

## 2 Television and audio-visual content

### 2.1 Recent developments in Scotland

#### 2014 – Independence Referendum and Commonwealth Games

STV's coverage of the referendum on Scottish independence included the first live TV debate between First Minister, Alex Salmond, and leader of Better Together, Alistair Darling. *Salmond & Darling – The Debate* attracted the highest audience share for its slot in Scotland<sup>20</sup>.

In the week of the Referendum vote, 13.2 million UK unique browsers visited the BBC Scotland News Online website; the average number of weekly visitors in 2014/15 was 4.7 million<sup>21</sup>.

Record audiences watched the drama of the 2014 Commonwealth Games in Glasgow unfold on BBC television, with live coverage reaching 78% of the audience in Scotland (3.6 million people).

In December 2014 Ofcom published research into media consumption in Glasgow during the 2014 Commonwealth Games<sup>22</sup>. TV was the primary medium for consuming Games content. More than nine in ten (92%) people who chose to follow the Games did so via a television set and almost half of these viewed the coverage daily.

#### BBC Alba

BBC Alba's new drama series, *Bannan*, proved to be popular with the channel's Gaelic speaking audience. It topped the third quarter of the 2014 viewing table, the most popular series since the channel launched on Freeview in 2011<sup>23</sup>.

#### Local TV

On 19 January 2015, STV launched its local TV channel, STV Edinburgh. Combined with STV Glasgow, the local services are broadcasting to over 3 million viewers in the central belt. In March 2015, Ofcom awarded licences to STV to run local TV services in Aberdeen, Ayr and Dundee, and on digital terrestrial TV. Work is currently under way, ahead of launch.

#### Production and commission updates

Channel 4 network spend in Scotland in 2014 rose again year on year to £16.2m, representing 4.6% of total spend.<sup>24</sup> One hundred and forty-two hours of content were commissioned from Scottish independent production companies. Series highlights included the successful *Location Location Location*; alongside *Phil Spencer Secret Agent*, *Fifteen To One* and *Small Animal Hospital with John Barrowman*. Channel 4 exceeded its 3% quota of nations' output and spend in 2014, with first-run originated programming from the nations on the main channel amounting to 6.1% of output and 6.0% of spend.

<sup>20</sup> <http://www.stvplc.tv/blog/2014/08/stv-debate-reached-tv-and-online-audience-of-17-million>

<sup>21</sup> [http://downloads.bbc.co.uk/scotland/aboutus/management\\_review\\_2014\\_2015.pdf](http://downloads.bbc.co.uk/scotland/aboutus/management_review_2014_2015.pdf)

<sup>22</sup> <http://stakeholders.ofcom.org.uk/spectrum/glasgow2014/glasgow-2014-games-media-consumption/>

<sup>23</sup> <http://www.bbc.co.uk/news/uk-scotland-highlands-islands-30726674>

<sup>24</sup> Source: Channel 4

Recent network drama commissions from BBC Scotland include Iain Banks' *Stonemouth*, *One Of Us*, a four-part drama thriller from the writers of *The Missing*, and a third series of *Shetland*. Across the year, BBC One Saturday night game shows from Scotland included *Perfection*, *Pressure Pad* and the National Lottery programmes *In It to Win It*, *Break the Safe* and *Win Your Wish List*.

STV Productions continues to secure commissions from major broadcasters in a number of genres, including a third series of *Catchphrase* for ITV to air this year.

See Figure 2.18 for the combined public service broadcaster expenditure on originated network productions in the nations and English regions.

In March 2015 the Scottish Parliament's Economy, Energy and Tourism Committee published its findings, following an inquiry into the economic impact of Scotland's film, TV and video games industries. It urged Scottish Enterprise and the Scottish Government to reach a decision on the current private sector proposal for the development of a film and TV studio as soon as possible.

### **Government developments**

Following a report published by Ekos Consultants in 2014, the Scottish Government is currently pursuing a private sector proposal for studio infrastructure. This is undergoing due diligence and is subject to commercial negotiations at present.

The Scottish Government announced two new funds to provide financial support for Scottish film, animation and high-end TV productions and support skills development in the screen sector<sup>25</sup>. These are a £1m Screen Sector Skills Fund and a £2m Tax Credit Loan Fund made available to the sector over 2015/2016. Both new funds will be administered by Creative Scotland.

## **2.2 Digital television take-up in Scotland**

### **DTT and satellite television remain the most widely-used platforms in Scotland**

Figure 2.1 shows that in 2015, satellite television (36%) and Freeview/DTT (38%) were the most popular main television services in Scotland. Scotland and the UK as a whole were similar in terms of the main TV service used in 2015.

As in previous years, satellite television had higher penetration in rural areas of Scotland (50% in rural areas vs. 33% in urban areas), where cable services have lower penetration (5% in rural areas vs. 19% in urban areas). Both urban (37%) and rural areas (39%) had similar take-up of Freeview television in 2015.

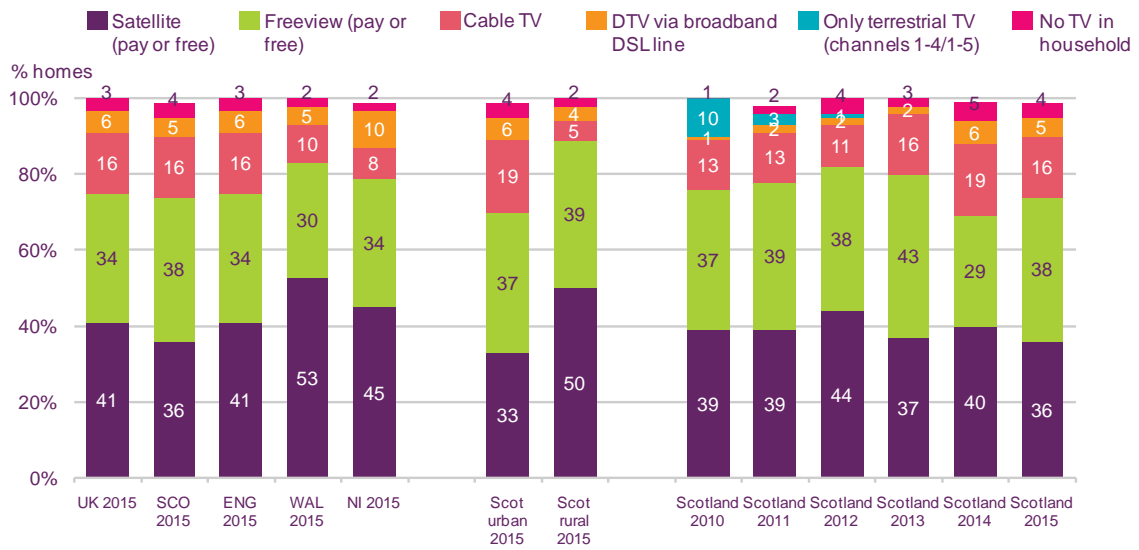
Since 2014 there has been an increase<sup>26</sup> in the proportion of households in Scotland with Freeview (from 29% in 2014 to 38% in 2015), but no significant change for any other type of television service.

