



Public Service Broadcasting:
Report 2014 Annexes
Children's PSB summary

Annex 6

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1 Executive summary

This annex provides a more detailed look at children's programming featured in the main body of Ofcom's 2014 Public Service Broadcasting (PSB) Annual Report. While the main report provides data and analysis on public service broadcasting for children, this section will attempt to offer more insights by looking at:

- market developments across the children's broadcasting sector;
- the impact of an increasingly multi-media landscape on children's attitudes to and consumption of television content.
- where possible, taking account of analysis and historical data from 1998 to 2006 published in Ofcom's report *The Future of Children's Television Programming (2007)*; and
- Parents' opinion of delivery;
- provision by the commercial children's channels;

For the purpose of this report, analysis of S4Cs children's programming has been presented separately towards the end of the report.

For the purposes of this annex, channels that air children's programming have been defined as:

PSB channels: BBC One, BBC Two, ITV/ITV Breakfast, Channel 4, Channel 5, CBeebies and CBBC

PSB portfolio channels: CBeebies and CBBC

PSB main channels: BBC One, BBC Two, ITV/ITV Breakfast, Channel 4 and Channel 5.

Commercial PSB channels: ITV/ITV Breakfast, Channel 4 and Channel 5

Commercial children's channels: Baby TV, Baby First TV, CITV, Nick Jr., Nick Jr. 2, Nickelodeon, Nicktoons TV, Disney Channel, Disney Cinemagic, Disney Junior, Disney XD, Boomerang, Cartoon Network UK and Cartoonito (includes +1s)

The changing market context

There have been a number of changes in the children's broadcasting market during the period 2008-2013 that provide important context for our analysis.

Access to children's channels increases

Following digital switchover (DSO) 98% of 5-15 year olds and 99% of 3-4 year olds had access to digital television in 2013.¹ Furthermore, the majority of households with children (69%) had access to pay TV.² Thirty-one dedicated children's channels were available to view in 2013, 11 of which could be accessed without subscription.

Total hours on the main five PSB channels decline

Until 2012, the number of hours of children's output across the main five PSBs had remained broadly stable. In 2013, however, there was a 17% year-on-year reduction. This is primarily due to the BBC's decision to no longer air children's content on BBC One and BBC Two after DSO completion, instead choosing to air all children's programmes on CBeebies and CBBC.

Hours of first-run originations for the PSBs fell by 28% between 2008 and 2013

The majority of the PSB channels saw a reduction in first-run originations, bringing the combined total down by 28%; from 919 hours in 2008 to 666 hours in 2013. CBBC and CBeebies are the only PSB channels to have increased first-run originated hours over the period; with CBBC more than doubling the number of first-run hours, from 223 hours in 2008 to 470 hours in 2013.

Total hours on the commercial children's channels declined year on year as first-run originated hours more than doubled.

Increasing use of tablets to access content online

There has been a significant increase in access to, ownership of and use of tablet computers by children of all ages. In 2014, 71% of children aged 5-15 had access to a tablet computer at home. They are now the second most likely device – after laptops/netbooks – to be 'mostly' used by 5-15s to go online.³

Additional developments include:

- a) the requirement introduced by the Digital Economy Act 2010 for Channel 4 Corporation (C4C) to provide relevant media content that appeals to the tastes and interests of older children and young adults.⁴
- b) In 2012 the Government introduced a tax break to encourage development for big-budget UK-produced animations. CBeebies, Channel 5 and S4C have commissioned a number of animated children's programmes to take advantage of the tax break.

¹ Source: *Children's and parents' media use and attitudes survey* (Ofcom, 2014).

² Technology tracker (Ofcom, Q2, 2014), households with children under 18.

³ Source: *Children's and parents' media use and attitudes survey* (Ofcom, 2014).

⁴ Draft guidance note for C4C statement of content policy

[<http://stakeholders.ofcom.org.uk/binaries/consultations/807468/draft-guidance.pdf>].

