

## 2 Television and audio-visual content

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## 2.1 Recent developments in Scotland

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### STV

On 24 April 2017, STV launched its STV2 network, encompassing its local TV services and featuring the integrated Scottish, UK and international news programme,

STV News Tonight. The network comprises the new local services for Aberdeen, Ayr and Dundee and the existing services for Glasgow and Edinburgh.

### BBC

In February 2017 the BBC announced that in autumn 2018 it will start broadcasting a new TV channel, BBC Scotland; it will invest £19m a year in this channel and in digital developments.

The channel will be subject to a formal approval process by Ofcom. The BBC also announced that it would commit a further £1.2m annually to BBC Alba. The BBC said it was making investments in Scottish programming across the BBC's

Network TV output, with a particular focus on commissioning drama and factual programmes. Compared to 2015/16, it will be spending around £20m extra, per year, over the three years to March 2019.

### Production Growth Fund

In December 2016 the Scottish Government and Creative Scotland announced that they would provide an additional £1.25m to incentivise film and high-end TV production in Scotland.<sup>1</sup> This funding, sourced from the Scottish Government and the National Lottery, and routed through Creative Scotland, takes the total allocated to the Production Growth Fund to £3 million since it was set up in September 2015. The fund provides an incentive for major film and TV producers

to base their work in Scotland, employing Scottish talent, providing skills development, supporting local economies and benefiting the creative and tourism industries.

In June 2017 it was revealed that the fund had generated £17.5m for the economy – returning £10 for every pound spent. At the same time, the Scottish Government announced it was putting in an additional £250,000.

Producers based outside Scotland may apply if they can demonstrate their estimated Scottish spend, through committing to employ a significant number of cast and crew based in Scotland, and using Scotland-based production facilities companies. Producers based in Scotland may apply if they can demonstrate that by accessing the Production Growth Fund they can carry out the majority of the shoot and/or post-production of their project in Scotland.

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### Proposal for screen unit

A report published in January 2017 by the Scottish Screen Leadership Group supported a proposal for the creation of an enhanced screen unit within Creative Scotland.<sup>2</sup>

The report said the unit should have an expanded remit across the sector; to include all broadcast content including drama, factual/entertainment programmes and Gaelic content.

It would help film and TV production companies to explore and generate digital and interactive content (including gaming, web and mobile) to complement conventional screen content production.

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### Channel 4 commissioning in the nations

Channel 4 has an obligation to commission 3% of its output, measured by value and volume, from producers in the UK outside of England. This figure will rise to 9% in 2020.

In 2016 Channel 4 spent 8.5% of its commissioning budget in the devolved nations. The breakdown by nation was Scotland (5.2%), Wales (2.8%) and Northern Ireland (0.5%).

By volume of programming, Channel 4 commissioning in the devolved nations amounted to 9.2% of the total number of hours broadcast in 2016. The breakdown by nation was Scotland (6.3%), Wales (2.4%) and Northern Ireland (0.5%).

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<sup>1</sup> <http://www.creativescotland.com/what-we-do/latest-news/archive/2016/12/funding-to-boost-film-and-tv-production>

<sup>2</sup> [http://www.parliament.scot/SS\\_European/General%20Documents/CTEER\\_2017.02.13\\_SSLG\\_Final\\_Report\\_January2017.pdf](http://www.parliament.scot/SS_European/General%20Documents/CTEER_2017.02.13_SSLG_Final_Report_January2017.pdf)

## 2.2 Television platform take-up in Scotland

In 2017, Freeview and satellite television were the most widely-used television services in Scotland.

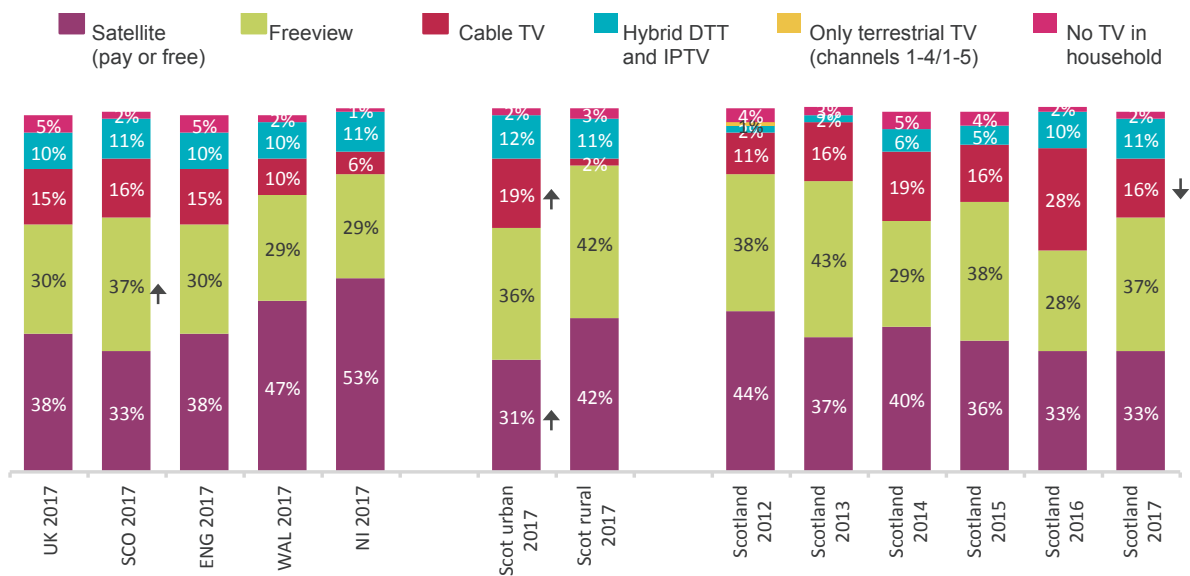
### Freeview and satellite television are the most widely-used main TV platforms in Scotland