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<sup>25</sup> <http://news.scotland.gov.uk/News/Extra-3-million-for-Scotland-s-screen-sector-1592.aspx>

<sup>26</sup> In 2014 the survey data indicated a decline in use of Freeview as a main television service in Scotland. The 2015 measure is similar to the previous measure from 2013. This may suggest that the apparent decrease in 2014 was due to sample error.

**Figure 2.1 Main television set: share, by platform**



Source: Ofcom Technology Tracker, wave 1 2015

Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015)

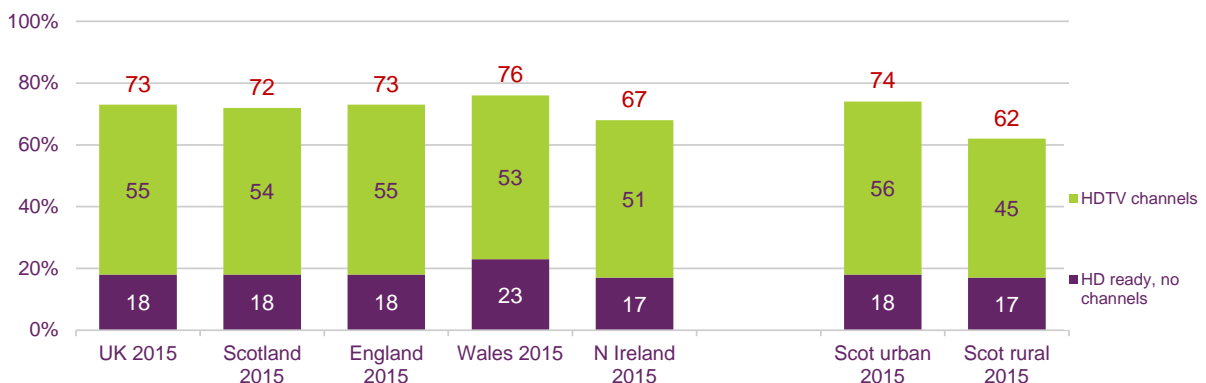
QH1a. Which, if any, of these types of television does your household use at the moment?/ QH1b And which of these do you consider is your main type of television?

**Over half of households in Scotland have access to HDTV services, in line with the UK average**

Seventy-two per cent of households in Scotland claimed to have either HDTV services or an HD-ready television, with this figure unchanged since 2014. More than half of households in Scotland (54%) receive HDTV services, with a further 18% claiming to have an HD-ready TV but not to receive HD services.

In Scotland, owning an HD-ready set was more likely in urban (74%) than in rural (62%) households. This difference was due to respondents in urban households being more likely to say they received HD services (56% vs. 45% among rural households).

**Figure 2.2 Proportion of homes with HD television**



Source: Ofcom Technology Tracker, wave 1 2015

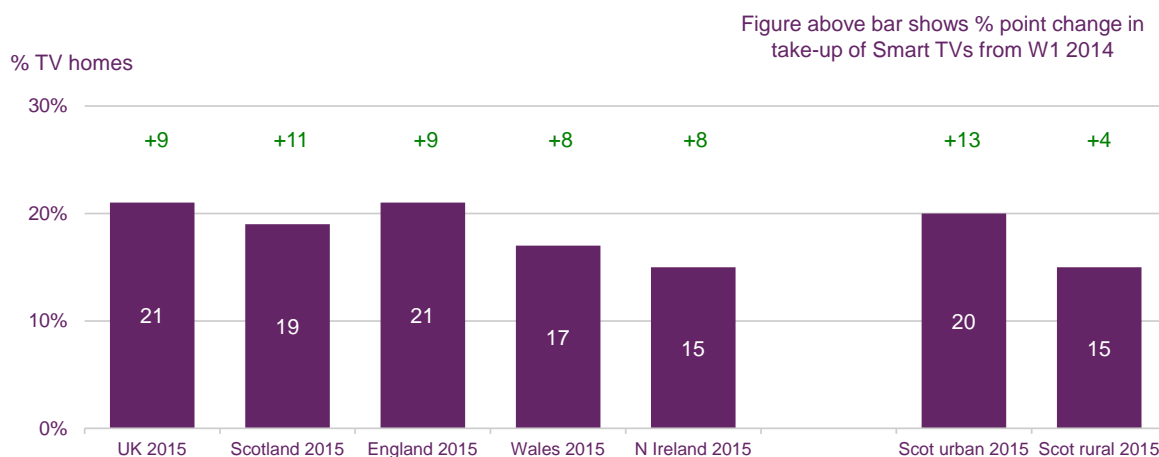
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural)

QH53. Is the main TV in your household an HDTV set or HD ready?/ QH54. For the main TV set, does your household have an HD TV service – from either Sky, Virgin Media, Freesat or Freeview?

## One in five TV households in Scotland have a smart TV set

Among those in Scotland with a TV set in the household, 19% claimed to have a smart TV; up since 2014 (from 8%). There has been an increase since 2014 in urban household ownership of smart TV sets (20% vs. 7%).

**Figure 2.3 Smart TV take-up**



Source: Ofcom Technology Tracker, wave 1 2015

Base: All adults aged 16+ with a TV in household (n = 3616 UK, 472 Scotland, 2197 England, 485 Wales, 462 Northern Ireland, 231 Scotland urban, 241 Scotland rural)

QH18. Are any of your TV sets "smart TVs"? These are new types of TV that are connected to the internet and can stream video directly onto your television screen, without the need for a computer, set-top box or games console.

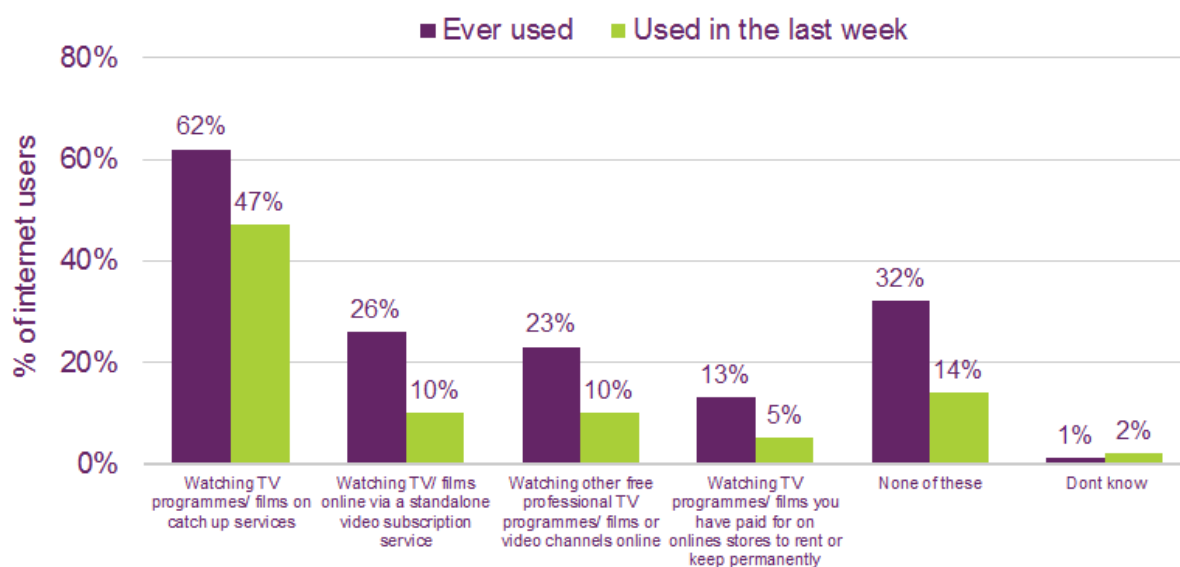
## Catch-up services are the most popular way to watch TV programmes and films online among internet users in Scotland

Among those in Scotland who use the internet at home or elsewhere (e.g. on their smartphone, tablet or laptop), over three in five (62%) said they had ever watched TV programmes or films on a catch-up service (e.g. iPlayer, ITV Player, All4). Just under half (47%) of internet users claimed to have watched these services within the last week. This rises to 62% saying they have ever used these services.

