Industry Engagement with Policy on Public Service Television for Children: BBC Charter Review and the Public Service Content Fund

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Abstract:
This article examines policy engagement by advocacy (Children’s Media Foundation, Voice of the Viewer and Listener) and industry groups (Animation UK and PACT) in the UK, who became intensely involved in debates about securing a better financial basis for UK-produced children’s television content as part of the yearlong process of BBC Charter review between 2015 and 2016. Pinpointing the key issues that emerged before and during the debate, the paper presents Government proposals for a contestable public service content fund separate from the BBC within the context of a) the problems that have bedeviled the funding of children’s television for over a decade, and b) different stakeholder positions on both the role of the BBC, and attitudes towards contestable funding. Findings, based on a stakeholder analysis, show that discussions were shaped by the competing concerns of these four groups, who adapted their positions to present a more united front in order to inform policy-making on the funding of public service children’s content. However, the narrative of policy engagement by these groups was highly contested, and confined to internal wrangling about access to public funding (i.e. the licence fee), rather than more existential issues about children’s continued engagement with public service values and culture.

Keywords: Television, Policy, Children, Contestable Funding, Public Service Broadcasting

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The funding of public service content for children rarely features in media policy, but emerged as a salient issue during BBC Charter Review, following publication of a UK Government Green Paper in July 2015. This consultation proposed that a “small amount of contestable funding could introduce greater diversity of providers and greater plurality in public services provision,” particularly in children’s programming where the BBC had “a near monopoly.”\(^1\) It went on to ask whether part of the licence fee, used to fund the BBC, should be “protected” and made available to “alternative providers.” This question became a focal point of the debate around public service children’s television during Charter Review, culminating in the publication of the Government’s White Paper in May 2016, which advocated a £20m a year pilot content fund over three years for public service genres in decline, including children’s programming.\(^2\)

Focusing on the period between publication of the Green Paper and the immediate aftermath of the White Paper in July 2016, this article examines the scope and scale of engagement by four key stakeholders who represented industry and advocacy/citizens’ interests in policy debates around children’s content. It establishes the key policy issues that emerged around public service children’s content, before considering how these stakeholders engaged in the debate about the BBC and children’s content. It analyses how different, often competing stakeholder positions were negotiated and recast within a broader advocacy coalition of shared interests, driven by industry arguments, that rarely took account of changes in both
children’s media consumption and in their engagement with digital content on a range of platforms and devices.

Findings are based on a stakeholder analysis, developed by van den Bulck and Donders, which views policy outcomes as a process determined by the formulation of different positions by stakeholders who “engage in debate and work towards a policy decision,” sometimes forming advocacy coalitions if there is “general agreement on the best policy solution to a certain policy issue.”

This case study focuses on four stakeholder positions, represented by industry interests on the one hand, and consumer/advocacy positions on the other. Industry positions were taken up by PACT (Producers Alliance for Cinema and Television), a trade association, representing the “commercial interests of UK independent television, film digital, children’s and animation media companies,” and Animation UK, a less formal grouping of UK animation producers, originally set up in 2008 to campaign for animation tax credits. Consumer/advocacy positions were represented by VLV (Voice of the Listener and Viewer), a consumer organization founded in 1984 to “promote and maintain diversity and plurality in public service broadcasting,” and CMF (Children’s Media Foundation), a not-for-profit membership organization, established in 2012, to ensure that “UK kids have the best possible media choices, on all platforms and at all ages.” These four stakeholder groups constituted a key part of the policy network around children’s television. They fit John Kingdon’s description of a “policy community,” because they identified with “one area of policy problems” and engaged in “interactions with each other.” Some individuals also fit Kingdon’s concept of the “policy entrepreneur,” who is willing to invest “time, energy, reputation, and sometimes money – in the hope of a future return” including “policies of which they might approve, satisfaction from participation” or even “personal aggrandizement.”
Drawing on stakeholder submissions to Charter Review, combined with analysis of Government and BBC documents, this study concentrates on policy engagement with two key issues related to provision of public service children’s content and services. First, what attitudes did stakeholders have about the role of the BBC? Second, what attitudes did stakeholders have about a contestable fund, financed from the licence fee, for increasing diversity of provision and achieving greater plurality, as proposed by the Government? Process tracing through analysis of interactions with each other at meetings and events, oral and written evidence to Charter Review and other inquiries, documents, press reports and participant observation was used to identify the process of policy formulation and how it impacted eventual outcomes.

