



BBC Children's news and first-run
UK originations:
Consultation on the BBC's request
to change its Operating Licence

BBC Response

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1. Introduction

The BBC welcomes the opportunity to comment on Ofcom's proposed changes to the Operating Licence around children's content.

1.1 Background

The BBC has long been at the forefront of providing high-quality children's content. From *Muffin the Mule* to recent BAFTA winner *The Dengineers*, the BBC has consistently broadcast distinctive and beloved content to millions of children for decades. As children's viewing habits have shifted, and younger audiences increasingly consume content online, we want to develop our online services to meet that growing demand.

We want to serve children with the best content in ways that suit them. We intend to provide more children's content on BBC iPlayer, and expand Newsround online. These changes will help us to better engage with younger audiences, and ensure they continue to be served with the best BBC content in an online space.

We are currently unable to undertake these plans however, given both budgetary and regulatory constraints. In order to meet certain quotas in the Operating Licence, we currently spend the majority of our Newsround budget on producing the television bulletins, and the majority of our children's TV commissioning budget on producing new content for the linear CBBC and CBeebies services. We want the licence fee to go further, and best use our resources to deliver great value for audiences.

1.2 The BBC's request and Ofcom's consultation

In April 2019, we first discussed with Ofcom our plans to develop our children's offer, and in July we submitted a formal request for changes to the Operating Licence. In the request document, we set out how we could better deliver the mission and public purposes by undertaking our changes, and suggested amendments to the Operating Licence that we considered would provide us with additional flexibility to undertake our plans. We subsequently provided additional information to Ofcom and submitted a revised document in November to incorporate this extra information.

In November, Ofcom published a consultation document setting out proposed amendments to the Operating Licence relating to children's content. Ofcom consulted on amendments around:

- The provision of children's news on CBBC and BBC Online;
- The provision of children's first-run UK originations on CBBC, CBeebies and BBC iPlayer; and
- The definition of first-run UK originations as it relates to children's programming.

Ofcom also set out proposed amendments to its performance measurement framework.

1.3 The BBC's response

The BBC wholly supports Ofcom's proposed changes to the Operating Licence. We are satisfied that we can deliver on the proposed requirements, including where they diverge from what we proposed in our request document. We are pleased that Ofcom has recognised we have clear plans to better engage younger audiences. Under the amended conditions, the BBC will have increased flexibility to provide the very best content in the best way for children.

We set out below further detail of our plans for improving our children's online offer and how we intend to measure our performance in these areas. We also set out our initial thoughts on Ofcom's proposed amendments to its performance measurement framework. We anticipate further discussion with Ofcom on the level of detail required in this area.

2. Children's news

Ofcom has proposed the following amendments to the Operating Licence in relation to children's news:

- The BBC must provide daily children's news on BBC Online through a range of content in different formats;
- News must be broadcast on CBBC each day (rather than at intervals each day); and
- 35 hours of news must be broadcast on CBBC each Financial Year (down from 85 hours).

2.1 The BBC's plans

Newsround has undergone many changes since its launch in 1972. The programme has moved from BBC One to CBBC, expanded from a single weekday afternoon slot to multiple daily bulletins, and is now produced outside of London in our BBC Children's hub in Salford. We first launched the Newsround website in the late 1990s, and in 2020 we want to reinvigorate the Newsround brand with a greater focus online, to ensure we continue to deliver impartial and trustworthy news to our young audiences.

As we noted in our request document, linear viewing for CBBC has steadily declined in recent years, at a faster rate than the general decline in viewing across linear TV. At the same time, the reach of Newsround online has increased, particularly in 2019. We now have around 900,000 unique browsers visiting the Newsround website each week. We have also seen a large increase in the number of catch-up views to the latest TV bulletin on the Newsround website, on average up 50% in 2019 from last year, and our data suggests this is understated, given the use of bulletin in schools.

