satisfied - compared to 80% among pre-school parents).
- The Opinion Leader deliberative research shows that both parents and children perceive TV as playing an important role in their lives, providing a combination of education, entertainment and relaxation. However, levels of satisfaction with current provision vary by platform.
- In analogue households, there is concern among parents and children that there is a limited range of programming available overall.
- In digital terrestrial households parents and children are currently satisfied with the range of programming provided by CBBC and CITV. However, there is some concern at the older end of this age group about availability of children's programming in the early evening when the children are most likely to watch TV.
- In cable and satellite households, parents, and children in this age group, are broadly satisfied with the current supply and range of programming available to them. However, some parents would like to see more factual programmes.
- Parents are less concerned about the country of origin of programming for children of this age group, primarily because animation has the highest appeal and the origin of this sub-genre is seen as less important.

Provision of children's programming for older children (9-12 year olds)

There are significant reasons for concern about provision of a wide range of high quality and original programming for **older children**, particularly provision of original UK drama and factual programming and availability of relevant programming at times children want to watch.

- Evidence suggests that there are a number of key areas for concern regarding provision for this age group, particularly provision of first-run original UK drama and factual programming.
- Changes in media consumption habits start to become evident among this age group. TV is still the most popular activity, with 93% of 8-11 year olds watching it almost every day. Computer games are the next most popular activity with 56% using these almost every day.
- For 10-12 year olds, cartoons remain the most popular children's sub-genre (with 42% of viewing). However, drama increases in importance and comprises 30% of viewing of children's programmes (compared to 20% of viewing among 7-9 year olds and 10% for 4-6 year olds).
- The Opinion Leader deliberative research demonstrates that while the quality of UK drama available overall is appreciated by parents and children, there is concern, especially among parents of children over the age of 8, that there is a lack of drama reflecting UK culture and values. Parents also feel there is limited range of factual programming across all platforms.
- This concern about factual programming is likely to be linked to the fact that the BBC is now the major broadcaster commissioning factual programmes and, following the closure of Discovery Kids in 2007, there is very little provision by the commercial children's channels.
- The Opinion Leader deliberative research shows that parents see country of origin as a more important issue for drama and factual programmes for children aged over 8 compared to younger children. They feel it is important to enable children to appreciate the range and richness of their culture across the UK. However, this is of less importance to children.
- Of all the children's sub-genres analysed, drama and factual programmes are the least economically viable programmes to produce, relying on a greater proportion of the production budget to be contributed by broadcasters.
- Broadcasters are expected to contribute almost all the budget for production of drama and factual programming, often with a fee for production built in above costs. UK original drama tends to be a high-cost genre and is unlikely to be supported by the budgets of the commercial children's channels without some potential for global distribution. Factual programmes tend to be less expensive to produce but do not have the exportability, repeatability or secondary revenues of other children's sub-genres. The BBC tends to be the main commissioner of factual programming.
- The Children's PSB Survey shows that 72% (9% very satisfied, 63% quite satisfied) of parents of children in this age group feel that the PSB channels, taken together, deliver the PSB purposes and characteristics (compared to 80% for parents of pre-school children and 71% among parents of younger children).
- The Opinion Leader deliberative research suggests that there is concern about the limited overall quantity and range of programming aimed at this age group on analogue and digital terrestrial platforms. There is also a particular concern among all

parents that there is a limited range of PSB programming specifically aimed at older children across all platforms.

- In analogue and digital terrestrial households, there is limited children's programming available for this age group at the times when these children most want to watch television (between 7 and 9pm).

Provision of programming for young teenagers (13-15 year olds)

There is least satisfaction with delivery of content to **young teenagers** who find that they rely either on programming aimed at younger children or on general adult output.

- It has long been the case that there has been less broadcast output specifically aimed at young teenagers, who largely watch 'aspirational' programming aimed at adults (or, less frequently, watch programmes aimed at younger children).
- This age group has seen the most dramatic change in its media consumption habits. While television is still popular, regular use of the internet is at its highest among young teenagers, compared to other age groups. Mobile phones have overtaken television as the media activity that 12-15 year olds would miss the most, and the internet is not far behind. Internet use leaps to 10.5 hours per week among 12-15 year olds.
- However, the results of our Children's PSB Survey and the Opinion Leader deliberative research indicate that there may be a role for further provision of content to this age group. The Children's PSB Survey shows that there is the least satisfaction with delivery of PSB programming to this age group, with 13% of parents of this age group very satisfied and 54% quite satisfied with overall delivery of the PSB purposes and characteristics.
- Through the Opinion Leader deliberative research, young teenagers themselves expressed a desire to have some programming aimed at them. Given the changing behaviours of this age group, there was a general acceptance that this could be provided via alternative platforms to television.

Annex 1

Responding to this document

How to respond

A1.1 This document and the Discussion Paper do not represent part of a formal consultation process as they do not include any proposals. However, Ofcom invites written views and comments on the issues raised in these documents, to be made by **5pm on 20 December 2007**.

A1.2 Please send your responses to the questions set out in the Discussion Paper by email to children.review@ofcom.org.uk

A1.3 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.