**Policy and Funding Issues around Public Service Media Content for Children**

Over ten years the “production ecology” of UK children’s television has declined inexorably, reinforcing the notion that domestically produced children’s television is a classic case of market failure, which cannot survive economically without regulatory intervention. The weaknesses of the sector are well documented. In 2007 regulator Ofcom predicted, “the future provision of new UK-originated content for children, particularly drama and factual programming, looks uncertain other than from the BBC.” In its 2015 Public Service Broadcasting Review, Ofcom reasserted there was “limited provision of non-animation programming beyond the BBC.”

This was the context in which contestable funding became a policy issue during Charter Review. Yet the seeds of decline are rooted in previous policy-making, and competition from US transnational providers (Disney, Nickelodeon, Cartoon Network) who prioritise US content that caters to international audiences.

The removal of transmission quotas for children’s content for free-to-air commercial public service broadcasters (PSBs) in the 2003 UK Communications Act led to an
almost instantaneous reduction in commissions by the largest player, commercial PSB, ITV, which no longer saw children’s content as a commercial or public service priority. The sector suffered further in 2006 because of a ban on advertising for food and drink high in fat, sugar and salt (HFSS) around children’s broadcast content, which made children’s content even less commercially attractive.\textsuperscript{15} Between 2003 and 2014 investment by commercial PSBs (mainly ITV, but also Five, and Channel 4) in first run UK originations for children declined 95 percent from £59m to £3m; and the number of first run originations dropped 85 percent from 621 hours to 95 hours.\textsuperscript{16}

This decline, precipitated by the removal of quotas and the ban on HFSS advertising, was initially masked by the BBC’s expansion into digital children’s channels. When the BBC launched CBeebies (for preschoolers) and CBBC (for 6-12 year olds) in 2002, BBC transmissions of first run UK originations soared 240 percent from 482 hours in 2001 to 1,643 hours in 2002, and BBC expenditure on new productions rose 73 percent from £59m to £102m.\textsuperscript{17} This was not to last as the BBC sought to bring its expenditure under control across all services, particularly after an unfavorable Government licence fee settlement in 2010, which set a precedent, top-slicing up to £500m a year of licence fee income to pay for the BBC World Service, Welsh channel, S4C, BBC Monitoring, local television and broadband rollout.\textsuperscript{18}

From a peak of £110m in 2004, BBC investment in first-run children’s originations dropped 24 percent to £84m in 2014, but by this time it accounted for 97 percent of PSB expenditure on children’s content.\textsuperscript{19} Originated BBC hours fell by more (57 percent) from 1132 hours to 579 hours between 2004 and 2014 as the Corporation sought to fulfill its strategy of “fewer, bigger, better” programs, investing “greater resources on fewer programmes to compete on quality rather than quantity.”\textsuperscript{20} The decline in expenditure and commissioning volumes by all PSBs led to a drop in specialist children’s production companies from seventy to sixteen between 2006 and
2016, plunging the domestic production industry into crisis.21

The virtual withdrawal of commercial PSBs (ITV, Channel 4, Five) from commissioning has not been compensated by commercial children’s TV channels (Disney, Turner, Nickelodeon and ITV’s CiTV channel), which combined transmitted an abundant 136,311 hours of content in 2013, but only 111 hours of UK first run originations, a fall of 61 percent on 2010 when 283 hours were broadcast.22 Nor has funding from international VOD (video-on-demand) platforms like Netflix or Amazon or online distribution (YouTubeKids) made up for the decline in broadcast funding of UK programming.23

The BBC’s dominance of commissioning does not appear, however, to have been an issue with parents, who consistently rate all PSBs (BBC, Channel 4, Five, ITV) as providing a wide range of high quality UK children’s content (at 85 percent, higher than any other “genre”).24 Moreover, when there were false rumors about CBeebies’ closure in September 2015, 130,000 individuals signed a petition, forcing the BBC to make a swift denial within days.25 The problems afflicting children’s broadcast content in the UK appeared to be more an issue for industry than parents.

