

# PSB compliance reporting, 2012

## Introduction (I)

- TV broadcasters must comply with a range of programme and output quotas that set minimum levels of types of programmes that they must show. These obligations originate in the Communications Act 2003 ('The Act') or in European legislation, and Ofcom has a duty under the Act to monitor and enforce compliance with these quotas.
- The level of regulatory intervention that Ofcom is required to apply depends on the category of broadcaster – public service broadcasters operate under much tighter regulations than multichannel operators – therefore some quotas apply across the board while others are specific to the PSBs.
- In terms of licensing and regulation, Ofcom has a direct relationship with ITV, ITV Breakfast, Channel 4 and Channel 5, whose licences carry specific quota compliance obligations, while the BBC is regulated jointly by the BBC Trust and Ofcom. The Trust sets the majority of the BBC's targets and monitors compliance but must consult with Ofcom before changing specific quotas, and must obtain Ofcom's agreement in setting quotas for original productions and out-of-London network productions.
- Ofcom has a duty under the Act to review and report on compliance with programme obligations.

## Introduction (II)

### PSB quotas and the Communications Act 2003

- The Act sets out a range of obligations applying to public service channels, and Ofcom sets appropriate quotas to meet these obligations. When fixing the quotas, Ofcom takes into account the individual remit of each channel and other relevant criteria. These are reviewed as necessary, and the levels may be revised up or down to allow for changes in circumstances and the broadcasting environment.
- A summary of the quotas applying to PSB channels is given below. These are applicable to the BBC channels, ITV, ITV Breakfast, Channel 4, Channel 5 and S4C in Wales. They do not apply to the commercial broadcasters' digital services (such as ITV2, CITV, E4, More 4, 5\*, 5USA) or to other multichannel operators. This pack reports of the first five of these quotas:
  1. Original productions – programmes commissioned by broadcasters from in-house production resources or independent producers.
  2. Independent productions – programmes made by companies that are independent of broadcasters.
  3. Out-of-London productions – network programmes made in the UK outside the M25.
  4. Networked national and international news.
  5. Networked current affairs.
  6. Nations and regions programmes on Channel 3 and the BBC – made and shown in the nations and English regions . Data relating to these quotas will be reported separately along with programming on S4C

## Introduction (III)

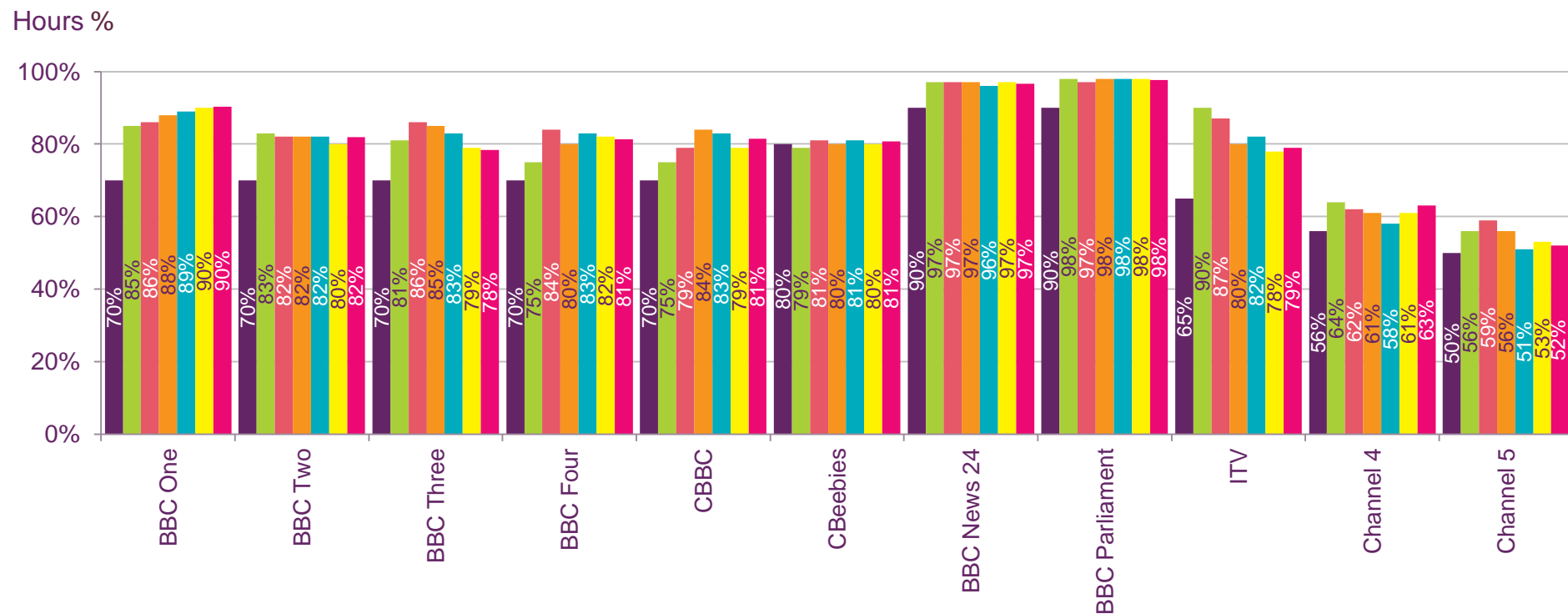
### European 'AVMS' quotas

- All television broadcasters licensed by Ofcom in the UK, including multichannel operators with an audience threshold exceeding 0.2%\*, are subject to the obligations of the Audiovisual Media Services (AVMS) Directive.
- The AVMS Directive replaced the Television Without Frontiers (TVWF) Directive on 10 December 2007 and was transposed into UK legislation in December 2009.
- This requires that on each qualifying channel, the majority of programmes must be European (including from the UK) and at least 10% must be made by independents.
- Of these, the majority must have been made within the past five years. The European Commission publishes a report on compliance by all EU Member States every two years and the latest report can be found at [http://ec.europa.eu/avpolicy/reg/tvwf/implementation/promotion/index\\_en.htm](http://ec.europa.eu/avpolicy/reg/tvwf/implementation/promotion/index_en.htm)

\* In conformance with EC guidelines, in January 2012, television broadcasters licensed by Ofcom in the UK were exempt from reporting on the amount of European original and independent content included in television programme services where there was an audience share less than 0.2%.