Use of stand-alone video subscription services (e.g. Netflix, Amazon Instant) and free professional sources (e.g. official YouTube channels, producers' websites) are less popular, with around a quarter (26% and 23% respectively) of internet users in Scotland claiming to have ever used them. Just over one in ten (13%) internet users in Scotland had ever watched TV programmes or films that they had bought or rented digitally.

Just under a third (32%) of adults in Scotland who use the internet at home or elsewhere have never used any of these services.

**Figure 2.4 TV programmes and films: demand on any service**



Source: Ofcom Technology Tracker, wave 1 2015

Base: All Scotland adults aged 16+ who use the internet at home or elsewhere (n = 388)

QH17 (QH46)/QH18 (QH47): Thinking about your personal use of TV programmes and films online and on demand services that you may use on any device (e.g. smartphone, TV set, tablet or laptop) anywhere, which of the following, if any, have you personally ever used? And which, if any, of these have you used in the last week?

## 2.3 Broadcast television content

### Broadcast TV viewing

BARB analysis is based on viewing to scheduled TV programmes such as those listed in TV listings magazines or on electronic programme guides (EPGs) on TV sets. 'Broadcast TV viewing' refers to TV programmes watched on the TV set live at the time of broadcast (traditional TV viewing), or recordings of these programmes, or viewing of these programmes through catch-up player services (referred to as time-shifted), up to seven days after they were televised.

### People in Scotland spend an average of 3 hours 59 minutes per day watching TV

In 2014, people in STV licence areas (referred to throughout as 'Scotland') spent an average of 239 minutes (3 hours 59 minutes) per day watching television<sup>27</sup>, less than in Wales at 251 minutes (4 hours 11 minutes) but higher than in Northern Ireland at 227 minutes (3 hours 47 minutes) and higher than the UK average at 220 minutes (3 hours 40 minutes). Of the 239

<sup>27</sup>Individuals in the Scottish areas of the ITV Border region watched 276 minutes (3 hours 36 minutes) of TV each on an average day across 2014 (Source: BARB). **Note:** this figure is indicative due to low sample sizes. There are no BARB reported sub-regions for the Scottish and English regions with the ITV Border area and we have therefore created customised audience segments to undertake this analysis. Segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing because the ITV Border region is representative at an overall level rather than by geographical segments. Data should therefore be treated with caution. Only average daily minutes and average weekly reach viewing measures are robust enough for indicative analysis. The respective audiences were created using BARB's 'BBC/ITV area segments' feature by selecting the BBC regions that comprise the Border area and running the viewing analysis against the ITV Border panel.

minutes spent watching television, 174 minutes was spent watching the PSB family of channels (the main five PSB channels<sup>28</sup> together with the PSB portfolio channels<sup>29</sup>).<sup>30</sup>

**Figure 2.5 Average minutes of television viewing per day, by nation: 2014**



Source: BARB, Individuals (4+). Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5, including HD variants but excluding +1s. PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc ITV Breakfast), ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5\*, 5\*+1, 5USA, 5USA+1. HD variants are included where applicable.

\*Note: This figure reflects the average across the English regions with the highest in Border at 250 minutes (4 hours 10 minutes) and lowest in West at 197 minutes (3 hours 17 minutes) respectively.

### Over half (52.1%) of all viewing is to the main five PSB channels

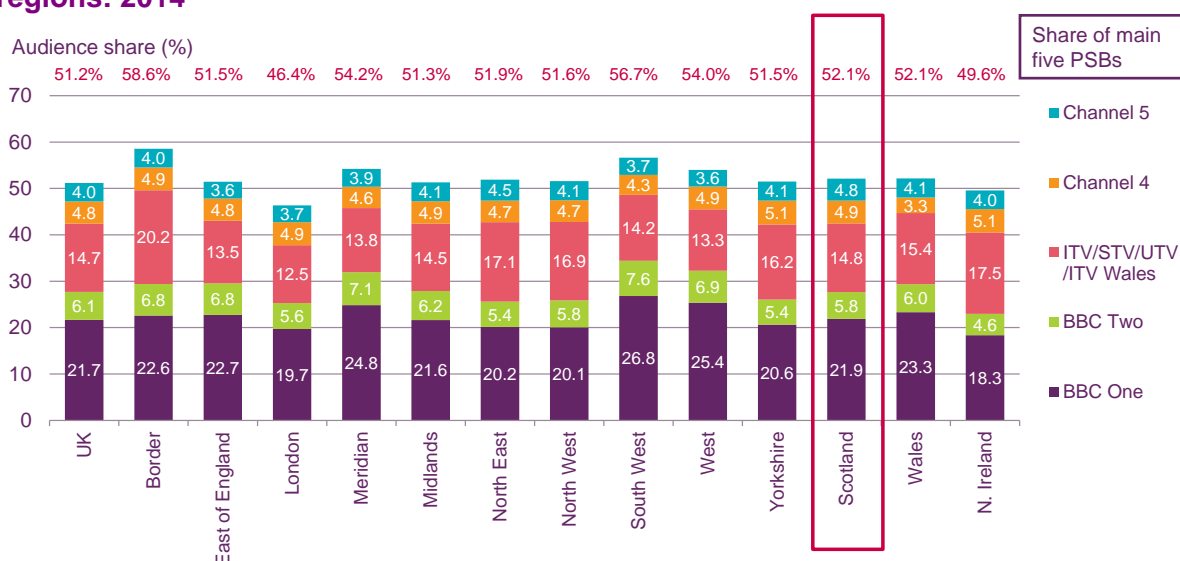
In 2014, the main five PSB channels accounted for a combined 52.1% share of total TV viewing in Scotland, equal to their combined share in Wales and just higher than the average 51.2% share across the UK. In Scotland the distribution of viewing share across the main five PSB channels is similar to the UK as a whole. However, Channel 5 gained a larger share of viewing in Scotland (4.8%) compared to the UK (4.0%), Wales (4.1%), Northern Ireland (4.0%) and any other English region.

<sup>28</sup> Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5. Includes HD variants but excludes +1s.

<sup>29</sup> PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc ITV Breakfast), ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5\*, 5\*+1, 5USA, 5USA+1. HD variants are included where applicable.

<sup>30</sup> Individuals in the Scottish areas of the ITV Border region watched 219 minutes each of the PSB broadcasters (main five PSBs plus their portfolio channels) on an average day in 2014 (source: BARB). 59% of total TV viewing minutes were attributed to the main five PSBs with their portfolio channels adding an additional 21%. **Note:** these figure are indicative due to low sample sizes and because segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing (see footnote 8 for methodology).

