

# YOUNG AUDIENCE CONTENT FUND

Year 1 evaluation



JULY 2020

# Executive summary

*// I'm excited by the variety of content that's coming through*

YACF Executive

Launched in April 2019, the Young Audience Content Fund (YACF) attracted a high level of demand for funding

76 projects received funding in Year 1 and the value of awards totalled £12.5m

The combined budgets of supported productions was £26m, with £13.5m leveraged from other sources

This was achieved with overhead costs at 6% of all spending in the year, and user satisfaction was high



## Social value

Projects supported in Year 1 generated social value by meeting Fund priorities in the following ways:

### QUALITY

- The median cost per hour of production awards was at the upper end of, or exceeded, equivalent BBC tariff ranges, a useful proxy measure for high production values.
- All supported projects met at least one of the PSB Purposes recognised by Ofcom.
- The pattern of awards by target age range, genre and technique helped to address the three main areas of concern raised by Ofcom's Children's Content Review (the shortfall in provision for teen audiences; the lack of programming that helps children to understand the world; and the limited range of UK-set live action drama enabling children to see their lives on screen).

### INNOVATION

- Three-quarters (76%) of production projects, and 86% of development projects, involved innovative elements in their production methods, content or distribution and engagement plans.

## AUDIENCE REACH

- All supported production projects secured broadcaster commitments from Ofcom regulated, free-to-access public service platforms with significant UK-wide audience reach (or involved indigenous language channels exempt from this requirement).
- Production awards were made to projects with commitments from Channel 5, ITV, Channel 4, S4C, BBC Alba, TG4 and Sky News.
- All YACF production projects but one had a minimum exclusivity requirement of two years (730 days). The only exception was a current affairs project granted a two-week period of exclusivity for each episode in view of its topicality.

### PLURALITY

- The majority of supported projects involved commercial broadcasters and other non-BBC services, promoting viewer choice.
- 67 different UK production companies received at least one award from YACF in Year 1, and most were SME indies with annual turnovers of £500k or less.

*// The Fund is a truly wonderful boost to the industry and to independent companies who so often struggle to raise finance for desirable proposals*

**Applicant feedback**

## DIVERSITY

- All Year 1 production projects met two or more BFI Diversity Standards, and all development projects met at least one Standard, in line with requirements.
- Female producers were well-represented among applicants and beneficiaries in Year 1, but younger producers (aged under 29), those who identify as BAME, disabled and LGBTQI, and producers based outside London and the South East were under-represented.

## NATIONS & REGIONS

- 12 projects awarded production funding in Year 1 (71%) were set in recognisable UK locations outside London and the South East, including in every home nation. The same was true of over half of all development awards (56%), although no development projects were set in Northern Ireland.
- The Fund has a target of 5% of awards made to indigenous language projects, which was met by production (7 awards) and development funding (3 awards) in Year 1.
- The majority of production companies awarded support in Year 1 were based outside London and the South East (64% of production projects and 56% of development projects).

## NEW VOICES

- Over half (53%) of production projects involved a producer, writer or director with three or fewer produced project credits, and 97% of development awards went to projects involving either a producer with three or fewer credits or an SME production company.

## Additionality

Additionality arguments for projects awarded funding in Year 1 fall into two broad groups to do with the riskiness of projects and the availability or appropriateness of alternative sources of finance.

### Additionality arguments

#### *Commercial and creative risk:*

- Project considered challenging/ new / untested
- Production company new to genre and/or technique
- Indigenous language

#### *Sources of finance:*

- Alternative sources already involved or declined project
- Social value is dependent on retaining creative and commercial control over project

- Every YACF-supported project in Year 1 met at least two of these additionality arguments, most commonly that the usual sources of finance had already contributed to their limits and therefore YACF awards were essential to close financing packages for deserving projects unlikely to be fully financed by the marketplace.
- Of the nine production projects declined awards in Year 1, three were rejected because they were deemed capable of attracting the funding from other sources. All three have since gone into production (or are about to) having returned to the market for finance.
- In the absence of alternative sources of development funding for children's content, broadcasters' testimony confirms that YACF support in this area has positively impacted the number, quality and scope of project pitches.



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*// The ideas that have been developed through the Fund are of a higher quality and more materials are submitted. The submissions in response to a call-out for ideas, e.g. kids' drama, have been more ambitious*

**Broadcaster**

*This interim evaluation concludes that YACF made a positive start in Year 1.*

*Although the evidence base is limited to supply-side measures at this point in the Fund's life, key indicators suggest the Fund is on course to deliver social value for young audiences and UK programme-makers, while its low overhead costs, operational efficiency and user satisfaction levels provide evidence of value for money.*

# About YACF

*// [The Fund] promises to have a transformative impact upon my business, giving us the ability to dedicate resources to the development of an idea that could secure the future stability of the company*

## **Applicant feedback**

Launched in April 2019, the Young Audience Content Fund is one of two funding schemes established to pilot DCMS's new Contestable Fund model, the details of which were published in October 2018 following extensive consultation.<sup>1</sup>

YACF is administered by the BFI and is expected to distribute up to £57m over three years to support public service content for young audiences aged 18 and under.

Two groups provide high-level advice and guidance on the Fund's strategic direction, ensuring YACF engages with industry, government and regulatory stakeholders (the Strategic Advisory Group and the Steering Group).

YACF operates two open-call funding strands to support the creation of distinctive, high-quality content for delivery on Ofcom regulated, free-to-access public service platforms with significant UK-wide audience reach:

## **DEVELOPMENT**

- Up to 5% of the Fund is available for development funding to cover costs including the creation of treatments, pitch documents, series bibles, formats, scripts, pilots, animation tests and other materials required for securing the interest and commitment of broadcasters.
- Awards are non-recoupable and can provide up to a maximum of 100% of the development budget.

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<sup>1</sup> Contestable Fund Pilot: Supporting Young Audiences and Audio Content, DCMS; the other fund is the Audio Content Fund.

## PRODUCTION

- Production funding is available to make original programming which has secured a written commitment from a broadcaster.
- Awards are non-recoupable and can provide up to a maximum of 50% of the programme budget, depending on the amount of funding required.

Projects will only be supported if they are judged to entertain, inform and excite young audiences and have a clear view of the target audiences' tastes and preferences and the service they would access it on.

Applications are assessed against eight Fund priorities that reflect Public Service Broadcasting Characteristics and Purposes (Quality, Innovation, Additionality, Nations & Regions, Diversity, New Voices, Plurality and Audience Reach).



Hei Hanes! © Cwmni Da 2020

### PSB Purposes:

- Informing our understanding of the world
- Stimulating knowledge and learning
- Reflecting the UK's cultural identity
- Representing diversity and alternative viewpoints

### PSB Characteristics:

- High-quality
- Original
- Innovative
- Challenging
- Widely available
- Distinctive

Source: Ofcom



# About this report

This report presents the Year 1 evaluation findings for the period of YACF operation from 1 April 2019 to 31 March 2020.

Of necessity it has a supply-side focus, as most projects supported in the period have yet to complete production and make it onto broadcast and online services (due to the lead time for programme-making and distribution).<sup>2</sup>

The report is intended to be read in conjunction with *Young Audience Content Fund Year 1 Executive Summary* (Head of YACF, March 2020).

The Year 1 evaluation draws on the following evidence sources:

- Review of YACF records
- YACF user satisfaction survey
- Telephone interviews with four YACF Executives
- Broadcaster consultation (email survey of PSB broadcasters)
- Review of public policy research, consultation evidence and broadcast market intelligence

**Section 1** looks at the Fund's operational performance in Year 1, providing an overview of application numbers and funding decisions, equal opportunities monitoring results and user satisfaction

**Section 2** considers in detail the evidence of social value generated by YACF in its first year, in terms of Quality, Innovation, Audience Reach, Plurality, Diversity, Nations & regions and New Voices

**Section 3** examines the case for the additionality of YACF awards in Year 1, which lies at the heart of the Contestable Fund model

A concluding section summarises the main evaluation findings and looks ahead to future evidence-gathering

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<sup>2</sup> The Year 2 evaluation report will provide a more complete assessment of Fund performance, which will include demand-side metrics and evidence of audience engagement with supported projects.



# Section 1: YACF in Year 1

## 1.1 The year in review

1.1.1 YACF launched in April 2019 and the Fund made its first award within six weeks.

1.1.2 From the start there was a great deal of interest in the Fund among broadcasters and programme-makers, responding to the previous lack of public funding opportunities for children's content and limited sources of alternative financing. This translated into high numbers of applications for both development and production awards.

1.1.3 Throughout Year 1 the Fund was promoted by external PR agencies and the BFI, generating broadcast and press coverage as well as social media engagement with partners including Royal Television Society, AnimationUK, BFI Network, Pact, Northern Ireland Screen and Screen Cornwall. Fund Executives attended trade events and other gatherings (e.g. Children's Media Conference) to raise awareness, through outreach and networking, of YACF's mission and the funding opportunities available.

*// As it's gone on, word has travelled to film people who want to get into TV. We've been able to facilitate people's moves into [content for young people]. We've had good involvement from documentary makers*

**YACF Executive**

1.1.4 The Fund was not unduly impacted by the Covid-19 pandemic, and it remained open throughout the lockdown period as operations continued remotely. As the *Year 1 Executive Summary* report makes clear, most productions awarded funding in Year 1 were at the pre-production stage when lockdown was imposed. They were able to continue with preparations and projects are expected to resume their production schedules as lockdown measures ease.

1.1.5 At the time of writing, three productions funded in Year 1 had been made and transmitted (*Rùn* and *Lauchlan: Boy at the Top* on BBC Alba; and several segments of *FYI Investigates*, Sky News/First News).<sup>3</sup>

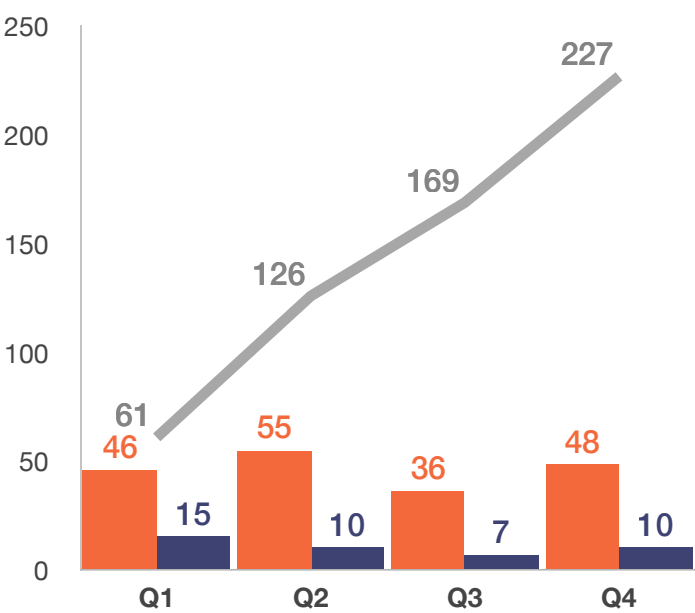
<sup>3</sup> Transmission, online delivery and audience viewing data will be reported in Year 2 once a more complete evidence base is available.

# 1.2 Applications & decisions

1.2.1 The uptake of funding opportunities was encouraging in Year 1, with a total of 42 production applications and 185 applications for development awards.

1.2.2 The number of applications fluctuated each quarter, but levels remained broadly consistent throughout the year.

1.2.3 By the year end, 81 awards had been made and 50 applications had been declined. Project approvals accounted for 61% of all decisions made in Year 1.



227 applications received by the end of Year 1

42 production  
185 development

1.2.4 Of the 96 pending decisions, 24 were waiting to start the assessment process at the end of Year 1 (the other 72 applications were in progress).

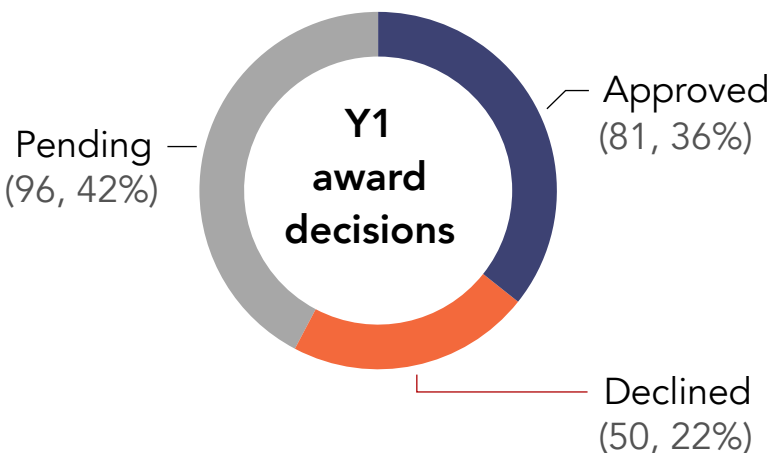


Table 1.1: Year 1 awards

	Number of awards approved	Number of projects
Production	18	17*
Development	63	59**
TOTAL	81	76

\* One production award was withdrawn after production company changed its plans

\*\* Four development projects received two awards each

1.2.5 In total, £13.2m was awarded in Year 1, although after one production project was withdrawn the amount committed by YACF to active projects stood at £12.5m.

