

Ofcom Review of Channel 4 Corporation delivery of its media content duties (2010 – 2013)

Consultation Response from The Children's Media Foundation

1. Background

The Children's Media Foundation www.thechildrensmediafoundation.org is a not-for profit organisation supported by public donation, which campaigns for greater range and variety in the content provided for children and young people in the UK, advocates a research-based approach to policy and regulatory decision-making, and supports the production of UK-based programming that offers British children the opportunity to hear their own voices, experience their own stories and explore their own culture and society.

2. Introduction

Our response to the consultation has been considered in the context of the Ofcom Public Service Content Review (2014) and the BBC Trust consultation on the future of BBC Three and proposed associated changes to BBC services such as the CBBC Channel.

The response will focus on the key findings of the review as they relate to the children's and youth audience, which Channel 4 have defined as "older children" 10-14 years old and "young adults" 14-19 years old.

3. Summary of key findings in the Ofcom Review with CMF reactions to each.

"At a genre level, the picture of provision and performance is mixed."¹

Limited provision of content for older children

2.9

C4C has a duty to make media content *that appeals to the tastes and interests of older children and young adults*. Over the review period C4C moved away from an online-only strategy for the provision of content for older children and young adults (defined by C4C as 10-14s and 14-19s respectively) to a multi-platform approach including television. Expenditure on programming specifically for these groups fell by 19.2%; from £9.9m in 2010 to £8m over the period. During that time the vast majority of spend and originated hours was targeted at 14-19 year olds. However, spend on new content for 10-14s did increase over the period, albeit from a very low base of around £148,000 in 2010 (1.5% of the £9.9m spend allocated to this duty), up to £2.2m, or 27.5% of spend, in 2013. This delivered four hours of content in 2013 (the E4 eight-part 30-minute drama series *Youngers*). Given the limited content provided for 10-14 year olds by the PSB system as a whole (other than by the BBC), and C4C's specific obligation to this age group, we consider that the level of original content provision targeted at this age group demonstrates a relative lack of ambition by C4C in the meeting of this duty.

¹ Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p8

The 19.2% reduction in spend on both age-groups since 2010 is regrettable². The fact that even at its peak only 27% of the spending was on the younger group is an indication of lack of commitment to the 10-14 audience.

Four hours of content³ for 10-14s is certainly not a “service”.

We feel we should also point out that the statement in 2.9 suggests the BBC provides content for 10-14s. But their offering is extremely limited and there is no plan for additional funding for the extra airtime proposed in the extension of CBBC Channel hours. They're not a significant provider. No broadcaster is. Hence the importance of the Channel 4 commitment.

We agree that this shows a significant failure of ambition, and have on several occasions, during the three-year period under review, questioned Channel 4 directly about the effectiveness of such an unambitious strategy and the extent to which they consider they are delivering against the commitments they made.

2.10

Consumption patterns for 10-15s were a more exaggerated version of the trends for all audiences. The loss of share to the main channel over the review period among 16-24 year olds was greater than for any other age group (26.3%), followed in second place by 10-15s (25.8%). However, increases in viewing to the portfolio channels by both age groups helped reduce the overall decrease in C4C's total TV family's share for 10-15s (down 4.4%) and for 16-24s (down 5.8%) between 2010 and 2013. The relatively youthful profile of C4C's channels also meant that despite the sizeable declines in share to the main channel, the C4C family of channels as a whole continued to perform better among these age groups than for all individuals (12.9% audience share for 10-15 year olds and 17.8% for 16-24s in 2013, compared to an 11.0% share for all individuals).

The decrease in share amongst 10-14's across the portfolio of channels is not major, as clearly the C4C family of channels is providing a range of content of interest to them. But C4C is not offering sufficient content that is specifically targeted at their life-stage needs. In our opinion that should be an important part of the mix which makes up “...*media content that appeals to the tastes and interests of older children and young adults.*”

2.11

We consider C4C delivered its obligations to provide content for young adults (14-19s). However we are concerned about the extent to which C4C met its duty to provide content for older children, given that the volume of provision for 10-14 year olds remains very limited. We will seek information from C4C to better understand its future strategy for content provision for 10-14 year olds.

At what point will Ofcom act to sanction Channel 4 for this failure to meet its commitments? What powers does Ofcom have in in this case? And what sanctions might be brought to bear?

2.12

The annual Statement of Media Content Policy (SMCP) provides a mechanism for Ofcom to engage with C4C on the full breadth of its media content policy and performance. Through this process we have previously

² Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p40

³ Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p42

highlighted the need for C4C to establish effective ways of measuring the impact of its strategy for content targeted at 14-19 year olds. We welcome C4C's acknowledgement in its 2013 SMCP of the need to address this issue through research measures beyond direct ratings and we continue to urge C4C to take this forward. In the light of this review's provisional findings on 10-14 year olds, we suggest the younger age group is also included in C4C's research considerations.

Research will be valuable as to the effectiveness and penetration of the existing limited provision, but the evidence of lack of commitment is clear now, with no need of further research.

2.13

In addition we suggest that disaggregating the figures in future SMCPs, to show content spend and hours for each of the two age groups, would deliver more transparent reporting and facilitate more precise monitoring of delivery of the two parts of this duty.

