

Factsheet 3 – UK nations/English regions

Ofcom

Oxford Media Convention 2 March 2016

This factsheet has been compiled by Ofcom and provides some background information to aid discussion at the 2016 Oxford Media Convention. It looks at the nations' and regions' TV spend and output figures as well as the spread of original TV production throughout the UK. Figures are provided up to and including 2014, as 2015 data are not currently available. All data referred to can be found in Ofcom's PSB Annual Report 2015 or Ofcom's CMR 2015 report.

Market Context

Key points

- Figure 1 shows the breakdown of original nations' and regions' spend from 2009 to 2014 by the BBC and the Channel 3 licence holders, for each nation. Wales, Northern Ireland and England each saw a decline in spend over this period, while Scotland saw a 17% increase in real terms. This was mainly down to coverage of the Glasgow Commonwealth Games and the referendum on Scottish independence in 2014.

Figure 1 – Nations/regions first-run originated spend; by nation



Source: Ofcom's CMR 2015. All figures are expressed in 2014 prices.

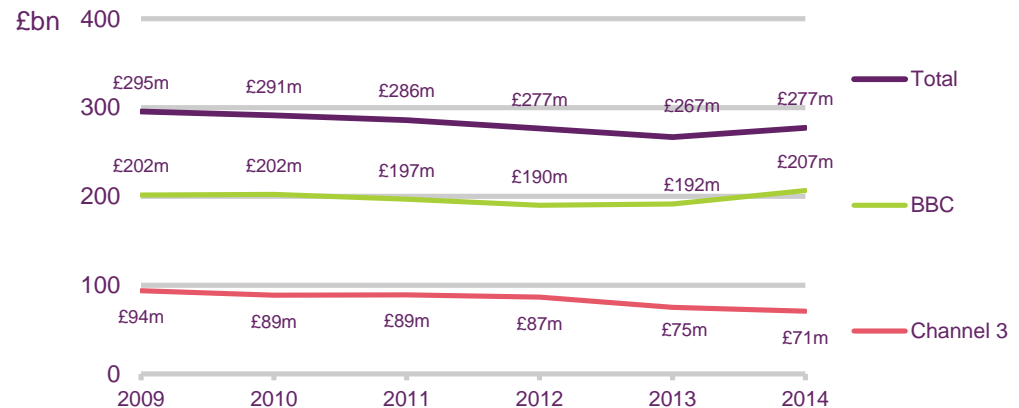
Note: Spend data for first-run originations only. Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

Market Context

Key points

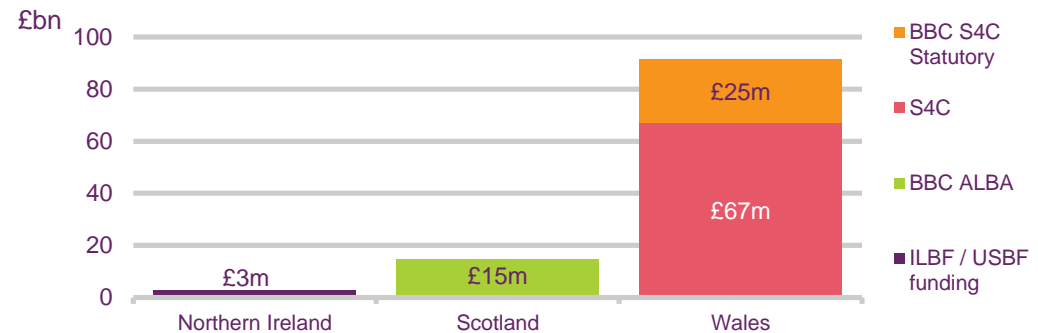
- There was a £10m real-terms increase in spend on first-run nations' and regions' originated content by the BBC and the Channel 3 licence holders from 2013 to 2014; from £267m to £277m. Spend by ITV, STV and UTV combined decreased from £75m to £71m in real terms year on year, while the BBC increased its nations and regions spend by £15m over the same period.
- Figure 3 shows spend on programming in the devolved nations in 2014 on S4C in Wales, BBC Alba in Scotland, and ILBF/USBF funding in Northern Ireland.