# Broadcasters' performance against original production quotas, all time

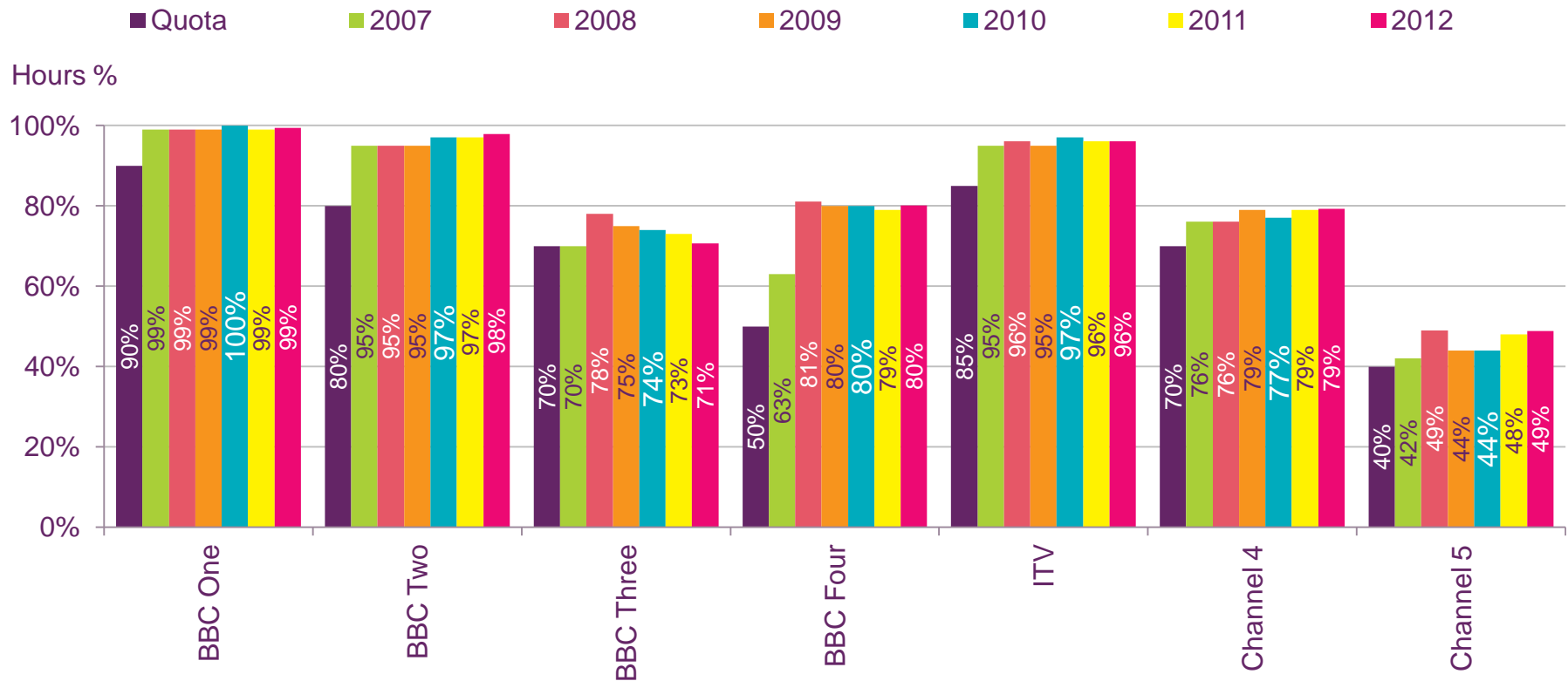
■ Quota    ■ 2007    ■ 2008    ■ 2009    ■ 2010    ■ 2011    ■ 2012



Source: Ofcom/broadcasters

Note: BBC figures include programmes made or commissioned for other BBC channels. Includes repeats.

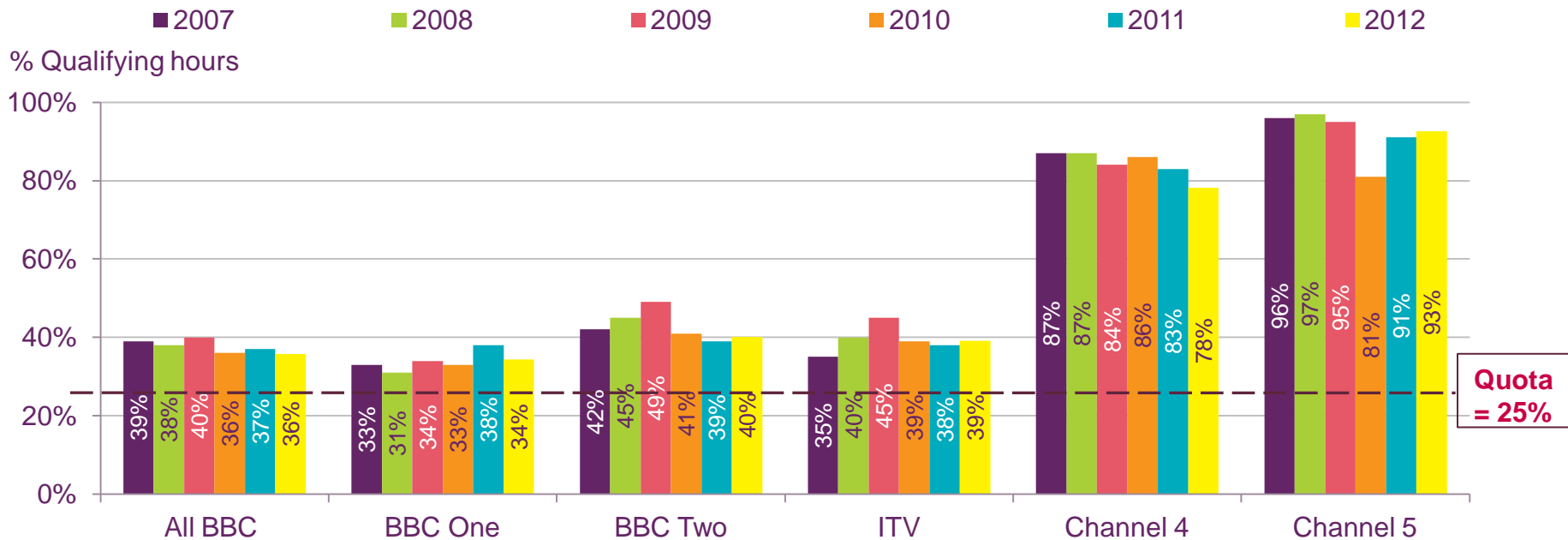
# Broadcasters' performance against original production quotas, peak-time



Source: Ofcom/broadcasters

Note: BBC figures include programmes made or commissioned for other BBC channels. BBC Three and BBC Four peak-time hours run from 19:00 to midnight. Includes repeats.