Cable services were the next most popular, while one in ten adults nominated hybrid DTT and IPTV (including BT, EE, NowTV and TalkTalk).<sup>1</sup> Compared to the UK overall, adults in Scotland were more likely to say that Freeview (37% vs. 30% for the UK) was their main television service, while all other services were in line with the UK average.

Cable services were less likely than in 2016 to be named as the main TV service in Scotland, returning to their 2015 levels.

Satellite television had higher penetration in rural areas of Scotland (42% in rural areas vs. 31% in urban areas), and take-up of cable services was higher in urban areas (19% in urban areas vs. 2% in rural areas), probably due to its lower availability in rural locations.

Figure 2.1: Main television set: share, by platform



Source: Ofcom Technology Tracker, Half 1 2017

Base: All adults aged 16+ (n = 3743 UK, 510 Scotland, 2245 England, 495 Wales, 493 Northern Ireland, 258 Scotland urban, 252 Scotland rural, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015, 502 Scotland 2016, 510 Scotland 2017)

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Scotland and UK in 2017, between Scotland urban and rural in 2017 and at the 99% confidence level between Scotland 2016 and 2017

QH1B: Which of these do you consider is your main type of television?

Note: Remaining percentages are Don't know responses

<sup>1</sup> These are hybrid services that provide the bulk of their channels via the Digital Terrestrial Television platform and offer additional channels and functionality through a broadband connection (such as access to online video services and programme recordings). Now TV offers this through its TV Smart Box and also provides access to channels and content libraries directly through its website and App.

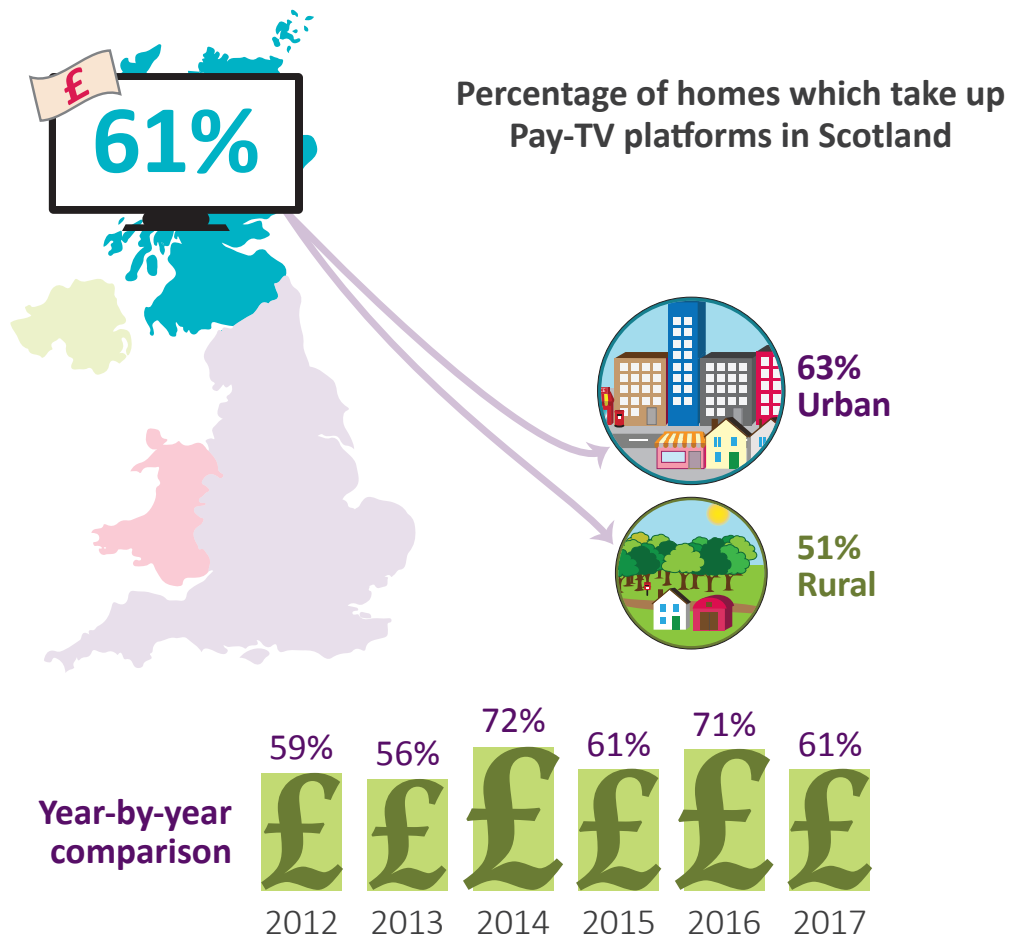
**Six in ten TV households in Scotland have Pay TV, lower than in 2016 and in line with the UK overall**

In 2017, 61% of households in Scotland (with a television set) had Pay TV;<sup>1</sup> this incidence is lower than in 2016 (from 71% in 2016), and at a comparable level to 2015.