1.2.6 The combined budgets of supported productions totalled £26m (delivering 69 hours of content), and the notional production budgets of development projects totalled £178m (498 hours of content).

## Production budget totals:



Production projects

**£26m**

Development projects

**£178m**

## Programme hours:



Production projects

**69 hours**

Development projects

**498 hours**

# £13.2m awarded in Y1

(£12.5m committed to active projects)

### Year 1 value for money

- YACF overhead costs = 6% of all Fund outgoings
- The application, assessment and award process was judged to be a high standard by auditor BDO

// BFI has good arrangements in place for the application and assessment of its YACF grantees [...] There are sufficient checks and approval steps in place to ensure that payments are made correctly and a segregation of duties is enforced. There is also a clear governance structure within the decision-making process at BFI, allowing for transparency

**BDO**

- For an investment of £12.5m, YACF-supported production projects leveraged £13.5m in additional funding from commercial and other sources
- It is estimated that supported production projects will create work opportunities for 865 cast, crew and executives around the UK, working for an average of 84 days on supported productions (72,792 days of employment in total)

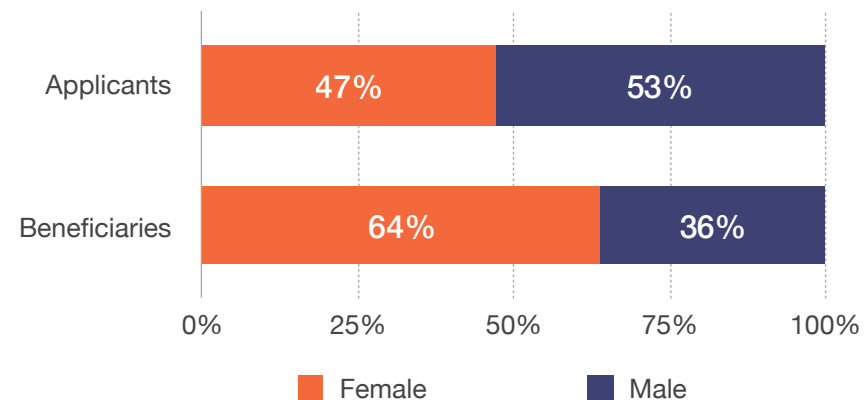
1.2.7 Information supplied by lead applicants for the purposes of Equal Opportunities monitoring paints a mixed picture of diversity among applicants and beneficiaries.

1.2.8 It is broadly reflective of the under-representation of certain groups within the wider creative industries. It suggests more can and should be done to actively engage with creative talent in all its diversity and to address any barriers to participation, particularly among younger producers (aged under 29), those who identify as BAME, disabled and LGBTQI, and producers based outside London and the South East.

## Gender

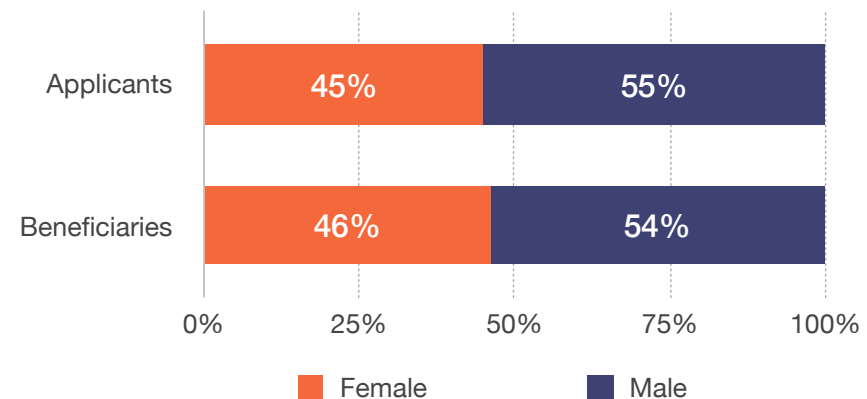
- Female producers were well-represented among applicants and beneficiaries
- A higher proportion of production award beneficiaries were female compared with production applicants, while the proportion of female development award beneficiaries matched the profile of applicants

Figure 1: Lead producer gender, Year 1 production projects



*N= Applicants: 32 completed forms, excluding 1 prefer not to say  
Beneficiaries: 14 completed forms*

Figure 2: Lead producer gender, Year 1 development projects



*N= Applicants: 130 completed forms, excluding 5 prefer not to say  
Beneficiaries: 39 completed forms*

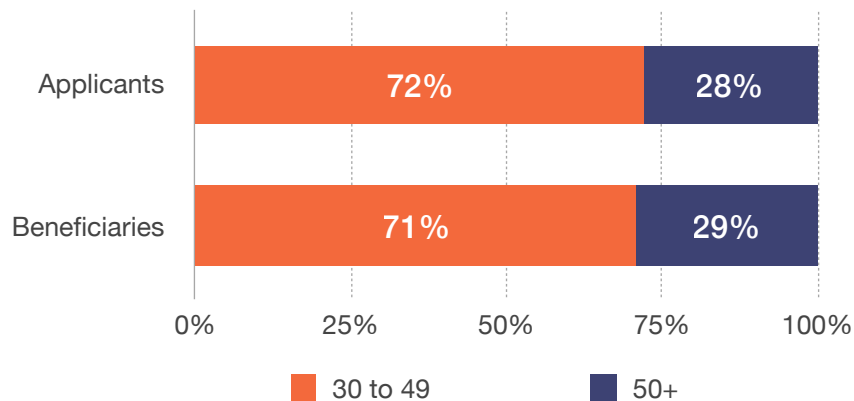
## Age

- Most applicants were aged 30 to 49
- There were no applications from producers aged 29 or under for production projects and very few development applicants in this group
- Production awards skewed towards 30 to 49 year olds, while over one-third of all development awards went to producers aged 50+ (a similar proportion to that found in the UK population as a whole)



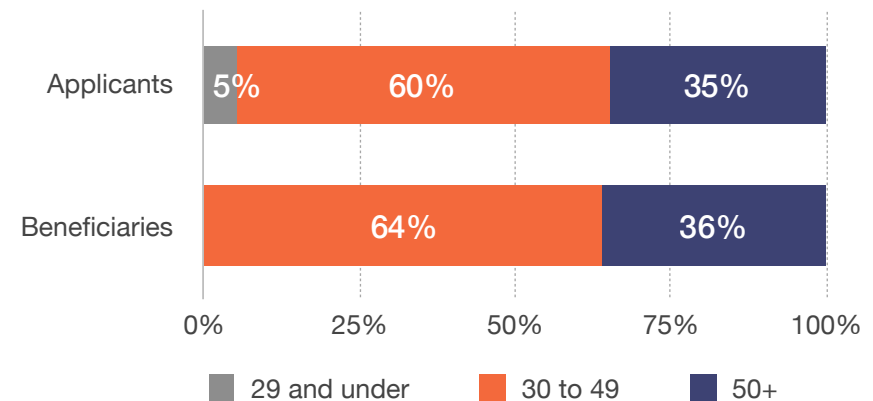
Meet the Experts © Boom Cymru TV 2020

Figure 3: Lead producer age, Year 1 production projects



N= Applicants: 32 completed forms, excluding 1 prefer not to say  
Beneficiaries: 14 completed forms

Figure 4: Lead producer age, Year 1 development projects



N= Applicants: 130 completed forms, excluding 5 prefer not to say  
Beneficiaries: 39 completed forms

## Disability, ethnicity and sexual orientation

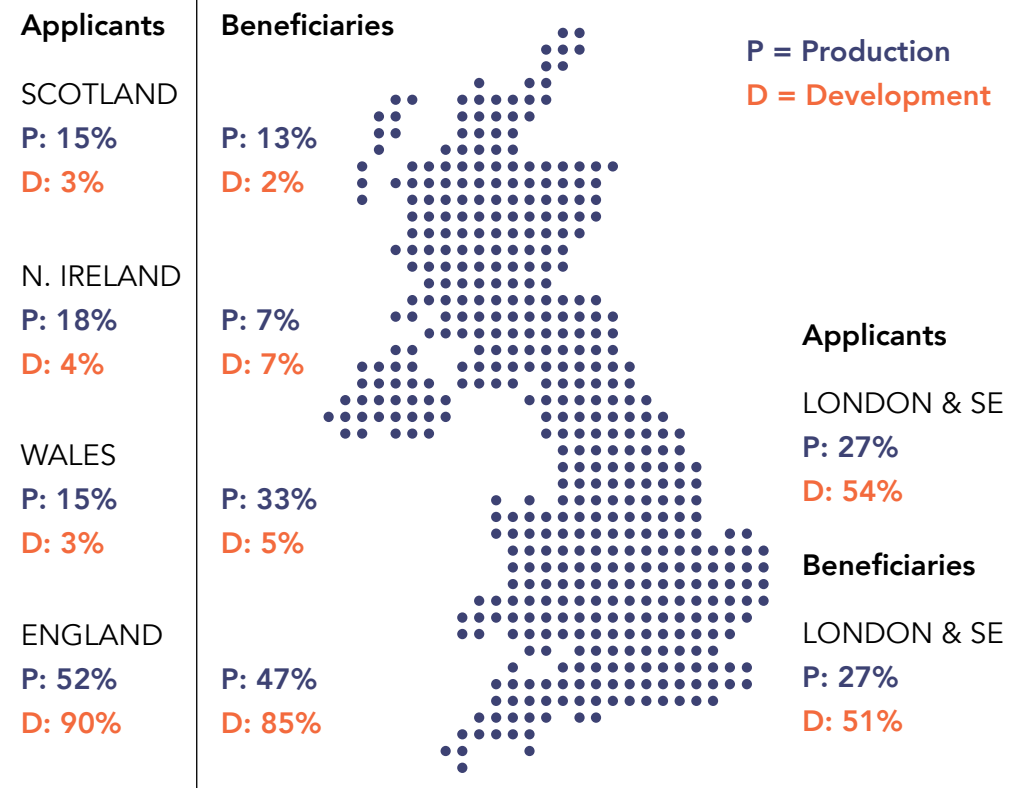
- There were very few production applications from, and awards to, producers from under-represented groups in these protected characteristic areas
- There was, however, greater diversity among development applicants and beneficiaries

Table 1.2: Disability, ethnicity and sexual orientation

	Disability	BAME	LGBTQI
<b>Production applicants</b> (based on 32 completed forms, excluding 1 prefer not to say)	3%	3%	7%
<b>Production beneficiaries</b> (based on 14 completed forms)	0%	7%	8%
<b>Development applicants</b> (based on 128 completed forms, excluding 7 prefer not to say)	16%	5%	16%
<b>Development beneficiaries</b> (based on 38 completed forms, excluding 1 prefer not to say)	16%	8%	14%
<b>UK population</b> (2011 Census and 2016/17 Family Research Survey, ONS)	19%	13%	7%

## Nations and regions

- Most production beneficiaries were based outside England
- Development applicants and beneficiaries more closely matched the UK population, with most based in England
- The proportion of production applicants and beneficiaries based in London and the South East matched the UK population
- In contrast, the proportion of development applicants and beneficiaries based in London and the South East was higher than is found in the population as a whole



## 1.3 User satisfaction

1.3.1 The follow-up survey inviting feedback on different elements of the YACF application process and decision-making presents a broadly positive picture of user satisfaction.

1.3.2 The majority of respondents were satisfied with most aspects of their experience, even those whose awards were declined in Year 1.

*// I particularly valued the ongoing honest and open dialogue about the merits of our application - it was very helpful and enabled us to plan and respond appropriately*  
**Production applicant**

*// We think it is great that the fund is largely managed by former production personnel*  
**Production applicant**

*// We found that the questions in the application form actually improved the development of our project. Some of the answers have ended up becoming part of our show bible*  
**Development applicant**

*// In spite of a negative outcome, we have received some encouraging feedback and pointers for follow-ups*  
**Development applicant**

# 80%

of respondents were satisfied with the overall process

### User satisfaction survey methods

- A link to the online survey was sent to everyone who applied for development or production awards in Y1
- 104 out of 227 applicants responded, a response rate of 46%
- The relatively high response rate lends confidence to these results. However, 44% of respondents had their applications approved, which introduces the possibility of response bias. To address this, separate results were analysed and compared for respondents whose applications were approved; those that were declined; and those whose decision was pending at the time of the survey



1.3.3 Not every YACF satisfaction measure met the target of 90% ‘Satisfied or Very satisfied’, and satisfaction levels decreased with each stage of the process. The most common source of dissatisfaction was with the length of time between submitting an application and receiving a decision.