**Figure 2.6 Share of the main five PSB channels in all homes, by UK nations and regions: 2014**



Source: BARB, Individuals (4+). HD channel variants are included but not +1s.

Note: Chart shows figures rounded to one decimal place. Numbers may not appear to sum up to total share of main five PSBs due to rounding.

**The combined share of the main five PSB channels has decreased by 3.9pp since 2009, less than the UK average net loss**

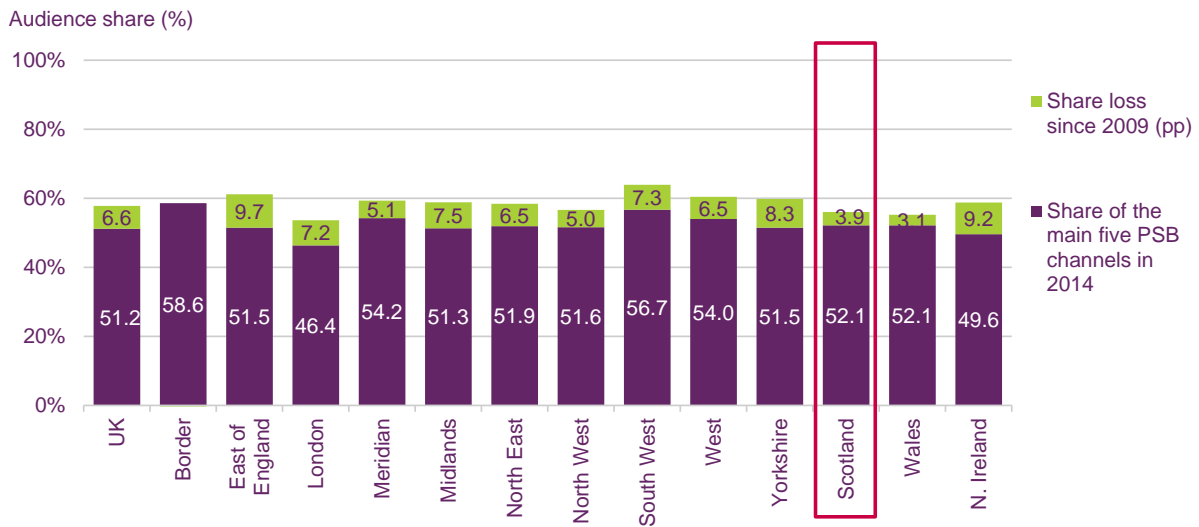
Between 2009 and 2014 there was a 3.9 percentage point reduction in the combined share of the main five PSB channels in Scotland. This reduction was lower than the decrease across the UK as a whole (6.6pp) and lower than the reduction in Northern Ireland (9.2pp).

From 2009 to 2014, all UK nations and regions except Border<sup>31</sup> saw a reduction in the combined share of the main five PSB channels.

<sup>31</sup> In Border, however, their combined share increased from 54.4% to 58.6%. This may be related to the population demographic profile of the ITV Border region; it has the highest proportion of 65+ adults of all the BARB ITV regions and the highest proportion of 45+s overall (67%).



**Figure 2.7 Reduction in combined share of the main five PSB channels, all homes: 2009 and 2014**



Source: BARB, Individuals (4+). HD channel variants are included but not +1s.

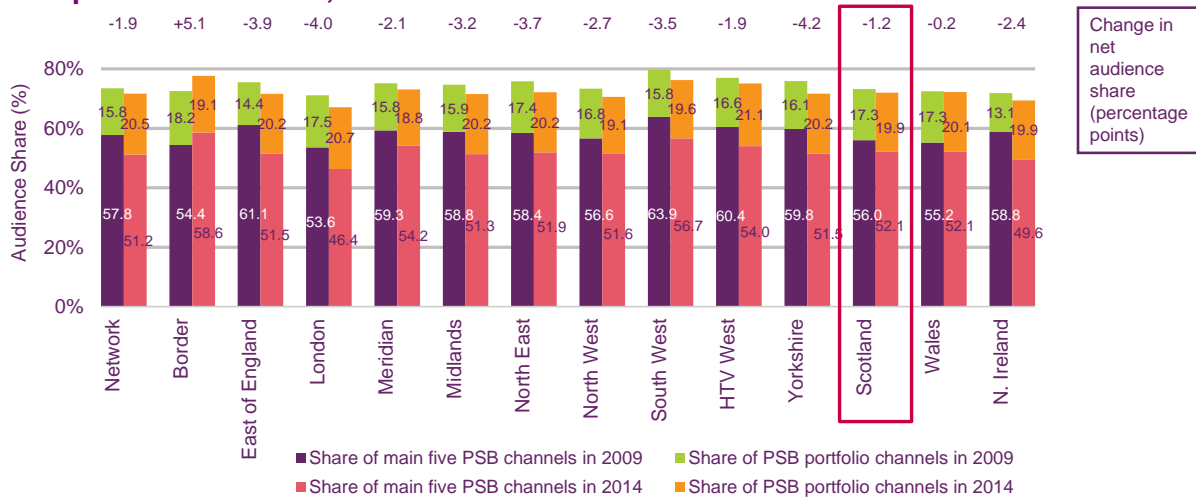
Notes: i) Following digital switchover in Wales in 2010, S4C ceased to carry Channel 4 content. S4C is therefore included in the main five PSB channels in 2009 but not in 2014. S4C's average share in Wales in 2014 is 1.8%. ii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

**The total share of the main five PSBs and their families of channels decreased by 1.2pp between 2009 and 2014 in Scotland**

While the main five PSB channels' share of viewing decreased by 3.9pp, the PSB portfolio channels increased their share of viewing in Scotland by 2.6pp between 2009 and 2014. This resulted in a net share loss overall of 1.2 percentage points for the main five PSBs and their families of channels, the second-smallest decline in the UK nations and regions (the smallest decline was in Wales, -0.2pp and in Border there was a 5.1pp increase).



**Figure 2.8 Net change in the audience share of the main five PSB channels and their portfolio channels, all homes: 2009 and 2014**



Source: BARB, Individuals 4+. Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5, including HD variants but excluding +1s. PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc. ITV Breakfast), ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5\*, 5\*+1, 5USA, 5USA+1. HD variants are included where applicable.

Notes: i) Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the main five PSB channels in 2008 but not in 2014. S4C's average share in Wales in 2014 is 0.9%. ii) In 2010 a new BARB panel was introduced, including the redefining of boundaries. Therefore, pre- and post-panel change data should be compared with caution. v) Numbers may not add to 100% due to rounding.

### BBC One's and STV's early evening local news bulletin attracted a greater share in Scotland than the UK average for the same slot

In 2014, BBC One's early evening news bulletin, *Reporting Scotland*, attracted an average 30.5% share of TV viewing in Scotland between 6.30pm and 7.00pm – higher than the UK average for the same slot (28.2%). STV's counterpart bulletin, *STV News at Six*, attracted a lower share than BBC One's *Reporting Scotland*, although at 22.7% it was still higher than the Channel 3 UK average (18.0%). Viewing to *Reporting Scotland* in Border achieved 24.9% share, lower than the BBC One UK average share for the same 6:30pm to 7pm slot (24.5%). *ITV News Lookaround* took 41.0% in the 6pm to 6:30pm slot, higher than the ITV UK average in the same slot (39.3%)<sup>32</sup>.