How children's viewing has changed

It is not just the provision of children's TV that has changed; there have also been some notable shifts in children's viewing habits, particularly among older children.

The *Children and Parents: Media Use and Attitudes* research (Ofcom, October 2014) among 3-15s showed that:

- Television continues to play an important role in the lives of all children and is the most frequently-undertaken weekly media activity for all age groups, although this is more pronounced for younger children.
 - Children aged 3-4 and 5-7 spend around double the number of hours a week watching TV than going on the internet, playing video games or listening to the radio.
 - Children aged 8-11 still spend the most hours watching TV, but internet is becoming increasingly important.
 - For older children(12-15 year olds), this trend is even more pronounced and they now spend slightly more time on the internet than watching TV.
- Over half of 5-7 year olds and over a third of 8-11s cite the TV as the device they would miss the most. For 12-15 year olds the TV comes second to the mobile phone, which almost two in five say they would miss more than any other device.
- YouTube is integral to many children's viewing. Among all those who watch TV, one in five 12-15s (19%) say they prefer to watch YouTube channels than watching TV, and a further third (33%) say they like them equally.

BARB viewing data for children aged 4-15 show that:

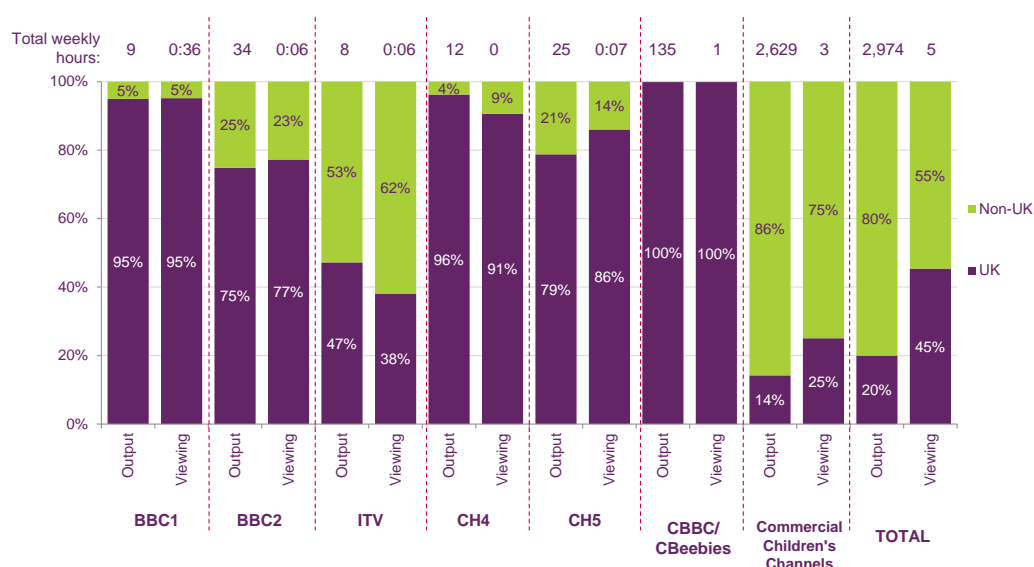
- Children spent on average 16 hours per week watching television in 2013.
- Just under two-thirds of children's TV viewing time in 2013 was spent watching content other than children's programming (referred to as 'adult programming' in this report).⁵ This proportion was higher for older children (81% for 10-15 year olds).
- Children's viewing of children's programming on the BBC portfolio channels has been gradually increasing since 2008.
- Viewing of children's content on the five main PSB channels fell by 71% since 2008; this figure was notably higher among older children (10-15 year olds), for whom viewing fell by 90%. This is driven by the BBC's decision to remove all children's programming from BBC One and BBC Two, as viewing to the BBC portfolio channels increased by 23% over the same period.
- In 2013 cartoons/animation was the most-watched type of children's programming, representing 32% of viewing to children's programming.⁶ It was followed by pre-school (31%) and drama (13%). Factual represented just 4% of viewing to children's

⁵ Programmes aired during adult airtime is defined as all airtime excluding programming on dedicated children's channels and children's programming slots on the main five PSB channels.