The CMF agrees with this recommendation. There should be transparency of reporting to make assessment of delivery against commitments easier.

2.14

As the continued low provision of original content for older children is not limited to C4C, there is a broader question about the provision of children's programming across the PSBs, which is considered in the PSB Review.

It is clear that little content is being made specifically focused on the 10+ age range, across the UK's media suppliers.

The BBC is planning to extend the airtime of the CBBC Channel by two hours and has proposed that one hour of that (8-9pm) each day be dedicated to the 10-12 demographic. Unfortunately there are no plans for additional funding to pay for fresh content for these slots, so we have questioned the effectiveness of the plan in the Children's Media Foundation's response to the BBC Trust Consultation about the proposals.

Though there are 30+ children's channels available in the UK very little content is aimed at older children. CITV channel targets 6-10 year olds, Channel Five focuses on pre-school. While there are cross-over programmes which can appeal to older children, the international channels' main focus is up to 10s.

Broadcasters seem reluctant to compete with the multiple media outlets which call up on 10-14's time – including games consoles, VOD online, mobile and social media. This audience is not a target of toy advertising, so the funding models for content are less clear.

However this age group likes and watches origination. The Ofcom PSB Annual Report (2014) revealed a strong desire amongst younger audiences to see first run originated content made in the UK.⁴ The importance of originations in a successful schedule is clear. BBC Children's spend on first run originations in 2013 was approximately 90% of its entire content budget.

⁴ **Deliberative audience research into the proposed changes to BBC Three, BBC iPlayer, CBBC and BBC One + 1**
Research report from PAPA - September 2014 p56

Equally, it is clear from Ofcom's research in the PSB Tracker (2013) that while 70% of parents consider it important that C4 "*provides a wide range of high quality and UK-made programmes for older children*" only 40% think that they do⁵. This suggests that additional provision for older children will increase approval ratings in general for C4.

Channel 4's intervention in committing to older children was valuable for the audience, but also important to stimulate the market for challenging content for kids amongst programme suppliers, which is part of the channel's role. We would respectfully suggest that the early steps taken with series like *Youngers* should now be expanded into more originated content for the 10-14 age range, both on television and online.

Channel 4 lists commissioning "*The Snowman and the Snowdog*" as effective amongst the 10-14 audience⁶. A 31% share amongst the age-range is impressive, but the programme is a Christmas special, which makes it not only a one-off phenomenon, but also essentially a family viewing experience. So a broad audience demographic might be expected.

Of more relevance are the research insights on the series "*Youngers*" which was Channel 4's only commission aimed squarely at the 10-14 audience in 2013 and 2014. "*C4C reports that the series attracted 60% more 10-14 year old viewers than the average for that slot in the schedule. C4C also reports that more than three-quarters of the 10-14s interviewed agreed that Youngers was aimed at people like them, and that the show was different from anything else on TV at the moment.*"⁷ This is an impressive record. The series is clearly having an impact. But after 8 episodes it disappeared from the schedule until the following year.

We would suggest that Channel 4 capitalise on this potential for a loyal audience of older children and extend the commissioning of longer runs and more series of relevance to their life stage needs.

To facilitate this, Channel 4 should consider how its suppliers might use the recently announced children's programme tax incentive to support more programming for older children.

The BFI are once again investing in the development and production of family and children's films. Channel 4 should consider whether occasional support for challenging feature-length content for older children might also be a way to attract an audience. Currently with so little volume being produced it is impossible to offer a "service" or "destination" for the age range. The marketing and distribution of feature films could provide a method of getting content noticed, in advance of television exposure.

In conclusion

Ofcom seem inclined to allow significant leeway in interpretation of the commitment made by Channel 4 to serve the older children's audience:

⁵ Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p45

⁶ Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p43

⁷ Ofcom: Review of Channel 4 Corporation's delivery of its media content duties (2010 – 2013) p43

“We acknowledge that providing content for 10-14s is particularly challenging. Children’s output illustrates the tensions between C4C’s duties and its need for commercial funding, and this is likely to have contributed to its decision not to commission more in this area. The commercial imperatives weigh heavily against provision, because this type of content does not attract large audiences or generate significant advertising revenues, and providing a higher volume of this genre may result in C4C being able to offer less of other types of PSB content. We note that C4C considers provision for the 14-19 age group a more natural fit with the rest of its output, and so has focused its efforts in this area.”⁸

The Children’s Media Foundation recognises the commercial pressures on Channel 4. However we would contend that the lack of advertising revenue in the 10-14 market should have been taken into consideration when the commitment was made to serve the older children’s audience.

We support Ofcom’s request for more information on C4C’s future strategy for content provision for older children.

Our request to Ofcom is that they clarify at what point C4C’s failure to deliver will be subject to sanctions and what those sanctions might be.

Ofcom has rightly identified market failure in provision for 10-14 year olds. It is important that a public corporation like Channel 4 helps to remedy this by taking the confident step of supporting this under-served audience on TV and online and spending more. Ofcom should use any powers it has to ensure that this happens.

Greg Childs
Director, The Children’s Media Foundation

⁸ Ofcom: Review of Channel 4 Corporation’s delivery of its media content duties (2010 – 2013) p45