<sup>32</sup> It is not possible to analyse granular programme level viewing by the Scottish and English regions within the ITV Border licence area in a statistically robust way. Analysis has therefore been included for the ITV Border licence as a whole,

**Figure 2.9 BBC One and ITV/ STV/ UTV/ ITV Wales early evening news bulletin shares, all homes: 2014**

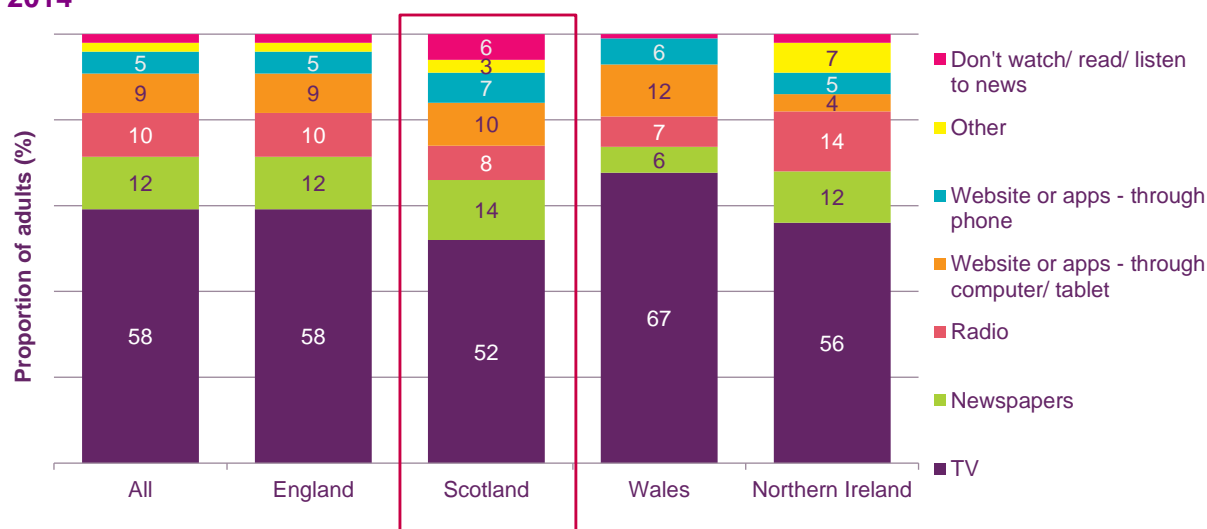


Source: BARB, Individuals (4+). BBC One includes HD variant. ITV excludes HD variants and +1.  
 Note: Early evening ('local') news bulletin figures based on 'regional news' genre programmes, start time 17:55-18:35, 10mins+ duration, BBC One & ITV (exc HD), weekdays. UK figures based on share to respective early evening news bulletin day parts. BBC One's early evening news bulletin is transmitted between 18:30 – 19:00 and ITV/STV/UTV/ITV Wales' is transmitted between 18:00 – 18:30.

**Half of all respondents in Scotland use TV as their main source of UK and world news**

As shown in Figure 2.10, in Scotland in 2014, 52% of adults aged 16+ cited television as their main source of UK and world news. The next most popular sources were newspapers (14%) and websites or apps through a computer or tablet (10%). In total, 17% of respondents in Scotland said that their main media source of UK and world news was a website or app (either through a phone, computer or tablet).

**Figure 2.10 Respondents' main media source for UK and world news, by nation: 2014**



Source: Ofcom Media Tracker 2014.

Base: All (2,074); England (1,577); Scotland (183); Wales (154); Northern Ireland (160).

Significance testing (indicated by a triangle) shows any difference in the main source of news between any nation and all adults.

## 2.4 TV programming for viewers in Scotland

The following section outlines spend and hours of programming for viewers in Scotland, Wales, Northern Ireland, and the English regions, provided by the BBC and STV/ UTV/ ITV. The figures exclude Gaelic and Welsh-language programming but include some spend on Irish-language programming by the BBC. For information on BBC Alba, see section 2.5.

In January 2014, there was a change in the licensing obligations of the ITV Border region, creating two sub-regions: ITV Border Scotland and ITV Border England. While the majority of the broadcast content in these sub-regions is simulcast, ITV is required to transmit a weekly average of 86 minutes of local and Scotland-centric content, other than news, to ITV Border Scotland. This includes the current affairs programmes *Representing Border* and *Border Life*. As the ITV Border region operates under a single regional licence, and the majority of the programming is shared between the sub-regions, the output and spend for this region has been counted under England in the analysis below. In 2014 the total spend on ITV Border included £725,000 on current affairs programming for viewers in the ITV Border Scotland sub-region, which amounted to 83 hours of content. There were also 21 hours of non-news/non-current affairs programming broadcast specifically for viewers in the sub-region.

Historical financial figures are presented in nominal terms and not adjusted for inflation. The reason for this is to align the CMR suite of reports and to provide a 'base' view of the overall market to inform any further analysis.

## Programme definitions

**First-run originations** - Programmes commissioned by or for a licensed public service channel with a view to their first showing on television in the United Kingdom in the reference year.

**First-run acquisitions** - A ready-made programme bought by a broadcaster from another rights holder and broadcast for the first time in the UK during the reference year.

**Repeats** - All programmes not meeting one of the two definitions above.

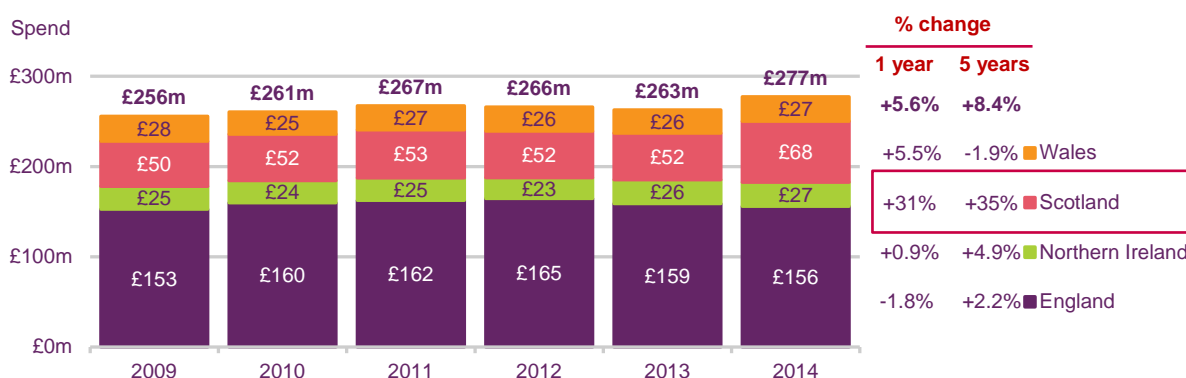
Two exceptional events took place in Scotland in 2014, the 2014 Commonwealth Games, held in Glasgow during July and August, and the Referendum on Scottish Independence in September. An increase in BBC programme investment in Scotland resulted in the production of a range of non-news programmes, which complemented the news and current affairs coverage of these events across the UK. This additional content included Commonwealth-themed documentary series such as *I Belong to Glasgow* and Mark Beaumont's series on the Queen's baton relay, as well as more than 25 televised referendum debates and documentaries, across local and network services, with additional content on radio and online. STV's spending also increased in Scotland but to a lesser degree. The majority of its spend was on current affairs programming, which doubled since the previous year.

