



**EQUITY RESPONSE TO THE OFCOM DISCUSSION PAPER
“THE FUTURE OF CHILDREN’S TELEVISION PROGRAMMING”**

INTRODUCTION

1. Equity is a trade union representing 37,000 performers and creative personnel who work across the whole spectrum of entertainment in the UK. Our members work in a range of media and the creative industries including visual broadcasts, sound recordings and film. These Equity members work principally in drama, comedy or entertainment roles.
2. Therefore any decisions regarding the future of children’s programming across traditional and new media are likely to have a direct impact upon the production, distribution and funding of our members work.
3. Equity is also a member of the campaign group Save Kids’ TV and broadly supports the proposals it is seeking to develop and contained in its submission.

BACKGROUND

4. The UK has a worldwide reputation for creating some of the best children’s programming. The children’s genre is the UK’s biggest television export genre after film and drama, accounting for 15 per cent of exports of all finished television programme exports, and exports of UK children’s programming outperform children’s exports from other countries.
5. It takes great skills and great talent to achieve that world-class success. It takes years to hone these skills, to be able to consistently create world-class children’s shows that are exported internationally. Yet we are in danger of losing these skills forever.
6. The decline in funding has not only hit the production sector dramatically, it has also affected the talented performers, writers, creators and producers to work in this area of television. Those Equity members who continue to do so are seeing ever increasing pressures on their fees. As a result they are often expected to work outside standard industry contracts, as producers seek to save money by minimising secondary payments owed to the performers when programmes are sold or exploited in other markets (e.g. through royalty payments in Equity’s collective agreements).
7. It is important to ensure that there is sufficient incentive for talented people to continue to work in the production of high quality programming for children, and to ensure that these skills to be passed on to the next

generation of people entering the industry. Children's programming has been a testbed for new, young talent in the industry to develop their skills and often go on to other genres. Performers and presenters who got their break in children's include Lenny Henry, Phillip Scofield, Ant & Dec and Tony Robinson. Behind the camera, there is a long list of writers, directors and other crew members. It is extremely hard to see who will provide this expertise to nurture the talent of the future and how new talent will be able to come through.

GENERAL ANALYSIS AND CONCLUSIONS

8. The production of UK-originated children's programming is clearly in crisis. Ofcom already identified in its review of public service broadcasting (PSB) that TV audiences are fragmenting, largely due to growth in number digital channels. This creates pressure on broadcasters' advertising revenues, which in turn creates pressure on broadcasters' investment in programme creation. Restrictions on advertising to children of food and drink shrunk potential advertising market further.
9. Ofcom's research provides helpful evidence of the impact of these changes. One of the most striking facts is that in 2006, despite the popularity and importance of UK-originated programming, only 17 per cent of programmes broadcast were from the UK and only 1 per cent of total hours was UK-made programming broadcast for the first time.
10. In addition, it is helpful that Ofcom has been able to provide more detailed information on the way in which the changes in broadcasting are affecting on particular types of high quality, public service-oriented programmes for children. In particular, Equity is concerned at the big decline in production of first-run UK-made drama and entertainment for children by public service broadcasters between 2004 and 2006 – with drama expenditure down 37 per cent (from £41m to £26m) and entertainment down 47 per cent (from £58m to £31m) (para 3.2.11).
11. It is in this context that Equity would stress the requirements of the Communications Act, which stipulates that children's programming is a core part of public service broadcasting and that such public service television broadcasting should include "a suitable quantity and range of high quality and original programmes for children and young people" (section 264(6)(h)).
12. The Act may determine this by looking across all the PSB channels (BBC, ITV, Five, Channel 4) and judging their output "taken together". Yet, it is unlikely that the intent of the Act was for public service broadcasting to be delivered principally by a single significant provider through the BBC.
13. While there is still some limited choice for pre-school children, between the BBC and Five, for any child over 7 there now no real choice. It is either the BBC or the relatively tiny amount on the cable and satellite services amongst a mass of imported shows.

