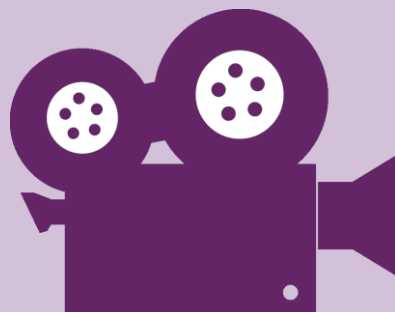


FACTSHEET 2

TV Spend

Oxford Media Convention March 2017



This factsheet has been compiled by Ofcom and provides some background to aid discussion at the 2017 Oxford Media Convention. It looks at the content spend of both the PSB channels and the multichannel sector in recent years. Figures are provided up to and including 2015 as data are collected from broadcasters on an annual basis and 2016 data are as yet not available. All data referred to can be found in Ofcom's PSB Annual Report 2016 or Ofcom's CMR 2016.

Key points

Spend by the PSB channels on their network programming decreased by £0.9bn in real terms between 2005 and 2015 (to £2.8bn). The decline was proportionately greater across the BBC (28%) than across the commercial PSB channels (22%), as shown in Figure 1.

At £2.5bn, the PSB channels spent 89% of their total programming spend on first-run UK originations in 2015, up three percentage points over a ten year period from 2005 when 86% of total spend was on such output.

Figure 1: PSB overall network programme spend; real terms

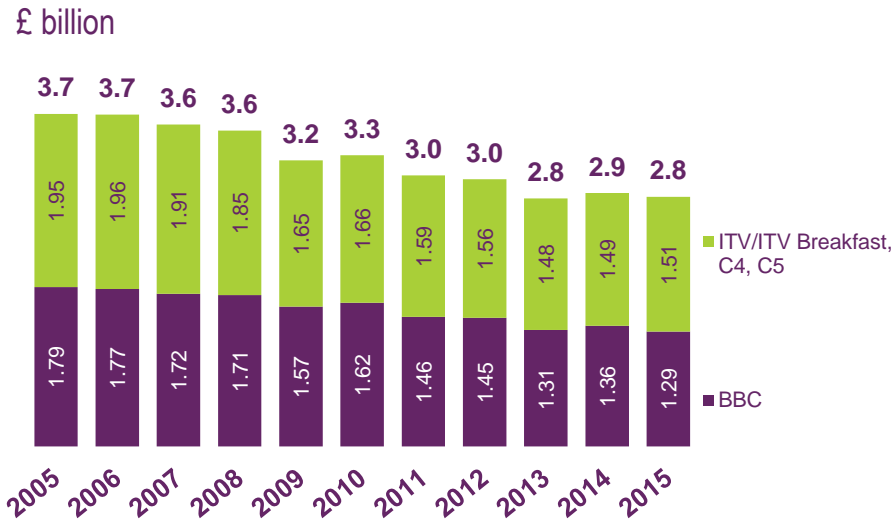
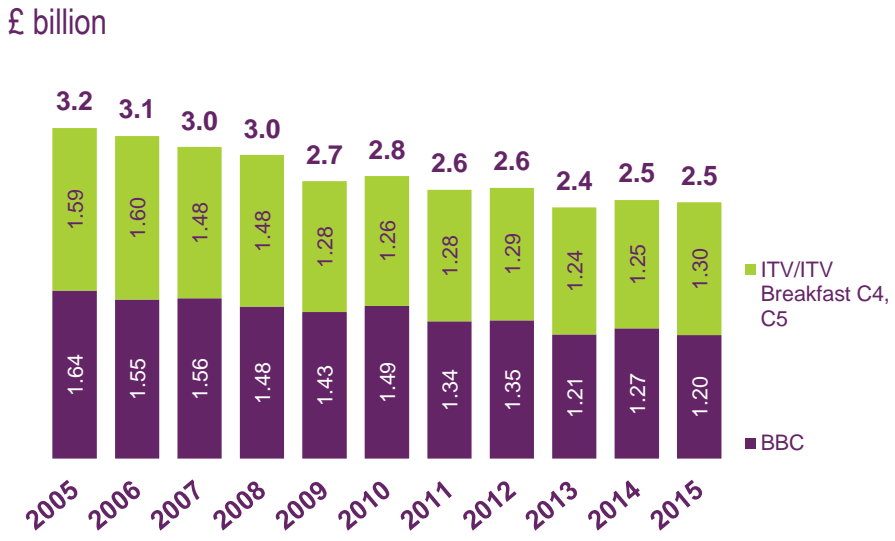


Figure 2 : PSB spend on first-run UK originations; real terms



Source: Ofcom's PSB Annual Report 2016. Note: figures are expressed in 2015 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. ITV figures consist of ITV network content only. Figures exclude nations/regions programming

Source: Ofcom's PSB Annual Report 2016. Note: figures are expressed in 2015 prices. See source notes in Figure 1 for channels included in chart.