# Qualifying hours commissioned from independent producers

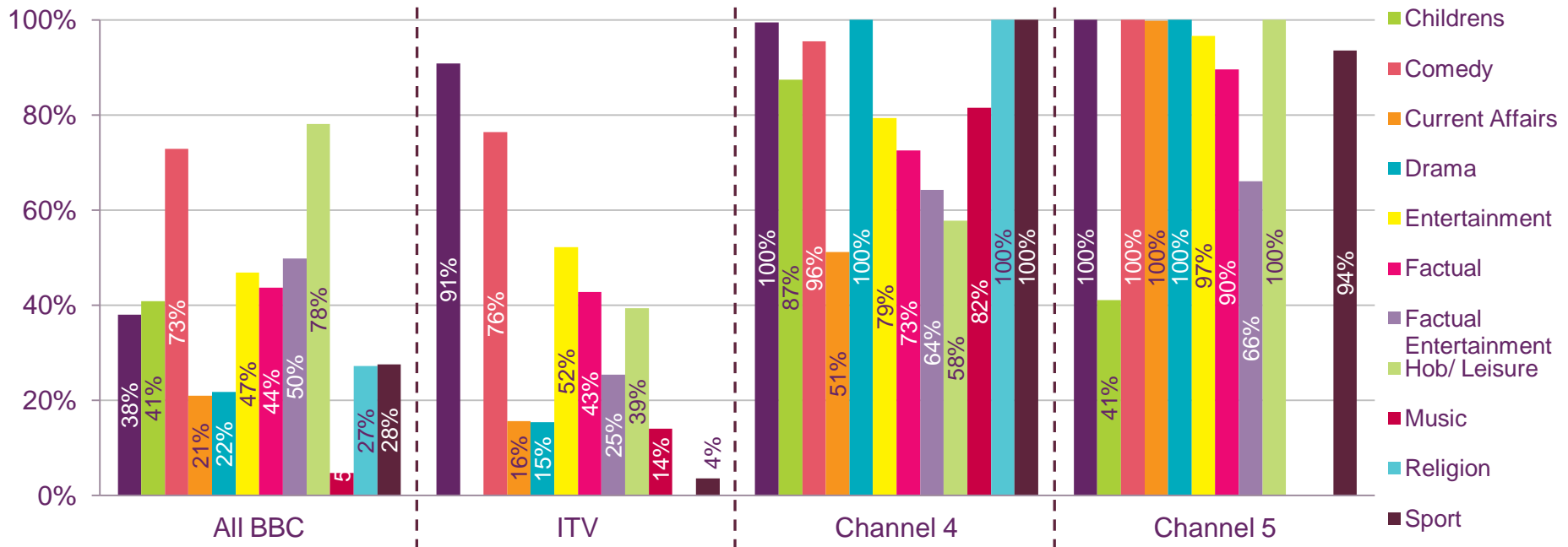


Source: Ofcom/broadcasters.

Note: the data in the table above was provided by broadcasters on the basis that producers who are not linked to a UK broadcaster qualify as independent for the purposes of the Broadcasting (Independent Productions) Order 1991, as amended. Although this is what Parliament intended, DCMS has identified drafting errors in the Order as a result of which, it is clear that the Order as it stands, does not accurately reflect what Parliament intended. Accordingly, under the Order, producers connected to any non UK/EEA broadcaster may not qualify as 'independent'. Given DCMS has made clear it plans to legislate in order to correct these errors during 2014, and having regard to the policy intention of Parliament at the time the Order was amended, Ofcom has concluded that it makes sense to continue publishing the data on a consistent basis.

# Qualifying independent commissions, by genre, 2012

% Qualifying hours



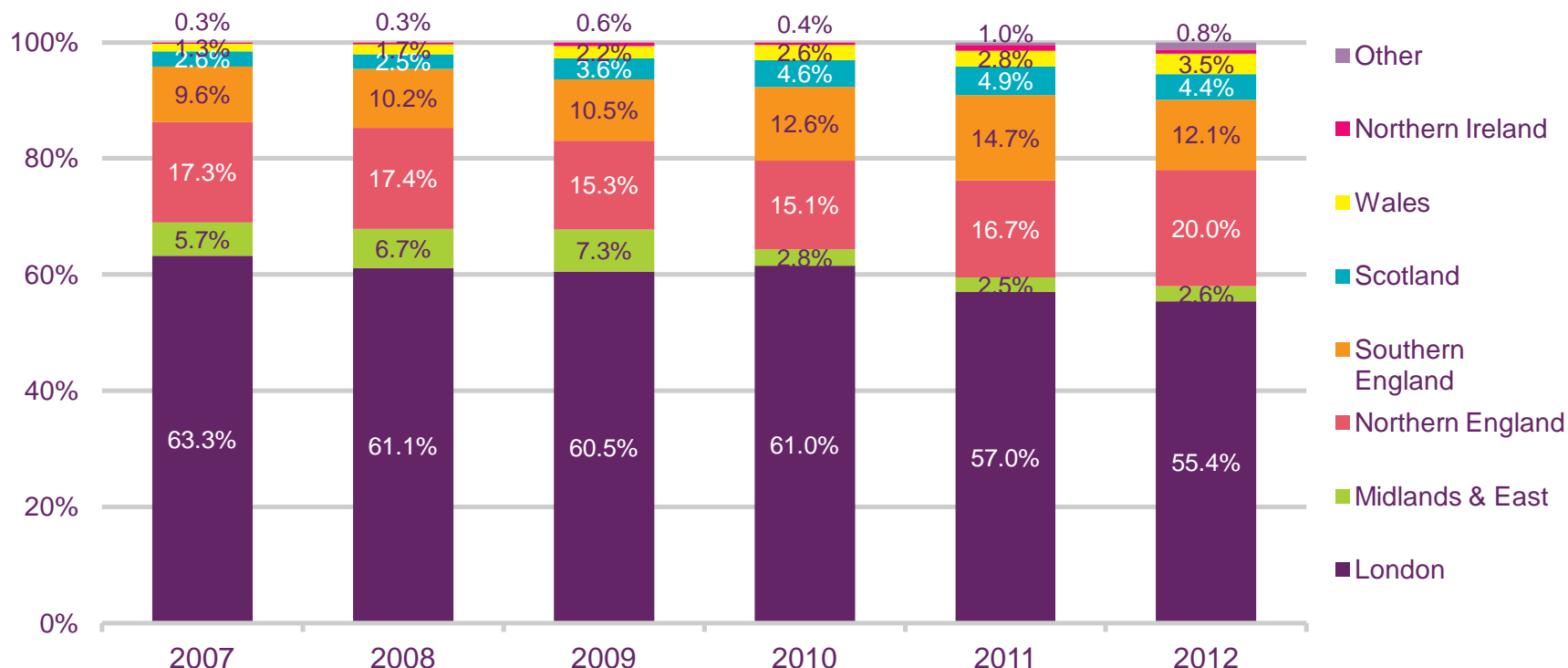
Source: Ofcom/broadcasters.