**Contestable Funding and Public Service Media Content for Children**

The core issue for PSB children’s content throughout Charter Review was the proposal for a contestable fund, and whether licence fee funding should be made available to other providers. The Government Green paper in July 2016 argued that other broadcasters provided content “with public service characteristics” and on that basis “alternative providers” could be allowed access to the licence fee, further disputing the BBC’s sole claim on this funding. Children’s content was highlighted as an area where the BBC had “a near monopoly,” and it was suggested that, “a small amount of contestable funding could introduce greater diversity of providers
and greater plurality in public services provision.” The issue was not presented as an industry problem, but as an issue of diversity and plurality to counter the BBC’s perceived monopoly. This ignored the fact that the BBC operates in a highly competitive marketplace with global competitors, and its near monopoly of UK commissioning is the result of policy decisions (quota removal, ban on junk food advertising), which weakened demand by commercial PSBs for children’s content still further. Another question asked whether licence fee funding “for certain services or programmes” should be “protected”, suggesting that the Government might intervene to ring-fence parts of the BBC’s budget for some content, including children’s programming, potentially undermining the BBC’s operational independence.

The BBC’s response was an ambitious proposal for a new online digital portal for children, iPlay, with “learning and making at its core,” underscoring children’s content as a crucial part of its remit, while acknowledging children’s growing engagement with digital media and on demand services. This proposal was overshadowed by the arguments around contestable funding. Not surprisingly the Corporation was hostile to ring-fencing, arguing that it undermined its independence, and would be determined by vested interests rather than audience needs. The Corporation was equally opposed to contestable funding, arguing that it would substitute private funding with public investment, replace commissioners by committees, be potentially bureaucratic to administer, and further erode BBC independence, particularly if the fund was financed by top-slicing the licence fee.

The idea of contestable funding, the establishment of a separate fund to finance public service content directly, rather than through a holistic public service institution, is not new. The idea of a PSP (public service publisher), was proposed by Ofcom in 2005 as a way of safeguarding non-BBC public service content in an
uncertain digital future, but the Government’s largely broadcast-based proposals in 2015 have little in common with Ofcom’s more radical concept, which was based on digital media, user participation and new forms of non-linear content. The Government’s proposals on contestable funding seemed to be directed more at market failure in the “existing broadcast market” than with the future of public service content.

Those who argue in favour of contestable funding point to the potential benefits of more diverse, better quality content, and better value for money, because competition for funding around pre-set quality criteria, may encourage more efficient outcomes and increased innovation, without the administrative burden of maintaining large public service institutions. Most crucially, however, contestable funding allows private companies to benefit directly from public subsidies.

The perceived disadvantages of contestable funding include an emphasis on a narrow range of content (usually drama, factual, and children’s) at the expense of the wider cultural and social returns that publicly funded public service broadcasting might be expected to deliver, particularly through the shared experience of entertainment. For example, the distribution and delivery of public service content by a public service broadcasting institution can generate benefits of branding, curation, and accumulated institutional expertise, features that form part of any trusted children’s service. However, not all public service children’s services around the world have performed well in terms of distinctive provision and popularity, with some relying too heavily on imported animation at the expense of domestic content and other genres. Finally commercially-funded channels may not want to take advantage of contestable funding, because the type of content it supports does not fit well with their commercial priorities of reaching those audiences that generate revenues and profits.
Stakeholder Positions, Coalitions and Vested Interests

While other stakeholders may have commented on children’s content and BBC Charter Review in passing, PACT, Animation UK, the CMF and VLV were consistently, intensely, and prominently engaged with Charter Review and children’s content, because of their vested interest in the outcomes. Alongside submissions to BBC Charter Review, they contributed oral and written evidence to parallel inquiries, convened by the House of Commons Culture, Media and Sport Committee, and the House of Lords Select Committee on Communications, restating their positions and feeding into parliamentary reports. Representatives of the four groups were also invited by the Secretary of State for Culture, Media and Sport to attend a Roundtable event on 23 February 2016 to discuss children’s television.