1.3.4 According to YACF Executives, much of the delay experienced by applicants in the early part of Year 1 resulted from the need to follow-up applications lacking essential budget and legal affairs information. While not an issue affecting all applications, it led to a processing backlog with knock-on effects for Fund decision making.

1.3.5 In response, a number of measures were taken during the latter half of Year 1 to clarify application requirements, including the publication of updated guidelines in October 2019, containing a checklist of information for project budgets. YACF also took on additional staff to help improve and expedite application processing and decision-making.

Ongoing applicant satisfaction surveying in Year 2 will confirm whether these measures have had the desired effect on the user experience

The highest level of satisfaction was expressed for pre-application information and guidance	Satisfaction with the application stage was more mixed, although most respondents were satisfied with the process itself	The lowest level of satisfaction was expressed for the period after an application was submitted
<b>Pre-application stage</b>	<b>Application stage</b>	<b>Post-application stage</b>
Information about the Fund's aims & objectives <b>96%</b>	The clarity of the application process <b>81%</b>	The transparency of funding decision-making <b>68%</b>
Information about your eligibility to apply <b>96%</b>	The ease of use of the electronic application form <b>79%</b>	The quality of information available while awaiting a decision about funding <b>66%</b>
Quality of pre-application advice <b>88%</b>		The length of time between submitting the application and hearing about the decision <b>60%</b>
Information about types of project the Fund supports <b>87%</b>		

% of respondents who answered ‘Satisfied’ or ‘Very satisfied’ to the question: “How satisfied were you with the following aspects of the funding application process?”

1.3.6 Overall, Fund decision-making was judged to be fair by most respondents:

- 61% of all respondents gave a fairness rating of 8+ out of 10
- Unsurprisingly, respondents whose awards were approved gave the highest fairness ratings, averaging 9.3 (60% gave a rating of 10)
- Respondents whose awards were declined gave an average rating of 5.4, which is above the halfway point on the scale (60% of these respondents gave a rating of 5+).
- This indicates there is scope to improve the communication of fund decisions and to better manage user expectations

1.3.7 Most respondents whose projects were approved were satisfied with specific areas of advice received after their award was granted:

**If your application for funding was successful, how satisfied were you with the advice and support from BFI staff for the following aspects?**



# 8.3 out of 10

## Average fairness rating

On a scale of 1 to 10, how would you rate the fairness of Young Audience Content Fund decision-making?  
(1 = extremely unfair and 10 = completely fair)

# Section 2: Social value

## 2.1 Introduction

YACF is intended to generate social value by expanding viewer choice through its awards for **better and different** content for young audiences on free-to-air, Ofcom regulated channels

2.1.1 Evidence of the Fund's track record on additionality is considered in Section 3. The remainder of this section sets out performance in Year 1 against the Fund's other social value priorities.

2.1.2 According to YACF records, all production projects awarded funding in Year 1 met the criteria for quality and plurality, and 50% or more met the other Fund priorities (Table 2.1).

2.1.3 In the case of Year 1 development projects, all supported projects were judged to satisfy quality, diversity and audience reach criteria, and the other priorities were met by 44 or more projects out of 59 (75%+, Table 2.2).

Table 2.1: Production projects meeting YACF priorities in Year 1

	Number meeting priority	%
Quality	17	100%
Plurality	17	100%
Audience reach*	17	100%
Diversity**	15	88%
Nations & regions	14	82%
Innovation	13	76%
New voices	9	53%

\* Special consideration is given to indigenous language productions; all English language productions met this priority

\*\* 100% of projects met the target of two or more BFI Diversity Standards, including Standard C

Table 2.2: Development projects meeting YACF priorities in Year 1

	Number meeting priority	%
Quality	59	100%
Diversity	59	100%
Audience reach	59	100%
Plurality	55	93%
Innovation	51	86%
New voices	46	78%
Nations & regions	44	75%

## BETTER & DIFFERENT

**QUALITY:** Productions must aspire to meet the high-quality purposes and characteristics that are expected from public service broadcast content and be accessible, engaging, informative, entertaining and exciting to the target audiences.

**INNOVATION:** The Fund will support content that introduces new ideas, and innovative approaches, to public service programming, both in terms of content and production methods, and distribution, discoverability and engagement plans.

**AUDIENCE REACH:** All content supported by the Fund will first need to be shown exclusively on a free-to-access, Ofcom regulated service with a significant UK-wide audience reach. We will take into account the smaller, more targeted audiences for UK indigenous language content when assessing applications.

**PLURALITY:** One of the purposes of the Fund is to encourage growth and plurality in the production of public service programming for young audiences, an area in which the BBC is currently dominant. A project's impact on the marketplace, and the importance placed on the production of content across a range of other services, will be considered when assessing the application for funding.

**DIVERSITY:** Applications to the Fund will be expected to achieve the BFI Diversity Standards which encourage equal opportunity in the screen industries and tackle under-representation as to disability, gender, ethnicity, age, sexual orientation, socio-economic status and geographical location.

**NATIONS AND REGIONS REPRESENTATION:** Merit will be given to productions that are representative, and reflective of the cultural identity, of the UK nations and regions, both on screen and off screen. We are keen to see applications for content in UK indigenous languages.

**NEW VOICES:** Merit will be given to applications that introduce fresh voices and new ideas to the public service landscape and enable content from production companies who fall within the micro or SME category to compete in the broadcasting landscape.

**ADDITIONALITY:** Priority will be given to applications that fulfil the Fund priorities but are unlikely to be fully financed by the marketplace, being deemed as a commercial risk or too challenging to produce. We will expect applications to make it clear how the content differs from a broadcaster's usual programming.

*Source: YACF Guidelines, October 2019*

## 2.2 Quality

*// We're creating content that is universally relatable and appealing [and] we can bring our own audiences more diversity and original perspectives*

**MG Alba Commissioning Editor on *Rùn*, RTS TV award nominee**

2.2.1 Support for high-quality content that would otherwise struggle to get made is one of YACF's main priorities. It is a foundation stone of the Contestable Fund model, in recognition that PSB services can only compete with online content from platforms including YouTube and Netflix provided their offer is compelling and engaging. High-quality content, the reasoning goes, has the potential to cut through the online noise to reach young audiences.

2.2.2 The assessment of quality is therefore central to YACF decision-making. A review of the assessment reports for supported projects reveals the presence of six common criteria used to judge the quality of content in Year 1 (mirroring the PSB Characteristics recognised by Ofcom), with most programming satisfying two or more of these criteria:

- Originality and distinctiveness
- Creative ambition
- High production values
- Engaging format
- Updates a classic format/ story/ character
- Contemporary resonance

*// The production values of this series are second to none, the level of writing, design, artistry and production skills will be very high indeed and will look fantastic on screen*

*// This is a great format being resurrected and the execution of the new approach has been well thought out*

*// This is bristling with quality, it's an original story, which reflects what is happening right now with young people all over the country*

**Assessment reports**

2.2.3 These records also highlight overlaps with other priorities in YACF determinations of quality, notably Innovation, Diversity, Nations & regions and New voices.

2.2.4 Achieving high-quality content is a function of the available production budget; in general terms, the more money available, the higher the production values and the greater likelihood of realising the programme-maker's creative vision.

*// My strategy for working with YACF has been to focus on 2 or 3 ambitious projects a year. The kind of content that would be too expensive to commission on our budgets*

**Broadcaster**

2.2.5 Typically, children's content has lower budget levels compared with the equivalent programming intended for general and adult audiences (usually justified on a cost per user basis). This difference is reflected in, for example, BBC commissioning tariffs. Against this backdrop, YACF awards tried to ensure that supported projects were properly and adequately budgeted for the type, ambition and scale of the proposed production schedule.

2.2.6 YACF worked with applicants to clarify budgeting decisions so they accurately reflected market rates and were suited to the scope of proposed production activity. In the case of two projects awarded funding in Year 1, this conversation resulted in budget increases made possible through YACF funding.



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2.2.7 As a result, all 17 supported production projects in Year 1 either fell within the upper range of the relevant BBC tariffs for children's content or exceeded them.

Table 2.3 summarises the relevant production budget data without betraying the commercial confidentiality of individual projects.

Table 2.3: Median cost per hour, YACF production projects

YACF genre classification	Number of supported projects	Median cost per hour*	Equivalent BBC tariff range
Drama	8	£448,280	£140k to £550k (Mid to High range CBBC drama)
Entertainment	4	£306,296	£50k to £300k
Factual entertainment	2	£184,442	£50k to £200k
Factual	3	£159,720	£80k to £200k

\* Median cost is reported rather than mean cost per hour to avoid the distorting influence of outlying figures

2.2.8 Another measure of quality is the extent to which supported projects meet the high-quality Purposes expected of public service broadcast content.

2.2.9 In Year 1, all production projects awarded funding serve at least three of the four PSB Purposes recognised by Ofcom, while all but one of the supported development projects serve at least two.

2.2.10 Of these four Purposes, production projects were most likely to 'inform understanding of the world' and 'stimulate knowledge and learning' (Table 2.4), while the development projects awarded funding in Year 1 were most likely to 'reflect UK cultural identity' and 'represent diversity and alternative viewpoints' (Table 2.5).

Table 2.4: Production projects and PSB Purposes in Year 1

PSB Purposes	% of projects
Inform understanding of the world	100%
Stimulate knowledge and learning	100%
Reflect UK cultural identity	94%
Represent diversity and alternative viewpoints	94%

Table 2.5: Development projects and PSB Purposes in Year 1

PSB Purposes	% of projects
Reflect UK cultural identity	96%
Represent diversity and alternative viewpoints	89%
Stimulate knowledge and learning	46%
Inform understanding of the world	32%





2.2.11 It is instructive to look at the issue of quality from one final, related, perspective. Ofcom's Children's Content Review, looking at provision for under 15s, provides a useful lens through which to consider the 'business as usual' case for social value prior to YACF's first year of operation.

2.2.12 The review found three main deficiencies in commercial PSB provision for young audiences:

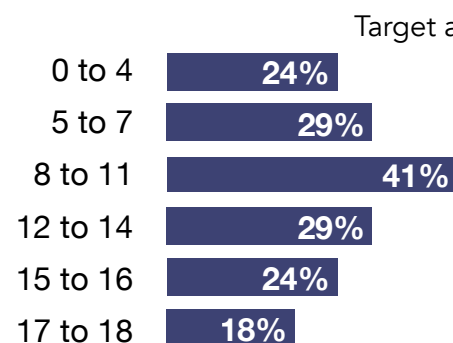
- The lack of original, high-quality programmes for older children across all genres;
- A limited range of programmes that help children understand the world;
- A limited range of original, high-quality programmes that enable children to see their lives on screen.

*Children's Content Review Update, Ofcom, July 2018*

2.2.13 Projects supported in Year 1 help to address these shortfalls in a number of ways:

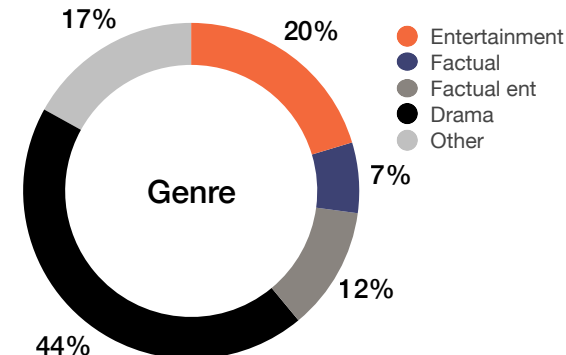
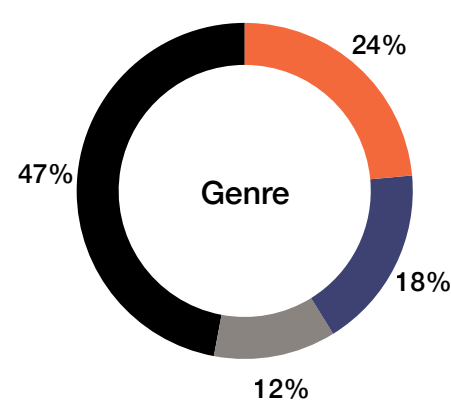
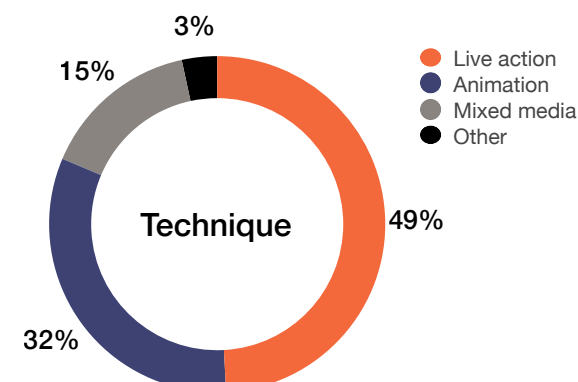
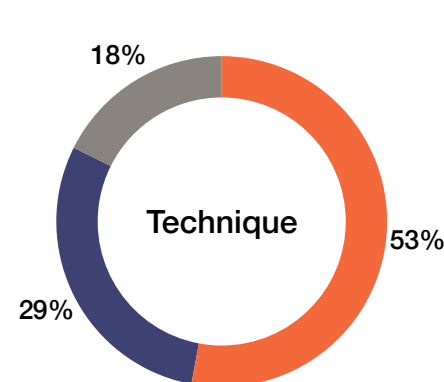
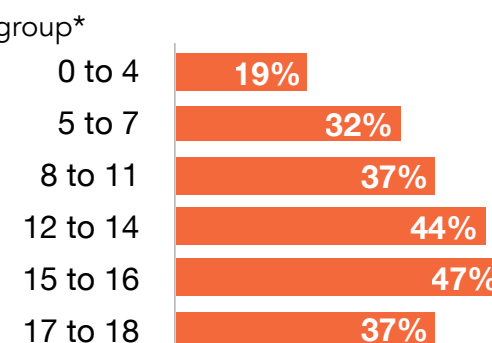
- Development awards skewed towards older target age groups, which means future production activity has the potential to address the shortfall in provision for teen audiences;
- Factual & factual entertainment programming was prominent in production awards (helping children to understand the world);
- Dramas made up the largest proportion of production and development awards, and half of all awards were to live action projects (enabling children to see their lives on screen).