UK-ORIGINATED PROGRAMMING

14. UK children's programming is a vital part of public service broadcasting – not least because of television's role in developing children's sense of identity. UK-made children's TV can reflect the lives children lead today, helping them to understand the world around them and providing them with their own set of cultural references.
15. As Ofcom discovered a clear majority (78 per cent) of parents regard children's programming that shows a range of different cultures and opinions from around the UK to be of high importance, but less than half (43 per cent) think it is being delivered satisfactorily (para 5.2.5). The gap between expectations and delivery of this characteristic is greater for children's programming than for adult programming.
16. This supports earlier audience research by Ofcom's predecessor, the ITC, which concluded parents view programming from the UK as culturally important. A recent YouGov study for Pact also found that 70 per cent of parents agreed that UK-produced programmes contributed to the UK's cultural identity.
17. Crucially children also like UK-made shows. It is not true that children just want to watch American cartoons or play computer games. Socially beneficial, home-grown programming is also very popular amongst audiences. Consequently UK children's programmes punch above their weight – they may only account for 17 per cent of the children's programmes on UK television, but that have a 34 per cent market share.
18. Ofcom's own research report into the benefits of children's programming also states that "it is well recognised through academic research that older children can learn useful social lessons from problem-related storylines in popular drama programming" (p.15). Dramas such as *Grange Hill* and *Children's Ward* have helped children come to terms with difficult emotional subjects.
19. This was also the conclusion of the House of Commons' Culture Select Committee in its recent Public Service Content Review – "we believe that UK-produced content plays an important role in maintaining children's cultural identity." In this way, television can also include and unite, telling shared stories and providing children and young people with a common culture and developing a shared social identity.

PLURALITY IN PROVISION

20. Equity continues to believe that plurality in the provision of PSB is vital to its success across a range of programming. In its review of public service broadcasting in 2004 and 2005, Ofcom also demonstrated a welcome commitment to ensuring an enduring and pluralist system of PSB for a digital age, with a variety of providers.

21. In children's programming plurality and competition helped to create the conditions that enabled the UK to make some of the best children's shows in the world. Many of the most engaging and innovative public service programmes for children – from Blue Peter to Magpie, Grange Hill and Rainbow – were a result of the BBC and ITV competing head to head during an intense period of creative competition.
22. However as Ofcom has concluded, there have been significant changes in recent years. As a result "There are few commercial incentives on broadcasters to commission UK-originated children's programmes, 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" (para 9.2.1).
23. Against this background ITV has been able to halve the number of hours of children's shows it is required by Ofcom to broadcast, a move which has led it to stop commissioning any new UK shows. Channel 4 stopped commissioning a number of years before ITV withdrew, while Five recently stopped broadcasting or commissioning any shows for children over 7.
24. The result is that investment from commercial broadcasters like ITV, Channel 4, and Five has collapsed. The value of shows on television screens last year is 50 per cent down over the last decade (even more if stock programming commissioned before the most recent round of cuts is excluded). While the BBC's investment has increased significantly over this period, it is now to be cut over next few years by 10 per cent, possibly more.
25. The scale of these reductions is particularly concerning to Equity given Ofcom's duty under the Communications Act to ensure "a suitable quantity and range of high quality and original programmes for children and young people". If Ofcom is unable to intervene to prevent such dramatic changes then it could be argued that it is either failing in its duties, or that the legislative support for PSB is insufficient.
26. It seems reasonably clear that the intention of the legislation was to ensure that children continue to have access to a choice of high quality programmes. However the choice is narrowing considerably, with an over reliance on the BBC as the main provider, so that in 2006 it accounted for around 75 per cent of all new UK produced original programming for children.
27. It is unreasonable to expect the BBC to do everything. While the importance of its role should not be underestimated a single broadcaster cannot be expected to provide the full range and diversity of public service programming. The fact that My Life As A Popat, the only British-Indian

family on children's television, was commissioned by ITV illustrates part of the danger.

28. However, there does appear to be a consensus that it is not acceptable to leave the BBC as the monopoly provider of children's PSB programming. Ofcom has been clear that it does not consider the BBC alone to be enough; the Culture Select Committee agreed stating that: "We regard the maintenance of plurality as an important public policy objective"; while the Government's support for plurality was clear in the BBC Charter Review. Moreover, the BBC itself recognises the need for competition from other broadcasters.
29. Equity would add its support for plurality in provision, but would also support calls for greater plurality from within the television production sector itself. Smaller producers of children's programming are increasingly threatened by continuing consolidation by large independent production companies, which narrow the diversity and range of providers. In addition, there is also a need to ensure regional diversity in production, to enable programming to reflect the whole of the UK and serve the interests of viewers.

POLICY APPROACHES

30. Ofcom has highlighted five different policy approaches that it has been discussing with stakeholders.
- Maintain status quo
 - Broadcaster-based interventions
 - Production incentives
 - Extending remit of existing PSB institutions
 - New institutions
31. Equity's position on each of these proposals is outlined below. However, it is important to note that Equity strongly believes that any public support for children's programming at some point in the future should be conditional upon the correct engagement of the workforce.
32. Therefore the use of appropriate contracts and respect for decent terms and conditions of those responsible for writing, performing and producing the work must be a condition of access to any such funding or incentives. This will help to ensure that leading "talent" also has an incentive to continue working in this area and produce high-quality programming.

MAINTAIN STATUS QUO

33. This approach would entail a continued over reliance on the BBC as the major provider, rather than plurality of broadcast providers. However, there appears to be a consensus that this is not an option if we wish to ensure that children's programming of a suitable range and high quality is to continue to be available. Moreover, Ofcom's findings already suggest

that “the public purpose relating to the Communications Act is not being met in some areas” (para 10.1.1).