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# Expenditure on out-of-London production

## Percentage of production by value

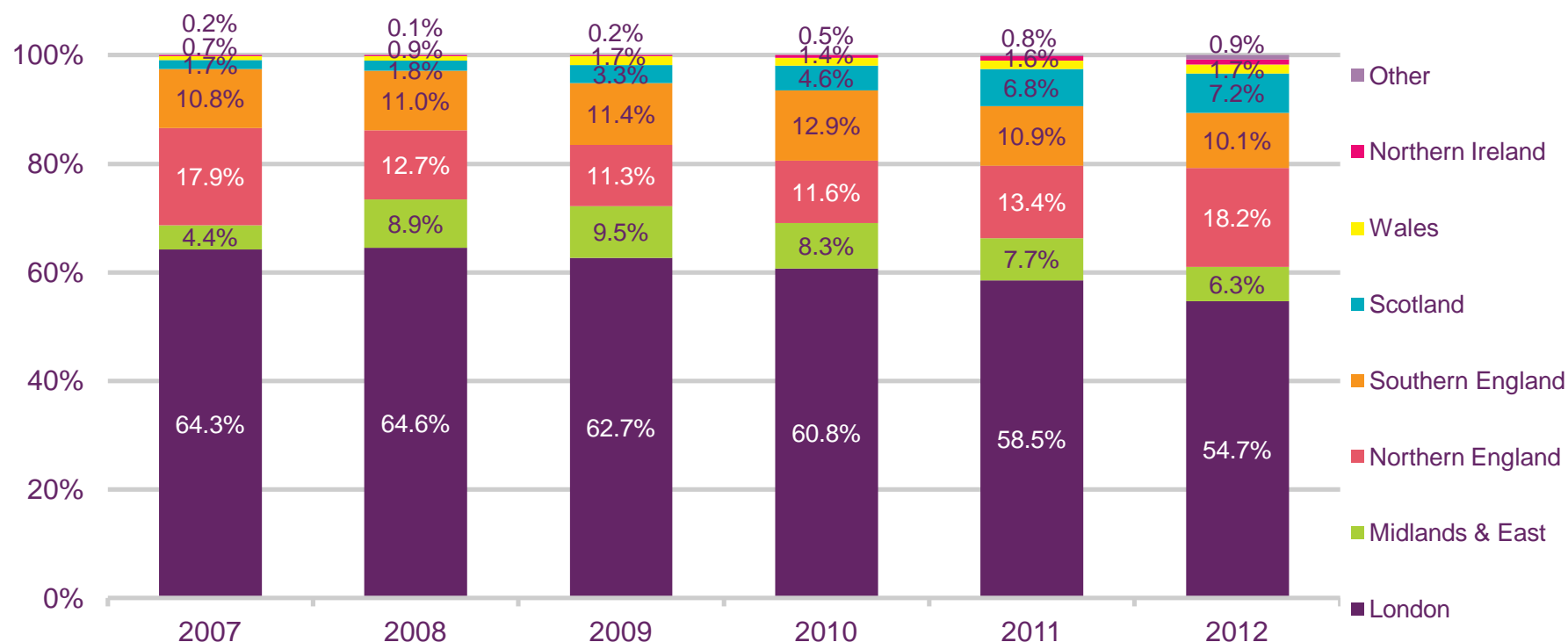


Source: Ofcom/broadcasters

Note: A new category 'Multi Nation/Region production' has been created for Regional Productions from London Producers which do not meet both 70% of spend and 50% of talent in any one particular Macro Region' 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.