⁶ Across all children's channels and slots on the PSBs and commercial children's channels.

programmes. This pattern varied by age; younger children tended to watch more pre-school and older children more drama and sitcoms.

Figure 1: Proportion of output and viewer hours, by UK and non-UK programme origin, children 4-15: 2011



Source: Attentional / BARB (Programmes with BARB code Children's, demographic Children 4-15)

- According to analysis by Attentional research agency on behalf of Ofcom, children's viewing indicated a preference for UK-originated⁷ children's programming. While UK-originated content represented 20% of total hours of children's programming on air in 2011, it made up almost half (45%) of the time children spent watching children's content.

The views of parents

Ofcom's research with parents shows that children's PSB⁸ continues to be valued by the majority of parents. In 2013, 85% of parents/carers rated children's PSB as important.

In terms of delivery, 81% of parents agreed that CBBC, and 76% of parents agreed that CBeebies, provided a wide range of high-quality UK-made programmes for children.⁹ Scores for Channel 5 have been steadily increasing every year since 2010 and show a 22 percentage point increase: from 33% in 2010 to 55% in 2013.

Children's PSB provision in spend, hours and range

This part of the report considers PSB channel spend, broadcast hours, and range of children's programming. (Note: all spend figures are stated in 2013 prices).¹⁰ Using these

⁷ UK programmes include both *new* and *repeated* UK programming, whereas analysis elsewhere in the report focuses on *new* UK programming only, described as first-run originated content. Also, Attentional data is sourced from BARB whereas Ofcom's internal analysis is based on broadcaster returns.

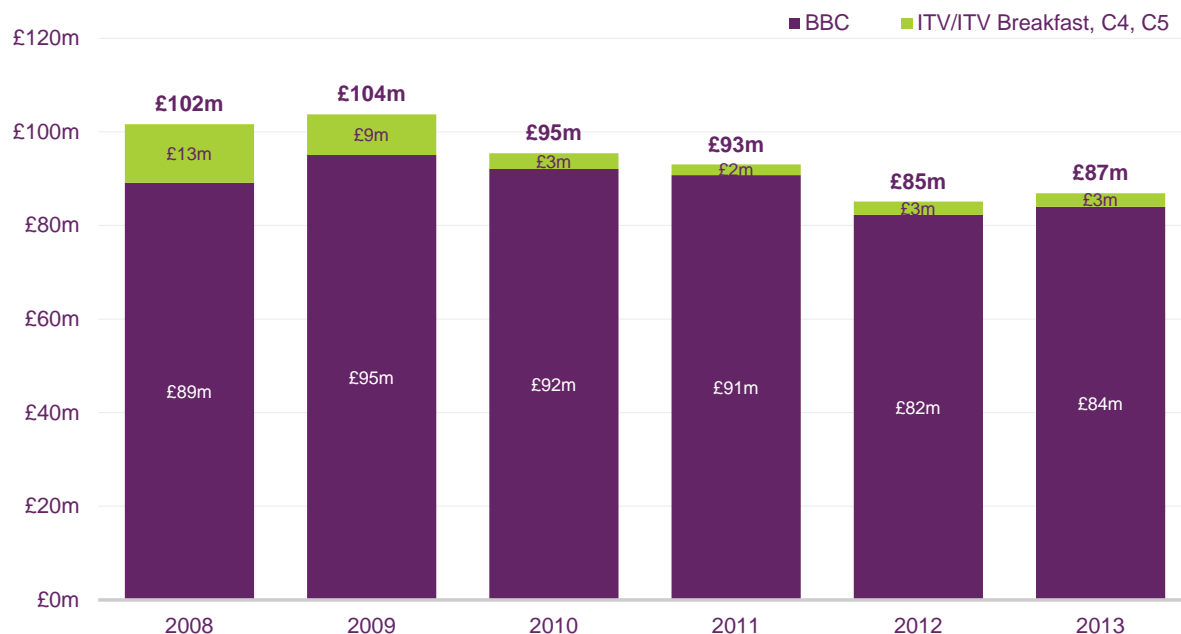
⁸ Parents' opinions on the importance of children's PSB 'it provides a wide range of high quality and UK-made programmes for children'. All whose children regularly watch any of the featured channels: BBC One, Channel 5, CBeebies, CBBC and S4C.