## PRODUCTION



\*Applicants could select more than one category so percentages sum more than 100%

## DEVELOPMENT



## 2.3 Innovation

*// Innovation is a hard thing to nail down sometimes.  
It's a very nuanced thing*

YACF Executive

2.3.1 Innovation can be a powerful driver of programme quality and appeal, with original content and new production methods helping to engage young audiences and spark their interest. It is all the more important that public service broadcasters commission innovative projects to compete with the rich variety of content available through global online platforms.

2.3.2 In recognition of this, applications to YACF can improve their chances of an award if they introduce new ideas and novel approaches to their content, production methods, and/or distribution, discoverability and engagement plans.

2.3.3 In Year 1, 13 production projects (76% of all supported projects) demonstrated innovation, most commonly in their production methods and content.

*// This could be the first time such topics have been addressed specifically for this age group*

*// The script deals with a very original concept and reflects a potentially realistic situation*

*// The digital offering is innovative, engrossing and really can put the audience in the middle of the show*

*// There are some technical suggestions of innovative animation around backgrounds and 2D/3D movement*

*// The content will be released online as well as using social media as a tool to release content as if real*

**Assessment reports**

Table 2.6: Production projects and innovation

Innovation area*	Number of projects	% of projects
Methods	7	41%
Content	5	29%
Distribution, discoverability & engagement	3	18%
No innovation	4	24%

\* Projects can be innovative in more than one area so figures do not sum 100%

2.3.4 It is worth flagging the relatively small number of projects with innovative approaches to distribution, discoverability and engagement.

2.3.5 Given competition for their attention from online platforms and social media, it is arguable that the deployment of novel and compelling ways for PSB content to reach young audiences is as important as ensuring its quality and appeal.

The Year 2 evaluation will be in a better position to judge how effectively supported projects connect with young audiences, and the role played by innovation in this regard

2.3.6 Across supported development projects the level of innovation in content and production methods was even higher: 51 (86%) demonstrated new and inventive approaches.

- // *There hasn't been a drama covering this topic before and the experience the writer has of the care system will allow for a very authentic representation of the issues it covers*
- // *Currently there are no shows for kids that combine fashion, creativity/craft and working to real briefs*
- // *Some of the issues covered in the show including male body dysmorphia are not frequently represented on TV*
- // *Engaging young people in a writers room will be an innovative way to ensure authenticity in the project*
- // *There will be an accompanying digital platform to go into deeper depth about the science in the shows*

**Assessment reports**

Table 2.6: Development projects and innovation

Innovation area*	Number of projects	% of projects
Content	38	64%
Methods	14	24%
Distribution, discoverability & engagement	1	2%
No innovation	8	14%

\* Projects can be innovative in more than one area so figures do not sum 100%

2.3.7 It is interesting to note there is considerable overlap between the types of innovative content identified in Year 1 assessment reports and onscreen representations of diversity.

*/// The way projects most regularly meet [the priority] is by being innovative in their representation of a group that hasn't been done before. But that has a big crossover with diversity*

**YACF Executive**

2.3.8 Often the stories and characters identified as new and original involve addressing the under-representation of particular communities and life experiences, or else challenging stereotypical representations.

*|| The show has the opportunity to represent a variety of mental health issues as well as hopefully help remove the stigma attached around mental health by showing several characters regularly discussing it*

*|| The project is innovative in its representation of disabled children and in its accessibility considerations*

*|| Having the protagonists in a committed gay relationship will be a first for children's television*

*|| The POV techniques used will provide an innovative representation of what autism is like to audiences*



FYI Investigates © Fresh Start Media 2020

## 2.4 Audience reach

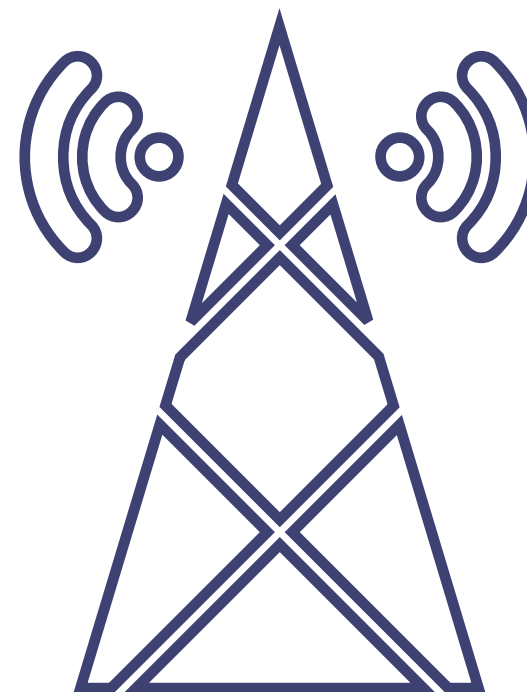
2.4.1 YACF funding is conditional on projects having their debut transmission, for an exclusive period, on a free-to-access, Ofcom regulated service with significant UK-wide reach, in order to maximise social value benefits for the largest number of young audience members.

2.4.2 All Year 1 YACF production projects but one had a minimum exclusivity requirement of two years (730 days). An exception was made for a current affairs project, which, given the topicality of the content, only required a two-week period of exclusivity for each episode.

2.4.3 This compares favourably with typical PSB commissioning holdback periods against, for example, SVOD exploitation, and ensures funded content is not made available on non-qualifying services within this window (e.g. online platforms not regulated by Ofcom).

2.4.4 In recognising services with a significant UK-wide audience reach, special dispensation is given to indigenous language projects intended for particular target audiences (although they must still observe exclusivity requirements).

2.4.5 Such projects awarded funding in Year 1 included programmes commissioned by BBC Alba, S4C and TG4 (including one production project airing on all three channels).



2.4.6 Tables 2.7 and 2.8 provide an overview of supported projects by commissioning (or intended) broadcaster.

Table 2.7: Production projects and commissioning broadcasters

Commissioning broadcaster	Number of projects	% of projects	Programme hours	% of programme hours
Channel 5/ My5	4	24%	34.1	49%
CITV/ITV/ITV Hub	3	18%	19.7	28%
S4C/ S4C Clic	4	24%	8.3	12%
Channel 4/ E4/ All4	2	12%	3.7	5%
First News/ Sky News	1	6%	2.5	4%
BBC Alba/ BBC iPlayer	2	12%	0.5	1%
Multiple	1	6%	0.4	1%
<b>Total</b>	<b>17</b>	<b>100%</b>	<b>69.3</b>	<b>100%</b>

Channel 5 accounted for the largest share of production project programme hours supported in Year 1 (49%), followed by ITV/CITV (28%)

Table 2.8: Development projects and intended broadcasters

Intended broadcaster	Number of projects	% of projects
Channel 4/ E4/ All4	16	27%
Multiple/ undecided	15	25%
Channel 5/ My5	12	20%
CITV/ITV/ITV Hub	11	19%
CBBC/ CBeebies / BBC iPlayer	2	3%
BBC Alba/ BBC iPlayer	1	2%
S4C/ S4C Clic	1	2%
STV	1	2%
<b>Total</b>	<b>59</b>	<b>100%</b>

The majority of development projects were intended for the main commercial PSBs (led by Channel 4/E4, and including Channel 5 and ITV/CITV)

## 2.5 Plurality

2.5.1 YACF Guidelines explicitly recognise the BBC's current dominance in the provision of public service programming for young audiences, a situation which is partly driven by the challenges facing commercial broadcasters in the face of advertising restrictions and competition from global online platforms for content and audiences.

2.5.2 This theme was explored further by Ofcom's Children's Content Review, which concluded that "[p]roviding high-quality children's programmes cannot be left to the BBC alone [...] and the commercial PSBs should provide an alternative source" (*Children's Content Review Update*, July 2018).

2.5.3 Although there is no formal restriction on YACF funding for BBC commissions, there is a tacit understanding that the majority of awards will be to projects commissioned by commercial and indigenous language broadcasters, in an effort to promote greater viewer choice.

*/// The overall increase in spend on original content gave us the opportunity to embellish the tone of voice and personality of the channel- positioned as a cheeky, slightly irreverent cousin of CBBC, for example*  
**Broadcaster**

*/// This will be a rival to the only other current affairs programme for young people 'Newsround' on CBBC*

*/// This provides competition for usual BBC public service arts and crafts show*

*/// This hopefully will help change the landscape of quality children's animation mainly being dominated by the BBC*

**Assessment reports**

2.5.4 In Year 1, only one production award involved a BBC commission, but the project did not progress with YACF funding due to a subsequent change in its production finance package. Two development awards were granted to projects intended as BBC commissions (although given the changing nature of project plans throughout the development and commissioning process, more of these projects may end up as BBC commissions). All other projects involved commercial and indigenous language broadcasters, helping to promote this aspect of market plurality (see Tables 2.6 and 2.7 above).

2.5.5 It is not possible to include a breakdown of production spend by broadcaster without revealing some individual project budgets, but it is worth noting that projects commissioned by ITV/CITV and Channel 5 accounted for two thirds (67%) of the total production spend of projects awarded funding in Year 1.



2.5.6 The Fund's contribution to encouraging growth and plurality in the production of public service programming for young audience can also be assessed at the level of individual production company involvement. This evaluation found no evidence that awards were concentrated in support of particular companies.

2.5.7 On the contrary, 14 UK companies were behind production projects support by YACF in Year 1 (three companies were involved in two projects each), and 54 were involved in development projects (eight companies were funded for two or more projects).

2.5.8 This means that 67 different UK production companies received at least one award from YACF in Year 1.

#### Production awards:

- Aardman Animations
- Adastra Development
- BBC Studios Productions
- Blink Industries
- Boom Cymru TV\*
- Cwmni Da\*
- Dot To Dot Productions
- Fourth Wall Entertainment Limited
- Fresh Start Media Ltd
- Mount Stuart Media
- Paper Owl Films
- Sorbier Productions\*
- Terrific Television
- Winduna Enterprises

\* More than one award

#### Development awards:

- |                           |                                  |                              |                              |                                |
|---------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|
| • 2DF Arts & Media        | • Cav Films                      | • FremantleMedia             | • Mackinnon & Saunders       | • Survivors Productions        |
| • ALT Animation           | • Channel X North                | • Griffilms Animation Studio | • Moving Target Films        | • The Illuminated Film Company |
| • Amicus Studios          | • Collingwood O'Hare Productions | • Hands Up Productions       | • Out of Control Productions | • The Media Trust              |
| • Anderson Entertainment  | • Coracle Productions            | • Hey Sonny Films            | • Ragdoll Productions        | • Two Hand Productions         |
| • Animation Garden        | • Dead Pixel Productions         | • Hillbilly Television       | • Scattered Pictures         | • Visionality Media            |
| • Bandit Cornwall*        | • Duck Soup Films                | • History Bombs              | • Short Form Film Company    | • Wildseed Studios             |
| • BBC Studios Productions | • Eagle Vs Bat Ltd*              | • Hungry Head                | • Shudder Films*             | • Woolly Pics                  |
| • Beano Studios           | • Elysian Film Group             | • ITN                        | • Singer Films               | • Yamination Studios*          |
| • Bowled Over Media*      | • Empress Films                  | • Kilogramme                 | • Sixth Sense Media          | • Yeti Media Limited           |
| • Bryncoed Productions*   | • Escape Films                   | • Kindle Entertainment*      | • Skipyard Productions       |                                |
| • Bumpybox                | • Fettle Animation Limited       | • Lovelove Films             | • Sonny Side Up              |                                |
|                           | • Flickerpix*                    |                              |                              |                                |

2.5.9 These companies vary in size, mirroring the UK's diverse production ecosystem, and most were SMEs with annual turnovers of under £1m (indeed, three-quarters of the companies awarded development funding had an annual turnover of less than £500k).