# Volume of out-of-London production

## Percentage of production by volume



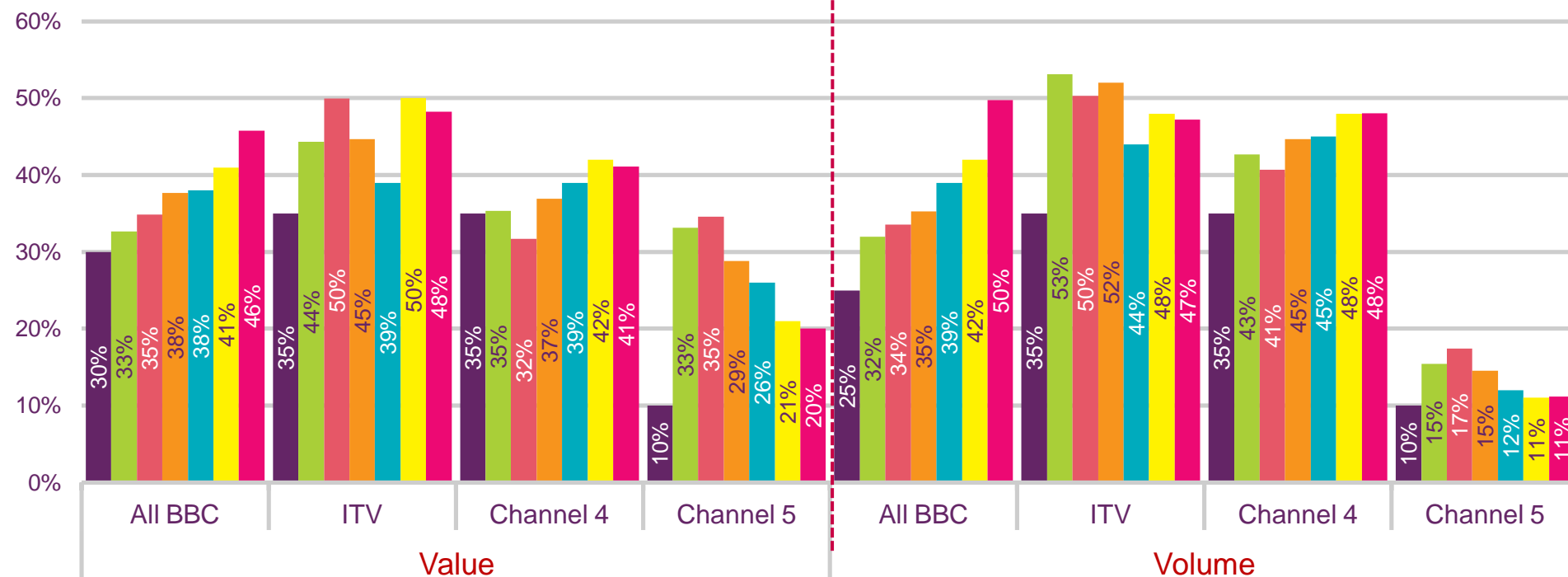
Source: Ofcom/broadcasters

Note: A new category 'Multi Nation/Region production' has been created for Regional Productions from London Producers which do not meet both 70% of spend and 50% of talent in any one particular Macro Region' 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.

# Performance against the Out-of-London production quotas

■ Quota 2012   ■ 2007   ■ 2008   ■ 2009   ■ 2010   ■ 2011   ■ 2012

Percentage of network production produced outside London, by value and by volume



Source: Ofcom/broadcasters

# Out-of-London productions by channel/macro-region: value

Distribution of spend on qualifying productions by macro region and channel (%)

	BBC					ITV					Channel 4					Channel 5				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
London	65.1%	62.3%	62.2%	59.0%	54.2%	50.1%	55.3%	61.2%	50.5%	51.7%	68.3%	63.1%	60.6%	58.4%	58.9%	65.5%	71.2%	73.6%	79.4%	80.5%
Midlands & East	3.8%	3.8%	3.9%	3.7%	3.7%	13.4%	14.4%	1.4%	0.7%	0.3%	1.0%	2.3%	1.7%	1.9%	3.4%	17.4%	16.0%	7.2%	4.5%	4.0%
Northern England	8.9%	8.2%	7.7%	9.4%	16.7%	31.0%	25.5%	25.4%	26.2%	27.4%	18.4%	19.4%	19.7%	22.9%	20.6%	5.1%	1.8%	0.1%	0.0%	0.1%
Southern England	14.2%	14.0%	13.0%	11.1%	7.4%	4.0%	4.1%	11.4%	22.2%	20.3%	10.8%	12.4%	13.5%	11.8%	11.0%	8.7%	9.0%	12.1%	14.2%	10.1%
Scotland	3.7%	6.1%	7.4%	9.0%	7.6%	1.4%	0.6%	0.4%	0.4%	0.3%	1.4%	2.5%	4.1%	2.5%	3.2%	2.9%	1.9%	6.2%	1.8%	3.6%
Wales	3.5%	4.4%	5.0%	5.3%	6.8%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.2%	0.2%	1.4%	1.9%	0.5%	0.1%	0.8%	0.0%	0.0%
Northern Ireland	0.6%	1.2%	0.8%	2.1%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.4%	0.0%	0.0%	0.0%	0.0%	1.6%
Other	0.0%	0.0%	0.0%	0.5%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Regional</b>	<b>34.9%</b>	<b>37.7%</b>	<b>37.8%</b>	<b>41.0%</b>	<b>45.8%</b>	<b>49.9%</b>	<b>44.7%</b>	<b>38.7%</b>	<b>49.5%</b>	<b>48.3%</b>	<b>31.7%</b>	<b>36.9%</b>	<b>39.4%</b>	<b>41.6%</b>	<b>41.1%</b>	<b>34.5%</b>	<b>28.8%</b>	<b>26.4%</b>	<b>20.6%</b>	<b>19.5%</b>

Source: Broadcaster returns

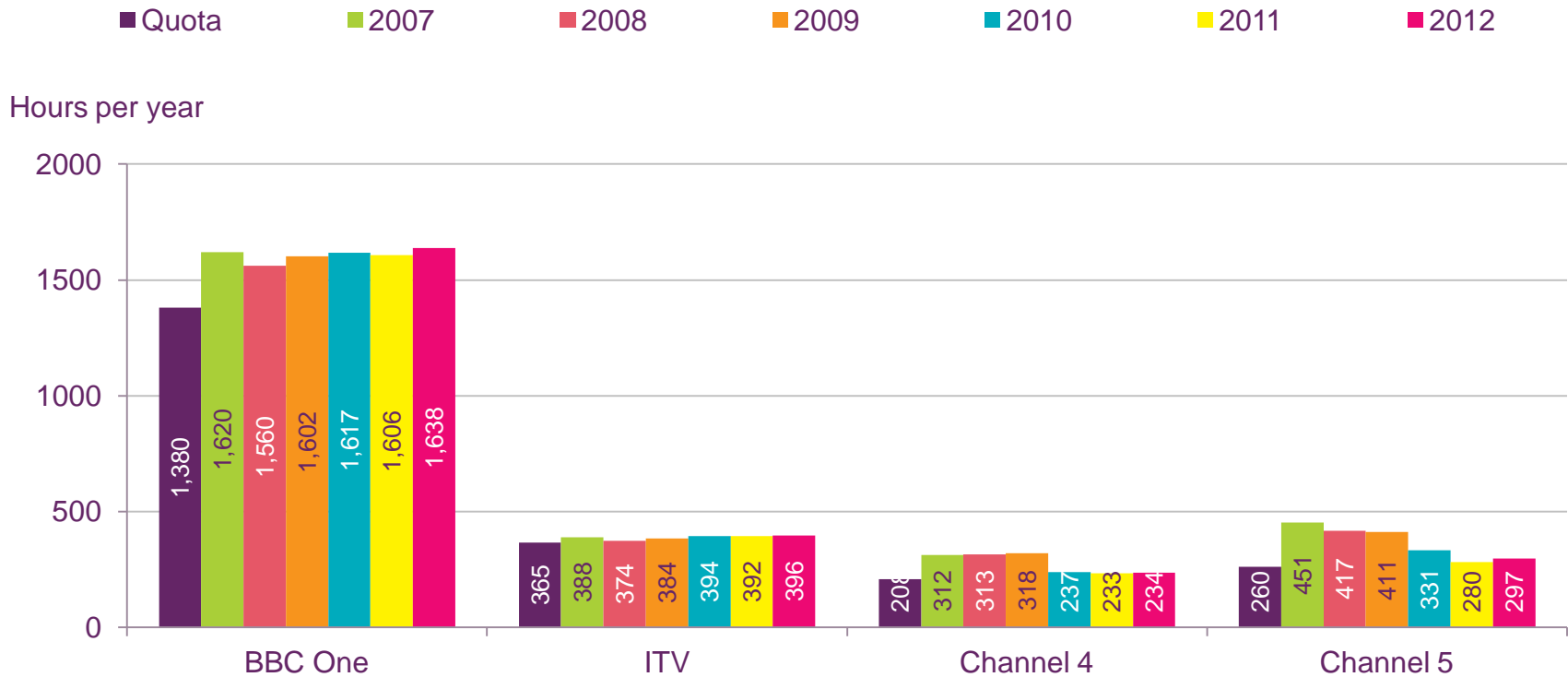
# Out-of-London productions by channel/macro-region: volume