Figure 2 – Spend on nations/regions first-run originations



Source: Ofcom's PSB Annual Report 2015 Notes: all figures expressed in 2014 prices; first-run originations only; Channel 3 figures consist of spend by ITV, STV and UTV. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC; this does not account for total spend on BBC Alba or BBC spend on S4C output.

Figure 3 – Other spend on programming in the devolved nations 2014



Source: Ofcom's CMR 2015. Note: figures are expressed in 2014 prices. Note: BBC S4C Statutory refers to the cost to the BBC of programming supplied to S4C by the BBC as part of their statutory agreement. ILBF / USBF refers to additional production contributions by the Irish Language Broadcast Fund and the Ulster Scots Broadcast Fund. BBC S4C Statutory and S4C figures cover the 2014/15 financial year, ILBF / USBF and BBC Alba figures cover the 2014 calendar year.

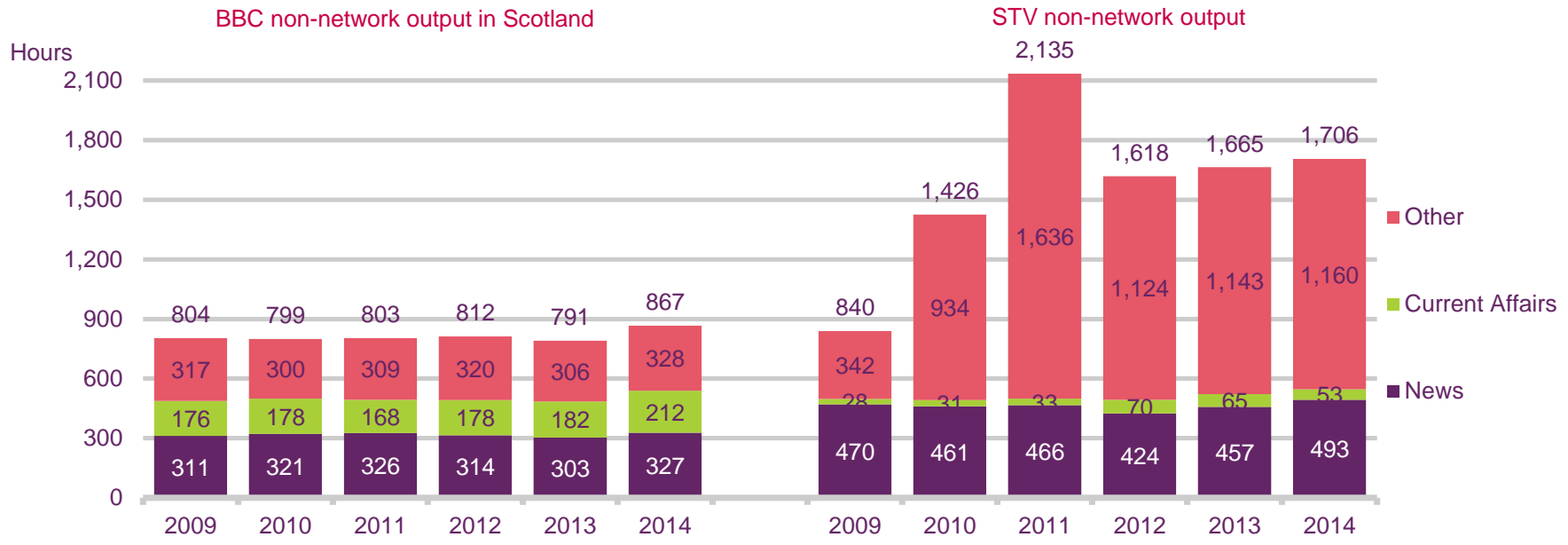
Market Context



Key points

- Scotland was the only devolved nation to see an increase in first-run originated nations' output from the BBC and the Channel 3 licence holder (STV) combined, from 2009 to 2014. This was predominantly due to STV opting out of some ITV network programming over this period.