### BBC and STV spend on first-run originated content for viewers in Scotland grew in 2014 by 31%

£277m was spent by the BBC and ITV/ STV/ UTV on producing first-run originated programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2014, in nominal terms up by £14m (or 5.6%) since 2013 and by 8.4% since 2009.

Nominal spend by PSBs on first-run originated programming for viewers in Scotland had remained steady at around £52m in the four years preceding 2014. However, due to the unique events and programming discussed above, PSB spend in 2014 on first-run originated programmes for viewers in Scotland increased by £16m (or 31%) in nominal terms since 2013 and by 35% since 2009.

**Figure 2.11 Spend on first-run originated nations' and regions' output by the BBC/ITV/ STV/ UTV**



Source: Broadcasters. All figures are nominal.

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.

## Total spend on nations' programming in Scotland, including acquisitions and repeats, was up 29% on the year

BBC and STV spend on current affairs programming for viewers in Scotland increased in nominal terms by 49% in 2014, a 61% rise on five years earlier, largely due to the Referendum taking place. Spend on news increased by 24% on the year, a 17% increase since 2009, and spend on non-news/non-current affairs increased by 27%, a 33% increase on 2009 spending. The latter was likely to be due to programming relating to the Commonwealth Games.

Spend on programming commissioned for Scotland as a whole increased by 29% year on year in nominal terms, driven by the previously-mentioned increased spend in all programme genres.

**Figure 2.12 Change in total spend on nations' and regions' output, by genre and nation: 2009-2014**

	UK		England		N. Ireland		Scotland		Wales	
	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)
<b>Current Affairs</b>	22%	21%	10%	-1%	28%	43%	49%	61%	16%	29%
<b>News</b>	5%	6%	2%	4%	9%	8%	24%	17%	15%	30%
<b>Non-news/non-current affairs</b>	11%	11%	-2%	119%	-13%	-7%	27%	33%	-2%	-23%
<b>Total Spend in 2014</b>	£285m		£163m		£27m		£69m		£27m	
	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
<b>Change in Spend</b>	8%	9%	2%	4%	0%	5%	29%	32%	6%	-3%

Source: Broadcasters. All figures are nominal.

Note: 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.

## Expenditure in Scotland on PSB non-network programming increased by almost a third year on year

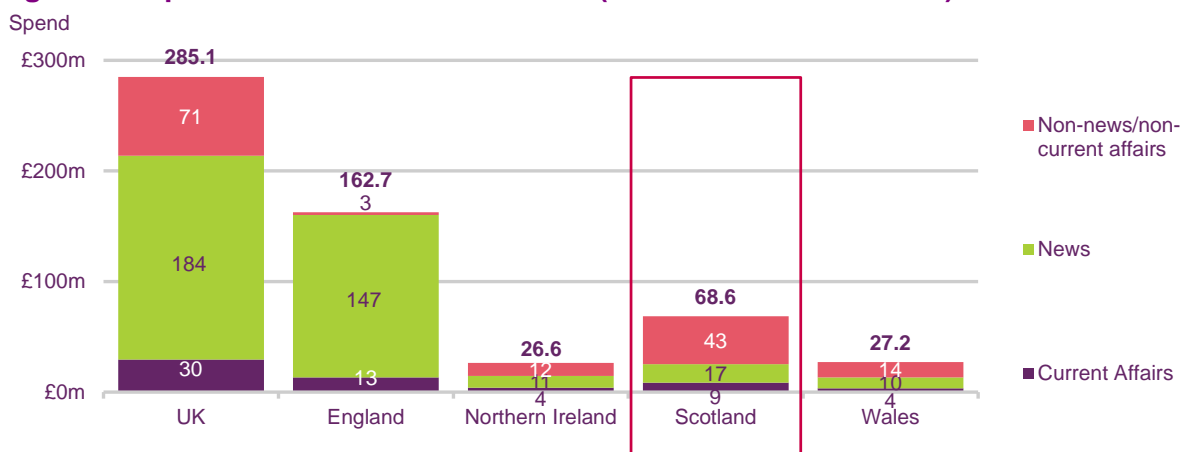
Expenditure on non-network content broadcast by the BBC and STV for people in Scotland increased by 29% in nominal terms to £68.6m in 2014.

Spend on non-news/ non-current affairs accounted for almost two-thirds of total spend (63%); news accounted for a further 24%, with current affairs making up the remaining 13%.

In addition to this, according to its annual report for 2014/2015, the BBC contributed £76m to the operational costs of S4C. It incurred a further £24.5m of costs in delivering other content to S4C under the terms of the operating agreement<sup>33</sup>. It also contributed £5.0m to content shown on BBC Alba in Scotland. See Section 2.5 for more detail on BBC Alba.

<sup>33</sup> [http://www.s4c.co.uk/production/downloads/e\\_cytundeb-gweithredu-s4c-bbc.pdf](http://www.s4c.co.uk/production/downloads/e_cytundeb-gweithredu-s4c-bbc.pdf)

**Figure 2.13 Total spend by the BBC/ ITV1/ STV/ UTV on non-network nations'/ regions' output for the main PSB channels (BBC One and Channel 3): 2014**



Source: Broadcasters.

Note: 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.

### Total first-run originated hours for Scotland have increased more than in any other nation since 2009

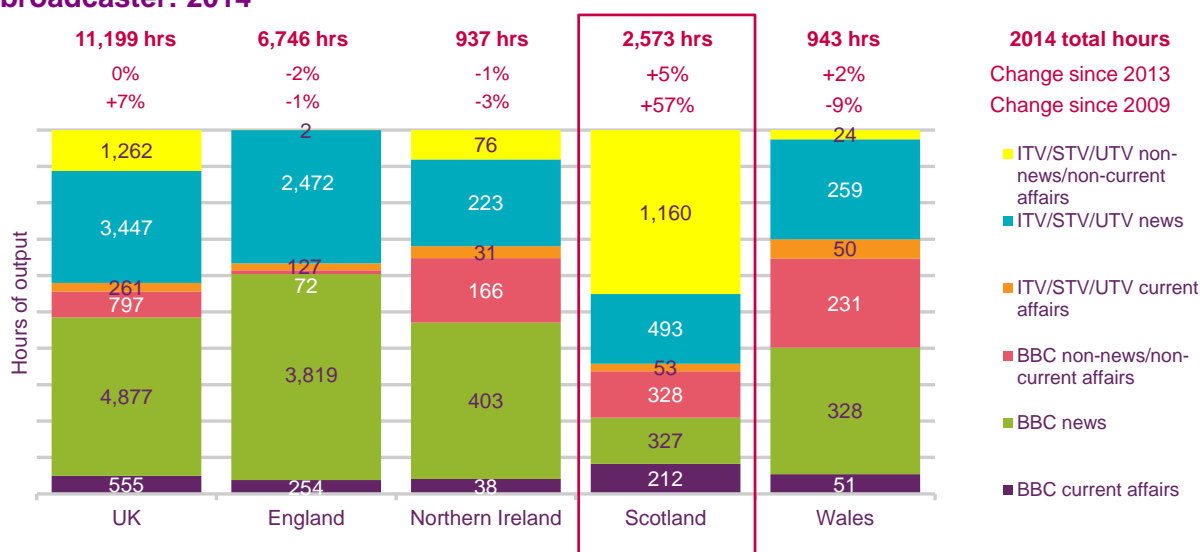
The BBC and ITV1/ STV/ UTV produced a total of 11,199 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2014, down by just 33 hours on 2013, and up by 7.3% (760 hours) since 2009.