Under our plans, we will invest much more of the Newsround budget into the online offer. Around ten pieces of content are published to the Newsround website each day, including the day's 'major' news stories, videos, explainer pieces, and other interactive features. Under our plans, this will double to around 20 pieces of content uploaded each day. Newsround will be able to cover a much broader range of topics than it currently does through its television output. In a short TV bulletin, there is intense competition for time in the running order, so only a limited number of topics can be covered, with the day's biggest news stories inevitably taking prominence. Online delivery removes these timing constraints, so children will have more opportunity to find stories about a wider range of subject matter.

We intend to have greater coverage of topics that children have found interesting or specifically requested. We regularly host groups of children and schools so we can understand their opinions on Newsround, and ask what they want to see covered. Newsround's Brexit coverage, including its explainer piece online, has proved very popular. The environment and climate change is an important subject for children at

present, and an area we would seek to explore further in an expanded Newsround online. In addition to covering the main daily news stories, we want to regularly provide more original in-depth journalism. We are mindful of the need to serve the interests of all our young audiences, ensuring we apply our rigorous approach to news production to the full range of subjects that children care about – from politics and business, to sport and technology. By doing this, we are aiming to engage all audiences across the CBBC age range.

Similarly, our Newsround team will be able to go into much greater depth than allowed by the television schedule. We noted *Living with the Wall* in our request document, and since, we have published our in-depth story about life in South Korea. This combines a text report with several videos of varying lengths (some longer than a whole Newsround bulletin) and links to other related coverage. We only produce such pieces sporadically at present, but in future we would aim to produce at least four of these high-quality in-depth features each year.

In improving Newsround online, we want to ensure that children are being provided with news and information that is relevant to and accessible for them. Although we noted in our request document that some children's news consumption is passive consumption of mainstream TV news on BBC One or ITV via their parents, this is not news targeted at children. Newsround's journalists are trained to produce content specifically with children in mind, ensuring that coverage is appropriate and designed to engage that audience.

In order to undertake these changes, we intend to realign the Newsround budget toward online provision, and away from television bulletins, which have significant cost overheads. We would retain one daily TV bulletin broadcast in the morning, as this slot has proved the most attractive to our TV audience. As now, the TV bulletin will be available to view on the website and BBC iPlayer following broadcast.

We realise that it is not enough to simply make these changes, and hope children visit the website. We are currently planning how to promote an expanded Newsround online offer. We will be able to regularly point viewers toward Newsround during our live continuity links on CBBC, and may produce more formal promotional material too, including some specifically for teachers. Provided Ofcom implement the proposed changes to the Operating Licence early in the new year, we would expect to begin transitioning to the expanded Newsround offer from April 2020.

We believe that by undertaking these changes we will be better able to fulfil the mission and promote the public purposes. We currently have several targets against which we will measure the success of our changes. By the end of 2021, we want to:

- Reach 1.5m unique browsers per week (up from c.900,000);
- Receive 40,000 daily online views to the latest TV bulletin (up from c.30,000); and
- Maintain an engagement score of 2.5 pages per visit.

In our experience, there is often a tension between growing reach and engagement, as efforts to increase reach can attract more infrequent users who consume less content on average. As such, we are aiming to maintain our current engagement figures, but would eventually look to increase this, given the wider range of content available online.

2.2 Ofcom's proposed changes to the Operating Licence

We welcome Ofcom's proposed changes in relation to children's news. We consider they are proportionate in allowing us flexibility to undertake our plans, while maintaining the intent of the current conditions.

We anticipate first reporting on our compliance with the relevant conditions in our 2020/21 Annual Report and Accounts. In demonstrating compliance with the new requirement for children's online news, we propose to share some qualitative explanation of the range of topics covered and types of content provided upon request from Ofcom.

2.3 Ofcom's proposed performance measures

As we set out in our request document, we have a range of data sets we use to measure Newsround on TV and online. Each year, we report on our children's output, consumption and satisfaction in our Annual Report and Accounts.