Although the four groups held different positions on the BBC and contestable funding, there were attempts to present a united front during the consultation process in order to inform policy-making and reach a solution to the problems facing children’s production, which neither regulation nor the market had hitherto delivered. Yet in their engagement with government policy-makers during Charter Review, there was little evidence of engagement with parents or acknowledgement that children’s consumption of television has changed. The BBC had addressed this with iPlay, but the narrative of policy engagement by advocacy and industry groupings was highly contested, and confined to internal wrangling between groups about access to public funding (the licence fee), rather than more existential issues about children’s continued engagement with public service values and culture.
Engaging with Charter Review the CMF offered qualified support to the BBC, but was concerned about under-provision for the over-tens, a worry that was exacerbated in September 2015, when the BBC Trust agreed to an extension of CBBC’s hours from 7pm to 9pm without agreeing any additional budget, underscoring for CMF “how little attention is paid to young people between 10 and 16.” It argued that the long-term survival of PSB and “especially the BBC” depended on “children developing loyalty and understanding of the public service compact” or ethos, while giving young people the opportunity “to engage with content which is specifically made for them and connects them to the culture in which they live – in all its diversity.”

The CMF welcomed iPlay as a way of engaging older children with customized online content, but was concerned about how this would be funded. The underlying argument was that children were a neglected audience, an argument repeated in calls for more appropriate levels of funding from the BBC.

The VLV’s submissions formed part of evidence that looked at public service broadcasting in its entirety. Unlike CMF, VLV was not critical of the BBC’s commitment, supporting both the performance of BBC Children’s and its future plans, but it called for children and young people to be specifically mentioned in any future BBC purpose about representing the whole of the UK population. It suggested that if there was a need for “additional content of a specific type,” this should be reflected in the BBC Charter, and if there was insufficient plurality of supply, as suggested by Government, then transmission quotas on commercial PSB channels should be reintroduced.
On funding, the CMF called for a larger BBC Children’s budget with annual increases to “redress the imbalance which sees 19 percent of the UK population only receive 5 percent of the benefit of the licence fee.” It took care not to use the word ring-fencing in any of its submissions. Instead it asked for the BBC to voluntarily increase its children’s budget by an annual set percentage, fearing that regulation would damage the overall independence of the Corporation. It supported the licence fee, and opposed subscription funding, which undermined universal availability.

The CMF consistently opposed top-slicing of the licence fee to create a contestable fund, fearing that this was likely to erode the BBC’s independence, its core funding, and by extension funding of children’s content. What was needed was “additional money” and an Alternative Fund to address market failure, accompanied by research into other funding options, “such as the lottery, levies, direct government grants, ethical advertising and corporate social responsibility sponsorship.” In 2009 Save Kids TV (SKTV), CMF’s predecessor had called for an “alternative public service provider for Britain’s children,” available as an on-demand, participatory, multifunctional online destination, suited to the technological changes, the CMF foresaw in the marketplace as children engaged with social media and digital content.

The VLV was clearer than the CMF about opposing ring-fencing, believing that the BBC needed to have clear control over licence fee income for the sake of its independence. Asserting that the BBC should have exclusive use of the licence fee, it stated that any government interference over how the BBC spent the licence fee was not “acceptable.” VLV rejected reserved funding for genres underprovided by the market, and it rejected top-slicing, because citing the words of BBC Director General, Tony Hall ”’it substitutes public money for private money, it is allocated by
committees rather than commissioners,” and “it is subject to lobbying rather than audiences.” On contestable funding VLV was not opposed to an alternative fund as trailed by the CMF. However, any resources to fund this “should be additional to the licence fee,” such as levies and the National Lottery, which no Government had explored fully.