Further information

A1.4 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact James Thickett, Project Director, at james.thickett@ofcom.org.uk or Louise Banyard, Project Manager, at louise.banyard@ofcom.org.uk

Confidentiality

A1.5 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt.

A1.6 All comments will be treated as non-confidential unless respondents specify that part or all of the response is confidential and should not be disclosed. Please place any confidential parts of a response in a separate annex so that non-confidential parts may be published along with the respondent's identity.

A1.7 Ofcom reserves its power to disclose any information it receives where this is required to facilitate the carrying out of its statutory function.

A1.8 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at http://www.ofcom.org.uk/about/accoun/disclaimer/

Next steps

A1.9 Following the end of the discussion period, Ofcom intends to publish a statement in spring 2008 through Phase 1 of the PSB Review (2007-9).

A1.10 Please note that you can register to receive free mail updates alerting you to the publication of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Annex 2

Glossary

Acquired programmes These are purchased or bought-in programmes which have not been produced or commissioned by the broadcaster.

Analogue terrestrial television (ATT) The television broadcast standard that all television industries launched with.

BARB The pan-industry body that measures television viewing (Broadcasters' Audience Research Board).

Children's PSB Survey quantitative survey conducted by GFK NOP Media on children's PSB provision among parents of children aged 2-15 years.

Commercial children's channels Commercial channels dedicated to the broadcast of children's content (does not included CBBC and CBeebies). Channels available in 2007 are listed in Section 2 of the Research Report, *Broadcaster output*.

Commercial PSBs for the purposes of this report are ITV1, GMTV, Channel 4 and Five.

Dedicated children's channels All channels dedicated to the broadcast of children's content (includes CBBC and CBeebies).

Deliberative research workshops and focus groups held across the UK for this research to explore in detail the views of parents and children on a range of issues on children's programming, managed by Opinion Leader Research.

Digital terrestrial television (DTT) Means digital television which is currently most commonly delivered through the Freeview service.

First-run original First-run original programmes are defined as transmissions first shown in the UK on that channel.

Original programmes These are programmes which are commissioned from the broadcasters in-house facilities or commissioned from independent production companies.

Pact The trade association which represents the commercial interests of the independent production sector.

PSB Public service broadcasting.

PSB channels BBC One, BBC Two, ITV1, GMTV, Channel 4, Five, S4C, CBBC, CBeebies.

PSB main channels BBC One, BBC Two, ITV1, GMTV, Channel 4, Five, S4C.

PSB purposes and characteristics are features of programming set out by Ofcom in its 2004 PSB Review which are used to measure how well public service programming is being delivered by the public service broadcasters. They are set out at in Section 1, *Setting the scene*.

PSB Review (2004-5) Ofcom's first statutory review into public service television broadcasting undertaken in 2004-5.

PSB Review (2007-9) Ofcom’s second statutory review into public service television broadcasting, the terms of reference for which were published on 11 September 2007.

PSP Public service publisher, proposed by Ofcom in its first PSB Review (2004-5) as a possible new institution for PSB in the digital age.

Repeats Are second and subsequent broadcasts of the same programme on that channel are counted as repeats. Programmes that are simulcast on two channels at the same time are only counted once. Programmes which were first shown on one channel and then re-broadcast on another channel are counted as repeats for the first showing on the second channel. Within a channel group, for example the BBC, a programme shown first on CBBC and subsequently on BBC Two is considered a repeat on BBC Two. Repeat levels on BBC One and BBC Two are affected by premiering shows on the digital channels.

Sub-genres The types of children’s programmes: pre-school, drama, factual, entertainment and animation.

WOCC The BBC’s Window of Creative Competition under which 50% of BBC programming is guaranteed to be in-house programming, 25% is subject to an independent production quota and the remaining 25% is open to competition between in-house and external producers for commissions.

Annex 3

Research methodologies

A3.1 Age groups considered in research

This research report focuses on children aged 16 and under. Wherever possible, we have considered the needs of specific age groups within this range. Our research makes conclusions based on four age groups: pre-school, younger children, older children and young teenagers.

However, research sources are not always consistent in the age groups they analyse and there is often crossover between the age groups themselves. This reflects the fact that children develop at different rates and there is often overlap between school years.

Therefore, we provide the following as a guide to the age groups used in the consumer research sources for this report.

Figure 164: Age groups considered in research

Research	Purpose of research	Pre-school (2-5 yrs)	Younger children (6-8 yrs)	Older children (9-12 yrs)	Young teenagers (13-15 yrs)
Children's PSB Survey	Ofcom tracking study to measure opinions of parents of children aged 2-15 on PSB provision	2 to 5	6 to 9	10 to 12	13 to 15
Young People Media Usage Survey	Ofcom tracking study to measure media access, usage and attitudes of parents and children aged 5-15 years	Not available	5 to 7	8 to 11	12 to 15
BARB	Industry TV panel data to analyse children's viewing habits and broadcaster output by children's sub-genres	Not available	4 to 6 7 to 9	10 to 12	13 to 15
Deliberative Research	Ofcom research for this project to understand views of parents and children on the role of children's programming	2 to 4	5 to 6 7 to 8	9 to 10 10 to 12	13 to 15

A3.2 BARB Methodology

Children's genre analysis (Section 2, Broadcaster output, and Section 4, Children's media consumption habits)

The analyses of the children's genre output (Section 2) and viewing of the children's genre (Section 4) are based on statistics from the BARB (Broadcaster's Audience Research Board) industry panel and use the BARB children's genre classification.