Households in Scotland are as likely as the UK overall in 2017 to have Pay TV.

Take-up of Pay TV is significantly higher in urban (63%) than in rural (51%) areas of Scotland.

**Figure 2.2: Proportion of homes with free and pay television**



**Source:** Ofcom Technology Tracker, Half 1 2017

**Base:** All adults aged 16+ with a TV in household (n = 3564 UK, 496 Scotland, 2109 England, 476 Wales, 483 Northern Ireland, 251 Scotland urban, 245 Scotland rural, 489 Scotland 2012, 487 Scotland 2013, 481 Scotland 2014, 472 Scotland 2015, 491 Scotland 2016, 496 Scotland 2017)

**QH1A:** Which, if any, of these types of television does your household use at the moment?

<sup>1</sup> 'Free TV' refers to households that only receive Freeview or only receive Freesat satellite TV. 'Pay TV' refers to all other types of television service.

### Seven in ten households in Scotland have access to an HDTV set, lower than the UK average

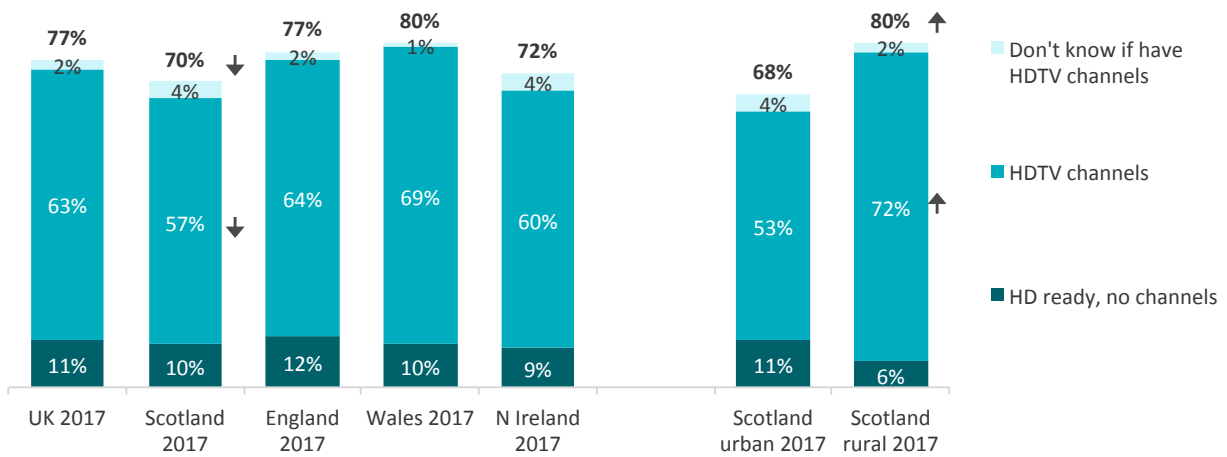
Among households in Scotland with a TV, 70% claimed to have an HDTV or HD-ready television set – unchanged since 2016. Just over half (57%) of the TV-owning households in Scotland say they receive HDTV services, with a further 10% claiming to have an HD-ready TV, but not

receive HD services. Compared to the UK average, TV households in Scotland are less likely to say they receive HDTV services, which lowers the overall incidence of access to an HDTV set. As HDTV channels are now available through all television platforms, including

Freeview, it may be that many households are receiving HDTV services but are not aware of it.

In Scotland, TV households in rural locations are more likely than those in urban locations to receive HD services (72% vs. 53%).

Figure 2.3: Awareness of receiving HD television



Source: Ofcom Technology Tracker, Half 1 2017

Base: All adults aged 16+ with a TV in household (n = 3564 UK, 496 Scotland, 2109 England, 476 Wales, 483 Northern Ireland, 251 Scotland urban, 245 Scotland rural)

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Scotland and UK in 2017 and between Scotland urban and rural in 2017

QH53: Is the main TV in your household an HDTV set or HD ready?/ QH54: Although you have an HDTV-ready set, to actually watch TV channels and programmes that are broadcast in high definition, you need an HD set-top box or a TV with built-in HDTV receiver. For the main TV set, does your household have an HDTV service?