Industry Positions - PACT and Animation UK

As an industry body, PACT had less to say about the BBC’s public service contribution to children’s content than about those matters that affected its members. The interests of its wider membership were in conflict with children’s producers if the licence fee was top-sliced to fund a contestable fund. It supported children’s content as “a really important part of that whole” including “British entertainment” rather than just “imported cartoons.” Not surprisingly it was opposed to any maintenance of in-house production guarantees for the BBC Children’s department.

Animation UK, represented primarily by its chair, Oli Hyatt, pushed for a more radical approach, provoking tensions with other stakeholders. As a policy entrepreneur and Animation UK spokesperson, Hyatt highlighted the public service contribution to “Culture, diversity, education, citizenship,” which meant that, “some programs should not have to be commercially successful to be worth making,” but he argued that the BBC was failing to fund children’s content adequately, funding less original content than before the introduction of digital children’s channels in 2002. He was at pains to point out that his argument was not with BBC Children’s, but with BBC management who had “not protected” children’s content, presenting himself as a lobbyist on behalf of the BBC children’s department, who were unable to “express publicly the ‘impossible’ position that they are put in, from the cuts and costs they are asked to absorb.” Echoing reservations from the CMF and PACT, Hyatt expressed doubts about iPlay “without the content to serve it.”
On the issue of funding Pact recognized the decline of the children’s sector, repeating what it had called for in its evidence to the 2013 BBC Trust Review of children’s services; that the BBC Children’s budget should be ring-fenced and rise in line with inflation, with more investment from digital budgets, and better delivery from Channel 4. Yet PACT was unequivocally opposed to contestable funding, stating there were “no circumstances” under which it could support top slicing of the BBC budget to fund PSB commercial children’s content. Pact argued that contestable funding would not “incentivize” other public broadcasters to commission more children’s content, and that it was “inevitable” that a top-sliced fund would reduce funding for other PSB genres. PACT was doubtful about whether commercial PSBs would match fund, and was unconvinced about alternative funding, because Lottery funds could not be used for television, and it would not accept film funds being reallocated to TV from the British Film Institute. As a trade association Pact was clearly trying to balance the interests of its wider membership with those of the children’s production sector, and contestable funding was not in the interests of its wider membership.

Animation UK’s support of contestable funding, and focus on the BBC rather than commercial PSB failings, put it into conflict with PACT. Hyatt who came to prominence as a campaigner for animation tax credits, introduced in 2012, sought to represent the wider children’s production community, drawing on his ministerial connections within DCMS. This placed him in competition with PACT. He asserted that Animation UK had been “promoting” contestable funding “for some time to bring competition to the BBC.” He supported ring-fencing as “the only way” to guarantee the “right amount of investment and hours of original content.” For Hyatt the BBC could choose to fund content “proportionally to adults,” or it could be “forced to do it with ring fencing,” because producers like him were “lucky” to get
£800,000-£1m from the BBC for a £5m animation project, and were still short even after tax credits and pre-sales. It should be noted that the BBC, has rarely commissioned or fully-funded animation (unlike children’s drama or factual programming), acquiring it instead and expecting producers to secure funding from pre-sales and tax credits, because of animation’s wider international appeal. Hyatt was adamant that top slicing should not come at the expense of BBC Children’s, but by suggesting that he was prepared to accept “raiding” the BBC’s budgets, he was in conflict with PACT, which wanted to protect BBC budgets for all its members, and with the CMF and VLV, who regarded top-slicing as a threat to the BBC’s independence. Hyatt rejected top-slicing of the BBC’s children’s budget, but did not reject top-slicing the BBC’s overall budget, “by paring down those BBC programmes that cannot be considered part of its core remit.” With this assertion, Hyatt, in keeping with the general thrust of the Government’s Green Paper, appeared to be supporting a smaller BBC with a more focused remit that benefited children’s content at the expense of popular content targeted at adults. In a riposte to those who wanted to find “new money” (CMF) or new ways to engage the commercial channels (Pact), Hyatt argued that there was no new money, and therefore “if we want a fund, it will be ‘top-slicing,’” which was acceptable if the money was top-sliced from other parts of the BBC, and if existing children’s provision at the BBC was protected.