These analyses for 2003-2006 are based on children's programmes, as defined by BARB, on the following channels:

- The PSB channels: BBC One, BBC Two, ITV1, GMTV, Channel 4, Five
- BBC's dedicated children's channels, CBBC and CBeebies (both launched February 2002)
- The following commercial children's channels:

Figure 165: Commercial children's channels

Commercial children's channels		
Boomerang (launched in 2000)	Boomerang + 1 (2006)	Cartoon Network (1996)
Cartoon Network Plus (1999 - 2006)	Cartoon Network Too (2006)	CITV (2006)
Discovery Kids (2000 – 2007)	Disney Channel (1996)	Disney Channel + 1 (2000)
Disney Cinemagic (2006)	Disney Cinemagic + 1 (2006)	Jetix (as Fox Kids 1996 – renamed Jetix in 2005)
Jetix + 1 (2005)	Nick Jr. (1999)	Nick Jr. 2 (2006)
Nickelodeon (1996)	Nickelodeon Replay (1999)	NickToons (2002)
Playhouse Disney (2000)	POP (2003)	Tiny Pop (2004)
Toon Disney (2000 – 2006)	Toonami (2003 – 2007)	Trouble[47] (1998 – 2006)
Trouble + 1 (2003 – 2006)		

We have not included children's programming on other commercial generalist non-terrestrial channels, such as GMTV, GMTV2, ABC1, Sky One, TMF or Five Life.

The output and viewing analyses of the children's genre are based on BARB's genre classification for children's programmes. Within the children's genre there are the following sub-genres:

- children's drama;
- children's factual;
- children's cartoons;
- children's light entertainment/quizzes;
- children's pre-school; and
- children's miscellaneous.

Data for 1998 – 2001 is sourced from the ITC and BSC report *'What Children Watch'*.

Methodological issues with BARB genre classifications

There are some drawbacks to using the BARB genre classifications:

- Firstly, some shows targeted at younger viewers, either within children's slots or on children's channels, are not classified as 'children's'. All output and viewing analyses are based on the genre of children's as classified in BARB, and not on the total output of a specific channel. For example, Playhouse Disney airs programming which

[47] Trouble and Trouble + 1 stopped airing children's programming during 2006.

is not classified as children's and in such cases that output is excluded from this analysis. In 2006, approximately 23% of total dedicated children's channels' output is not classified as children's genre in BARB.

- On 1st January 2002, an entirely new BARB panel was recruited from scratch to replace the old one. Therefore, programme data from 2002 may be unreliable in parts, and while BARB has issued amendments to the data, we have decided not to include 2002 data in the majority of these analyses, as we would be unable to identify whether any difference was significant or a result of the data discrepancies. Any 2002 data published in this report should therefore be treated with caution.

- Programme classifications have in some cases changed from year to year; e.g. a programme classified as children's pre-school in one year may be classified as children's cartoons in another year. During the period of this analysis, there have been a number of programme updates implemented by BARB due to updated broadcaster programme logs. An example is that the programme *Monsters Inc* was originally classified as children's miscellaneous, but during the course of the analysis it was changed to films.

- In some cases genre classifications have also changed. For example, prior to 2002 children's factual included schools programming, but from 2002 with the introduction of the new BARB panel, education became a separate genre and schools programming a sub-category of it. All analysis from 2002 to 2006 is based on the children's genre only and therefore excludes schools programming.

- In 2002 BARB introduced a new children's sub-genre, children's miscellaneous. There has been an increase in the number of children's programmes classified under this sub-genre since 2002. This may in part be due to difficulties in fitting a particular programme clearly into the other sub-genres, e.g. a children's animated film.

Re-coding children's miscellaneous programmes

In order to attempt to identify overall changes in children's sub-genre output and viewing over time, Ofcom carried out a manual reclassification of the children's miscellaneous sub-genre. Ofcom re-coded any programme in this sub-genre into the other children's sub-genres of drama, pre-school, cartoons, light entertainment/quizzes and factual. For example, a children's animated film such as Disney's *Aladdin* has been reclassified from children's miscellaneous to cartoons and Jetix's *Power Rangers Mystic Force* is re-coded as children's drama. A few programmes couldn't be re-coded and therefore have been excluded. A full list of the re-coded programmes is provided in the online report *Additional analyses of range in children's output*.