⁹ Parents' opinions on the delivery of children's PSB "it provides a wide range of high quality and UK-made programmes for children". Those whose children are regular viewers of each channel featured; CBBC, CBeebies and Channel 5.

¹⁰ The data and information expressed in this report have been adjusted for inflation. It is important to adjust for inflation when comparing nominal data at different points in time because with inflation, increases in nominal

measures, this report has identified the following changes in children’s PSB provision between 2008 and 2013:

Figure 2: PSB spend, children’s genre, first-run hours: 2008-2013



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. ITV includes ITV Breakfast.

Reduced spend

Total spend by the PSBs decreased in real terms from £131m in 2008 to £98m in 2013. The decrease was mainly due to a reduction by ITV/ITV Breakfast which scaled back production of original children’s programming and focused predominantly on repeats for CiTV, its dedicated children’s channel. Spend by the BBC has also decreased since 2008, but comparatively less than the commercial PSBs; BBC spend decreased by 8% compared to a combined 77% reduction from ITV/ITV Breakfast, Channel 4 and Channel 5.

Total spend on children’s programming has remained relatively stable year on year. In 2013 both the BBC and the commercial PSBs saw an increase in spend of 3% and 6% respectively.

In 2013, of all PSB spend on first-run originated content, the BBC contributed 97%, making it overwhelmingly the main investor in new children’s content across the PSBs.

The majority of PSB children’s content is repeats

In 2013, 90% of children’s content on the PSBs was repeats; this has remained broadly similar since 2007. In 2002 the proportion of first-run and repeated content was relatively even, but has since skewed towards repeats.

First-run originated hours on the PSB channels decreased by 28%; from 919 hours in 2008 to 666 hours in 2011. Apart from the BBC children’s channels, which collectively saw an increase of 79% over this period, all the other channels saw decreases ranging from 59% to 100%.

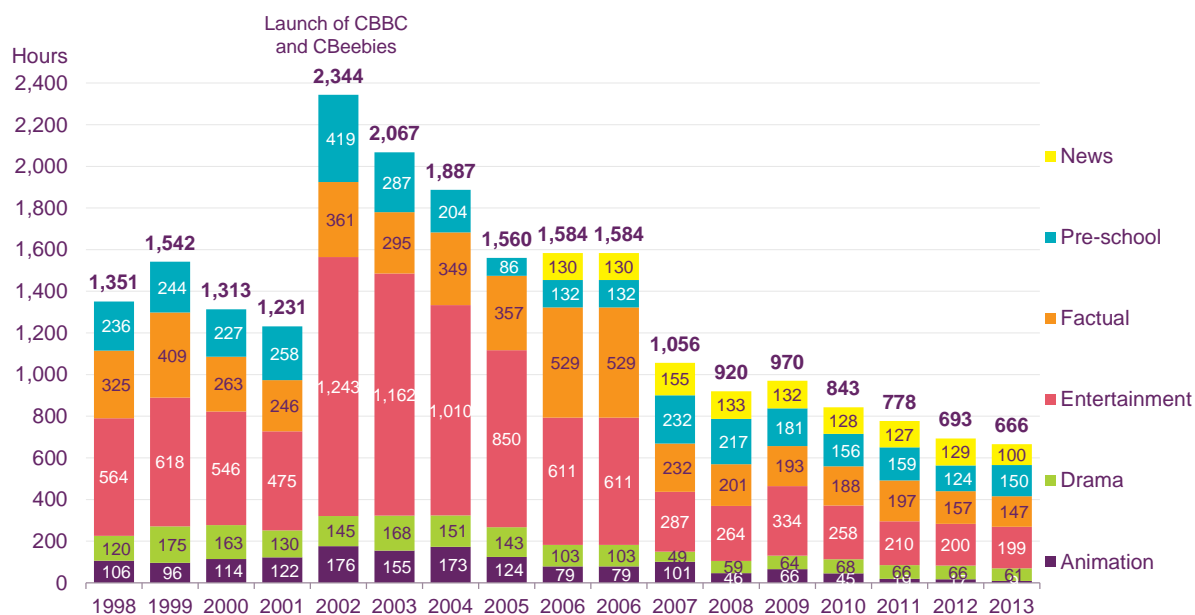
figures may simply reflect higher prices rather than increased production or purchasing power. We have used the 2013 Consumer Price Index (CPI) to maintain consistency with the figures published in the main 2014 PSB Review.