We consider that the most important measures for Ofcom in assessing how the BBC's children's news output delivers the mission and public purposes are audience consumption and impact figures. We will regularly share with Ofcom data from our Kids Cross-Media Insight (CMI) survey, and results of other surveys into our children's output. We can provide ATI data on online use of Newsround, and both the BBC and Ofcom use BARB data to examine TV consumption. As is the case across the industry, we have less data on online consumption and impact by demographics. Our CMI data can be split by top-line demographic groups (e.g. age, gender, socio-economic group). We have limited user data through sign-in to the BBC website, as this is less common among children and we do not want to prohibit children from accessing this vital news content by making sign-in mandatory.

We would like to gain a better understanding of teachers' engagement with Newsround, particularly online. We are looking into extending one of our relevant tracker surveys, and would share these findings with Ofcom. Teachers' use of Newsround is important to our development of the online offer. Our data shows that catch-up viewing to the TV bulletin on the website significantly falls outside of term-time, suggesting that teachers are using the bulletin as a tool in the classroom. This is supported by what we hear when we work directly with schools. If whole classes are watching the Newsround bulletins online, this implies that overall viewing is higher than the baseline figures (as only one unique browser would be recorded per class). We believe that increased engagement among teachers will help to grow reach and also assist with addressing areas of specific

concern highlighted in Ofcom's consultation – ensuring 6-9 year-olds and C2DE audiences do not lose out from the changes.

We will provide Ofcom with the necessary information to assess Newsround's performance as required. We do, however, have some concerns that Ofcom's current list of proposed performance metrics set out Figure 1 in the consultation document is disproportionate. Newsround represents a small proportion of the whole output of the UK Public Services, with a relatively small budget and operation. We are proposing these changes to Newsround so we can make the best use of our resources and maximise audience value. We consider the targets and measures that we set out above are sufficient for ensuring the BBC's proposals fulfil their intended aim of improving children's news.

For example, we do not think that the average number of news stories is a suitable performance metric in principle. The quality of the Newsround output is not determined by counting the stories, and there is no similar metric used in other areas of performance measurement for BBC News or BBC Online. There will be an initial increase in the number of articles as part of our changes, but this will stabilise quickly, after which the metric will have little relevance.

We propose to fully update Ofcom on a regular basis to review our changes and the impact on audiences, once the changes have taken effect and we have a robust evidence base. We reiterate that our incentive here is to better serve children with dedicated high-quality news, and will readily share with Ofcom information that we use to understand our performance in this area. We welcome further discussion with Ofcom on what the BBC should be required to regularly report that would give Ofcom sufficient assurance that our children's news output contributes to the delivery of the mission and public purposes.

3. Children's first-run UK originations

Ofcom has proposed the following amendments to the Operating Licence in relation to new children's TV programmes:

- 350 hours of TV content for 6-12 year-olds must be broadcast on CBBC or made available on BBC iPlayer each Calendar Year (reduced from 400 hours only on CBBC); and
- The definition of first-run UK originations for children's content may apply to content only available on BBC iPlayer.

3.1 The BBC's plans

As noted previously, linear viewing to CBBC has seen significant declines in recent years. Increasingly, children are consuming content on YouTube, Netflix and other VOD services, and are used to watching television on demand. It is imperative that the BBC does not get left behind, and that we continue to attract large young audiences to our high-quality content. With extended availability for a wide range of our content, following the public interest test, we expect that BBC iPlayer will increasingly become a destination service for children and adults alike.

In accordance with this approach, we want to produce more content for children only available on BBC iPlayer. This will appeal to younger audiences who want to, and regularly do, consume content in one go, or at their leisure, rather than be restricted to waiting for linear transmissions. Ofcom noted in its consultation that there is limited evidence of the growth of BBC iPlayer. It is clear, however, that viewing of VOD services has increased hugely across all demographics, and if the BBC does not keep up with its competitors, now well-funded global players, then we risk losing more young audiences.