Viewing in children's airtime versus adult airtime analysis (Section 4)

The analysis of children's airtime versus adult airtime is based on children's viewing of the children's slots on the PSB main channels and of all airtime for CBBC, CBeebies and the commercial children's channels (see Figure 165). The children's slots on the PSB main channels were defined as follows:

2002	
BBC One	Monday-Friday 15.45-17.35; Saturday 06.00-12.00
BBC Two	Monday-Friday 06.00-10.30; Sunday 06.00-10.30
ITV1	Monday-Friday 15.15-17.00; Saturday 06.00-13.00; Sunday 06.00-11.00

Channel 4 + S4C	Monday-Friday 06.00-07.00; Saturday 06.00-07.00; Sunday 06.00-09.00
Five	Monday-Friday 06.30-09.30; Saturday 06.00-12.30; Sunday 06.00-12.30
2003	
BBC One	Monday-Friday 15.45-17.35; Saturday 06.00-12.00
BBC Two	Monday-Friday 06.00-10.30; Sunday 06.00-10.30
ITV1	Monday-Friday 15.15-17.00; Saturday 06.00-13.00; Sunday 06.00-11.00
Channel 4 + S4C	Monday-Friday 06.00-07.00; Saturday 06.00-07.00; Sunday 06.00-09.00
Five	Monday-Friday 06.30-09.30; Saturday 06.00-12.30; Sunday 06.00-12.30
2004	
BBC One	Monday-Friday 15.25-17.35; Saturday 06.00-12.00
BBC Two	Monday-Friday 06.00-10.30; Sunday 06.00-10.30
ITV1	Monday-Friday 15.15-17.00; Saturday 06.00-13.00; Sunday 06.00-11.00
Channel 4 + S4C	Monday-Sunday 06.00-07.00
Five	Monday-Friday 06.30-09.30; Saturday 07.00-13.30; Sunday 06.00-12.30
2005	
BBC One	Monday-Friday 15.25-17.35; Saturday 06.00-12.00
BBC Two	Monday-Friday 06.00-10.30; Sunday 06.00-10.30
ITV1	Monday-Friday 15.15-17.00; Saturday 06.00-13.00; Sunday 06.00-11.00
Channel 4 + S4C	Monday-Saturday 06.00-07.00
Five	Monday-Friday 06.30-09.30; Saturday 07.00-13.30; Sunday 06.00-12.30
2006	
BBC One	Monday-Friday 15.25-17.35
BBC Two	Monday-Friday 07.00-10.30; Sunday 06.00-12.00; Sunday 06.00-10.00
ITV1	Monday-Friday 15.00-16.30; Saturday 06.00-11.30; Sunday 07.00-10.30
Channel 4 + S4C	Monday-Saturday 06.00-07.00
Five	Monday-Friday 06.00-09.00; Saturday 07.00-11.30; Sunday 06.00-12.30

The exact transmission times for children's slots may vary throughout the year.

Children's viewing in children's airtime by country of origin analysis

The country of origin analysis in Section 4 (Figure 100) is based on BARB programme data and was produced by Attentional. It is based on programmes classified as children's in the BARB genre classifications aired on BBC One, BBC Two, ITV1, Channel 4, Five and all programmes transmitted on CBBC, CBeebies and the commercial children's channels in 2006. The commercial children's channels were defined as Boomerang, Boomerang +1, Cartoon Network, Cartoon Network Plus, Cartoon Network Too, CiTV, Discovery Kids, Disney Channel, Disney Channel +1, Disney Cinemagic, Disney Cinemagic +1, Jetix, Jetix +1, Nick Jr, Nick Jr. 2, Nickelodeon, Nickelodeon Replay, Nicktoons, Playhouse Disney, Pop, Tiny Pop, Toon Disney, Toonami.

Attentional undertook manual coding of each programme title, categorising it as either UK or non UK based on Attentional's metadata, which holds extensive country of origin information for UK aired programmes, as well as desktop research.

A3.3 Ofcom Young People's Media Usage Survey

The analyses of children's media usage habits (Section 4) are based on statistics from Ofcom's *Young People Media Usage Survey.*

Research methodology

A total of 1,611 interviews were conducted in English with parents of children aged 5-15 and children aged 5-7 (428 interviews), 8-11 (591 interviews), and 12-15 (592 interviews). This study was conducted for Ofcom by research agency saville rossiter-base and fieldwork took place from 10 April to 8 May 2007.

All interviews were conducted in the respondents' homes by a team of interviewers across 189 locations in the UK. For each interview certain questions were asked of the parent of the child in question, with the remaining questions asked of the child. Interviews with 5-7 year olds took an average of 10 minutes, with 8-11s 15 minutes and with 12-15s 25 minutes. Interviews with parents took an average of 10-15 minutes. Parents were free to stay with the child and the interviewer while their child was being interviewed and in 1481 cases the parent was present. Interviewers conducting the research recorded very few incidences of parents answering on behalf of their child or influencing the responses.

Figure 166 below shows the breakdown of the 1,611 interviews with children aged 5-15 years.

Figure 166: Breakdown of interviews conducted

Boys aged 5-7	222	**Boys aged 12-15**	295
Girls aged 5-7	206	**Girls aged 12-15**	297
Boys aged 8-11	296	**Minority ethnic group**	143
Girls aged 8-11	295	**Rural area**	294
		Household income under £11,500	168

A specialist sampling agency (UK Geographics) was used to draw the sampling points, using Output Areas (OAs) as classified by the 2001 Census. Interviewers were then provided with specific addresses to approach regarding the research. All interviews were conducted in respondents' homes, using paper questionnaires and prompt material.

