

S4C children's channel:
Consultation submission

pact.

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Introduction

- 1) Pact is the trade association that represents the commercial interests of the independent production sector. We have more than 700 member companies across the entire UK, involved in creating and distributing television, film and interactive content.
- 2) The independent production sector is growing rapidly. The sector currently generates £1.28 billion in television-related revenue per year. This revenue has grown on average 9% a year in nominal terms since 1998, and is predicted to grow at 7% annually to 2010. Children's content, however, is under threat as investment in public service programming comes under pressure due to declining advertising revenues.

Pact submission to S4C consultation on a new children's channel

The threat to public service children's programming

- 1) Public service Children's programming across the UK is under threat. As part of its ongoing review into children's programming, Ofcom has publicly warned:

"The evidence to date shows that there is clearly a threat to the future delivery of high quality, UK-originated programmes for children."¹

- 2) Based on Ofcom's initial figures from its review and our own estimates for ITV, Pact calculates that investment into new, English-language UK children's content from all broadcasters has dropped by nearly 30% in real terms since 1998.² This is factoring in both the increase in spending by the BBC following the launch of its new digital channels in 2002, and investment from the large number of cable and satellite channels that have sprung up in recent years.
- 3) Not only has overall investment fallen, but there has been a polar shift in the source of that funding. Whereas the BBC was once just a part of the funding landscape for children's television, investing equivalent sums to the commercially-funded sector, it is now responsible for around 80% of all spending on new UK programmes.
- 4) This raises serious concerns over plurality. The BBC's investment in children's programming is vital, but it cannot do everything. Ofcom has acknowledged the importance of plurality - including plurality in commissioning sources - as a way of stimulating range, diversity and creative competition in public service programming. In its public service broadcasting review, the regulator warned that:

"The risk of leaving PSB provision to the BBC alone is great: the lack of competition in broadcasting PSB programming risks leading to complacency, inefficient production, lack of innovation, lower quality

¹ The Guardian, May 21 2007, page 9.

² Ofcom and the Future of Children's Programming, Ofcom, presentation July 2007. Ofcom's research shows a fall in funding of around 20% across all channels, but its figures include the value of ITV stock programming, commissioned before ITV stopped investing in new content around 18 months ago. Excluding this stock, Pact estimates total investment into the market (ie, the production sector) is down by 28% in real terms.

programming, a narrowing of perspectives and the loss of PSB programming for certain groups.”³

- 5) In its BBC Charter Review White Paper, the Government stated: “The Government believes that sustaining a plurality of PSB providers who both complement and compete with each other has been important in ensuring that this quality and diversity are maintained.”⁴

The potential for a new children’s channel

- 6) Pact therefore welcomes S4C’s strong commitment to high quality, locally-made children’s programming. Such programming has an important role to play in developing a child’s sense of identity. Home-grown content can speak directly to British children in their own cultural language, reflecting their own lives and experiences and helping them understand and engage with the world around them.
- 7) We also welcome in principle S4C’s proposals for a dedicated children’s channel. This can potentially provide an alternative to the BBC, boosting the plurality of high quality children’s content on offer to audiences.
- 8) We also welcome S4C’s commitment to commissioning from the independent sector, which has the effect of strengthening the supply sector. This provides an alternative source of programming to the in-house production departments at all broadcasters. In turn, Welsh production companies, and animation companies in particular, have a strong tradition in creating high quality programming for S4C, as well as for broadcasters across the UK and overseas.
- 9) We support the position of the Welsh Animation Group chair that S4C’s proposed new channel is an opportunity not only to respond to the growing number of Welsh speakers under the age of 15, but also to create original programming in Wales that can be seen throughout the UK and beyond.
- 10) Like the chair of the Welsh Animation Group, however, we are concerned that resources will be limited and that there is a risk that S4C’s programme budget could be stretched too thinly, resulting in a service which relies on imported, dubbed programming, and original series with low production values. We therefore would welcome further clarification on the level and nature of S4C’s commitment to indigenous production going forward.

³ Review of Public Service Television Broadcasting, Phase 2, Ofcom, 5.13.

⁴ Charter Review White Paper, A public service for all: the BBC in the digital age, March 2006.

- 11) To allow this investment in domestic programming to be diminished would be to risk the new channel merely duplicating programming on the growing number of multi-channel services in the commercial sector, except for it being dubbed into Welsh. Truly home-grown programming, that is created by the domestic production sector, can reflect the world around children on a deeper level, and help them understand and engage with society and their own culture.
- 12) The opportunity here is to embrace new means of delivery offered by the digital channels, while providing distinctive content that speaks the same language as Welsh children on a truly fundamental level.