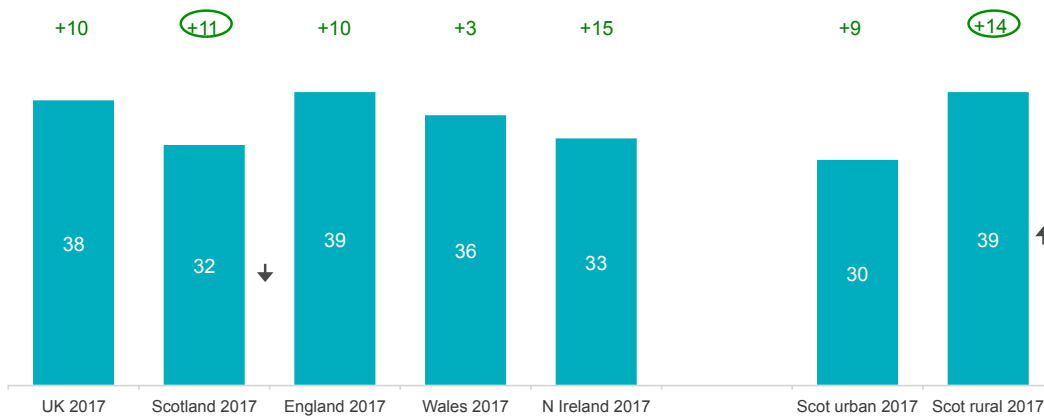
**Around one-third of TV households in Scotland have a smart TV, lower than the UK average**

Among TV households in Scotland, 32% claimed to have a smart TV (i.e a television set that can connect directly to the internet, for example to watch on-demand services such as those available through

the BBC iPlayer); lower than the UK average, but an increase on the 2016 measure for Scotland.

The increase in smart-TV ownership since 2016 is evident in rural Scotland (up by 14 percentage points, to 39% in 2017) and ownership is also higher in rural than in urban areas of Scotland (30%).

**Figure 2.4: Smart TV take-up**



**Source:** Ofcom Technology Tracker, Half 1 2017

**Base:** All adults aged 16+ with a TV in the household (n = 3564 UK, 496 Scotland, 2109 England, 476 Wales, 483 Northern Ireland, 251 Scotland urban, 245 Scotland rural)

**Significance testing:** Arrows indicate any significant differences at the 95% confidence level between Scotland and UK in 2017 and between Scotland urban and rural in 2017. Circles around the +/- figures above the chart indicate any significant difference at the 99% confidence level between 2016 and 2017 for Scotland, urban and rural.

**QH62:** 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.

## Half of adults in Scotland watch programmes or films on demand, mostly through catch-up services

Half of adults in Scotland (52%)<sup>1</sup> watch online TV programmes or films on any type of device, and four in ten (40%)<sup>2</sup> had done so in the past week. Watching online through live or catch-up broadcast services (e.g. BBC iPlayer) is the most used method of on-demand viewing in Scotland; around four

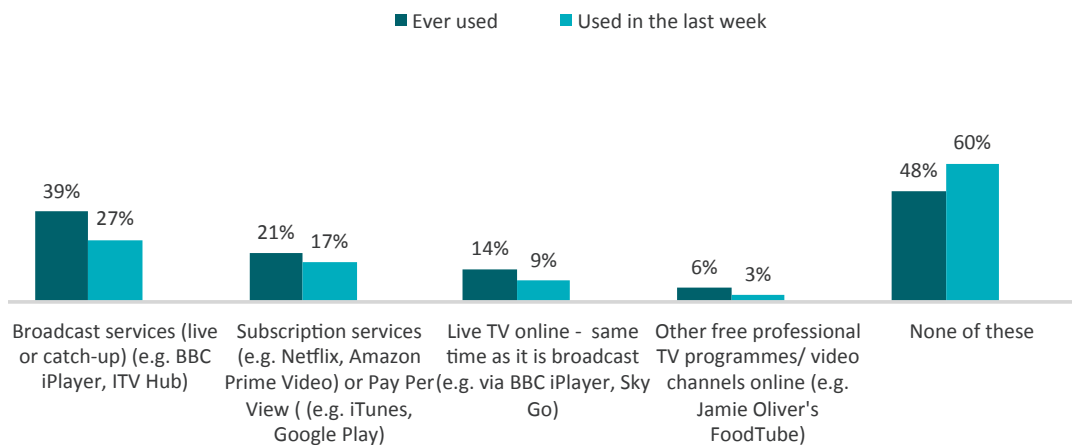
in ten adults use catch-up services and more than a quarter had used these services in the past week.

The next most-used on-demand service is watching through subscription services such as Netflix or Amazon Prime Video, or pay-per-view services such as iTunes or Google Play, used by 21% overall

and in the past week by almost all of these (17% of all households).

14% of adults in Scotland have watched live TV online. Fewer (6%) have used other free professional TV programmes or video channels online, such as Jamie Oliver’s Food Tube.

Figure 2.5: Watching TV programmes and films on the internet, on any device



Source: Ofcom Technology Tracker, Half 1 2017

Base: All adults aged 16+ in Scotland (n = 510)

QH72: Do you use any of the following types of services to view online TV programmes or films via any type of device (including a mobile phone, tablet or TV set)?/ QH73: And which of these types of services, if any, have you used in the past week?/ QR1A/H: Does your household have Sky+/ Sky Q?/ QR1B: Does your household have Virgin TiVo or V+?/ QR1C/D/E: Does your Freesat/ Freeview box of Freeview TV/ broadband TV service allow you to record and store TV programmes, and also pause and rewind live TV programmes?