Quotas were set to achieve a minimum number of interviews with boys and girls in each of the three age groups 5-7, 8-11 and 12-15, in each of the nations: England, Scotland, Wales and Northern Ireland. Interviews were conducted across 189 sampling points: 120 in England, 25 each in Scotland and Wales and 19 in Northern Ireland.

The quotas set are shown in

Figure 167 below. Data were subsequently weighted to the actual population profile for each of the four UK nations. Results referred to as significantly different have been tested at the 95% confidence level.

Figure 167: Location, gender and age quotas

	England	Scotland	Wales	N Ireland	UK Total
Boys aged 5-7	130	28	28	21	207
Girls aged 5-7	130	28	28	21	207
Boys aged 8-11	185	36	36	27	284
Girls aged 8-11	185	36	36	27	284
Boys aged 12-15	185	36	36	27	284
Girls aged 12-15	185	36	36	27	284
TOTAL	1000	200	200	150	1550

A3.4 Ofcom Media Literacy Audit

Comparisons of children's media usage habits in 2005 and 2007 are based on statistics from Ofcom's *Young People's Media Usage Survey* (above) and Ofcom's *Media Literacy Audit.*

Research methodology

A total of 1536 interviews were conducted in English with parents of children aged 8-15 and children aged 8-11 (772 interviews), and 12-15 (764 interviews)

This study was conducted for Ofcom by research agency saville rossiter-base and fieldwork took place from 8 June to 5 August 2005

All interviews were conducted in the respondents' homes by a team of interviewers across 303 locations in the UK. For each interview certain questions were asked of the parent of the child in question, with the remaining questions asked of the child. Interviews with 8-11 year olds took 15 minutes and with 12-15s 25 minutes. Interviews with parents took an average of 10 minutes. Parents were free to stay with the child and the interviewer whilst their child was being interviewed and in 1164 cases the parent was present. Interviewers conducting the research recorded very few incidences of parents answering on behalf of their child or influencing the responses.

Figure 168 below shows the breakdown of the 1536 interviews with children aged 8-15 years

Figure 168: Breakdown of interviews conducted

Boys aged 8-11	363	**Minority ethnic group**	258
Girls aged 8-11	408	**Rural area**	338
Boys aged 12-15	394	**Household income under £11,500**	193
Girls aged 12-15	370		

A specialist sampling agency (UK Geographics) was used to draw the sampling points, using Output Areas (OAs) as classified by the 2001 Census. Interviewers were then provided with specific addresses to approach regarding the research. All interviews were conducted in respondents' homes, using paper questionnaires and prompt material.

Quotas were set to achieve a minimum number of interviews with boys and girls in the two age groups 8-11 and 12-15 in each of the nations: England, Scotland, Wales and Northern

Ireland. Interviews were conducted across 303 sampling points: 138 in England and 55 each in Scotland, Wales and Northern Ireland

These core interviews were supplemented with interviews conducted among children and parents from minority ethnic groups. The quotas set are shown in Figure 169 below. Data were subsequently weighted to the actual population profile for each of the four UK nations. Significant testing at the 95% confidence level was carried out on the results of the report. Where findings are reported as 'significant' this is what is being referred to.

Figure 169: Location, gender and age quotas

	England	Scotland	Wales	N Ireland	UK Total
Boys aged 8-11	80	80	80	80	320
Girls aged 8-11	80	80	80	80	320
Boys aged 12-15	80	80	80	80	320
Girls aged 12-15	80	80	80	80	320
TOTAL	320	320	320	320	1,280

A3.5 Ofcom Communications Tracking Survey

The Ofcom Communications Tracking Survey takes place monthly and provides Ofcom with continued understanding of consumer behaviour in the UK communications markets. It is a continuous face-to-face survey with a sample of 700+ people per month, among UK adults aged 15+ years, reflective of the UK profile by sex, age, socio-economic group, region, employment status, cabled/non-cabled areas, rural/urban areas and levels of deprivation. Where necessary, the data have been weighted to ensure they are representative of the UK adult population.

A3.6 Ofcom Children's PSB Survey

In order to gain an understanding of the delivery of the PSB Purposes and Characteristics in children's television, Ofcom commissioned a quantitative survey of parents of children aged 2-15 across the UK. Parents were asked to assess the amount of children's programmes, and UK-made programmes; rate the importance of the PSB channels providing each of the PSB Purposes and Characteristics; and rate how well each channel delivers these.

The survey was conducted by GfK-NOP Media who carried out 821 interviews via computer assisted telephone interviewing (CATI) in April 2007. The sample for the survey was parents with children, with quotas set on age of child for four different groups: 200 parents of a child aged 2-5; 200 parents of a child aged 6-9; 200 parents of a child aged 10-12 and 200 parents of a child aged 13-15 (all groups were slightly over sampled and in total, 821 interviews were conducted).

Where there was more than one child in the household parents were asked which child had the most recent birthday and that child was selected as the subject of the interview. Given that different channels appeal to different age groups, the number of regular viewers per channel differs by age group. This is of importance when looking at views of the delivery of the Purposes and Characteristics, and is drawn out in the commentary where appropriate.