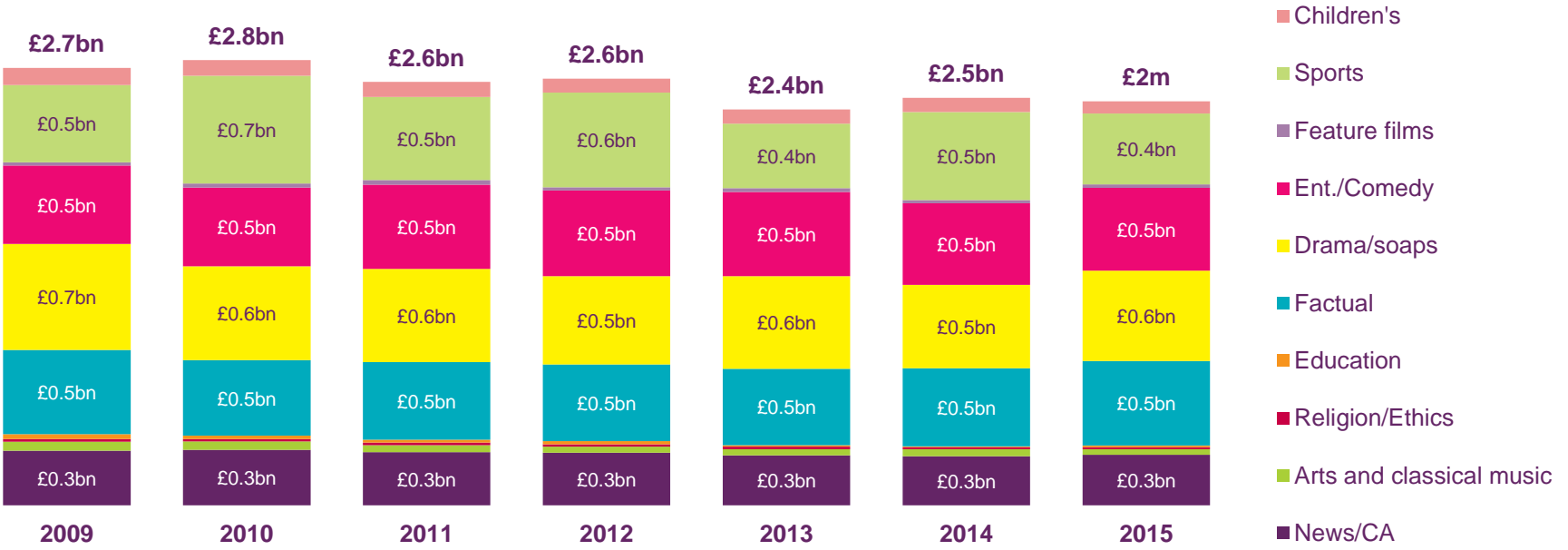


Key points

Entertainment and comedy originations received a 5% real-terms increase in spend across the PSB channels from 2009 to 2015.

First run originated arts and classical music declined 34% over the six year period to £36m, whilst first run originated children's content also declined in real terms by 27% to £77m in 2015.

Figure 3: PSB first-run UK originations spend; by genre



Source: Ofcom's PSB Annual Report 2016. Note: figures are expressed in 2015 prices. Figures include PSB services: BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV, ITV Breakfast, Channel 4 and Channel 5. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

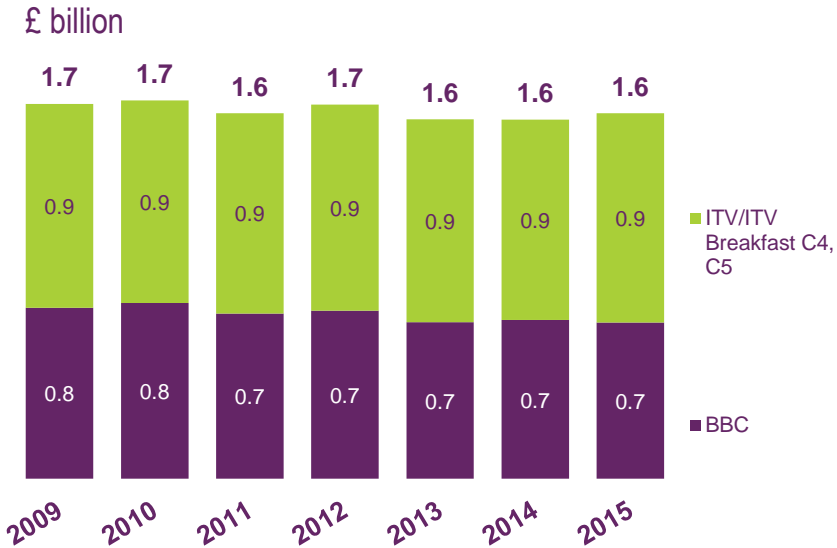


Key points

Proportionally, the decrease in spend on original content has come from the daytime schedules (down 19% in real terms from 2009, as shown in Figure 5) rather than from peak-time programming (down 3% from 2009 in real terms, as shown in Figure 4).