<sup>1</sup> This measure is the inverse of the 48% shown in Figure 2.5 for None of these 'Ever used'

<sup>2</sup> This measure is the inverse of the 60% shown in Figure 2.5 for None of these 'Used in the last week'



## 2.3 Broadcast television content

<p><b>Definitions</b></p> <p><b>Broadcast TV viewing</b></p> <p>BARB analysis is based on viewing of scheduled TV programmes such as those listed in TV listings magazines or on electronic programme guides (EPGs) on TV sets in homes.</p>	<p>This broadcast TV viewing includes programmes watched on the TV set at the time of broadcast, recordings of these programmes such as through a DVR, or viewing of these programmes through catch-up player services, up to seven days after they were televised.</p>	<p>The STV licence area is referred to throughout as ‘Scotland’. Where the ITV Border region is shown in charts, it includes the two sub-regions of ITV Border Scotland and ITV Border England, unless specified in relevant footnotes.</p>
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Channel group definitions				
	PSB portfolio channels			
Main five PSB channels	BBC Portfolio	ITV portfolio	Channel 4 portfolio	Channel 5 portfolio
BBC One	BBC Four	ITV/STV/UTV/ ITV Wales +1	Channel 4+1	Channel 5+1
BBC Two	BBC News	ITV2	E4	5STAR
ITV/STV/UTV/ITV Wales	BBC Parliament	ITV3	Film4	5USA
Channel 4	CBBC	ITV4	More4	My5
Channel 5	CBeebies	ITVBe	4Music	Spike
	BBC red button channels	ITV Encore	4seven	
		CITV		

Channels include HD variants where applicable. PSB portfolio channels include +1 variants. BBC Alba does not subscribe to the BARB audience measurement.

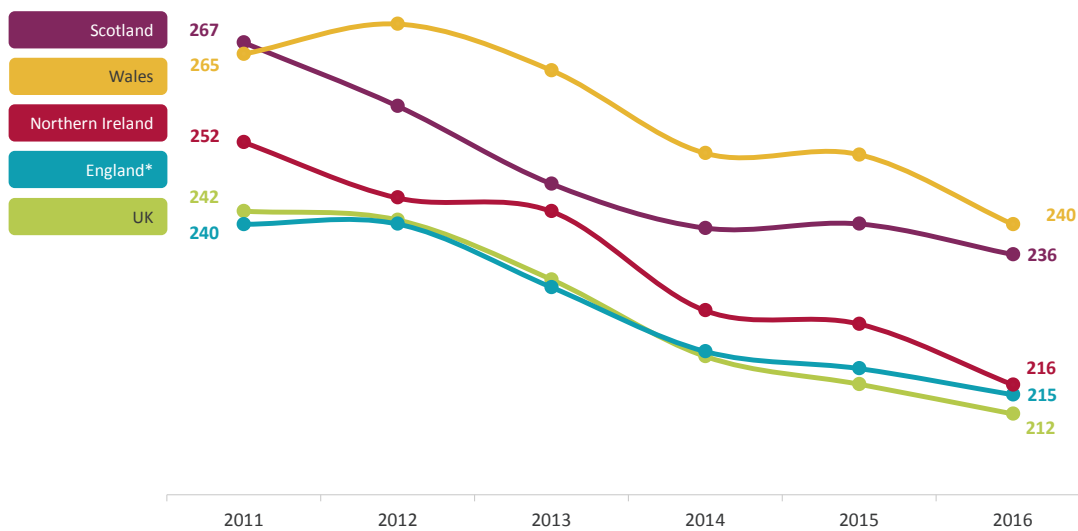
## On average, people in Scotland spend almost four hours per day watching TV

In 2016, people in Scotland spent an average of 3 hours 56 minutes per day watching television,<sup>1</sup> slightly less than people in Wales but more than in Northern Ireland, England and the UK average.

Between 2011 and 2016, daily viewing time has fallen by 31 minutes a day in Scotland, a 12% decline. This is in line with the UK average decline, but slightly higher than the decreases in viewing in Wales and the English

regions (-10% respectively). The biggest drop in viewing has been in Northern Ireland (-14%). Following stability between 2014 and 2015 in Scotland, viewing fell in 2016, but to a lesser extent than in Wales and Northern Ireland.

Figure 2.6: Average minutes of television viewing per day, by nation: 2011-2016



Source: BARB, individuals (4+), total TV.

\*Note: Figures reflect the average across the English regions.

<sup>1</sup> Individuals in the Scottish areas of the ITV Border region watched 4 hours 16 minutes of TV each on an average day in 2016. In 2011 they watched 4 hours 45 minutes a day, 10% more than in 2016. Note: the Scottish and English sub-regions of the ITV Border area are not standard BARB regions, so we created a customised audience segment to undertake this analysis. The audience was created by selecting the BBC Scotland element of BARB's 'BBC/ITV area segments' and running it against the ITV Border panel. The ITV Border region is representative at an overall level rather than by geographical segments and the segmentation data, which is also based on a fairly low sample size of 104 in 2016 and 118 in 2011, should therefore be treated with caution. Only 'average daily minutes' is robust enough for indicative analysis.