As with Ofcom's main PSB tracking survey, opinions were sought on regular viewers. Parents who said their child was a regular viewer of a particular channel were asked to evaluate that channel on each statement thinking about its children's programming specifically.

Figure 111, earlier in this report, shows each PSB Purpose and Characteristic and the related statements that parents were asked to evaluate in the survey. The statements were written to be user friendly and relevant to children's programming:

The order of statements was rotated to prevent order bias. The order of channels was also rotated with 50% of the sample asked about channels in order A below, and the remaining 50% asked in order B:

- A: BBC One, BBC Two, CBeebies, CBBC, ITV1, Channel 4, Five, all channels combined
- B: ITV1, Channel 4, Five, BBC One, BBC Two, CBeebies, CBBC, all channels combined

After being asked about delivery on the PSB channels, parents were asked about delivery on the main commercial children's channels: Nickelodeon, the Disney Channel, Cartoon Network and CITV. These channels were selected in reflection of their viewing shares.

A3.7 Opportunity cost technical annex

The aim of this work was to explore whether ITV incurs an opportunity cost by broadcasting children's programming in the late afternoon slot of 3:30pm to 5:00pm, and if there is such a cost, to estimate its size.

Often, in any opportunity cost analysis, it can be difficult to define the costs and benefits of the counterfactual against which the current factual can be compared. However, in this particular case, ITV1 halted broadcasting children's programming in this timeslot during the first half of 2007, and replaced it largely with adult-oriented dramas. This period provided an indication of how alternative programming might perform in this timeslot.

However, it is important to make some qualifications of the current analysis:

- This work only provides information about weekday late-afternoon children's television on ITV and does not analyse weekend morning children's programming.
- Changes lasting for a short time may not reveal complete information about opportunity costs, as peaks and troughs in audience figures and costs may not be representative of longer-term performance.
- Finally, a true opportunity cost would take into account any indirect benefits and costs associated with either children's programming or any potential replacement. For example, there may be a cost to ITV1 represented by children losing loyalty to its brand. These factors are not considered.

This document briefly outlines the technical approach taken.

The methodology employed

<u>Revenues</u>

The overall approach taken was to postulate what the net change in ITV1's profitability might have been, both in 2005 and in 2006, had it been able to show throughout those years the drama programming it had done in the early part of 2007.

Therefore the following sources of data were obtained and all monetary values were expressed in 2005 prices:

1. Audience figures per thirty minute slots throughout weekdays

These were obtained on a monthly basis for the calendar years 2005 and 2006 and up to April 2007, from the BARB database.

2. Average advertising minutage per thirty-minute timeslot throughout weekdays

These figures were obtained on a monthly basis for the calendar years 2005 and 2006 from the Nielsen database.

3. Average advertising revenues per thirty-minute timeslot throughout weekdays

These figures were obtained on a monthly basis for the calendar years 2005 and 2006 from the Nielsen database. However, these were then calibrated to the level that ITV1 had stated as its overall advertising revenue in its licence returns to Ofcom. This was done to ensure that we considered only net advertising revenues rather than gross revenues and that we used the most accurate figures possible (as Nielsen figures are estimated).

The 2007 revenue between January and April was thus estimated by assuming that the audience uplift that applied to the children's afternoon slot in this period as opposed to the same period in 2006 was also reflected in the revenue generated in this slot. This of course assumes that the CPT (cost per thousand impacts) stayed constant, which is not unreasonable.

This was then normalised to a yearly figure for 2007 by assuming that the relationship between advertising income earned in the period January to April 2006 to that in May to December 2006 also held true for 2007.

However, these revenue numbers cannot be simply compared to the relevant revenues in 2005 and 2006 since ITV1 may have used a different number of advertising minutes to generate these revenues. Since minutage is a limited resource for ITV1 we made the assumption that if the number of minutes in the late-afternoon slot in 2007 were greater or less than those in 2005 or 2006 we adjusted the revenues from the rest of the off-peak schedule downwards or upwards as appropriate.

Costs

Once the revenue change in 2007 was established the change in cost also had to be estimated since the opportunity cost considers the net change in profitability. The cost calculation was done on a simple basis. We assumed that since approximately 70% of ITV1's children's programming was in weekday afternoons, that ITV1 would save a similar proportion of the total cost of children's programming. The replacement cost of alternative programming was costed at the average cost of daytime programming for ITV1 as stated in its licence return. This is an appropriate figure to use, as although ITV1 may use cheaper repeats in the short-run this approach would not be sustainable over the long-run.

The opportunity cost

The opportunity cost was estimated by looking at the net change in profitability between 2005 and 2007 and between 2006 and 2007. The range we see stems from the difference in profitability between the two years 2005 and 2006, where this slot performed in better in

2005 and so there is less of an opportunity cost from this basis. The numbers and the conclusions that can be drawn are discussed fully in the main body of the document.