Distribution of hours of qualifying productions by macro region and channel (%)

	BBC					ITV					Channel 4					Channel 5				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
London	66.5%	64.7%	61.4%	57.5%	50.2%	49.7%	48.0%	55.6%	52.0%	52.8%	59.3%	55.3%	54.7%	51.6%	52.0%	82.6%	85.5%	88.2%	89.1%	88.9%
Midlands & East	5.6%	5.5%	5.7%	5.4%	3.9%	21.0%	25.5%	19.8%	18.7%	16.0%	1.2%	1.9%	2.3%	1.9%	2.6%	8.7%	6.5%	5.1%	3.7%	2.5%
Northern England	5.7%	5.1%	5.0%	7.0%	18.4%	24.3%	20.5%	19.3%	22.0%	21.0%	22.2%	23.7%	23.3%	24.8%	22.4%	4.9%	1.5%	0.1%	0.1%	0.1%
Southern England	17.0%	15.7%	17.6%	11.9%	8.4%	4.3%	5.7%	5.0%	7.0%	10.1%	14.6%	15.3%	14.0%	15.9%	15.7%	3.1%	3.3%	4.4%	6.3%	6.1%
Scotland	3.4%	6.5%	7.5%	13.6%	13.4%	0.3%	0.2%	0.2%	0.3%	0.1%	1.4%	2.0%	3.7%	2.5%	4.1%	0.6%	0.4%	1.8%	0.9%	1.8%
Wales	1.5%	2.2%	2.0%	2.7%	2.6%	0.2%	0.2%	0.1%	0.0%	0.0%	1.3%	1.6%	1.6%	2.0%	2.2%	0.2%	2.8%	0.5%	0.0%	0.1%
Northern Ireland	0.3%	0.4%	0.8%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.8%	0.7%	0.0%	0.0%	0.0%	0.0%	0.6%
Other	0.0%	0.0%	0.0%	0.3%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Regional</b>	<b>33.5%</b>	<b>35.4%</b>	<b>38.6%</b>	<b>42.4%</b>	<b>49.8%</b>	<b>50.1%</b>	<b>52.1%</b>	<b>44.4%</b>	<b>48.0%</b>	<b>47.2%</b>	<b>40.7%</b>	<b>44.5%</b>	<b>45.3%</b>	<b>48.4%</b>	<b>48.0%</b>	<b>17.5%</b>	<b>14.5%</b>	<b>11.9%</b>	<b>10.9%</b>	<b>11.1%</b>