The number of first-run originated hours produced specifically for viewers in Scotland has increased by 57% since 2009 to 2,573 hours in 2014. This is the highest relative increase across the four nations over this period, and is attributable to the Commonwealth Games and Referendum programming as well as the increased output of *The Nightshift* on STV in 2010/2011. Over one year, the number of first-run originated hours increased by 5% compared to the UK-wide average which has remained steady.

The year-on-year increase in 2014 was reflected relatively evenly across the BBC's output in Scotland with an additional 20-30 hours in each of the genres stated in Figure 2.14. In comparison, STV's additional 41 hours were attributable to a 36 hour increase in news programming and a 17 hour increase in non-news/ non-current affairs programming. These increases were offset by a 12 hour decrease in current affairs programming on STV across the year.

For comparison purposes, Figure 2.14 does not include first-run originated BBC Alba programming hours funded by the BBC, or BBC hours provided to S4C. In 2014 the BBC's first-run originated local hours for viewers in Scotland, including programming it funded on BBC Alba, amounted to 1,097 hours. MG Alba also funded an additional 456 hours of first-run originations on BBC Alba. There is a more detailed breakdown of BBC Alba programming in Section 2.5.

**Figure 2.14 Hours of first-run originated nations'/regions' output, by genre and broadcaster: 2014**



Source: Broadcasters.

Note: Hours data for first-run originations only. Excludes hours for BBC Alba and S4C output but includes some hours of Irish language programming by the BBC. These figures do not include hours of network content. Hours broadcast in the ITV Border region are included under England.

**Total cost per hour on total nations' output for Scotland has decreased by 1% in nominal terms since 2009**

When analysing the cost of making programmes for the nations, cost-per-hour calculations show that, when measured in nominal terms, Scotland was the only nation which produced programmes at a lower cost in 2014 than in 2009. However, it is worth noting that spending in Scotland has increased by 25% since 2013. There was a decrease in the Scottish figure in 2010/11 due to the large volume of hours and relatively low production cost of *The Nightshift*. Increased spending in 2014 has offset this reduction and returned the cost per hour to 2009 levels, in nominal terms.

Over the five-year period, Scotland's cost per hour decreased by 1%, compared to the UK average increase of 5%.



**Figure 2.15 Cost per hour of total nations and regions output, by nation: 2009-2014**

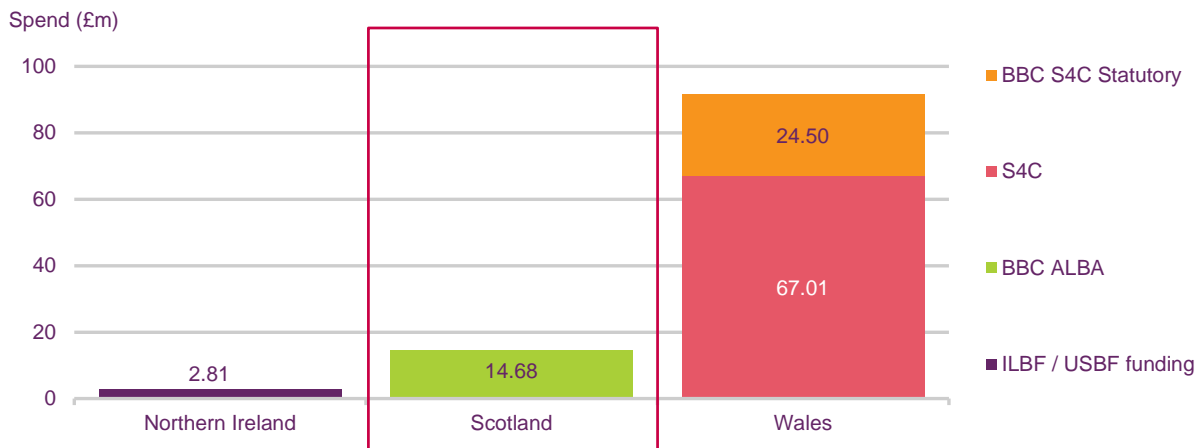


Source: Broadcasters. All figures are nominal  
 Note: Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

## 2.5 Gaelic-language programming

Figure 2.16 shows other spend in the devolved nations. BBC Alba incurred production costs of £14.68m for all programming, including sports rights. The channel is jointly funded by the BBC and MG Alba.

**Figure 2.16 Other spend on other programming in the devolved nations: 2014**



Source: Broadcasters.  
 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.

### BBC Alba

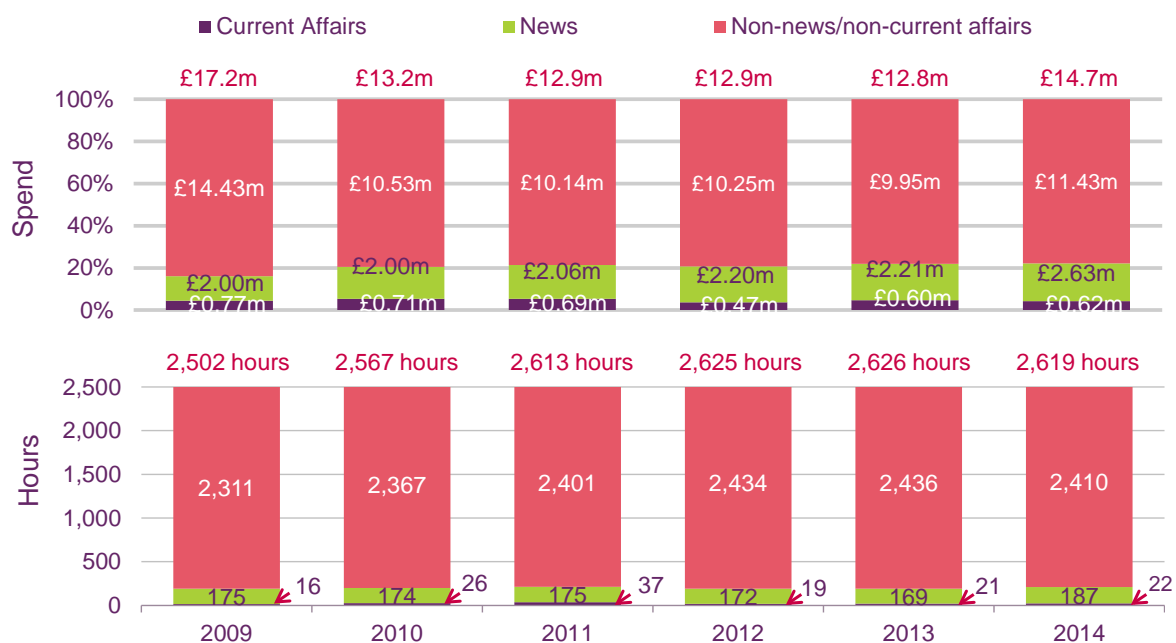
BBC Alba is the Gaelic-language service backed by the BBC and MG Alba, which launched in September 2008.