On September 14, 2015, Hyatt orchestrated a public letter sent to the DCMS and the BBC, and published in Broadcast. Signed by 78 children’s television producers, the letter called on the BBC to raise the proportion of its TV programming spend for children’s content from 5.5 to 10 percent. It called on the Government to establish a £55m contestable fund for children’s content, but gave little insight as to where that funding might come from, apart from indicating that commercial broadcasters would have to match-fund. In an interview with Broadcast, Hyatt, repeated his stance
that while the group did not support top-slicing other genres, “it could not be ruled out as a way of securing the future of children’s programming.”69 The letter was not entirely clear about top-slicing, and some producers, both privately and publicly were unconvinced.70 Alice Webb, BBC Children’s Director vigorously rejected ring-fencing and contestable funding, which was “tantamount to top-slicing the licence fee,” and the CMF also distanced itself from top-slicing the licence fee.71 Shortly after publication of the producers’ letter, Hyatt appeared to soften his tone, “Our view is not that a contestable fund can only be formed by top-slicing the licence fee,” adding, “Our objective is to open a debate with key stakeholders on the matter and explore all feasible means of creating more investment.”72

Joint Initiatives

All four groups clearly had different views on what should happen next, because they had different objectives, related to the long term survival of UK production and access to public funding. If the lobby was to have any influence on government, there needed to be consensus on the issues, even if there was no unanimity on how these should be tackled.

Representatives of all four groups attended a meeting in London on January 13, 2016, convened by Pact. A joint statement was issued on 11 February 2016 signed by Animation UK, PACT and the CMF. VLV was involved in the meeting, but did not sign the statement because of concerns about ring-fencing, which it felt would have undermined the BBC’s independence.73 In a carefully phrased statement reported in Broadcast on February 12, 2016, the CMF, PACT and Animation UK called on the BBC to commit eight percent of its annual original content budget for network programming to children’s content, falling no lower than £100m a year.74 The press quotes were carefully phrased indicating a degree of compromise. John McVay, Chief Executive of PACT, highlighting lack of demand, pointed out that the
statement “doesn’t solve the issue of the lack of commercial PSB investment in children’s programming” although a commitment by the BBC could “go some way to securing excellent content for British children.” Anna Home, CMF Chair, was also guarded, stating that CMF supported the “proposed target as the minimum” to fulfill the BBC’s role in the “provision of culturally and socially relevant content for children and young people.” Oli Hyatt was more bullish and the only one to refer to ring-fencing directly as the “first step in slowing the erosion of UK PSB content for children.”

The statement provided a joint position for a meeting with Culture Secretary, John Whittingdale, on February 23, 2016. Eleven organizations were invited, mostly independent producers, but including representatives from Pact, CMF, Animation UK, and the VLV. At the meeting the alignment around the joint statement held, as attendees voiced their opposition to top-slicing the licence fee to finance a contestable fund, fearing this would work its way down to BBC Children’s. A follow-up letter by the CMF to the Culture Secretary on February, 26, hinted at what had been discussed, as the CMF repeated stakeholder calls for the BBC to voluntarily accept an eight percent guarantee of investment in children’s content, and demands for Channel 4 to fulfill its remit for children aged over ten, an action which the Culture Secretary had suggested might be achievable. In the letter CMF repeated its call for “an alternative new fund not created by top-slicing the licence fee,” and a feasibility study to investigate other sources of funding.

The publication of the Government White Paper on May 12, 2016 went further than a feasibility study, with the announcement of a pilot public service content fund for public service genres in decline - including children’s, arts, educational and religious programming, as well as underserved BAME (Black, Asian, Minority Ethnic) audiences and audiences in the nations and regions. £20m a year over three years,
funded from leftover top-sliced funding from digital rollout and local television from the 2010 licence fee settlement, was less than campaigners had hoped. The DCMS had heeded warnings about top-slicing, but there is no certainty about what will happen after three years. As a policy marker the implications are significant, because the pilot looks like a Trojan horse for limiting the BBC’s finances and independence in future.76

The government was clear that the licence fee was not for the use of the BBC alone, with small amounts likely to be “made available to organisations other than the BBC” in future.77 This further undermined the principle that the BBC was entitled to the licence fee in its entirety (a principle that had been broken in the 2010 licence fee settlement). With little further detail, apart from the stipulation that content would need to be free-at-the-point-of-use and shown on a platform “with appropriate reach” the government said it would consult in autumn 2016 on how the fund would be administered. With the dismissal of Culture Secretary, John Whittingdale in July 2016, the consultation would take place under new Culture Secretary, Karen Bradley.