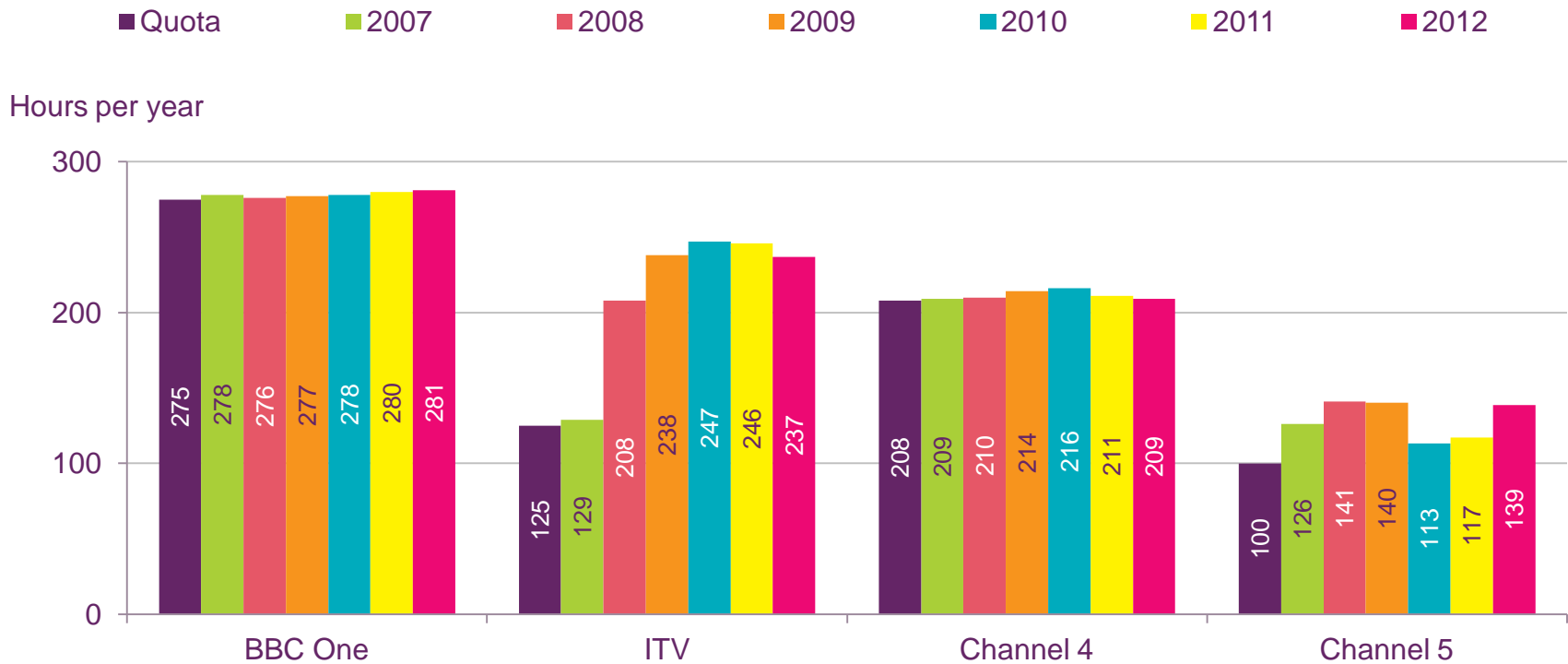
Source: Broadcaster returns

# Performance against national and international news quotas, all day



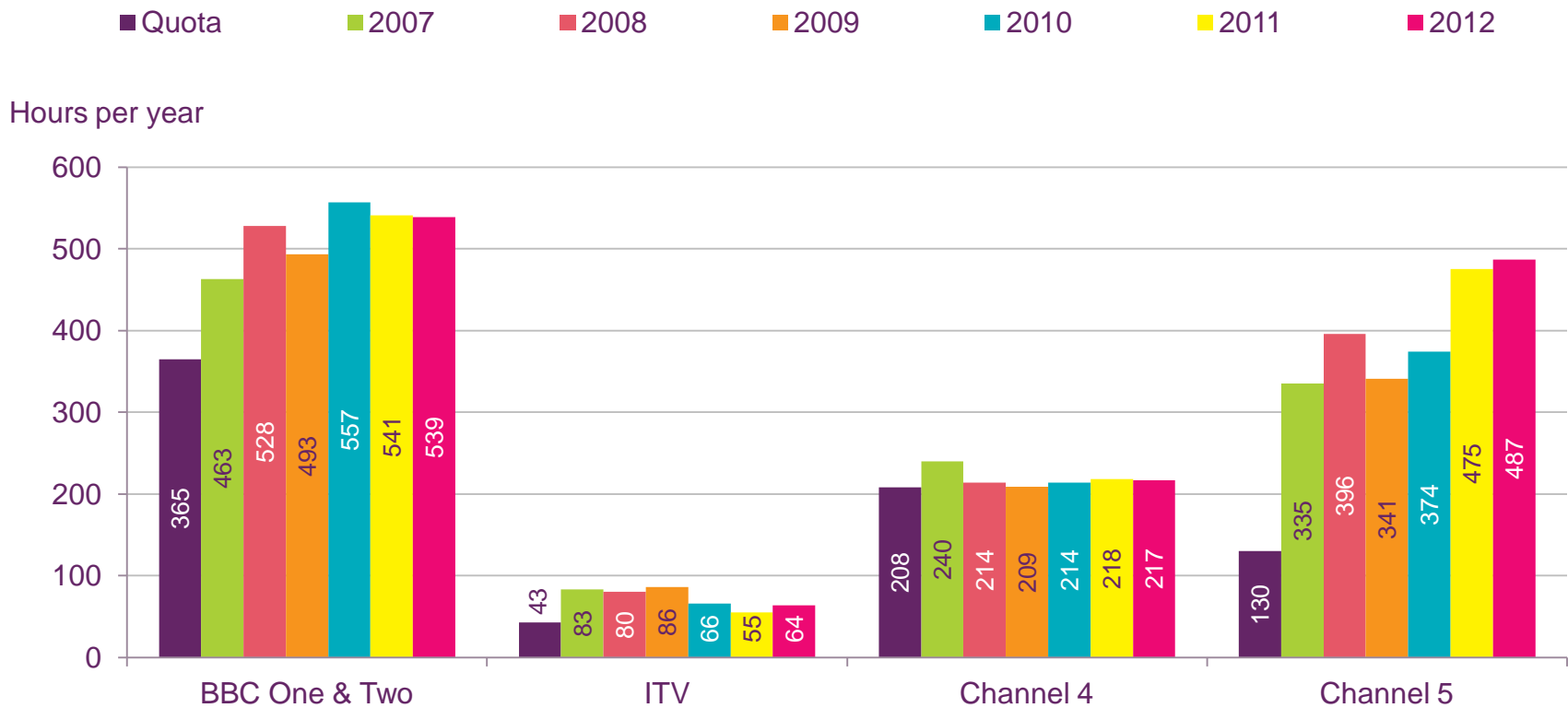
Source: Ofcom/broadcasters

# Performance against national and international news quotas, peak-time



Source: Ofcom/broadcasters