Figure 2.17 shows that £14.7m was spent on total programming output for BBC Alba in 2014. Ninety-nine per cent of this was spent on first-run originations (£14.62m).

Nominal spend on news increased by a fifth (19%) year on year, while non-news saw an increase of 15%. Spending on current affairs output remained stable at £0.6m in nominal terms.

In 2014 BBC Alba broadcast 2,619 hours in total, seven hours less than in 2013. Of this, 686 hours were originations, up 6.7% on the 643 origination hours broadcast in 2013.

**Figure 2.17 BBC Alba total spend and hours: 2009-2014**



Source: BBC, total hours and spend. All figures are nominal.

## 2.6 PSB television quota compliance

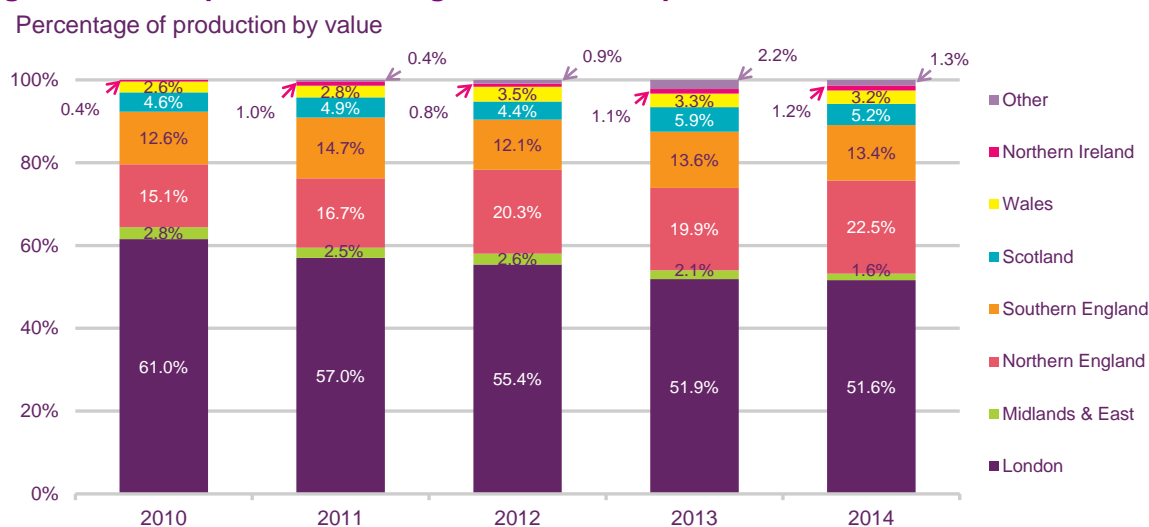
### Scotland's share of total spend on original network productions decreased by 0.7pp in 2014

Figure 2.18 illustrates the distribution of spend on qualifying first-run commissioned network programming by the five main PSB channels in the five years to 2014. As in previous years, the majority was spent within the M25: 51.6%, down from 51.9% in 2013. A further 22.5% of first-run spending was captured by producers based in the north of England and 13.4% in southern England.

In 2014 the proportion of spending on originated network productions outside London increased for the fourth year in a row. In contrast, London spending continued a downward trend, falling by 0.3pp. This shift may be attributable in some part to the BBC relocating a significant production base, including the majority of BBC Sport, to Salford, and no London-based events programming on the scale of the royal wedding or the London 2012 Olympics to act as a counterweight in 2014.

Scottish productions accounted for 5.2% of spending on original network programming, down from 5.9% in the previous year, but 0.6pp up from 2010.

**Figure 2.18 Expenditure on originated network productions: 2010-2014**



Source: Ofcom/broadcasters

Note: This expenditure does not include network news production<sup>34</sup>. 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.

### The proportion of originated network production hours produced in Scotland decreased by 0.9pp in 2014

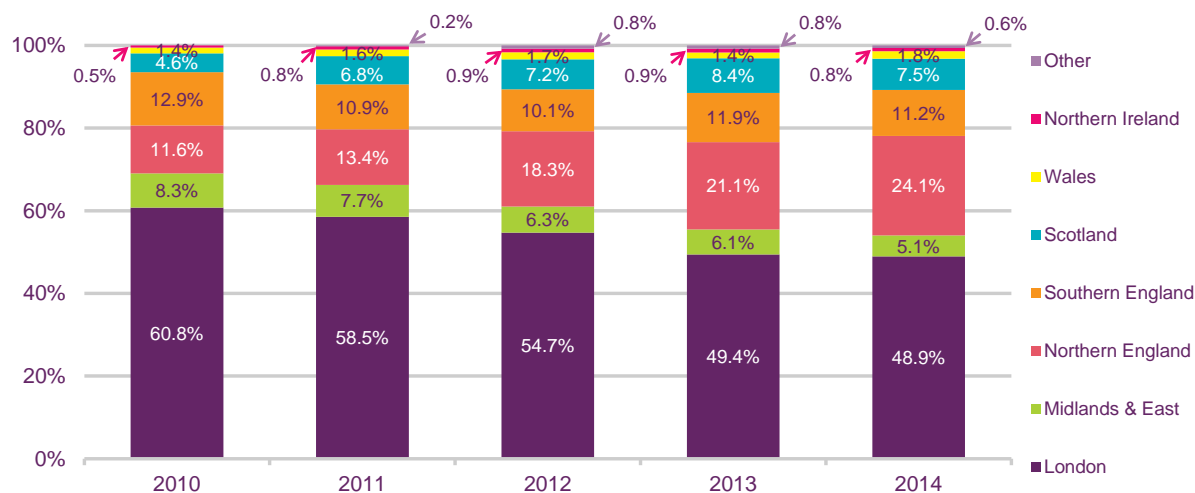
In terms of volume of hours, in 2014 for the second year running less than half (48.9%) of first-run network programmes were produced within the M25, down from 60.8% in 2010. A further 24.1% were produced in northern England, up from 21.1% in 2013, as well as 11.2% in southern England and 7.5% in Scotland. The greater rise in volume produced outside London, when compared to spend, is in part attributable to lower production costs in regions outside the Greater London area.

The proportion of first-run hours produced in Scotland dropped by 0.9pp from 2013 to 7.5% in 2014. However this is an increase of 2.9pp since 2010.

<sup>34</sup> See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on Ofcom website for further details

**Figure 2.19 Volume of originated network productions: 2010-2014**

Percentage of production by volume



Source: Ofcom/broadcasters

Note: These hours do not include network news production<sup>35</sup>. 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.

<sup>35</sup> See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on the Ofcom website for further details.

