



***A submission by Calon in response to the Digital Britain Interim Report***

Calon is an independent production company based in Cardiff formed in 2005 by the former directors of Siriol Productions.

The Calon team have a long track record of developing and producing high quality children's content made in Wales and broadcast around the World – including ***Superted, Fireman Sam, and Hilltop Hospital***. Two series of ***Hana's Helpline*** have been produced for Five's Milkshake block for preschool children in coproduction with S4C and German broadcaster ZDF. A new series – ***Igam Ogam*** – is currently in production for S4C, Five, ZDF Enterprises and the Gaelic Media Service on BBC Alba. Live action drama credits include ***Help ! I'm a Teenage Outlaw*** for ITV and Nickelodeon.

Calon has one of the best export records of any independent production company of its size in the UK, and the best of any producer in Wales. Content produced by the Calon team has been distributed to over 100 countries around the World. The company has produced a varied slate of content to meet the requirements of different partners. Uniquely amongst producers in Wales, our track record includes working with S4C, ITV, BBC 1 and 2, Channel 4, BBC Alba, Five and Nickelodeon in the UK; co-production with major networks outside the UK such as France 3, Canal+, ZDF, WDR, NHK and YTV. The company has an unrivalled track record of ensuring that most of its work is made in the UK, when the general trend in animation has been towards subcontracting to facilities in the Far East and other parts of the World.

The directors of Calon welcome the opportunity to provide input into the Digital Britain Report, particularly with regard to the creation, aggregation and distribution of content for children in the digital world.

We believe that the provision of public service content for children will need to maximise the relatively small amount of public money likely to become available to it. It is vital therefore that both the vision that brings it about and the manner in which it is run combine a public service ethos with commercial savvy

There will be a need to gain maximum content provision for minimum cost without sacrificing quality. We believe there are 3 ways to achieve this :

1. International co-production, if set up properly, will deliver high production value original content at relatively low cost. In some cases, it will also generate income through overseas licensing of originated programming.
2. The consumers of content – in this case children and their families - will represent a well defined and valuable niche market for appropriate goods and services. Managing the advertising, sponsorship and merchandising functions will require specialist expertise. Managing a balance between generating income and maintaining the ethos of the service will be key.
3. The traditional broadcast industry is an insufficiently broad source for content. Games and comics will be equally engaging. Patterns of audience involvement are likely to be very different from traditional TV channels. Content will therefore have to be developed and acquired by cost effective means from a multitude of sources.

The question that arises is whether the business culture of state controlled broadcasting can adapt to these requirements. The somewhat disappointing response of traditional, state funded broadcasters to the digital opportunity has been to ask for yet more public money in order to extend existing services. This cannot be a credible or sustainable option at a time when public finances are under pressure. We firmly believe the focus should be on seeking innovative ways to add value to the existing investment in children's public service content as outlined above.

We would welcome the opportunity to discuss this further with the Digital Britain team. We believe there is a particular opportunity in Wales to produce a pilot scheme for a children's PSP. OFCOM has already suggested that S4C could maximise the value of its investment in children's content by strengthening incentives for independent production companies to reversion content for UK and international audiences. Since S4C's remit does not allow investment in non-Welsh language content, it would seem a perfect opportunity to introduce a commercial partnership which could add value to its programme budgets. A pilot scheme would allow this to be explored further in line with the key measures identified so far by Digital Britain.