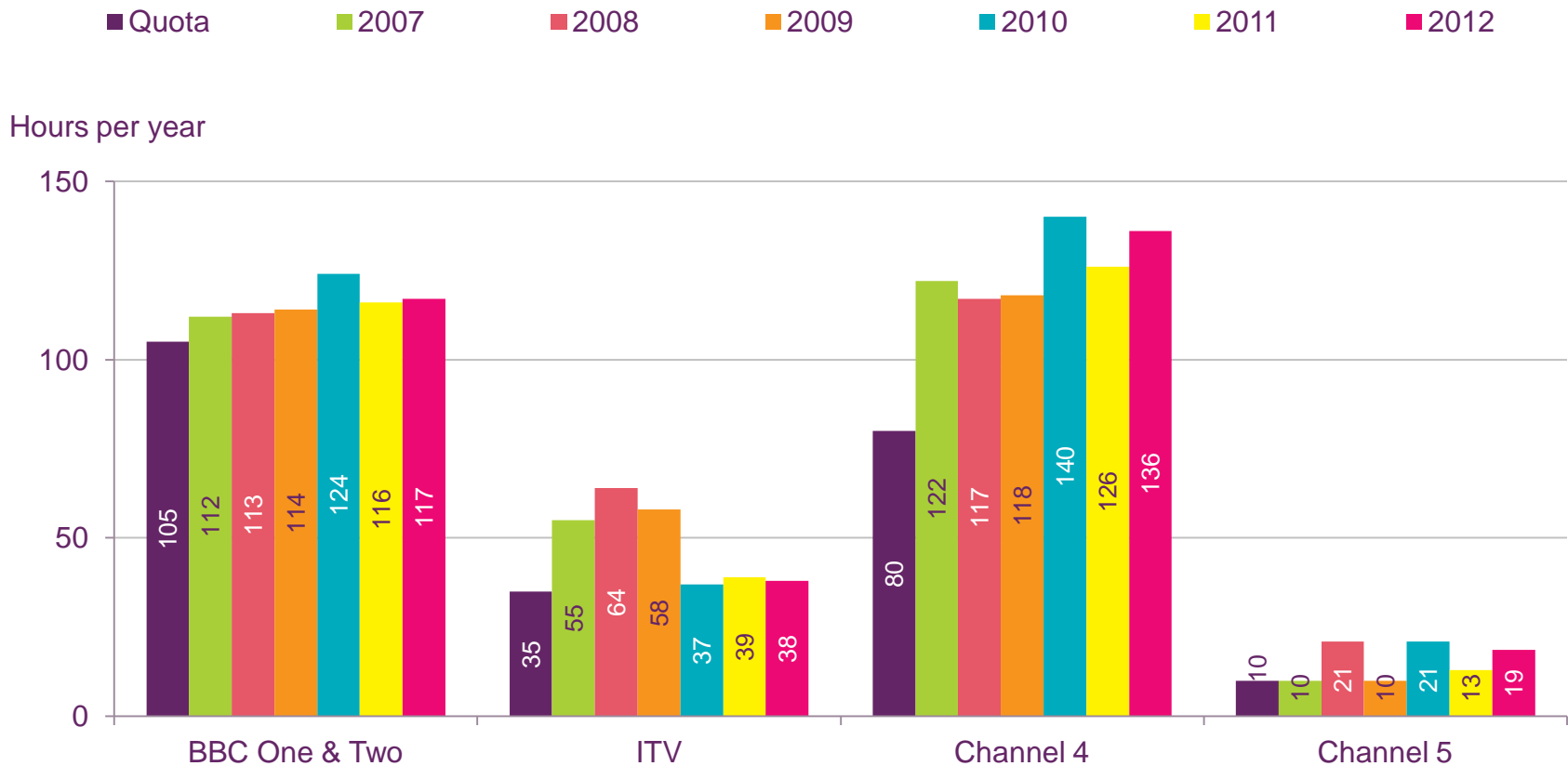
## Performance against current affairs, all day



Source: Ofcom/broadcasters

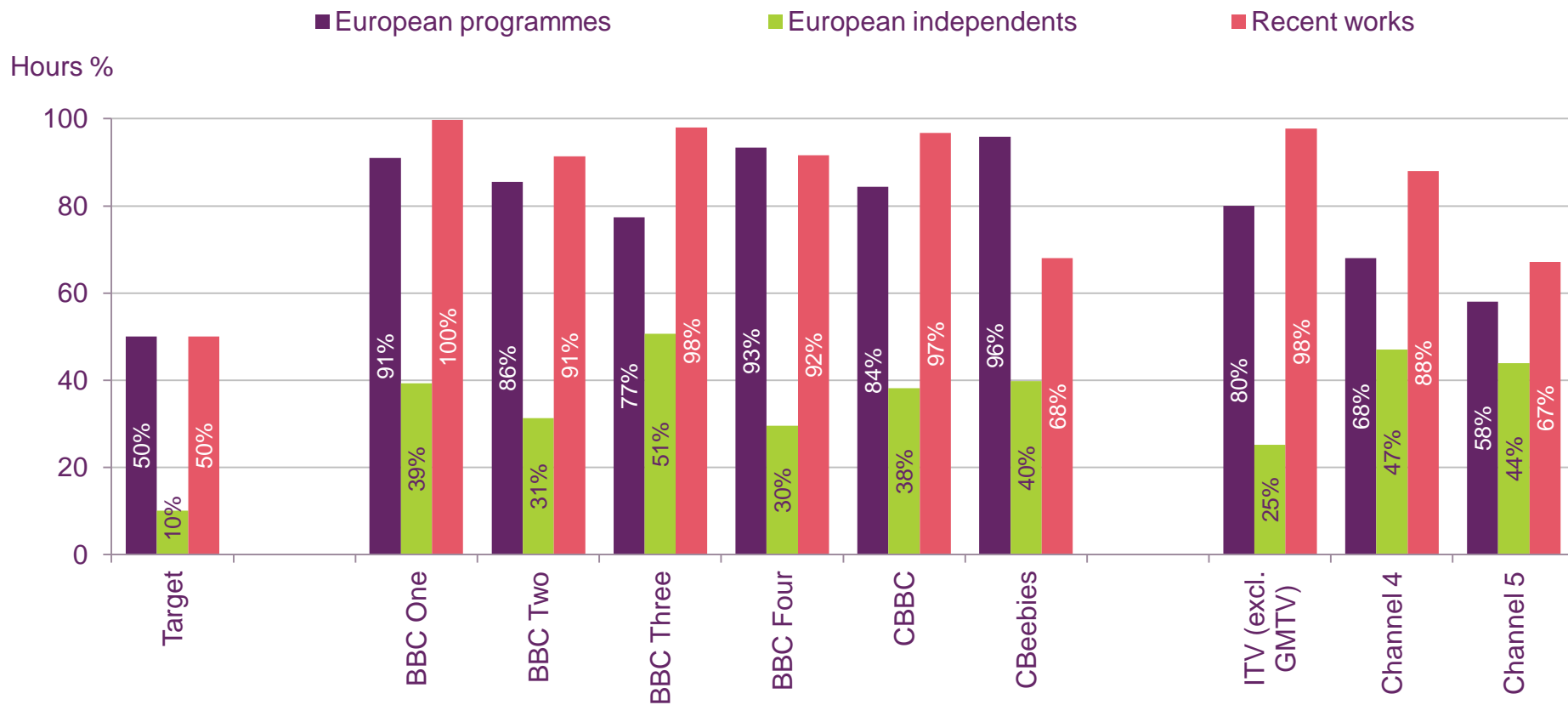


# Performance against current affairs quotas, peak-time



Source: Ofcom/broadcasters

# Performance against European programming requirements, 2012



Source: Ofcom/broadcasters