Figure 4 – Nations/regions original output in Scotland



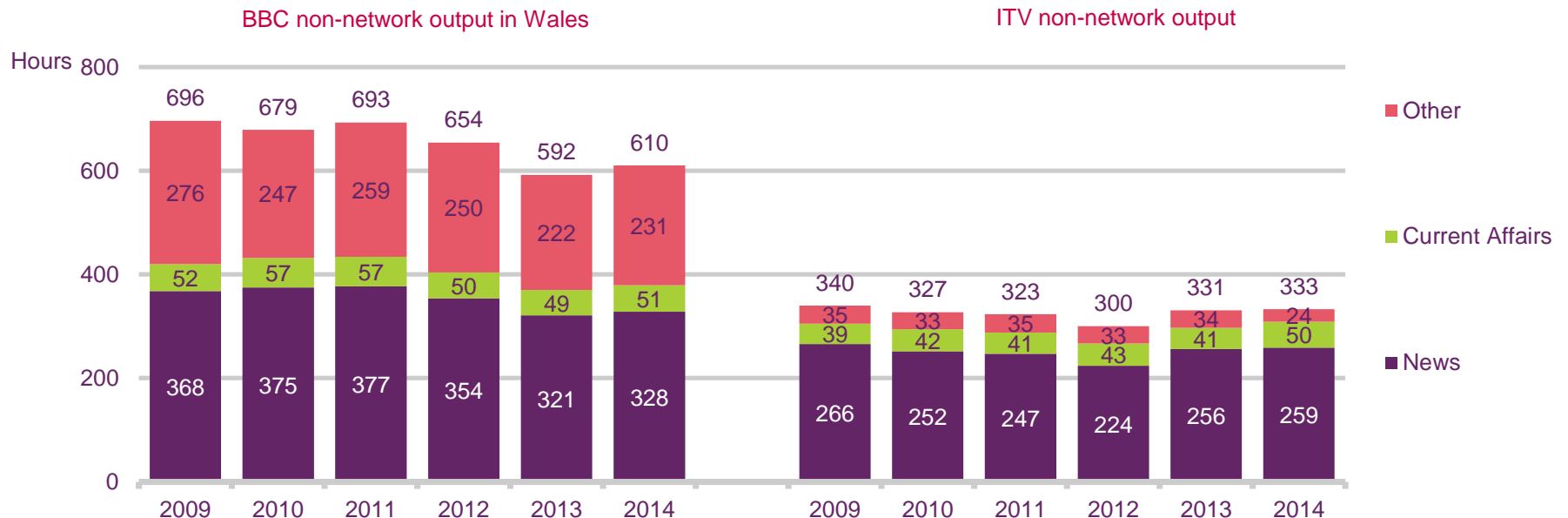
Source: Ofcom's PSB Annual Report 2015
 Note: Figures exclude Gaelic programming. Increase in 'other hours' in 2011 due to STV opting out of some networked content on Channel 3, namely increased output of *The Nightshift*. Output Hours are based on running time. STV news output is greater in Scotland than the equivalent licence holders in Wales and Northern Ireland due to there being two licences in Scotland (STV Central and STV North) as opposed to the nationwide ITV Wales and UTV networks.

Market Context

Key points

- Both the BBC and ITV increased the number of original hours for Wales in 2014, up by 18 and 2 hours respectively since 2013. However, both totals were down on the equivalent number of hours in 2009, by 12% on the BBC and by 2% on ITV.

Figure 5 – Nations/regions original output in Wales



Source: Ofcom's PSB Annual Report 2015

Note: Figures exclude S4C hours. Output hours are based on running times.

