



Sharon White  
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17<sup>th</sup> April 2019

Dear Sharon,

I am writing in response to your letter last July for the commercial PSBs to develop a robust plan for improving the provision of children's content and to respond to Ofcom by the end of March.

Over the last few months, a working group drawing on expertise across Channel 4 has developed a plan to enhance our provision of content for children and I'm pleased to formally share our plans with you, following a presentation to your team last month. We are excited about the potential for our new plan to reach a teen audience with publicly valuable, relevant and engaging content, and to build on and complement our existing strengths in appealing to younger people.

Our plans consider the findings of your children's content review published last year, which highlighted three areas of particular concern:

- A lack of original, high-quality programmes specifically made for older children across all programme genres.
- A limited range of children's programmes that help children to understand the world around them.
- A limited range of original, high-quality children's programmes available

Channel 4 agrees that content aimed at younger audiences is important. The public service broadcasters have a significant role to play in addressing the concerns you outlined, alongside programmes and services we already provide for older children and building on our experience of providing educational content to teens. We are aware of the live debate about the lack of content for children across the broadcasting sector and how the provision of children's television has been a key area of concern for Ofcom and Parliament. We agree that it is important that children have access to high-quality, original programmes that reflect and are relevant to their lives and interests.

We have also considered Ofcom's view that the most effective way for PSBs to serve young audiences is by harnessing the potential of the internet to reach young people in innovative ways. We therefore welcome the position stated in your letter that linear content quotas on the main channel have decreasing relevance in the online world.

The plans we are presenting today have been informed by robust research, drawing on both our own research and Ofcom's findings around teens (e.g. who they are and how they use media). Our working group has included representatives from commissioning, strategy, research and policy to develop what we believe is a very compelling proposition.

### **Channel 4's new proposal – a digital-first proposition for teens**

Despite our success on linear with our broad appeal strategy, we know that young people are watching less linear TV and online video is now well established as children's favourite way of watching content.

Therefore, we are excited to be supercharging our existing provision for children with a digital-first proposition targeted at 13-16-year-olds, offering short and mid form original content. This content, which will include a seven-figure investment in original commissions, will be made available on YouTube, as well as being distributed on Instagram, Snapchat and Facebook – reflecting where teen viewers are spending increasing amounts of their time.

Channel 4's brand values will be at the heart of the content, with a commitment to be innovative, distinctive, reflecting the diversity of the UK and giving a platform to unheard voices. Our teen digital channel will also have its own personality, tone of voice and world view and it will be based around three editorial pillars:

- *Real* – Content that 'matters' and is thought-provoking, unfiltered and emotional. Content ideas could include: talent/influencers who talk about their life experiences, quick-fire takes from talent/influencers on topical issues and hard-hitting themes.
- *Funny* – Content that is 'light hearted' and is funny, cheeky and entertaining. Content ideas could include: low-cost scripted comedy, challenges and hidden camera.
- *Aspirational* – Content that is 'aspirational', motivating and positive. Content ideas could include: talent/influencers offering their own style tips, talent/influencers offer their own insights into subjects like getting a job or setting up a business and music talent stories.

We envisage that the content for this proposition would be sourced from a mixture of newly commissioned content and existing Channel 4 programmes (re-versioned where necessary so they are appropriate for this audience). We anticipate that this will see content regularly added each week, expected to amount to at least 150 videos per year (dependent on mix of short and mid form). We will be appointing a commissioning lead to oversee this in due course.

#### Why 13-16-year-olds?

We have focused this proposition on the younger teen demographic (13-16-year-olds) because:

- a) 13 is the minimum age to register on social platforms.

- b) There is a gap in the market for young teen content provision, as identified by Ofcom.
- c) They are a natural extension of Channel 4's main target audience.

### Why YouTube?

We plan to focus on a YouTube proposition (but with the aim of flexing to other digital platforms as well) given your recently published research which found that:

- a) YouTube remains children's primary online destination, with 80% having used it.
- b) 12-15s prefer watching YouTube content rather than linear TV programmes (49% YT vs. 16% TV).
- c) Have greater brand awareness of YouTube [and Netflix] than the BBC.

In addition to addressing Ofcom's concerns, a teen digital proposition is also important for Channel 4 as a business. It allows us to access and then build a relationship with this audience that is increasingly migrating towards global giants. It also allows us to create a testbed for talent, formats and ideas which may potentially migrate to linear in the future.

Crucially, what's important about our proposition is that we will go to where these audiences are, rather than expecting them to come to us. We believe that we can more successfully reach teens this way.

Furthermore, the approach towards digitally-native content is also very much aligned to our current Digital Creative Unit plans, which we discussed during our last meeting and will be based in Leeds and focused on commissioning and creating digital content

### **Launch**

I hope you will share our view that our new plans are a really exciting opportunity to create something new and bespoke for teens in the digital space, whilst being grounded strongly in our heritage of public service broadcasting. It leverages Channel 4's strengths, addresses the gap in the market for high-quality content for this demographic and continues to promote public service values with young people.

### **Existing provision for children**

We envisage that our new proposals will complement and add to our existing provision for older children.

Channel 4 has always had a particularly significant role to play in reaching younger people with public service content across our output and we have explicit duties to cater for these audiences. Within the UK, we have appeal disproportionately to younger audiences than to the wider population. This stems from the values in our remit – touching on themes and issues that resonate with younger people and help them better understand the world – that mean that we have always been a counterweight to the more mainstream BBC and ITV.

Channel 4 has always had an obligation to provide educational content, which has been focused on the teen age group of 14-19. Latterly we have been required to address a gap in provision for older children with a new obligation introduced to appeal to this age group

since 2010 – which is agreed with Ofcom to address the 10-14 age group. Over the years we have experimented with different ways of delivering this part of our remit, and our stated financial commitment has grown from £1m to £5m per year.

From 2010-2012, our investments for this group were focussed in commissioning online games and animation. We then shifted our strategy to focus on targeted multi-episode, pre-watershed drama (e.g. Youngers) in 2013 – 2014, but while we had significant success with these programmes their impact was necessarily limited given the relatively small audience sizes.

In 2015, we launched our current strategy – rather than focussing a necessarily smaller budget on content made specifically for this audience, Channel 4 would seek to focus investment in peak time, pre-watershed, high-quality, distinctive content which is designed for a wider audience but contains storylines and elements which are specifically designed to appeal to this group.

Spend on programmes that appeal to older children increased by £1 million, to £8 million in total in 2018, a 16% increase year-on-year, with programmes including Lego Masters and Alone at Home. Our emphasis to place programmes which appealed to 10-14s in the pre-watershed, 8pm timeslot meant that we saw a 12% increase in share with this group in this slot in 2018. So far for 2019, 10-14 share in the 8pm slot is up at least +16%.

It is worth noting that our experience from our existing provision demonstrates the extent to which children's content is an area where there has been a greater degree of market failure than other genres. The provision of content in this genre is a systemic problem which has resulted from the difficulties associated with successfully monetising this content as a result of changing audience patterns and commercial constraints around its funding.

However, we believe that the plans we are sharing with you here represent a significant step in creating public service content that will resonate with the hard-to-reach teen audience in a way that touches on the themes and subjects that matter to them, and in the places where they spend their time. We are looking forward to getting our plans underway soon.

I hope you will agree. We will keep you posted as things develop and in the meantime would, of course, be very happy to discuss any aspect further with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'AM', with a long horizontal stroke extending to the right.

Alex Mahon