Table 2.9: Company size, production awards

Number of employees	Number of companies	%
0-9	8	57%
10-49	1	7%
50-249	3	21%
250	2	14%
<b>Total unique companies</b>	<b>14</b>	<b>100%</b>

Table 2.10: Company size, development awards

Number of employees	Number of companies	%
0-9	47	87%
10-49	4	7%
50-249	1	2%
250	2	4%
<b>Total</b>	<b>54</b>	<b>100%</b>

Table 2.11: Annual turnover, production awards

Annual turnover	Number of companies	%
Under £50k	2	14%
£50k to £250k	3	21%
£250k to £500k	1	7%
£500k to £1m	1	7%
£1m to £5m	3	21%
£5m to £10m	-	-
£10m to £50m	2	14%
£50m+	1	7%
Undeclared	1	7%
<b>Total</b>	<b>14</b>	<b>100%</b>

Table 2.12: Annual turnover, development awards

Annual turnover	Number of companies	%
Under £50k	17	31%
£50k to £250k	16	30%
£250k to £500k	8	15%
£500k to £1m	3	6%
£1m to £5m	7	13%
£5m to £10m	-	-
£10m to £50m	1	2%
£50m+	2	4%
Undeclared	-	-
<b>Total</b>	<b>54</b>	<b>100%</b>

## 2.6 Diversity

// So pleased that you have this Fund, that there is a commitment to diversity and making work for kids outside of London

Applicant

2.6.1 Applications to the Fund are assessed against the BFI Diversity Standards, which encourage equal opportunity and seek to tackle under-representation in the screen industries in terms of disability, gender, ethnicity, age, sexual orientation, socio-economic status and geographical location:

- on-screen (characters, stories and themes explored);
- behind the camera (in creative leadership, crew and project staff, and in training, opportunities and career progression)
- and in audience outreach and development.

2.6.2 All projects are required to complete the Diversity Standards section of the application, and this self-reported information is assessed by the Diversity Standards team in the BFI Certification Unit.

2.6.3 To achieve the Standards, production projects must meet the criteria of at least two of the Standards (which must include Standard C), while development projects should meet at least one.

There are four BFI Diversity Standards, and each has a number of specific criteria:

- Standard A: On screen representation, themes and narratives
- Standard B: Creative leadership and project team
- Standard C: Industry access and opportunities
- Standard D: Audience development

Table 2.13: Production projects, Diversity Standards met

Number of Standards met	Number*	%
1 Standard met	-	-
2 Standards met	5	29%
3 Standards met	9	53%
4 Standards met	3	18%
<b>Total</b>	<b>17</b>	<b>100%</b>

\* Some projects had potential to meet additional Standards

2.6.4 All Year 1 production projects met two or more Standards in line with these requirements (Table 2.13), and all projects met Standard C (Table 2.14, below).

Table 2.14: Year 1 production projects and BFI Diversity Standards, breakdown by Standard

Standard	Number meeting Standard*	%
Standard A: On screen representation, themes and narratives	16	94%
Standard B: Creative leadership and project team	13	76%
Standard C: Industry access and opportunities	17	100%
Standard D: Audience development	3	18%

\* Other projects had potential to meet the Standards subject to additional information

- // *This project represents Scottish-Gaelic speaking children as well as people from a particular religious background*
- // *The current presenting team are diverse in terms of gender, ethnicity, social background and region, as well as one of the editions being specifically about diversity*
- // *The main character is a mixed-race female and the children will all be cast as multicultural characters as well*
- // *All the characters involved in the production are representative of many underrepresented groups, from gender, sexuality, religion, race, socio-economics and disability.*

- // *There definitely seems to be plenty of diversity within the proposed storylines and characters, there are characters of different faiths and ethnicities, as well characters who display non-stereotypical trends*
- // *Off screen the writer/creator and producers are all female and from lower social economic backgrounds and 2 are BAME*
- // *Their aim is to involve at least 5 children from the autistic spectrum or with a disability and at least 5 children from ethnic minorities*

**Assessment reports**

2.6.5 In terms of Year 1 development projects, they all met at least one Standard (Table 2.15), most commonly Standard A (Table 2.16). This is understandable given that details relevant to other Standards are unlikely to be settled at the start of a project's development phase (i.e. casting, crew, production location, training and progression opportunities and audience outreach activity).

2.6.7 On the available evidence in the YACF assessment reports, there is good reason to assume that many of these projects are likely to meet additional Standards if they are successful in converting to full production.

Table 2.15: Development projects, Diversity Standards met

Number of Standards met	Number*	%
1 Standard met	43	73%
2 Standards met	15	25%
3 Standards met	1	17%
4 Standards met	-	-
<b>Total</b>	<b>59</b>	<b>100%</b>

\* Some projects had potential to meet additional Standards

Table 2.16: Year 1 development projects and BFI Diversity Standards, breakdown by Standard

Standard	Number meeting Standard*	%
Standard A: On screen representation, themes and narratives	59	100%
Standard B: Creative leadership and project team	14	24%
Standard C: Industry access and opportunities	3	5%
Standard D: Audience development	0	-

\* Other projects had potential to meet the Standards subject to additional information

*They have sought the help of a consultant to ensure they have an authentic and sensitive representation*

*The producer and lead character are both disabled and it is the intention of the series to portray disability as no obstacle*

*The show has a wide range of diverse characters that will be relatable to audiences*

**Assessment reports**

## 2.7 Nations & regions

*// [As a result of appearing at a Screen Cornwall event] there have been a lot of Cornish applications, which is really exciting*

YACF Executive

2.7.1 The promotion of regional diversity, in terms of onscreen representation and the location of production activity, is another of the Fund's social value priorities.

2.7.2 To assess performance against this priority, the regionality of supported projects can be gauged from two main vantage points:

- The onscreen representation of identifiable UK regions and communities, including indigenous language speakers;
- The location of beneficiary production companies around the UK.

2.7.3 In terms of onscreen representation, 12 projects awarded production funding in Year 1 (71%) were set in recognisable UK locations outside London and the South East, including in every home nation (the other five projects were set in a non-specific or fictional location).



Table 2.17: Production project settings

Regional setting	Number of projects	%
Wales	5	29%
Across all UK nations & regions	4	24%
Scotland	2	12%
Northern Ireland	1	6%
Non-specific or fictional setting	5	29%
<b>Total</b>	<b>17</b>	<b>100%</b>

- || This follows a child from the Isle of Skye, a remote, rural part of Scotland, who will travel around the whole country on his quest*
- || The presenters are from around the regions and each section will be shot on location around the nations and regions*
- || The specific locations being highlighted should be able to give an equal spread of engagement from around all the Nations & Regions of the UK*
- || Much of the filming will be on location around the whole UK, visiting children in their own homes and helping them with their own arts and crafts*
- || The production will take place in the Wirral and the town will be representative of many nations and regions within the UK through the voice actors accents and characterisation*
- || The whole production is taking place in Scotland*



- || Although the story starts in inner-city London, the story quickly shifts to the underrepresented, low socioeconomic city of Swansea, Wales. The majority of the shoot will take place here, hiring local crew and cast*
- || This whole production will be set and made in Wales and the filming locations will be spread out across the entire country*
- || All the children will be cast from all nations and regions of the UK, trying to incorporate all corners of the UK*

**Assessment reports**



2.7.4 Regional diversity was also evident in the settings of projects awarded development funding in Year 1. Over half (56%) were set in UK locations outside London and the South East, most commonly in other English regions. There were, however, no development projects set in Northern Ireland.

2.7.5 YACF specifically welcomes applications for content in UK indigenous languages, with the intention of granting at least 5% of awards to such projects.

*One of the most frustrating things about filming Gaelic language drama is the prohibitive cost of locating that drama actually in the Gaelic heartland*

Applicant

2.7.6 Across Year 1 as a whole, this target was met by development projects and comfortably exceeded by the production projects awarded funding for Welsh, Scottish Gaelic and Irish language content. In so doing, YACF helped to address the challenge of financing indigenous language content, which risks a relatively high cost per user if creative ambitions are to be fulfilled, especially for live action drama shot on location.

2.7.7 While this represents a sizeable proportion of all production awards made in Year 1, they were generally for smaller funding amounts (£197k on average compared with £939k for English language content) and accounted for only 13% of the total value of Year 1 awards.

Table 2.18: Development project settings

Regional setting	No. of projects	%
English regions outside London & South East	16	27%
Across all UK nations & regions	10	17%
London & South East	5	8%
Wales	4	7%
Scotland	3	5%
Non-specific, fictional or international setting	19	32%
Not declared	2	3%
<b>Total</b>	<b>59</b>	<b>100%</b>

Table 2.19: Indigenous language awards in Year 1

	Number	%
Production projects	7	41%
Development projects	3*	5%
<b>All awards</b>	<b>10</b>	<b>13%</b>

\* Two other development projects were predominantly in English language but have some other indigenous language dialogue (Welsh and Cornish)

Turning to the location of production companies awarded funding in Year 1, the majority were based outside London and the South East of England

## Companies based outside London & SE:

Production: 64%  
Development: 56%

// The YACF is also helping us to push the boundaries in terms of working with more regional production companies, including in the Wirral, Glasgow, Manchester, Belfast and Cardiff

Broadcaster

### NORTHERN IRELAND

Production: 1  
Development: 2

### WALES

Production: 3  
Development: 4

### SCOTLAND

Production: 2  
Development: 1

### OTHER ENGLISH REGIONS

Production: 3  
Development: 23

### LONDON & SE

Production: 5  
Development: 24



## 2.8 New voices

*// Some big production companies have found a new voice who has an idea. Whether they would take that risk without us seems unlikely*

YACF Executive

2.8.1 By championing new and emerging voices, YACF intends to support content that is alive with fresh ideas and alternative perspectives.

The Fund has two related targets in this regard:

- At least 25% of production awards should go to projects involving a producer, writer or director with three or fewer produced project credits;
- At least 50% of development awards should go to projects involving a producer with three or fewer produced project credits or where the production company is a small or medium-sized enterprise (SME).

2.8.2 While the majority of named creative talent involved in Year 1 production projects had four or more credits to their names, nine projects satisfied the target criteria (53% of all awards, which is above the 25% target). The breakdown of producers, writers and directors with three or fewer credits is given in Table 2.20:

Table 2.20: Production awards, new voices

	No credits	1 credit	2 credits	3 credits	4+ credits	Not confirmed	Total
Lead producer	1	0	0	1	15	-	17
Writer	1	1	2	1	10	2	17
Director	4	0	0	0	6	7	17

*// This is supported by a very new writer and a slightly different opportunity for a director who has not directed a one-off before*

*// The production company are relatively new to the TV industry and have mainly working in advertising or other productions*

*// The Director and Writer are both new voices, as they are being mentored under different schemes for emerging talent*

*// The writers are very new voices in the TV industry, only previously writing for a digital platform*

*// The writer is very new and has written a few episodes of other series but this will be her debut of her own script and original concept*

**Assessment reports**

Table 2.21: Development awards, new voices

	No credits	1 credit	2 credits	3 credits	4+ credits	Not confirmed	Total
Lead producer	1	1	4	1	52	-	<b>59</b>

2.8.3 The target was also exceeded by Year 1 development projects. Seven projects involved producers with three or fewer credits, and of the other projects, 50 involved SME production companies.

2.8.4 This means that a total of 57 development projects supported in Year 1 (97%) involved either a producer with three or fewer credits or an SME production company. In other words, just two development projects awarded funding in Year 1 involved experienced producers working for large companies

*// The show creator/producer has no produced credits*

*// This is the producer and creator's second project for TV, and their first for a non pre-school audience*

*// The producer has no credits for children's television, and this is the first animation (mixed media) show*

*// The writer and creator is new to television, previously working as a journalist*

*// This would be the production company's, writer's, and producers' first project for television for a young audience*

*// The writer is new to television having been predominantly a playwright previously*

*// This would be the company's first commission for broadcast*

## Assessment reports

# Section 3: Additionality

## 3.1 Introduction

*// [YACF is] a marvellous way of encouraging productions that might otherwise find it hard to see the light of day*  
Applicant

3.1.1 The preceding section demonstrates how YACF-supported production projects met the Fund's assessment priorities, generating social value in terms of Quality, Innovation, Audience Reach, Plurality, Diversity, Nations & Regions and New voices.

3.1.2 This section focusses on the Fund's remaining priority, Additionality. Projects are understood to satisfy additionality requirements if they 'fulfil the Fund priorities but are unlikely to be fully financed by the marketplace, being deemed as a commercial risk or too challenging to produce' (YACF Guidelines, October 2019).