We will continue to provide content in the way that best suits our viewers, and maximise audience value. Currently, the majority of our children's TV budget is allocated to programmes to fill the linear schedule and satisfy the quotas for first-run UK originations on CBBC and CBeebies. Some forms of content are not suitable for a linear broadcast, such as the programme *Daydreams*, which we cited in our request document. With more BBC iPlayer-only content, we can therefore provide a wider range of distinctive programming across our linear and digital services. With increased flexibility, we can experiment more with new types of programming, though we note that we may not produce 'innovative' content each year.

In our request document, we noted we would like the option to count some short-form content toward our first-run originations quotas. The volume of short-form would be small relative to the volume of first-run UK originations produced for each channel and BBC iPlayer. As set out above, we anticipate producing three or four extended pieces each year for Newsround, which may be suitable for separate publication to BBC iPlayer. We also note that much of CBeebies output is typically shorter than 15 minute or 30

minutes, and short form content is not necessarily lower in quality than traditional long-form programming.

In Ofcom's consultation, it expressed concerns about the level of repeats on the channels. We note that repeats already account for a substantial proportion of the linear schedules, and these changes will have little effect on those levels. Indeed, repeats are less negatively perceived among children. *Bing* is consistently in the top three CBeebies programmes requested on BBC iPlayer, despite most episodes being first broadcast several years ago. Repeats of *Blue Peter* make a significant contribution to the programme's overall audience, and *The Story of Tracy Beaker* from 2002 continues to perform well on BBC iPlayer in 2019. We will continue to provide our content in a way that best serves our viewers and maximises audience value.

3.2 Ofcom's proposed changes to the Operating Licence

We welcome Ofcom's proposed changes in relation to first-run UK originations. We are comfortable with Ofcom's requirement that at least 50% of our new content will be broadcast on the linear services. We have no intention to remove first-run UK originations from the TV channels, and have no incentive to store up our new children's content online without providing a linear broadcast. In its consultation, Ofcom stated it expects the BBC to give a linear broadcast to BBC iPlayer content 'reasonably soon' after publication to BBC iPlayer. While the scheduling of individual programmes is a matter for the BBC, we note that the BBC's incentives are to provide the best possible experience for young audiences across all of our platforms.

Provided that the changes are implemented in the first quarter of 2020, we are satisfied that the condition may apply retrospectively for the whole of the calendar year. There are two points we wish to clarify. First, we understand 'pre-teen children' in Ofcom's proposed conditions to refer to 6-12 year olds, i.e. the target demographic for CBBC, rather than 0-12 year-olds. Second, in terms of measuring hours of first-run content, we would measure only BBC iPlayer-only content by running time, and where a programme receives a linear broadcast at any time during the relevant calendar year, then that programme would be measured by slot time.

We suggest one minor amendment to Ofcom's proposed conditions. Ofcom's proposed condition 2.37A.2 sets out how the length of first-run UK originations should be measured, either by slot time if broadcast on linear television, or by running time "in respect of BBC Online". We suggest this states "in respect of BBC iPlayer" so that this is consistent with the proposed amendments to conditions 2.35 and 2.36.

3.3 Ofcom's proposed performance measures

As with children's news, we will provide Ofcom with any necessary performance data as requested. We do though have concerns that all the metrics set out in Figure 3 of the consultation document taken together would be a disproportionate ask of the BBC. We want to deploy our resources in a way that maximises audience value, and would prefer

not to allocate these to reporting against a wide set of metrics. As with Newsround, we propose to regularly update Ofcom on our changes and their impact and can share a range of data that we use to assess our performance in this area, focusing on consumption and impact.

Growing the reach and use of BBC iPlayer is a clear priority for the BBC. At the time of writing, we are in separate discussions with Ofcom on proposed performance measures for BBC iPlayer overall. We suggest these should be taken into consideration as we also establish performance measures in this area.

We will set out in greater detail our performance measures for all the BBC's UK Public Services in our 2020/21 Annual Plan which will be published in March.