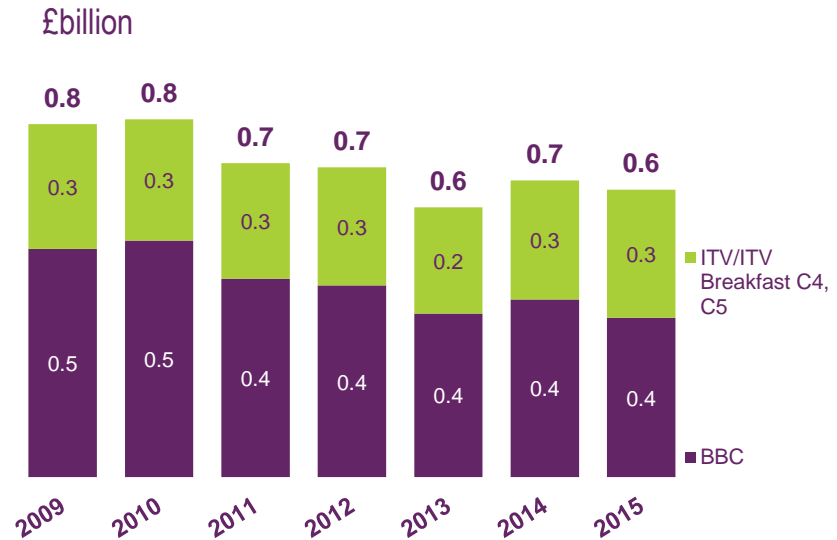
The shift in investment towards cheaper genres, along with the PSBs' investment in catch-up services to meet the changing consumption habits of audiences, have been the key drivers of reduced PSB content spend over recent years.

Figure 4: PSB first-run UK originations spend; peak time



Source: Ofcom's PSB Annual Report 2016. Note: figures are expressed in 2015 prices. See source notes in figure 1 for channels included in chart

Figure 5: PSB first-run UK originations spend; daytime hours

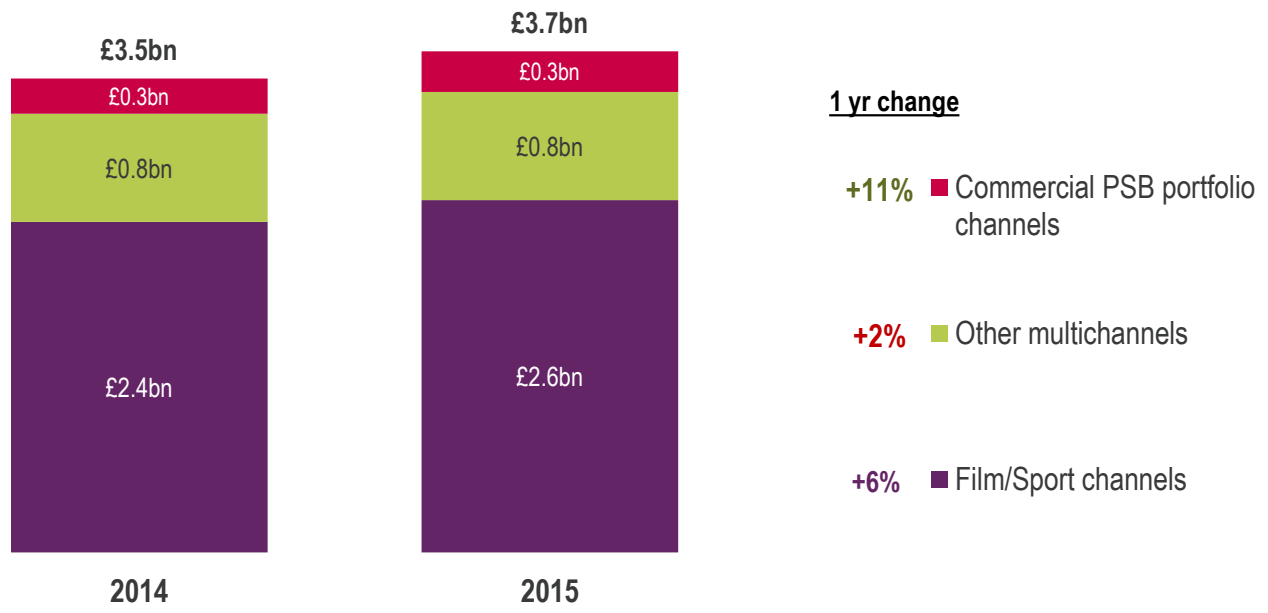


Source: Ofcom's PSB Annual Report 2016. Note: figures are expressed in 2015 prices. See source notes in figure 1 for channels included in chart

Key points

Spend on network TV programmes by the non-PSB channels reached £3.7bn in 2015, an increase of £0.2bn year on year. This was driven mainly by a 6% increase in programme spend by the film and sport channels, which collectively spent £2.6bn on TV content in 2015.

Figure 6: Non-PSB spend on network TV programmes: 2014 - 2015



Source: Ofcom CMR 2016. Note: Figures expressed in 2015 prices. Figures do not include spend on nations and regions output. BBC portfolio channels includes BBC Three, BBC Four, BBC News, BBC Parliament, CBBC and CBeebies (but not BBC HD). 'Other multichannels' include all genres (excluding sports and films). Programme spend comprises in-house productions, commissions from independents, acquired programmes and repeats (originations and acquisitions).