A3.8 International survey data sources

Basic data points

Number of children

	UK	France	Germany	Sweden	Australia	Canada	USA
Children (m)	11.6m	12m	12.6m	1.4m	4m	5.7m	60.7
Age	0-14	0-15	0-15	0-15	0-15	0-14	0-15
Source/period	ONS/ 2004	Zenith/2006	Zenith/2006	Zenith/2006	Zenith/2006	Zenith/2006	US Census Bureay/2007

Source: ONS population estimates for the UK; US Census Bureau for the USA, other country data from Zenith pocket book series: Americas Market and Mediafact, Asia Pacific Market and Mediafact, Western Europe Market and Mediafact.

Age brackets used in viewing data

	UK	France	Germany	Sweden	Australia	Canada	USA
Children	4-15	4-14	3-13	3-14	0-14	2-11	2-11
All individuals	4+	4+	3+	3+	All	2+	2+
Data source	*BARB*	*Mediametrie*	*Mediametrie*	*Mediametrie and SVT*	*ACMA and OZTAM*	*BM-NMR Metered Data,CRTC, Mediametrie*	*Mediametrie*

Exchange rates

Constant average 2005 exchange rates have been applied to all currency conversions as shown in table below.

	1€	1SEK	1A$	1C$	1US$
1£	0.684	0.075	0.419	0.454	0.55

Source: PWB Global Entertainment and Media Outlook 2006

Viewing data

The majority of data on channel viewing shares was provided by Eurodata TV based on national measurement systems, as follows:

France: Eurodata TV/Médiamétrie – Médiamat. Data on cable and satellite shares from Médiamétrie/MédiaCabSat - L'audience des chaînes du cable de Canalsat et de TPS du 1er janvier au 17 juin 2007

Germany: Eurodata TV/AFG – GfK

Sweden: Eurodata TV/MMS Mediamätning I Skandianvien AB. Sata on dedicated childen's channel shares was provided by the public broadcaster SVT.

Australia: Data on viewing by type of channel was provided by ACMA based on OZTAM.

Canada: Eurodata TV/BBM Canada. Data on children's viewing by type of channel was provided by CRTC based on BBM-NMR.

USA: Eurodata TV/NMR USA

Multichannel penetration

Platform penetration 2002 and 2006: Screen Digest – global television intelligence database for France, Sweden, Australia, Canada and the USA. For Germany, data from a report by ALM/ (GSDZ) *Digitisation of the German television market, July 2007*

Total multichannel penetration: France - Médiamétrie - *MédiaCabSat – Janvier/Juin 2007*; Germany - ALM/ (GSDZ) *Digitisation of the German television market, July 200*7 Australia – ACMA *Communications Report 2005/06*

All UK data from Ofcom Market Intelligence and refers to penetration on the main television set.

Broadcaster spend

UK data from broadcaster returns. Other country estimates from Screen *Digest The Business of Children's Television* (3rd edition - 2007)

Other sources

Please note that a broad variety of publicly available sources informed our research effort; the list below contains references for data points included in the report. All internet links were valid at the time of report publication.

European Union

European Commission – *6th Communication from the commission to the Council and the European Parliament on the application of Articles 4 and 5 of Directive 89/552/EEC "Television without Frontiers", as amended by Directive 97/36/EC, for the period 2001-2002.*

France

Centre national de la cinématographie (CNC)

– *La production cinématographique en 2006 http://www.cnc.fr/Site/Template/T1.aspx?SELECTID=2540&ID=1671&t=1*

– *Les interventions du CNC dans l'animation en 2006 http://www.cnc.fr/Site/Template/T1.aspx?SELECTID=2639&ID=1756&Type=0&Annee=0&t=1*

Conseil supérieur de l'audiovisuel (CSA) *Broadcaster reports for 2005* http://www.csa.fr/infos/publications/publications_television.php?cat=9

Germany

Association of regulatory authorities (ALM) www.alm.de

– *ALM/Commission on Digital Access (GSDZ) Digitisation of the German television market*
– *ALM/GöfaK Medienforschung ALM Programmbericht Fernsehen in Deutschland 2005*

ARD *Media Perspektiven - Medien Basisdaten.* Media information database available online http://www.ard.de/intern/basisdaten/-/id=8192/version=5/so3vlp/index.html

Sweden

Kent Asp - Svenskt TV-Utbud - Report series produced for Granskningsnämnden (GRN) http://www.grn.se/grn/pages/Page____1009.aspx

Australia

Australian Broadcasting Corporation (ABC) - Annual reports http://www.abc.net.au/corp/annual_reports/arindex.htm

Australian Communications and Media Authority (ACMA)

– *Children's Television Standards 2005 http://internet.aca.gov.au/webwr/_assets/main/lib310132/childrens_tv_standards_2005.pdf*
– *Children's Television Standards Review - Children's Television Production Project http://internet.aca.gov.au/webwr/_assets/main/lib310132/childrens_television_production_project.pdf*
– *Communications Report 2005-06 http://www.acma.gov.au/WEB/STANDARD/pc=PC_300375*

Australian Film Commission (AFC) – National Survey of Feature Film and TV Drama Production 2005/06 http://www.afc.gov.au/downloads/pubs/nps.pdf