3.1.3 This is in line with The Green Book's definition<sup>4</sup>, and the present evaluation was tasked with evidencing not only how each supported project delivers social value but also the reasons why they would be difficult to produce without intervention from the Fund.

## 3.2 Business as usual case

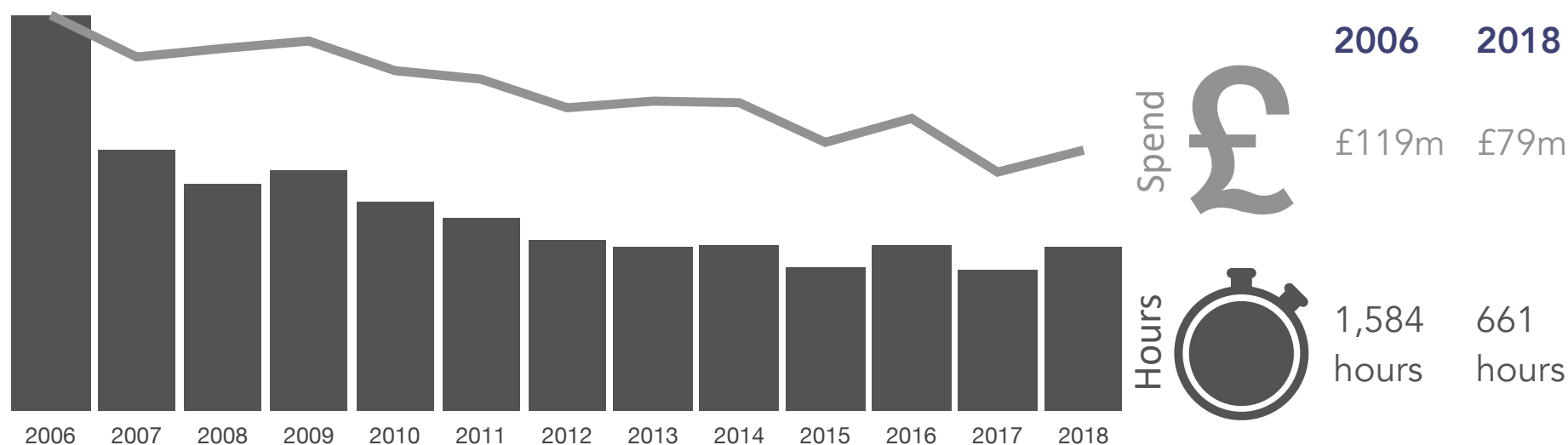
3.2.1 It is worth considering the business as usual case as a baseline comparator, which is helpful to understanding the additionality arguments behind YACF awards.

3.2.2 Ofcom's review of children's content provides the most detailed picture of current market conditions, highlighting those shortfalls in the provision of original, high quality programming which spurred creation of the Young Audience Content Fund. The review describes three features of the market that were characteristic of business as usual prior to YACF's launch:

- Investment in children's programming has become more high-risk over time;
- As a consequence, PSB investment in first-run UK-originated children's programming has fallen significantly over the long term alongside a decline in programme hours since 2006 (see Figure 5 below);
- UK content risks becoming increasingly international and less representative of British experiences if left to the market.

<sup>4</sup> Additionality is defined as "a real increase in social value that would not have occurred in the absence of the intervention" (HM Treasury The Green Book: Central Government Guidance On Appraisal And Evaluation, 2018).

Figure 5: PSB hours and spend on children's TV content (first-run UK originated)



Source: Ofcom/ broadcasters ([www.smallscreenbigdebate.co.uk](http://www.smallscreenbigdebate.co.uk)). Spend figures are not inflation adjusted

*/// [C]hildren's content is an area where there has been a greater degree of market failure than other genres. The provision of content in this genre is a systemic problem which has resulted from the difficulties associated with successfully monetising this content as a result of changing audience patterns and commercial constraints around funding*

**Letter to Ofcom from Alex Mahon,  
Channel 4, 17 April 2019**

3.2.3 In addition to the point about the decline in provision of UK-originated content more generally, Ofcom concluded its review by identifying three areas of particular concern described previously in section 2.2.

3.2.4 Under its new powers in the Digital Economy Act 2017, Ofcom followed up the review by asking the three commercial PSB broadcasters (ITV, Channel 4 and Channel 5) for a 'robust plan for improving their offering to children, with a particular focus on UK-originated content'. Broadcasters responded with details of their approaches, adding further to our understanding of market conditions around the time YACF was launched.

3.2.5 ITV described a 10% increase in CITV's budget in 2019 and outlined plans to develop online news and current affairs content. The broadcaster also looked forward to working with YACF 'to make this budget increase go further':

*/// We have worked closely with the BFI [...] and look forward to exploring with them how the fund might increase the impact of our additional investment. This is a change in approach for ITV, as we have previously been wary of engaging with funds of this nature*

**Letter to Ofcom from Carolyn McCall, ITV, 26 March 2019**

3.2.6 Channel 4 responded with details of a new online offer for 13-16 year olds, built around a YouTube channel and involving a 'seven figure investment in original commissions'. As this is online-only activity it does not directly overlap with YACF supported projects which must receive their UK debut on free-to-air, Ofcom-regulated broadcast services.

3.2.7 Channel 5's approach continues its Milkshake! multiplatform pre-school brand, with a commitment to air 600 hours of UK originations (old and new) each calendar year until the current broadcasting licence ends in 2024. The channel plans to double the Milkshake! budget and will increase new UK

originated content to 50 hours from 2021 (up from 29 hours in 2018). 'It is also hopeful that a number of these shows will qualify for the BFI Young Audiences Content Fund' (letter to Ofcom from James Currell, Channel 5, 26 April 2019).

3.2.8 In its published response to broadcasters' plans, Ofcom welcomed these developments and considered 'that these plans, once fully implemented, will make an important contribution to the range and diversity of new UK content for children across the PSBs' (*Children's Content Review: Our response to ITV, Channel 4 and Channel 5's plans*, Ofcom, July 2019).

3.2.9 The regulator also acknowledged the broadcasters' intention to 'engage with the Government's Young Audiences Content Fund', and it is against this background that we now turn to evidence that YACF support in Year 1 delivered complementary public policy outcomes to those sought by Ofcom.



## 3.3 YACF additionality

3.3.1 Table 3.1 summarises the social value and additionality arguments for all 17 YACF-supported production projects in Year 1.

3.3.2 Social value is measured against the three sets of distinct but over-lapping factors detailed in Section 2:

- (a) YACF assessment priorities
- (b) Ofcom's children's content review findings
- (c) PSB purposes

3.3.3 From a supply-side perspective, Table 3.1 supports the case that YACF-supported projects contribute to a real increase in social value. We will have to wait until later in Year 2 for evidence of audience engagement and demand-side measures of social value.

3.3.4 Additionality arguments fall into two broad groups to do with the riskiness of projects and the availability or appropriateness of alternative sources of finance. Within these two groups are five specific arguments, which Table 3.1 maps against each Year 1 production project.



### Commercial and creative risk:

- Project considered challenging/ new / untested
- Production company new to genre and/or technique
- Indigenous language

### Sources of finance:

- Alternative sources already involved or declined project
- Social value is dependent on retaining creative and commercial control over project

Table 3.1: YACF production projects' social value and additionality arguments

Table 3.1: YACF production projects' social value and additionality arguments	DELIVERING SOCIAL VALUE										ADDITIONALITY					
	YACF PRIORITIES							OFCOM CONTENT REVIEW			PSB	RISK			FINANCE SOURCES	
	QUALITY	INNOVATION	AUDIENCE REACH	PLURALITY	DIVERSITY	NATIONS & REGIONS	NEW VOICES	Older children	Factual	Live action/ drama	At least 3 Purposes	Challenging/new/ untested project	New company/ new to field	Indigenous language	Limited options	Maintain control
PRODUCTION TITLE																
Don't Hug Me I'm Scared (C4/E4; Teen; Mixed media; Ent.)	●	●	●	●	●			●			●	●			●	●
Going Country (C4; Teen; Live action; Drama)	●	●	●	●	●	●	●	●		●	●	●			●	
Person/a (S4C; Teen; Live action; Drama)	●	●	i	●	●	●	●	●		●	●			●	●	
Y Gyfrinach (The Secret) (S4C; Teen; Live action; Drama)	●	●	i	●	●	●	●	●		●	●			●	●	
Hei Hanes! (S4C; 8-14; Live action; Drama)	●		i	●	●	●		●		●	●	●		●	●	
FYI Investigates (Sky Kids; 8-14; Mixed media; Factual)	●	●	●	●	●	●		●	●	●	●	●			●	
Makeaway Takeaway (CITV; 8-11; Live action; Fac. Ent.)	●	●	●	●	●	●			●	●	●	●			●	
Rùn (BBC Alba; 8-11; Live action; Drama)	●	●	i	●	●	●				●	●			●	●	●
How (CITV; 8-11; Live action; Fac. Ent.)	●	●	●	●		●	●		●	●	●				●	●
Lauchlan: Boy at the Top (BBC Alba; 8-11; Live action; Factual)	●	●	i	●	●	●			●	●	●			●	●	
Sol (S4C; 8-11; Animation; Drama)	●	●	i	●	●	●	●				●	●		●	●	
Lloyd of the Flies (CITV; 5-11; Animation; Ent.)	●	●	●	●	●						●		●		●	●
Winnie and Wilbur (C5; 5-7; Animation; Ent.)	●	●	●	●		●	●				●		●		●	
Meet the Experts (C5; 0-7; Live action; Factual)	●		●	●	●	●			●	●	●	●			●	
Mimi's World (C5; 0-7; Mixed media; Drama)	●	●	●	●	●		●			●	●	●			●	
Milo (C5; 0-7; Animation; Ent.)	●		●	●	●	●	●				●		●		●	●
Sali Mali (S4C; 0-4; Animation; Ent.)	●		i	●	●	●	●				●			●	●	
i - Indigenous languages																

i = Indigenous language

3.3.5 Every YACF-supported project in Year 1 meets at least two of these additionality arguments, most commonly that the usual sources of finance have already contributed to their limits and therefore YACF awards were essential to close financing packages for deserving projects unlikely to be fully financed by the marketplace.



*// Although we had been commissioning some drama it was at a very low volume and at budgets which didn't allow producers a great deal of creative leeway. We are now able to consider drama which genuinely addresses the lived experiences of our young audience*

*// As a direct result of the fund, [we are] commissioning content for teens for the first time in years and the ideas in the pipeline are ambitious and innovative*

*// [We] did increase [the channel's] financial commitment to commissions as a result of the YACF's existence*

*// The YACF allowed us to commission on a larger scale- we have commissioned a live action scripted series, which is the first original, live-action comedy [on the channel] for many years*

*// We have considered more scripted shows than before and backed ideas we might have worried skewing too young*

*// The availability of the YACF has also been a contributing factor in enabling us to increase our budgets, allowing us to review a much wider range of content, such as live action*

## Broadcasters

The following commentary sets out why supported projects are unlikely to have found alternative finance sources, along with relevant case studies to better illustrate each additionality argument.

## 3.4 Creative and commercial risk: untested property

3.4.1 Projects may be considered higher risk by commissioners if they are seen as challenging, or if they offer a new or untested angle, by virtue of their storyline or editorial approach, genre, technique or the way they address the target audience.

3.4.2 Commissioners are often reluctant to fully fund riskier projects like this. Furthermore, properties without proven market potential can struggle to attract pre-sales and distribution deals, while format sales are difficult to achieve for new IP without an established viewing audience.

*// [The Fund has] incentivised us to reinvest in genres like drama and comedy that have been deemed risky in recent years*

**Broadcaster**

*// We've been able to commission series that would not have been possible otherwise [...] Given the UK focused editorials, it would previously have been difficult for the producers/ distributors to gain UK only funding, but the YACF has helped with this issue*

**Broadcaster**

### Higher risk projects:

- Don't Hug Me I'm Scared (C4/ E4, Teens, Mixed media, Entertainment)  
One of a kind puppet show with a distinctly British dark sense of humour aimed at teenagers.
- Going Country (C4, Teens, Live action, Drama)  
Culturally specific drama exploring challenging subject matter (county lines drug dealing) using innovative arts film techniques combining grime, spoken word and music.
- Hei Hanes! (S4C, 8-14 year olds, Live action, Drama)  
Indigenous language factual drama based on Welsh history.
- FYI Investigates (First News and Sky, 8-14 year olds, Mixed media, Factual)  
Current affairs format aimed at older children, which tackles issues of contemporary interest and takes an existing property into new territory.
- Sol (S4C, 8-11 year olds, Animation, Drama)  
Challenging subject matter (dealing with grief) presented in an unorthodox way through animation produced in three indigenous languages involving broadcasters from Wales, Scotland and Ireland and rich in Celtic cultural story and visual tropes
- Meet the Experts (C5, 0-7 year olds, Live action, Factual)  
Ground-breaking live action factual format with limited international sales potential, aimed at pre-school children.
- Mimi's World (C5, 0-7 year olds, Mixed media, Drama)  
Uniquely British mixed media drama with limited international pre-sales potential.