Reactions by all four stakeholders and the BBC to the government White Paper were expressed at an event on 31 May.78 There was not enough money in a fund, which had to be shared (with arts, religion, BAME). There were concerns about how the White Paper proposals might affect the BBC’s independence, and the emphasis on “distinctiveness,” which Anna Home, CMF Chair, thought might be used against any new BBC Services. Alice Webb, Director of BBC Children’s, regretted the removal of the Corporation’s sixth purpose relating to emerging technologies,79 fearing that it might affect “our ability to do things in the digital space,” a concern reiterated by Anna Home who felt that the White Paper did not look like a “blueprint for the twenty-first century.” Webb was unhappy about the removal of an in-house production guarantee for BBC Children’s that opened up all
commissions to competition. John McVay, of Pact, was pleased about the removal of in-house quotas because Pact is keen for the BBC to become a publisher-broadcaster, but remained deeply skeptical about whether a contestable fund would work. Both Anna Home of the CMF and Colin Brown, Chairman of the VLV, were worried about the impact on quality in the children’s sector if the BBC’s in-house expertise was undermined. For Oli Hyatt, the fund represented a significant new move and the beginnings of a solution, but there was some disappointment about the size of the award. Subsequent off-the-record conversations suggest that the fund would have been much larger, but was reduced at the last minute because of lobbying by the BBC and Pact and government interventions outside the DCMS. The Children’s Media Foundation welcomed a fund that was not taken directly from the licence fee settlement and saw opportunity for examining the practicalities of how such a fund might work, but for all participants the greatest fear was that there was no long term plan and the fund looked like a potential Trojan horse for future top-slicing of the licence fee.

**Conclusions and Discussion**

Findings reveal how industry arguments about the future of children’s TV production drove the debate, rarely engaging with what children needed or wanted, because the policy dialogue was largely confined to a small circle of interested stakeholder interests – Government, the BBC, industry representatives, and civil society groups (CMF, VLV) who were wrangling over contestable funding. Beneath the surface there were radically different positions about how content should be funded. Among those with more radical opinions were individual producers who functioned as policy entrepreneurs (Animation UK), favoring a more disruptive approach to funding (but not the type of content funded), compared to established producer and advocacy representatives, who were more cautious and wary of
damaging the BBC’s overall position as the incumbent public service broadcaster, seeing negative impact on the children’s sector in the long term. They were forced to react to more radical proposals on top-slicing and contestable funding to protect their own interests. An advocacy coalition emerged in response to the government’s Green Paper, but this was not tantamount to each stakeholder group holding the same opinions. On contestable funding, top-slicing and ring-fencing there were four positions.

- Opposition to contestable funding, top-slicing and ring-fencing (VLV, BBC)
- Opposition to contestable funding and top-slicing, but support for ring-fencing (PACT)
- Opposition to top-slicing, but support for an alternative contestable fund and voluntary ring-fencing by the BBC (CMF)
- Support for contestable funding and ring-fencing, with top-slicing of the licence fee if no other funding was available (Animation UK)