BROADCASTER-BASED INTERVENTIONS

34. Equity would support fixed output quotas if this was part of a package of measures to make the production and broadcast of children’s television more attractive. Indeed quotas may be the only effective way of ensuring that all PSB broadcasters will actually transmit the children’s programmes, irrespective of any incentives provided.
35. Nevertheless, we also believe that a dedicated fund for commissioning children’s PSB programming should be explored. Although we would strongly oppose this being funded through “top-slicing” of the BBC licence fee. This would not provide any additional funding for the production of children’s programming and would undermine the ability of the BBC to continue to fulfil its remit.
36. Instead the support from such a fund could come directly from appropriate Government departments or from the lottery. Although the option favoured by Equity is the concept of a levy charged on the income of licensed broadcasters operating in the UK.

PRODUCTION INCENTIVES

37. Children’s programming is in a crisis now and requires a swift and urgent response from Ofcom and the Government. Consequently, Equity would urge Ofcom to examine the proposals put forward to provide a short term boost to the sector through the use of a tax credit.
38. However this proposed solution would not be without its problems. There would need to be consideration of the impact upon in-house production at BBC and ITV. If the proposed tax-break was only available to independent producers, this could call into question whether the associated production units within the broadcasters should receive a commensurate incentive in order to ensure a level playing field.
39. In addition, the tax break would need to be tightly defined to avoid abuse and incorporate a fixed end date (possibly in 2012 at the end of digital switchover). This would provide a clear incentive to develop alternative long term solutions for the funding, distribution and broadcast of children’s programming.
40. The viability of a production-based fund could also be explored in more detail, based on models in Canada and Australia. However, as with the tax incentive, this option does not deal directly with problem that children’s programming is deemed too expensive to show on the main channels because of the opportunity cost.

EXTENDING REMIT OF EXISTING PSB INSTITUTIONS

41. Again Equity would support an extension to the remit of other broadcasters, particularly if it were part of a package of measures to make the production and broadcast of children's television more attractive.
42. However, the more immediate priority for Ofcom should be to ensure the enforcement of the current statutory requirement. It is at least arguable that the recent dramatic decline in new UK-originated children's programming means that there is no longer an appropriate range and quality of children's programming on PSB channels – and therefore that even the current remit of the PSB broadcasters is not being met.

NEW INSTITUTIONS

43. Equity would support the creation of a new institution dedicated to the commissioning and broadcast of children's programming, through linear broadcasting and on new media. This option is being explored in further detail by Save Kids' TV and we support the work being done by this organisation. This option has a particular advantage as it avoids objections by broadcasters that even affordable children's programming (perhaps supported by a tax break), is too expensive to show on the main channels because of the opportunity cost.
44. This concept could be an extension of the work done around the proposed Public Service Publisher (PSP) and would specifically include the ability to fund, produce and distribute children's content. As far as funding this proposal is concerned, Equity would repeat its opposition to "top-slicing" and re-iterate that a levy could be charged on the income of licensed broadcasters operating in the UK. This levy would only be appropriate if broadcasters were unable to demonstrate significant PSB output. Therefore major commercial broadcasters on cable, digital and satellite (e.g. BSkyB) could also be required to meet a significant proportion of this cost. This is only reasonable given that they have established a lucrative position in the UK market due to initial "light touch" regulation.
45. In order to avoid a disincentive on commercial broadcasters to invest in PSB programming payment of this levy could be applied on sliding scale that represents the levels of PSB and original production. Therefore, a higher levy would be payable for lower levels of PSB, and vice versa. This method of operation could act to ensure that funding for PSB is either provided directly by existing broadcasters that have so far failed to provide significant investment in original production, or indirectly through the reallocation of a PSB levy.

CONCLUSION

46. Equity is pleased to have the opportunity to participate in this review and hopes that these comments are acknowledged as a serious attempt to address the difficult challenges that Ofcom has identified. We look forward

to further discussions and consultation during this review and in relation to the broader questions posed as part of Ofcom's review of PSB

47. Equity acknowledges the serious and thoughtful approach that Ofcom has adopted to this issue. However, we would reiterate our concern that there has already been a dramatic decline in high quality PSB programming for children, so much so that it is debatable whether they truly have access to a suitable quantity and range of high quality and original programmes as required by the Communications Act.
48. Unfortunately, Ofcom has so far seemed unable to address the problems adequately. Therefore we would support swift action to ensure that urgent measures are put in place to support such valuable PSB programming in future (outlined above), but will also be urging the Government to consider whether Ofcom's current statutory obligations and duties provide sufficient support for PSB.

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