## Case study 1: Makeaway Takeaway

**Commissioning broadcaster:** CITV  
**Target age range:** 8-11 years  
**Technique:** Live action  
**Genre:** Factual Entertainment

13 x 30 minute episodes

<b>Finance package breakdown:</b>	YACF award	46%
	Licence fee	37%
	Tax relief	17%

The programme provides a fresh and quirky spin on the art and craft 'make' format. Despite being a live action production, Makeaway Takeaway has a distinctive style that incorporates digital media elements. This is the first arts series for young audiences with a female main presenter (artist and comedian Bec Hill).

*// The fund gave us greater scope to commission scripted, live action series which have been lacking on CITV*

**Broadcaster**

While art and craft shows are an established television sub-genre, Makeaway Takeaway represents a new departure for CITV, which was unwilling to fully fund the show given its limited commercial potential. As a new property with a distinctive UK voice, the show had little chance of securing international sales.

*// It is hard to raise additional funds for a brand new arts and crafts make show, outside of the commissioning licence, as things like pre-sales and format sales are usually based on prior success*

**Assessment report**

Social value is delivered through the show's commitment to filming across the UK nations and regions and the involvement of new talent recruited via the MAMA Youth Project scheme. As a CITV commission, the show adds to broadcaster plurality and satisfies audience reach requirements. It is budgeted at an appropriate level to ensure high production values.

As a factual entertainment programme involving real children it addresses two of the three areas of concern identified by Ofcom's Children's Content Review (limited range of programmes that help children understand the world; and limited range of original, high-quality programmes that enable children to see their lives on screen).

## 3.5 Creative and commercial risk: new company or new creative direction

3.5.1 Commissioning content from a production company without an established track record is considered an equally risky venture.

3.5.2 That includes backing otherwise experienced content producers moving into new areas, illustrated by two YACF-supported projects in year 1:

- Winnie and Wilbur, an animated series for Channel 5 aimed at 5-7 year olds, whose lead producer has a background in gaming, digital media and licensing but not TV animation;
- Aardman Animations struggled to secure finance for its first 2D animated series, Lloyd of the Flies (CITV, 5-11 year olds) despite having a reputation for award-winning stop-frame content with global appeal.

*// Whilst many partners have professed a love of the sophisticated humour, unique characters and great storytelling they have hesitated from offering pre-sales until they see a finished episode – this we think is because we have not yet a proven track record in 2D production and it is not what Aardman is known for*

**Application form**

## Case study 2: Milo

**Commissioning broadcaster:** Channel 5  
**Target age range:** 0-7 years  
**Technique:** Animation  
**Genre:** Entertainment

52 x 11 minute episodes

<b>Finance package breakdown:</b>	YACF award	46%
	Tax relief	19%
	Licence fee	15%
	Distribution	15%
	Equity	5%

The show follows the adventures of a cat called Milo as he and his friends explore different 'grown up' jobs through dressing-up and role play. The programme introduces pre-school children to the wide variety of roles available in the world of work, giving a positive picture of vocational opportunities while tackling stereotypes.

This is the first UK commission for Fourth Wall Entertainment, a production company based in the Wirral that has previously worked in advertising.

// *We are working with new players into the children's market that have their first commissions (Fourth Wall – Milo)*

**Broadcaster**

The producers were keen to base the production at their offices and to retain a distinctly British setting and feel for the show. This greatly narrowed the scope for international sales; coupled with their limited track record in the children's television market, this meant the production company had trouble closing finance.

As well as a strong commitment to regional production, Milo delivers social value through its championing of new voices in children's television (e.g. producer Joe Moroney, writer Rowena Blyth and director Christopher David Capstick). The show is budgeted at an appropriate level to ensure high production values, and the involvement of Channel 5 adds to broadcaster plurality while satisfying audience reach requirements.

// *This show is our first UK commission and we want to handle all of the animation in our offices in the North West of England. We want to produce a UK-led show which represents daily life to our young audience*

**Application**

## 3.6 Creative and commercial risk: indigenous language

3.6.1 Indigenous language productions can have limited sales potential outside their intended audience, and financing options and budgets are constrained as a result. It is possible to sell animated works into English language and international markets, as they are easier to dub, but they face stiff competition from homegrown content and programming made with global sales in mind. This option is rarely available in the case of live action content, especially shows with a culturally distinctive editorial approach.

3.6.2 In the UK, indigenous language broadcasters like BBC Alba (Scottish Gaelic) and S4C (Welsh) are often forced to make a trade-off between the number and variety of new shows commissioned on the one hand and the scale of investment in each production on the other. While broadcasters want to provide indigenous language audiences with the most creatively ambitious and high-quality content, there is a risk in committing over-stretched commissioning budgets to just a few higher budget programmes.

*/// For an indigenous language broadcaster the Fund has been a game-changer. It's allowed us to think big, to begin to realise our hopes and ambitions for our audience*

**Broadcaster**

*/// As a direct result of the fund, [we are] commissioning content for teens for the first time in years and the ideas in the pipeline are ambitious and innovative*

**Broadcaster**

3.6.3 In the Fund's first year it supported the production of seven indigenous language projects, including four live action dramas (Hei Hanes!, Person/a and Y Gyfrinach, commissioned by S4C, and Rùn for BBC Alba), a live action factual show aimed at 8-11 year olds (Lachlan: Boy at the Top, commissioned by BBC Alba) and two animated programmes (Sali Mali commissioned by S4C; and Sol, described in case study 3).

3.6.4 YACF not only enabled the production of indigenous language projects that otherwise would not secure financing from the market, but it also helped to increase the scope and ambition of those productions against a backdrop of historically low production budgets compared with English language content.



## Case study 3: SOL

<b>Commissioning broadcaster:</b>	S4C, TG4, BBC Alba
<b>Target age range:</b>	8-11 years
<b>Technique:</b>	Animation
<b>Genre:</b>	Drama

1 x 24 minute special

<b>Finance package breakdown:</b>	YACF award	48%
	Tax relief	19%
	Other public funds	15%
	Equity	5%
	Licence fee	5%

This ground-breaking animated one-off special offers a celebration of life while exploring the challenging theme of grief in an accessible way for older primary school-aged children.

*// A fantastic project that deserves to see the light of day, with this short film you can really address a very important topic head on and unashamedly help children of a similar situation deal with grief and loss of a loved one*

**Assessment report**

It is a unique co-commission by three indigenous language broadcasters (S4C, TG4 and BBC Alba) and the regional production base in Northern Ireland meant it qualified for support from Northern Ireland Screen. Sol is budgeted at an appropriate level to ensure high production values, and the involvement of three indigenous language broadcasters adds to sectoral plurality while satisfying audience reach requirements for indigenous language productions.

Sol includes under-represented characters from lower socio-economic backgrounds, creating additional social value. The project also gives Gráinne McGuinness, creator of Pablo for CBeebies and RTÉ Jr., her first opportunity at directing.

*// The fund's commitment to indigenous language content has encouraged Celtic collaboration*

**Broadcaster**

Although Sol is an animated work, as a one-off special there was limited potential for commercial exploitation. None of the broadcasters were able to justify making a combined contribution to the budget of any more than 5%. This left a shortfall in the financing package, which was only partially filled by an equity investment from the production company. The project could not have gone ahead without YACF support

## 3.7 Sources of finance: limited options

3.7.1 Pact, the independent producer association, highlights the challenging nature of production finance in their submission to Ofcom's children's content review. According to Pact's research, broadcasters are only likely to provide 5-10% of funding for animation, putting 'an even greater strain on producers to fully fund through a patchwork of sources taking up valuable time'" (Pact submission to Ofcom Children's Content Review, January 2018).

3.7.2 In the case of drama and live action content, until around 10 years ago 'relatively ambitious [programmes] could be funded by the licence fee and the distribution advance' (Pact submission to Ofcom Children's Content Review). That is no longer the case, and even after the children's television tax relief was introduced in 2015 the financing challenge has increased in the face of rising production costs and static licence fees.

3.7.3 As Pact's submission demonstrates, producers have to work hard to piece together funds from multiple sources, most commonly the children's television or animation tax reliefs (up to the value of around 20% of the production budget); international pre-sales and distribution (although these have

been under pressure in recent years); public funding through incentive schemes like the Scottish Broadcast Content Fund; and private equity (commonly production company investment in their own projects). According to Pact, merchandising is no longer a reliable option, 'and producers comment that income from this source has halved in recent years and is still falling' (Pact submission to Ofcom Children's Content Review).

3.7.4 There are very few, if any, alternatives for closing finance once these options have been exhausted. Moreover, some of these regular sources will be unavailable to projects considered higher risk (like the majority of YACF-supported projects), or else projects may not meet eligibility criteria, leaving producers with even fewer options.

3.7.5 In year 1, all but two of the YACF-supported production projects had already secured funding from those regular sources open to them, and yet financing still fell short of their production budgets. The two exceptions (*Going Country* and *Y Gyfrinach*) were ineligible for children's television tax relief because their target audiences were over 15.

Table 3.2: Finance sources, YACF-supported projects in Year 1

Title (commissioning broadcaster)	Broadcaster licence fee	Tax relief	Pre-sales/ distribution	Other public funding	Private equity
Don't Hug Me I'm Scared (C4/E4)	Yes	Yes			
Going Country (C4)	Yes				
Person/a (S4C)	Yes	Yes			
Y Gyfrinach (S4C)	Yes				
Hei Hanes! (S4C)	Yes	Yes			
FYI Investigates (Sky Kids)	Yes	Yes			
Makeaway Takeaway (CITV)	Yes	Yes			
Rùn (BBC Alba)	Yes	Yes			
How (CITV)	Yes	Yes			
Lachlan: Boy at the Top (BBC Alba)	Yes	Yes			
Sol (S4C)	Yes	Yes			Yes
Lloyd of the Flies (CITV)	Yes	Yes	Yes		Yes
Winnie and Wilbur (Channel 5)	Yes	Yes	Yes	Yes	
Meet the Experts (Channel 5)	Yes	Yes			
Mimi's World (Channel 5)	Yes	Yes		Yes	
Milo (Channel 5)	Yes	Yes	Yes		Yes
Sali Mali (S4C)	Yes	Yes		Yes	Yes
<b>Number of projects</b>	<b>17 (100%)</b>	<b>15 (88%)</b>	<b>3 (18%)</b>	<b>3 (18%)</b>	<b>4 (24%)</b>

3.7.6 Investment from some of these sources would have made its way into children's content production in any case. Yet the specific conditionality of YACF support ensured it benefited projects delivering social value across the full spectrum of public policy priorities. Without YACF involvement there is no guarantee this would have occurred.

## Case study 4: Mimi's World

Commissioning broadcaster:	Channel 5
Target age range:	0-7 years
Technique:	Mixed media
Genre:	Drama

52 x 11 minute special

Finance package breakdown:	YACF award	50%
	Licence fee	19%
	Tax relief	19%
	Other public funding	12%

*// Mimi's World, an ambitious hybrid of drama and live animation mix, which is a first for Milkshake!*  
**Broadcaster**

Mimi is a modern-day Mary Poppins, a mixed-race character caring for children and helping them to process and celebrate their everyday feelings while encouraging them to 'be the best they can be'. As a drama for pre-school audiences with a cast of international characters, the programme addresses Ofcom's concern about the lack of diverse representation on screen.

Budgeted at an appropriate level to ensure high production values, Mimi's World is Channel 5's first drama commission in over a decade and the channel's involvement adds to broadcaster plurality while satisfying audience reach requirements:

*// Being a children's drama, it's a different format to what we'd have commissioned otherwise. We have not commissioned drama or entertainment formats like this in over 10 years*  
**Broadcaster**

The mixed media format also creates social value through the innovative use of 2D and 3D animation techniques with live action.

Although the production company, Adastra, had previous success with children's content (producing Grandpa in My Pocket for the BBC), it struggled to close financing on the project once it had exhausted other available sources (including relocating production to Northern Ireland to access Northern Ireland Screen support).

*// UK originated Live Action Mixed Content is not fundable through commercial sources. This is the first opportunity we have had for 8 years since Grandpa in My Pocket with the BBC*  
**Application**

## Case study 5: Going Country

**Commissioning broadcaster:** Channel 4

**Target age range:** Teens

**Technique:** Live action

**Genre:** Drama

1 x 90 minute special

<b>Finance package breakdown:</b>	YACF award	50%
	Licence fee	50%

This ground-breaking drama for teenage audiences examines the recent phenomenon of 'county lines' drug trafficking. Set mainly in South Wales and featuring an ethnically diverse range of characters, the programme brings an urgent social problem into sharp focus for young audiences.