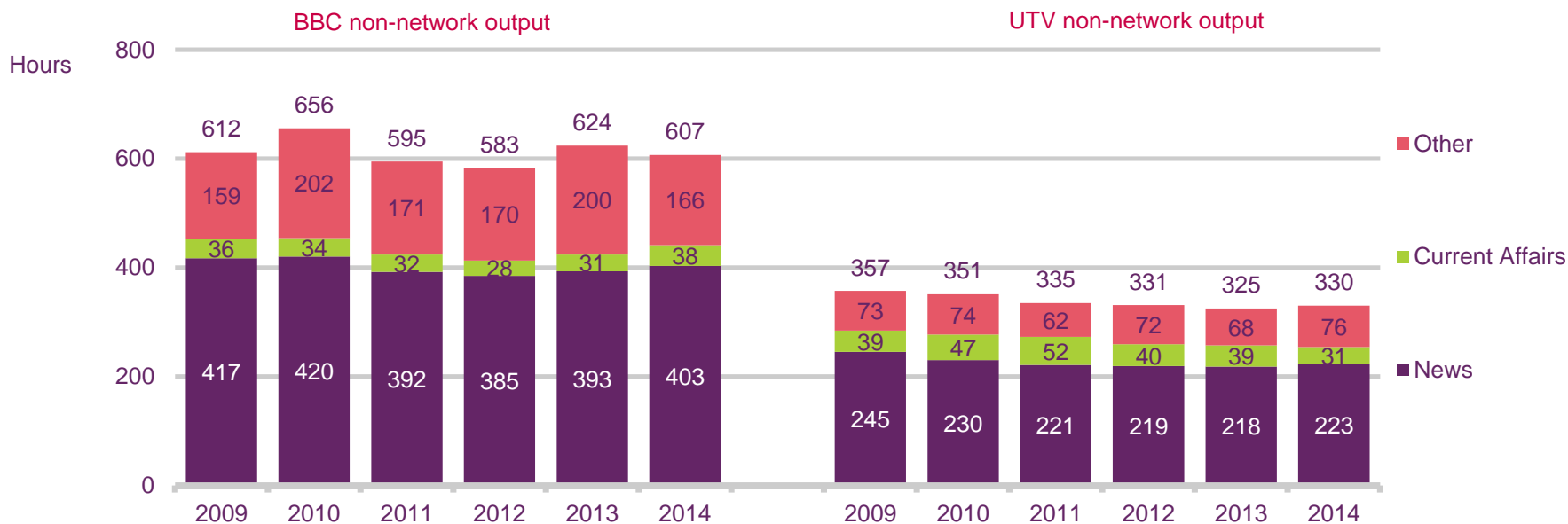
Market Context



Key points

- Both the BBC and ITV increased the number of original hours for Wales in 2014, by 18 and 2 hours respectively from 2013. However both totals were down on the equivalent number of hours in 2009, by 12% on the BBC and 2% on ITV.

Figure 6 – Nations/regions original output in Northern Ireland



Source: Ofcom's PSB Annual Report 2015
 Note: Figures exclude repeats. Output hours are based on running times.

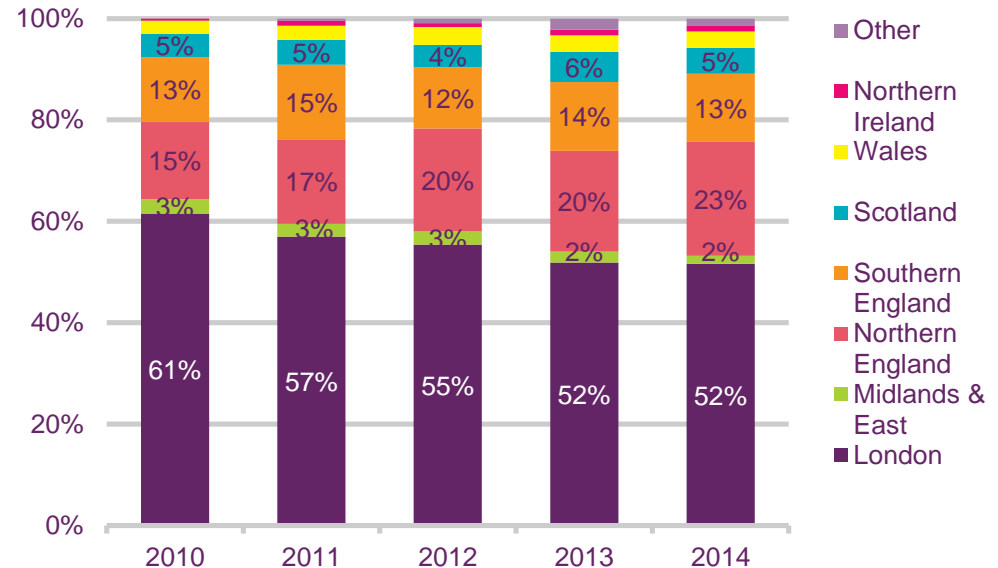
Market Context

Key points

- The main five PSB channels have certain obligations as to the location of their spend on and production of qualifying first-run commissioned network programming in order to encourage production outside of London.
- As Figure 7 shows, the majority of production spend remains in London but the 2014 figure of 52% was nearly ten percentage points down on the equivalent 2010 figure. The corresponding 8pp increase in spend in the North of England has been driven by broadcasters relocating departments and productions out of London, particularly to Salford. The proportion of spend in each of Scotland, Wales and Northern Ireland has also increased over this period.