In 2013 only two of the five main PSB channels are now showing any first-run originated children’s content: ITV/ITV Breakfast and Channel 5. Proportionally, these two channels collectively contribute 12% of all first-run PSB children’s programmes; the BBC’s dedicated children’s channels make up the remaining 88%.

Slight increase in first-run UK children’s drama

Taking the PSBs as a whole, each genre, with the exception of drama, saw a decline in first-run originated hours between 2008 and 2013. UK children’s drama content saw a slight increase of 3%, from 59 hours to 61 hours over this period, broadcast entirely by the BBC.

Figure 3: PSB output, children’s genre, first-run hours by sub-genre: 1998-2013



Source: Ofcom/broadcasters. Note: ITV includes ITV Breakfast.

Since 2006, first-run animated content has declined by 80%; this is the biggest proportional decrease across the children’s genres over this period, followed by pre-school, which fell by 31%.

Across the PSBs, in 2013 the BBC was the only producer of first-run originated UK children’s drama, news and factual programming.

There has been a migration by the BBC to showing new programming on CBeebies and CBBC – these are the only dedicated children’s channels that are PSB channels.

A potential shift towards fewer first-run originations, at a higher cost

Between 2008 and 2013, the cost per hour on first-run originations increased across the PSBs, from £111k to £130k. While the majority of the investment comes from the BBC, ITV/ITV Breakfast, Channel 4 and Channel 5 cost per hour showed a 21% year-on-year increase.

First-run UK originated hours among the commercial mutichannels down over the last five years.

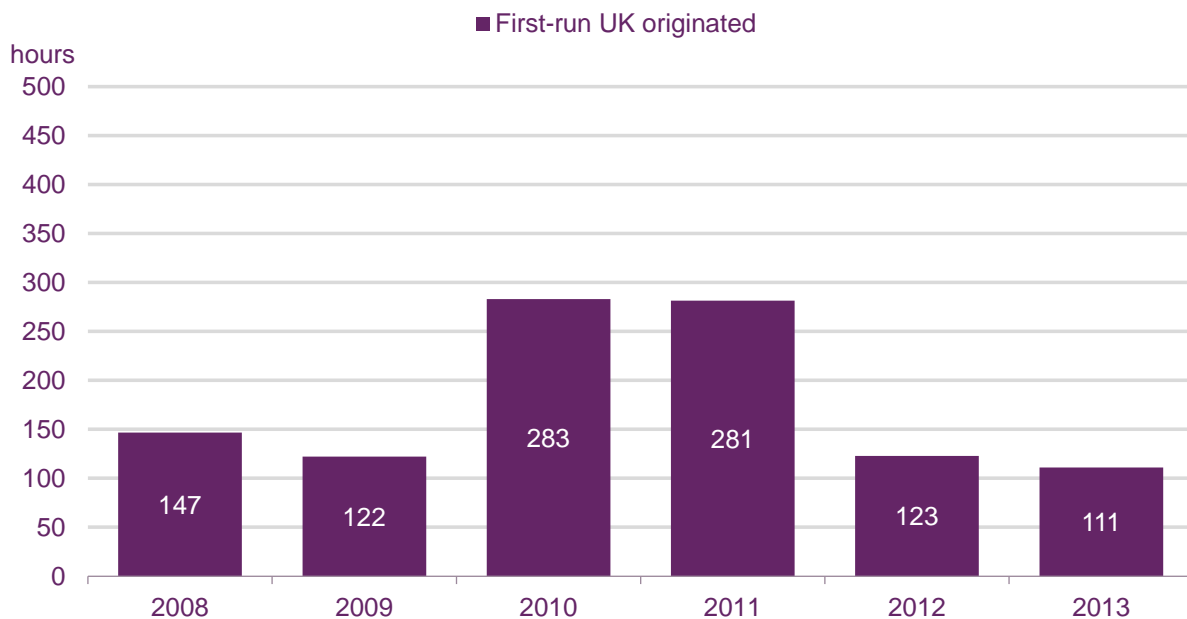
From 2008 to 2013, total hours on the commercial children's channels increased by 40% to 136,311 hours, as *total* first-run originations (including both UK made and overseas originations) decreased by 20% to 2,874 hours.¹¹ Year on year, however, the number of *total* first-run originations by the children's commercial broadcasters has almost doubled (81% increase) while total hours have declined by 7%.