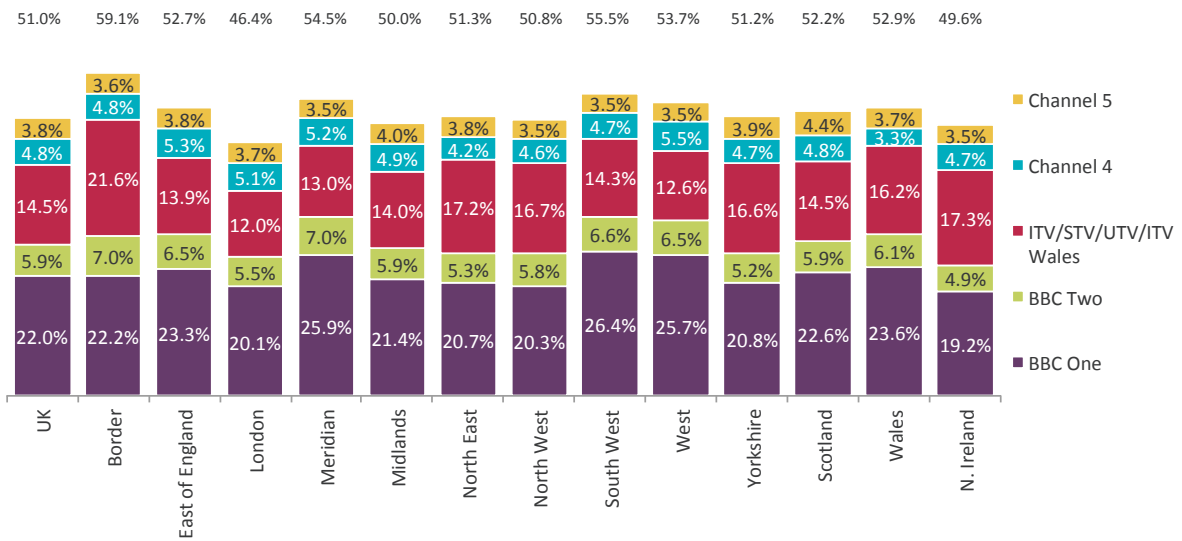
### More than half of all viewing in Scotland is to the main five PSB channels

In 2016, the main five PSB channels accounted for a combined 52.2% share of the total TV audience in Scotland. While lower than in Wales, their share in Scotland was

higher than in both Northern Ireland and the UK average. The viewing shares of each of the main five PSB channels in Scotland is very similar to the UK as a whole, but BBC One

and Channel 5 had larger shares of viewing in Scotland when compared to the UK average. Of all the nations and regions, Channel 5's share of viewing was highest in Scotland.

Figure 2.7: Share of the main five PSB channels, by UK nations and regions: 2016



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.

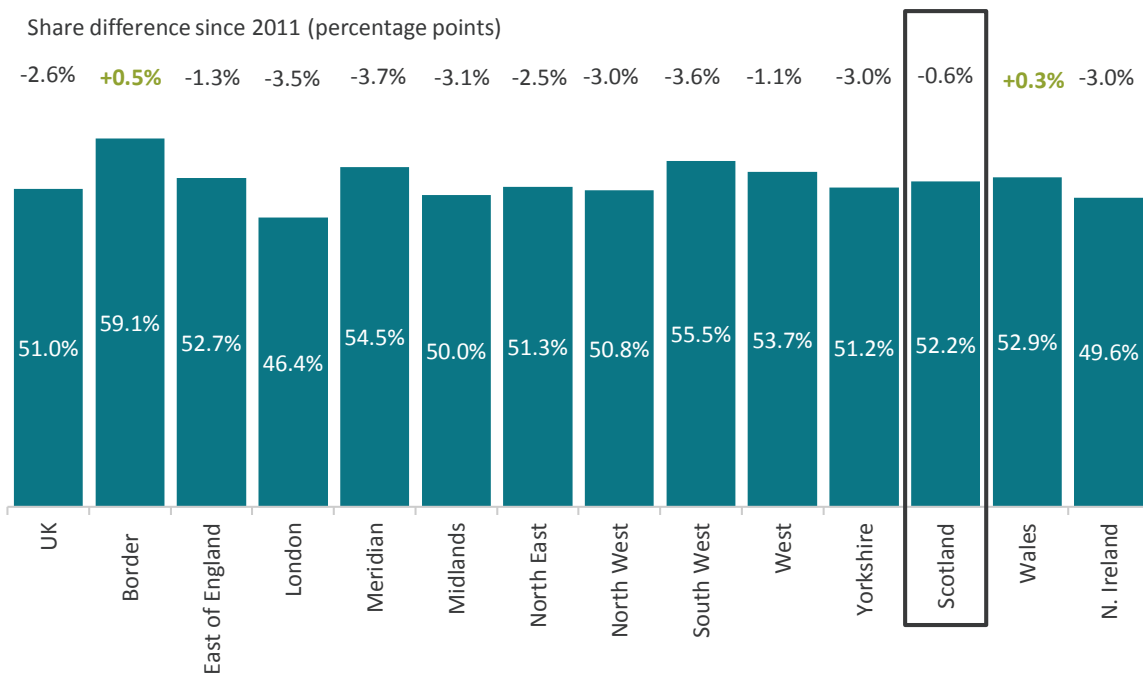
**The combined share of the main five PSB channels has decreased slightly in Scotland since 2011**

Between 2011 and 2016 there was a 0.6 percentage point (pp) reduction in the combined share of the main five PSB channels in Scotland.

This reduction represented the lowest decrease in any nation or region (excluding those which had an increase in share).

The majority of the UK nations and regions had declines in the combined share of the main five PSB channels between 2011 and 2016, with the exception of the Border region and Wales.