Canada

Canadian Film and Television Production Association (CTFPA*) The Case for Kids Programming - Children's and Youth Audio-Visual Production in Canada. February 2007.* Report in association with Shaw Rocket Fund, Alliance for Children and Television and National Film Board of Canada. Prepared by Nordicity Group Ltd, February 2006. http://www.cftpa.ca/news/press/cftpakidsfinalfacing.pdf [accessed 07/09/07]

Canadian Radio-television and Telecommunications Commission (CRTC)

– *Broadcasting Policy Monitoring reports 2005/06*
– *Annual reports to CRTC Canadian Broadcasting Corporation (CBC) / Société Radio-Canada (SRC) 2005/06 .*

USA

Federal Communications Commission (FCC)

– *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, March 2006 http://fjallfoss.fcc.gov/edocs_public/attachmatch/FCC-06-11A1.doc*
– *Information on children's educational television obligations* http://www.fcc.gov/mb/policy/kidstv.html

PBS *PBS KIDS® Backgrounder & Facts* http://www.pbs.org/aboutpbs/aboutpbs_corp_pbskids.html

A3.9 Acknowledgements

We would like to thank the following organisations whose data we have relied on in the report: Association of regulatory authorities (ALM), Australian Broadcasting Corporation (ABC), Australian Communications and Media Authority (ACMA), Canadian Film and Television Production Association (CFTPA), Canadian Radio-television and Telecommunications Commission (CRTC), Centre national de la cinématographie (CNC), Conseil supérieur de l'audiovisuel (CSA), Federal Communications Commission (FCC), GöfaK Medienforschung, Granskningsnämnden (GRN), Kent Asp, Médiamétrie, Public Broadcasting Service (PBS), Screen Digest, Sveriges Television (SVT), Zweites Deutsches Fernsehen (ZDF) and Shaw Rocket Fund.

Annex 4

References

Barwise, Patrick (2004) *Independent Review of the BBC's Digital Television Services* (DCMS)

Blumler, J. G. (1992). *The Future of Children's Television in Britain: an Enquiry for the Broadcasting Standards Council*. London: BSC.

Bonner, Paul et al (2003) *Independent Television in Britain, Volume 6: New Developments in Independent Television* 1981-92. London: MacMillan

Briggs, Asa (1995*) The History of Broadcasting in the United Kingdom* (5 vols.) (Oxford University Press)

Buckingham, David et al, 1999: *Children's Television in Britain* London: BFI

Davis, Anthony (1976) *Television: The first forty years*. London: Severn House Publishers

Fantome, Christina (2006) *The strategic development of children's programme provision on Five* Journal of British Cinema and Television, Vol 3 number 2

Foster, R., Egan, J. and Simon, J., (2004) *Measuring Public Service Broadcasting*, (Ofcom). Available via http://www.ofcom.org.uk/tv/psb_review/reports/psb/

McGown, Alistair (2003) *Children's Television*. BFI: www.screenonline.org.uk

Mulgan, G. (1990) *Essay: Television's Holy Grail: Seven Types of Quality, The Question of Quality* (BFI Publishing, London)

Home, Anna (1993) *Into the Box of Delights: A History of Children's Television* London: BBC Books

Potter, Jeremy (1990) *Independent Television in Britain*, Volume 4: Companies and Programmes, 1968-80

Sendall (1982) *Independent Television in Britain*, Volume 1: Origin and Foundation, 1946-62 London: Macmillan

Sendall (1983) *Independent Television in Britain*, Volume 2: Expansion and Change, 1958-68 London: Macmillan

Williams, Steve (2002) *And now, for younger viewers*… www.offthetelly.co.uk

.

Annex 5

Interviews and discussions

Figure 170: List of stakeholders interviewed

Organisation	Organisation
Aardman Animations	Jetix Europe N.V.
BBC	Kids Industries
BBC Trust	Kindle Entertainment
Channel 4	Pact
Chart Show Channels Ltd	Ragdoll
DCMS	RDF Media
Discovery Kids	S4C
Darrall Macqueen	Save Kids TV
Five	SMG Productions
Floella Benjamin Productions	Turner Broadcasting
GMTV	Viacom (Nickelodeon)
Hit Entertainment	Voice of the Listener and Viewer
ITV plc	The Walt Disney Company
International Broadcasting Trust	

Figure 171: Attendees of academic community discussion - 8 May 2007

Organisation	Attendees	Organisation	Attendees
Oxford University	Andrea Millwood-Hargrave	Leicester University	Barrie Gunter
London University	David Buckingham	Goldsmiths	David Oswell
Westminster University	Jeanette Steemers	London School of Economics	Sonia Livingstone
'The Media Diet for Kids'	Louise O'Flynn, Teresa Orange		

Figure 172: Attendees of independent production discussion – 10 May 2007

Organisation	Attendees	Organisation	Attendees
Novel Entertainment	Mike Watts	Griffilms	Sioned Wyn Roberts
Foundation TV productions	Ged Allen	Feelgoodfiction	Laurence Bowen
Libra	Maddy Wiltshire	PACT	Adam Minns
Millimages	Jonathan Peel		Alex Kirby