*// Onscreen talent is well represented from an ethnicity point of view, the majority of characters bar one are BAME and from a low social economic background and the two main characters are female*

**Assessment report**

The older teenage target audience meant Going Country was not eligible for children's television tax relief. At the same time, commercial funding options were limited by the challenging subject matter, brought to the screen by a debut writer and presented through live action drama with an art film aesthetic.

The very reasons the programme scores highly against social value criteria (quality, plurality, audience reach, diversity, nations & regions, new voices and innovation) made it harder to secure production finance from usual sources.

*// We are applying for this fund because this project is a perfect example of public service broadcasting. It is a powerful and very socially urgent story to tell - but not one that is commercially saleable. It will have an element of grime/spoken word/music to it so will make it an unusual and formally innovative arts film. It is therefore highly unlikely to get funding from elsewhere*

**Application**

*// The Young Audiences Content Fund has had an important impact on [us], enabling us to consider projects that are editorially sound but were previously financially unviable*

**Broadcaster**

## 3.8 Sources of finance: creative and commercial control

3.8.1 Every producer wishes to maintain as much creative and commercial control over their intellectual property as possible, both to fully realise their project vision and to maximise returns from present and future exploitation.

3.8.2 Yet the ceding of rights, editorial concession-making and revenue sharing are all common features of production financing for projects that are incapable of being fully funded by broadcaster licence fees (even with children's television tax relief).

3.8.3 For some producers it may be necessary to accept any or all of these conditions for the chance to complete a finance package and get their programme into production. Because generic and culturally universal projects have a greater chance of selling in overseas markets, what Animation UK calls 'the internationalization of content' may be a price worth paying for producers unconcerned about the effect on their IP of any creative compromises required to achieve this.

3.8.4 For some projects, however, the social value they intend to deliver (which is key to their creative vision and distinctiveness) will be entirely dependent on retaining control

over the content and minimising the number of financial partners with claims on its editorial direction and commercial prospects.

3.8.5 A weak version of this argument can be applied to all YACF projects (as the fund is designed to support social value creation by projects that would be commercially unviable without creative compromises), but for five YACF projects supported in year 1 this argument was at the core of their funding application:

- **Rùn**, a Gaelic language drama, required YACF funding to cover the otherwise prohibitive costs of shooting on location in the Scottish islands, something other potential finance partners were unable to justify. The programme was nominated for an RTS TV award in 2020.

*// One of the most frustrating things about filming Gaelic language drama as an experienced producer, is the prohibitive cost of locating that drama actually in the Gaelic heartland - the Scottish islands*

**Application**

- The production company behind the pre-school animated show **Milo** wanted to base production in the North West of England and was not prepared to hand creative control to international partners (see Case study 2 for further details).

*// They [...] want to ensure the show represents UK vocations and not be too 'internationalised' by giving away rights and control to international partners, purely to finance the property. They want to produce a UK-led show which represents daily life to our young audience*

#### Assessment report

- Aardman Animations could have taken its 2D animated series **Lloyd of the Flies** to a US partner (including online content platforms) but was determined to retain IP ownership to keep production in the UK and to realise the show's original creative vision.

*// It's [...] hugely important to Aardman to maintain the ownership and not enter into an international co-production to finance the series in order to keep all the production firmly within the UK*

#### Application

- CITV only commissioned **How**, their first live action factual entertainment programme in years, on the condition of achieving YACF funding in order to protect their commercial stake from dilution by other partners. The commission would not have gone ahead in the absence of YACF involvement, depriving the UK market of much needed factual programming for young audiences.



Don't Hug Me I'm Scared © Blink Industries 2020

## Case study 6: Don't Hug Me I'm Scared

**Commissioning broadcaster:** Channel 4/ E4  
**Target age range:** Teens  
**Technique:** Mixed Media  
**Genre:** Entertainment

6 x 22 minute episodes

**Finance package breakdown:**

YACF award	42%
Licence fee	39%
Tax relief	19%

Having garnered an appreciative fanbase online, Don't Hug Me I'm Scared would appear, at first glance, to have a strong commercial case. Yet the show's distinctive nature (a mixed media puppet show aimed at older teenagers), and the relatively high production costs involved, make it a difficult proposition on purely commercial terms.

*// It was the well-established social and online presence of the brand that made this idea so appealing in terms of young audience, but live puppetry is costly and time consuming and the right partners (YACF) were vital*

**Broadcaster**

The original concept was developed with funding from a successful Kickstarter campaign, but this avenue was never a realistic option for a broadcaster commission. By addressing social issues including racism, immigration, homelessness and poverty, all with a distinctly British dark sense of humour, Don't Hug Me I'm Scared creates the kind of positive social value that contributes to its lack of commerciality.

*// Calling this a commercial risk would be an understatement to say the least. Attempting to raise funds for this type of project would be very hard to almost impossible*

**Assessment report**

Crucially, the creative team was attracted to working with Channel 4 without involving other partners in order to safeguard the show's editorial independence:

*// We're convinced that making the show with one creative UK partner in Ch4 the show will retain it's unique voice, be able to tackle issues and storylines without creative compromise and show the amazingly unique British talent in its best light*

**Application**

*// This was a major investment for Channel 4, as historically we have commissioned very little live action*

**Broadcaster**



## 3.9 Declined projects

3.9.1 By examining projects that were declined funding in Year 1, we find supporting evidence that YACF award decision-making involved efforts to distinguish projects capable of securing finance by other means from those that were not.

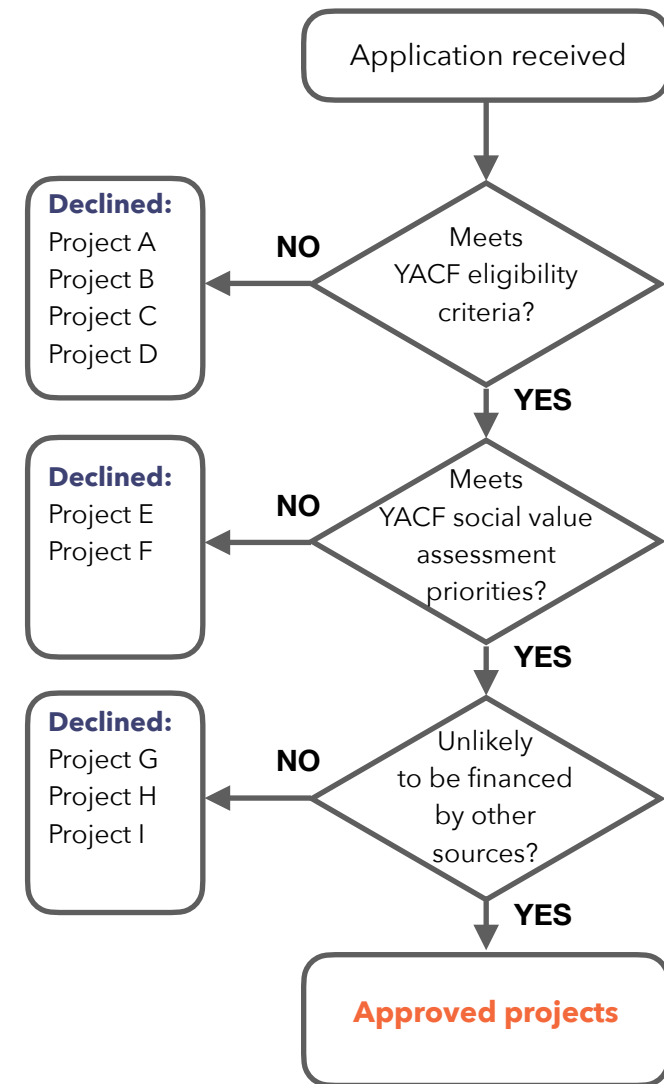
3.9.2 In Year 1, the Fund declined a total of nine applications (Figure 6):

- four projects failed to meet the Fund's eligibility criteria (Projects A, B, C and D);
- two projects did not adequately satisfy the social value assessment priorities (Projects E and F);
- and three projects were declined because they were deemed capable of attracting the necessary finance from other sources (Projects G, H and I).

3.9.3 All three of the projects in the latter category have since gone into production (or are about to) having returned to the market for finance, thereby confirming YACF's decision making:

- Project G secured an increase in the broadcaster licence fee to complete finance;
- Project H closed the gap with deals from a US online platform and UK SVOD provider;
- Project I, an existing property, received additional investment from its original backers.

Figure 6: YACF production award flowchart



## 3.10 Additionality and YACF-supported development projects

3.10.1 There are limited sources of development funding for children's content in the UK. Commercial broadcasters are rarely in a position to invest in development, and there are few public funding and commercial sources to turn to. This means that larger production companies, able to fund development themselves, have an in-built advantage over smaller independents when pitching for commissions.

*// Generally, for children's content, [we do] not offer development money. There may be some development funding for a drama project, but very rarely. The only project in the last few years that's had development funding is an animated film*

**Broadcaster**

3.10.2 Recognising this, the Young Audience Content Fund included a strand of development funding to encourage new and smaller independent production companies without the necessary finances to develop their IP.

3.10.3 The professional testimony of broadcasters approached as part of the evaluation fieldwork provides

strong evidence that YACF awards have both increased and enhanced children's content development in Year 1:

*// Prior to the arrival of the YACF we were unable to commit any significant resources to children's development. We had the channel's first children's live action development call out as a result of the Fund*

**Broadcaster**

*// [We] spent very little on development, although we do have a budget to cover it, if necessary. Some projects come in already developed, some having benefited from YACF money which can get them through the door*

**Broadcaster**

*// We have a development budget allocation and this hasn't changed [as a result of YACF], however the number of projects that we see in development that are pitched to [us] have risen significantly since the start of the fund [...] The fund is enabling us to review more pitches that cover a wider editorial remit than before*

**Broadcaster**

3.10.4 Specifically, the availability of YACF development funding led to new conversations and opportunities for independent producers:

*/// There have been regular discussions with indies applying for YACF, either wanting feedback or support for the idea. I think it has really helped new indies and young talent. It has given them the means to develop pitching materials that are high quality. It also gives them a lot of self-confidence, that their idea is backed by YACF*

**Broadcaster**

3.10.5 Although it is not possible to quantify any direct impact on commissioning activity due to the incompleteness of available data, the following quotes are indicative of ways that YACF funding has stimulated broadcaster investment:

*/// Knowing that the Fund can help us follow through to commission on UK-produced content, we are inclined to commit more to developing projects going forward*

**Broadcaster**

*/// We are now having more conversations with indies on projects in advance and, if we think a project needs further work and we're interested in the idea, we will suggest the fund to the producer when they pitch to us.*

*The fund is also enabling more conversations with new production partners to take place, as well as allowing for more regionality and diverse ideas [...] The pitches come with more assets and also better-quality development. This allows us to review the project more easily and commission it more quickly. This means producers not having to wait for changes to be made, which they may not have the funds for*

**Broadcaster**

## Final thoughts

Taking account of all the available evidence, it is reasonable to conclude that YACF made an encouraging start in Year 1

Although the evidence base is limited to supply-side measures (as most of the projects it supported have yet to be completed and distributed), key indicators suggest the Fund is on course to deliver many aspects of social value, for young audiences and the UK production and broadcasting community, that were envisaged when the Fund was established.

The Fund's low overheads and high user satisfaction levels provide evidence of value for money. Improvements in the provision of pre-application guidance, and additional staffing, have the potential to increase operational efficiency, which will be kept under review in Year 2.

As will the Fund's efforts to address the diversity challenge identified in the Year 1 Equal Opportunities monitoring data, moving beyond the status quo to promote funding opportunities to younger and more diverse talent from right across the UK.

*// From the latest diversity results, it would be interesting to see what more we could do to ensure we're meeting our targets. It's reflecting the industry at the moment, so how can we impact that?*

**YACF Executive**

By the time of the Year 2 evaluation, the evidence base should include additional demand-side metrics making possible a more complete assessment of Fund activity against its stated aims and objectives (e.g. viewing figures for supported productions; young audience feedback; and evidence of broadcaster commissions involving YACF development projects).

This will provide an opportunity to examine the Fund's success in supporting projects that find and connect with young audiences.

*“The Fund has given us the confidence and support required to allow us to commission new scripted content for an under-18 year-old audience, which we otherwise would not have been in a position to do*

**Broadcaster**

### **A note on evaluation fieldwork**

The external evaluator interviewed four YACF executives in April 2020 as part of the Year 1 de-brief. All interviews were audio recorded and transcribed for reporting.

In addition, all the main commercial and indigenous language broadcasters were invited to comment on YACF activity and its impact in Year 1 via an email survey in June 2020.

Quotes from the interviews and surveys reported here have been edited in minor ways for comprehensibility, consistency and to preserve anonymity where appropriate.