These different stances reflected different motivations. First groups and policy entrepreneurs are incentivized to advocate policies that promote their “personal interests” for example the promotion of animation (Animation UK) or producers as a whole (Pact). Equally organizations might not be particularly enthusiastic about an issue, but become involved to protect their wider interests. For example Pact did not support contestable funding, but felt compelled to take a position and negotiate with others to protect its position as Animation UK galvanized animation and children’s producers. Second advocacy positions are driven by belief in particular values, for example in the benefits of public service broadcasting or the need for homegrown children’s programming. These were positions represented by VLV and CMF, but these arguments were overtaken by the battle over contestable funding.
Yet this policy engagement ran parallel to a different type of engagement, engagement by child audiences with public service content. Although children themselves were not consulted as part of the debate, their engagement with media is changing markedly with the emergence of new platforms and devices. Knowledge of consumption trends, and the different ways children access children’s public service media, might have provided the backdrop to policy deliberations, yet this was evidently not the case as arguments coalesced around industry concerns about funding linear broadcast content with little acknowledgement of children’s changing consumption habits. Producers, broadcasters, regulators and even advocacy organizations had been engaged in what Potter calls “intramural conversations,” that largely excluded the public, and prioritized the issue of who should have access to public funding (the licence fee). This suggested a sense of entitlement and protection for the industry, rather than any real sense of how public funding for public service content should benefit children in a media landscape where there are few public service options online.

9 Kingdon, Agendas, 123.
10 This included Staring into the Abyss: Where will Children’s TV be in 10 years Time? Hosted by the University of Westminster with CMF and VLV, 3 September 2015; and The BBC, the White Paper and the Future of UK Children’s Content. Hosted by the
University of Westminster with CMF and VLV, 31 May 2016. On September 3, the author represented VLV on the panel as a VLV Trustee, stepping down as a Trustee in November 2015.


23 Steemers and Awan, Policy Solutions, 8.


26 DCMS, BBC Charter Review, 114.

27 DCMS, BBC Charter Review, 115.

28 Others had expressed doubts about contestable funding including: Ofcom, Public Service Broadcasting in the Internet Age, 30; Commercial Broadcasters Association (Coba), Public Service Content in a Connected Society (London: COBA, 2015), 31; House of Lords, BBC Charter Review, 29.


31 Ofcom, A New Approach to Public Service Content in the Digital Media Age (London: Ofcom, 2007).


Raats and Donders, “From Centralized,” 107

Raats and Donders, “From Centralized,” 107


CMF, *The Department for Culture*, Paragraph 4.7 and 6.2; CMF, *The House of Lords*, Paragraph 4.6;


Under this model, the service would have been put out to tender, and required to generate revenues to supplement up to 70 percent in government funding from ethical advertising, partnerships and grants.


PACT, *Submission to the DCMS Green Paper on BBC Charter Renewal* (London: PACT, 2015), Paragraph 3.32. In December 2015 Pact agreed with the BBC that the in-house production guarantee for children’s be reduced from fifty to forty percent, raising the independent production quota from twenty-five to forty percent. This was
superseded by the Government White Paper, which advocates removal of all in-house quotas.

54 House of Lords, BBC Charter Renewal. Evidence Volume, 469-70. This assertion is incorrect, see notes 17 to 20.


57 PACT, Submission, Paragraph 3.17.

58 PACT, Submission, Paragraph 3.12.

59 PACT, Submission, Paragraph 3.10-11.

60 PACT, Submission, Paragraph 3.15.


64 Steemers and Awan, Policy Solutions, 101-3.


66 Hyatt, “Contestable Funding.”


69 Gannagé-Stewart, “Children’s Producers.”


72 Gannagé-Stewart, “BBC Shuns.”

73 Sophie Chalk, VLV, email message to the author, February 5, 2016.


77 DCMS. A BBC For the Future, 71.

78 The following account is based on notes taken by the author at The BBC, the White Paper and the Future of UK Children’s Content. Hosted by the University of Westminster in association with CMF and the VLV, 31 May 2016.

79 Deliver to the public the benefit of emerging communications technologies and services.
This was confirmed in anonymous conversations and correspondence with industry and journalism sources. The original fund could have been as much as £100m.

81 Kingdon, Agendas, 123.

82 Ofcom, Children and Parents: Media Use and Attitudes Report (London: Ofcom, 2015) November, 21-22 accessed July 12, 2016, http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/children-parents-nov-15/childrens_parents_nov2015.pdf. TV consumption of children (8-11) rose from 13.2 hours to 14.8 hours a week between 2005 and 2015, but time spent online rose from 4.4 to 11.1 hours (including watching AV material). 12-15 year olds increased viewing time on a TV set from 14.7 to 15.5 hours, but time online rose from 8 to 18.9 hours a week.