Figure 5 looks specifically at first-run *UK originated* hours among the commercial mutichannels. The number of hours of first-run UK-originated children's content from the commercial children's channels is the lowest it has been during this period of analysis. In 2010 and 2011, output increased to around 280 hours, but in 2013 this dropped to just 111 hours.

The number of first-run UK-originated hours broadcast by the commercial children's channels in 2013 was approximately 4% of the 2,874 total first-run hours broadcast (including acquired content).

In 2013, 98% of content on the children's multichannels was repeats, compared to 94% of repeated children's programmes shown on the PSB channels.

Figure 4: Commercial children's channels' first-run UK-originated hours: 2008-2013



Source: Ofcom. Note: broadcasters include; ITV, Viacom, Turner, Disney, CSC and Baby TV. Output hours are based on running time.

¹¹ These figures are based on slot time hours of first-run in-house and commissioned productions. It excludes co-productions or repeats of UK programmes shown first by other broadcasters (i.e. secondary rights content). Includes channels by Baby Network Ltd, ITV plc, Nickelodeon UK Limited, The Walt Disney Company, Turner Broadcasting and BFTV Limited. Excludes BBC portfolio channels and CSC Media Group Limited.

S4C

S4C is a wholly Welsh-language channel that offers a range of programmes for younger and older children as well as programmes for teenagers.¹²

The number of hours of first-run Welsh-language children's programming has more than doubled since 2008; from 315 hours to 672 hours in 2013.

S4C's *Cyw* specialises in programming for pre-school children but in 2010 S4C branched out to encompass older children by commissioning programmes aimed at 7-15 year olds.

Stwnsh offers a range of programming aimed at older children and teenagers, which include titles such as *Gwylltio* and *Y Sqwad*.

In July 2013, S4C announced that it was allocating £4m over a four-year period to invest in digital projects aimed at children and young adults.¹³

In summary, despite increased time online, television remains the most popular media activity for children overall. The hours of PSB first-run originated children's programming further declined between 2008 and 2013, while spend dropped by 15% in real terms. All genre categories experienced a decrease, apart from drama which has increased by 3% since 2008. The main five PSB channels' share of viewing of children's programming has fallen by 71% since 2008; this was driven by the BBC's decision to remove all children's programming from its main TV channels. However, viewing to CBeebies and CBBC increased 23% over the same period and parents continue to place high value on the delivery of children's programming by these two dedicated children's channels. Children's appetite for UK-made programming is shown in the figures: while 20% of total children's hours across all channels is UK-made, they constituted 45% of time spent watching children's programming.

¹² The Welsh Authority has the statutory responsibility to provide S4C Digidol (digital) services for viewers in Wales.

¹³ <http://www.s4c.co.uk/abouts4c/annualreport/acrobats/s4c-annual-report-2012.pdf>