Figure 7 – Expenditure on out-of-London production

Percentage of production by value



Source: Ofcom's Communications Market Report 2015.

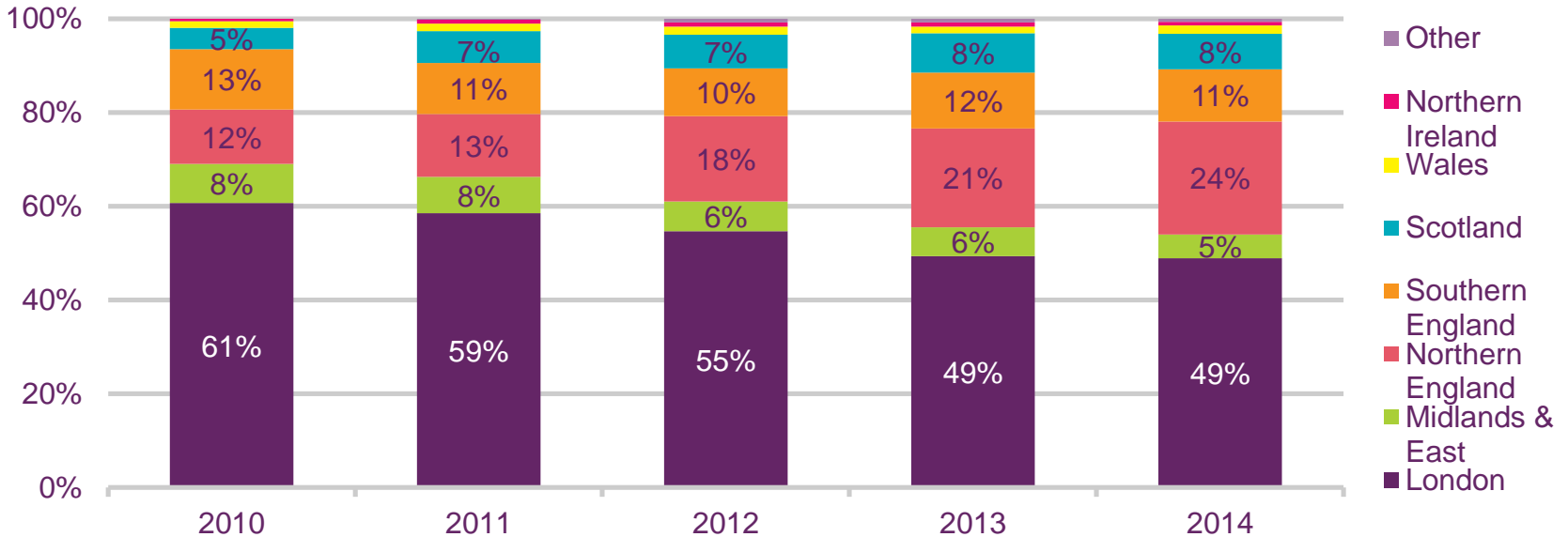
Note: This expenditure does not include network news production. The category 'other' refers to programmes made by producers based within the M25 which qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25 but not all in one macro-region, and therefore cannot be attributed to a single region. See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details.

Market Context

Key points

- 2014 was the second consecutive year in which less than 50% of first-run network programmes were produced within the M25 (see Figure 8). Production in Northern England continued to grow, with the 24% of volume in 2014 being double the 2010 share of 12%. Output from the Midlands and the East of England continued to decline in 2014, decreasing to 5% of first-run commissioned network programming despite this area accounting for 25% of the UK population.

Percentage of production by volume **Figure 8 – Volume of out-of-London production**



Source: Ofcom's Communications Market Report 2015.

Note: These hours do not include network news production. The category 'other' refers to programmes made by producers based within the M25 which qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25 but not all in one macro-region, and therefore cannot be attributed to a single region. See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details.