**Figure 2.8: Combined share of the main five PSB channels: 2011 and 2016**



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

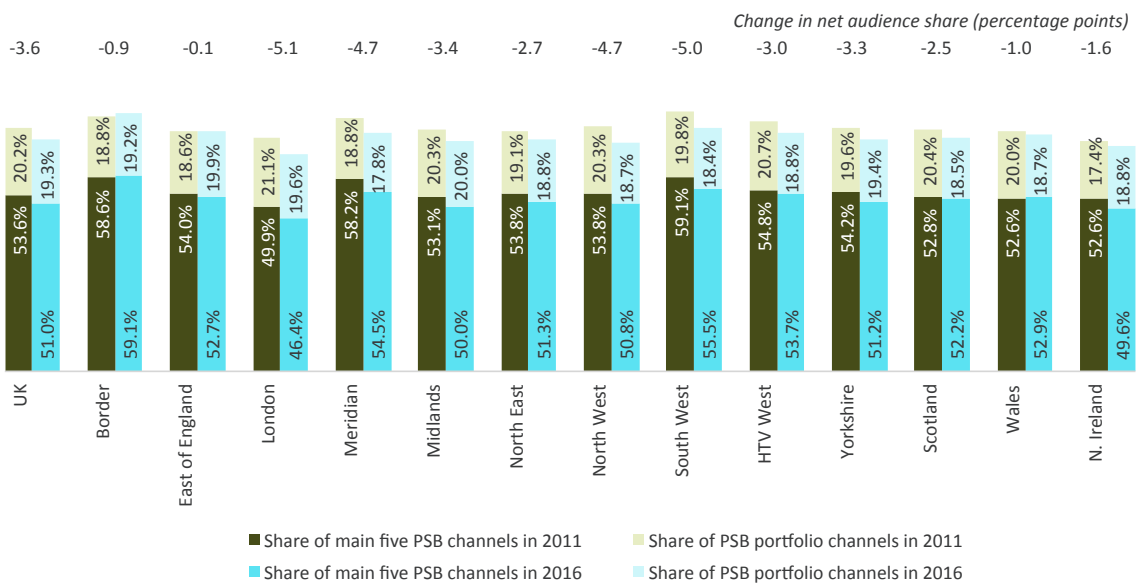
### The total share of the main five PSBs and their portfolio channels has fallen in Scotland

While the main five PSB channels' share of viewing decreased by just 0.6pp, the PSB portfolio channels' share of viewing in Scotland fell further; by 1.9pp between

2011 and 2016. This resulted in a net share loss overall of 2.5pp, a smaller decline than the UK average, but higher than in both Wales and Northern Ireland.

However, this was a smaller change than in other ITV regions such as London, South West, North West and Meridian.

**Figure 2.9: Net change in the audience share of the main five PSB channels and their portfolio channels, all homes: 2011 and 2016**



Source: BARB, individuals 4+. Shares may not add to 100% due to rounding.

### Three of the top 20 programmes in Scotland in 2016 were shown *only* in Scotland

*Still Game*, BBC One's comedy series filmed in Scotland, was the most popular TV programme in Scotland in 2016. It drew almost 1.8 million viewers, representing 38.6% of the population in Scotland and a 64.0% share of the total TV audience in the slot when it was shown.

Second to this was the Scottish football comedy *Only An Excuse* on BBC One, shown only in Scotland. Other non-network programmes were *Hogmanay Live*, the 8th most viewed programme overall, and the England vs. Scotland World Cup qualifiers (ranked 19th).

Sports programmes featured in seven of the top 20 most-watched programmes, including the Wimbledon men's singles final and the UEFA European Championship matches. Almost all the top programmes were from BBC One, with two from STV: *Britain's Got Talent* and the England vs. Scotland World Cup qualifier.

Figure 2.10: Top 20 programmes in Scotland, 2016

Programme	Channel	Date	Average 000s	TVR %	Share %
Still Game	BBC One	21/10/2016	1,798	38.6	64.0
Only An Excuse?	BBC One	31/12/2016	1,347	28.9	66.4
Wimbledon 2016: Men's Singles Final	BBC One	10/07/2016	1,276	27.4	68.4
The Great British Bake Off	BBC One	26/10/2016	1,162	25.0	48.0
Mrs Brown's Boys Live	BBC One	23/07/2016	1,120	24.1	58.3
Sherlock	BBC One	01/01/2016	1,105	23.9	43.4
Euro 2016: Por V Fra	BBC One	10/07/2016	1,094	23.5	50.8
Hogmanay Live	BBC One	31/12/2016	1,067	22.9	57.9
Euro 2016: Post Match	BBC One	01/07/2016	1,067	22.9	48.5
Planet Earth II	BBC One	13/11/2016	1,058	22.7	43.7
Strictly Come Dancing	BBC One	03/12/2016	1,047	22.5	52.7
Strictly Come Dancing: The Final	BBC One	17/12/2016	1,001	21.5	52.0
Mrs Brown's Boys Christmas Special	BBC One	25/12/2016	974	20.9	46.4
Euro 2016: Wal V Bel	BBC One	01/07/2016	964	20.7	47.1
Strictly Come Dancing: The Results	BBC One	04/12/2016	924	19.8	44.6
Euro 2016: Ger V Fra	BBC One	07/07/2016	908	19.5	45.0
Mrs Brown's Boy	BBC One	01/01/2016	894	19.3	45.6
Britain's Got Talent	STV	16/04/2016	887	19.2	44.3
England V Scotland World Cup Qualifier	STV	11/11/2016	886	19.0	38.5
Euro 2016: Ger V Ita	BBC One	02/07/2016	866	18.6	48.0

Source: BARB, individuals 4+, based on the single best performing episode of a programme title ranked on average audience 000s. Filtered on programmes with a minimum duration of 10 minutes. Channels include HD variants.

