

Holding the BBC to account for the delivery of its mission and public purposes

Response from the Commercial Broadcasters Association to Ofcom

July 2017



A VOICE FOR COMMERCIAL BROADCASTERS IN THE UK

Introduction

1. The Commercial Broadcasters Association (COBA) is the industry body for multichannel broadcasters in the digital, cable and satellite television sector, and their on-demand services. COBA members operate a wide variety of channels, including news, factual, children's, music, arts, entertainment, sports and comedy. Their content is available on free-to-air and pay-TV platforms, as well as on-demand.
2. COBA members are critical to the global success of the UK broadcasting sector and its “mixed ecology” of public and private investors. As one of the fastest growing part of the UK television industry, they are increasing their investment in jobs, content and infrastructure:
 - Scale: In the last decade, the sector has increased its turnover by 30% to more than £5 billion a year. This is rapidly approaching half of the UK broadcasting sector's total annual turnover, and has helped establish the UK as a leading global television hub.¹
 - Employment: As part of this growth, the multichannel sector has doubled direct employment over the last decade.²
 - UK production: In addition, the sector has increased investment in UK television content to a record £725m per annum, up nearly 50% on 2009 levels.³
3. For further information please contact Adam Minns, COBA's Executive Director, at adam@coba.org.uk or 0203 327 4101.

¹ Ofcom International Broadcasting Market Report 2013

² Skillset, Television Sector – Labour Market Intelligence Profile

³ COBA 2014 Census, Oliver & Ohlbaum Associates for COBA

Response to consultation

1. COBA has consistently stated that the BBC is a cornerstone of the UK broadcasting sector, and that we support the principle of the licence fee. The UK broadcasting sector, and viewers, have benefited greatly from having a mixed ecology of the licence fee, advertising and subscription revenues. Together, these have supported audience choice and sustained levels of investment in original content.
2. That said, the scale of the BBC means that it has a significant impact on the market, making robust oversight crucial. COBA welcomes much of Ofcom's proposed approach to holding the BBC to account as set out in the consultation paper. The emphasis on concrete targets and quotas for first-run and original productions is generally welcome, as is the increased focus on core public service genres such as arts, children's and religion. Of course, 'first run' alone is not necessarily a measure of distinctiveness, and we would caution that Ofcom may at times need to make a more subjective value judgement about a service as a whole.
3. Our main concern with the proposals set out in the consultation paper are the lack of quotas for first-run and/or original programming in prime time for the BBC children's channels, CBBC and CBeebies. Ofcom is proposing such targets for most other channels but has not said why this is not the case for children's services. While we welcome the introduction of a target for first run originations across the day as a whole for these channels, it is surely important to ensure that content that is distinct reaches audiences at peak times when most are watching. If Ofcom takes the view that it is appropriate to air a higher level of repeats in peaktime on children's channels compared to mainstream ones, then at the very least there should be a specific quota for originations, both first-run and repeats, during this period.
4. The level of original content on CBBC in peak cannot be taken for granted. We have previously raised concerns about CBBC's heavy scheduling of North American teen drama *The Next Step*, which in our view raises questions over the distinctiveness of CBBC. Between 2015 and 2017, the show was the second most broadcast programme on CBBC by number of transmissions, behind only *Newsround Bulletin*. Our understanding is that no UK children's drama has been given such a level of prominence in CBBC's schedule over the last two years as *The Next Step*. While imported content is generally not prevalent across the BBC as a whole, we would submit that it is irregular that such a North American acquisition is rivalling a daily news update in CBBC's scheduling.

Figure 1: The Next Step– overall transmissions on CBBC

Year	Number of transmissions (The Next Step)
2015	486
2016	568
2017 (to 25/6/17)	284

Source: BARB

Figure 2: The Next Step – transmissions as % of all CBBC drama

Year	Percentage of total drama broadcast on CBBC
2015	16.7% of total drama
2016	17.9%
2017 (thus far)	16.8%.

Source: BARB

5. In terms of peaktime, The Next Step has been the primary focus for peak time morning scheduling. Taking a sample of the CBBC schedule from September to December 2016, The Next Step was routinely scheduled at 8.25 am (the prime school day peak time) for the majority of school days during the three-month period (50 days in total).

6. The Next Step is also dominant in the drama genre in terms of the evening schedule in the 7-9pm extended slot. Within CBBC’s extended 7pm-9pm block, The Next Step made up 28% of the drama shown in 2016. In a three-month sample of the 2016 schedule there are multiple occasions where there was no UK originated drama in the 7pm-9pm slot. For example, between September and November 2016, there were 13 evening slots where there was no UK originated drama.⁴ On these dates, typically multiple episodes of North

⁴ Namely September 13, 20 and 27 Sept, and October 4, 11, 12, 18, 19, 25, 26, 28, and November 1 and 2.

American content such as *The Next Step* and/or its spin off *Lost And Found Music Studios* were programmed, rather than UK originated drama.

7. In our view, *The Next Step* raises questions over the distinctiveness of CBBC during this period, and illustrates how levels of first run original content, or even repeats of original (UK) content, in peak viewing hours should not be taken for granted. We suggest Ofcom develops more detailed rules and targets for CBBC's distinctiveness in prime time. One option is that specific targets could be introduced for first run originations and/or first-run and repeats of (UK) originations during peak viewing times for both CBBC and CBeebies.