**Regional news and HD channels**

**Channel 3/ITV**

ITV does not currently broadcast HD variants of its news programmes for all of its regions. This means that for some areas, an out-of-region HD version of regional news is shown on the ITV HD channel. London, Meridian, Wales, Central, Granada, STV<sup>1</sup> and UTV<sup>2</sup> currently offer the HD service

across all platforms, while Anglia, Yorkshire and Tyne Tees offer it on some platforms only<sup>3</sup>. In the remaining areas, the local news shown on the HD channel is not the local news for that region (e.g in Border, the Granada news feed is shown). The chart below includes all viewing to any early evening news programming, even if it is not the relevant local one to the area.

**BBC One**

There are BBC One HD channels for Scotland, Wales and Northern Ireland which show local news in HD. At the moment BBC One HD in the English regions cannot show local news (a message prompts viewers to turn over to BBC One during the regional news slot). The chart below reflects viewing of the early evening news on BBC One HD where available.

**BBC One’s and STV’s early evening local news bulletins attracted a greater share in Scotland than the UK average for the same weekday time slot**

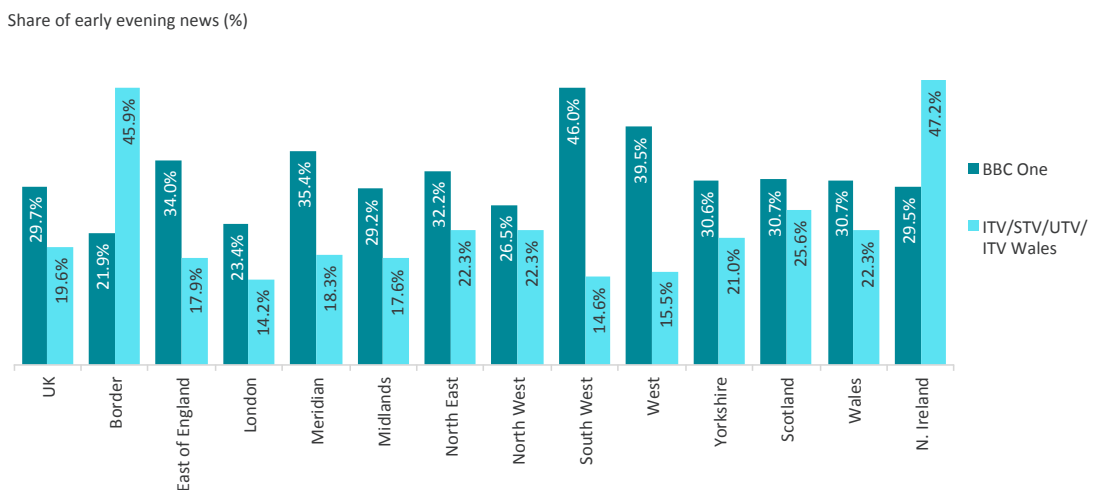
*Reporting Scotland*, BBC One’s early evening news bulletin, drew on average 30.7% of all TV viewers in Scotland between 6.30pm and 7.00pm in 2016. *STV News at Six*, STV’s counterpart bulletin, attracted a lower share than BBC

One’s *Reporting Scotland*, although at 25.6% it was still higher than the Channel 3 UK average share (19.6%) in the same time slot.

In the Border area, *ITV News Lookaround* and *ITV News Granada*

*Report* achieved a combined 45.9% share of TV viewing between 6pm to 6:30pm,<sup>4</sup> higher than the Channel 3 UK average share of in the same time slot.<sup>5</sup> It was more than double the BBC’s counterpart bulletin, *Reporting Scotland*, at 6.30pm.

**Figure 2.11: BBC One and ITV/ STV/ UTV/ ITV Wales early evening news bulletin shares: 2016**



**Source:** BARB, individuals (4+). HD viewing included where applicable (see methodology box above). **Note:** Early evening (‘local’) news bulletin figures based on ‘regional news’ genre programmes, start time 17:55-18:35, 10mins+ duration, weekdays. UK figures based on share to respective early evening news bulletin time slots. 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.

<sup>1</sup>From 31 March 2016, the regional news for Glasgow is shown on STV HD.

<sup>2</sup>UTV HD was introduced in October 2016.

<sup>3</sup>On 31 March 2016 ITV launched these regions in HD on Sky and Freesat (Freeview and Virgin Media pending).

<sup>4</sup> ITV News Lookaround is shown on ITV SD (achieving a 45.6% total TV audience share in 2016) and ITV News Lookaround and ITV News Granada Report are shown on the ITV HD variant (with a combined share of 0.2%).

<sup>5</sup> It is not possible to analyse granular programme-level viewing in 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.

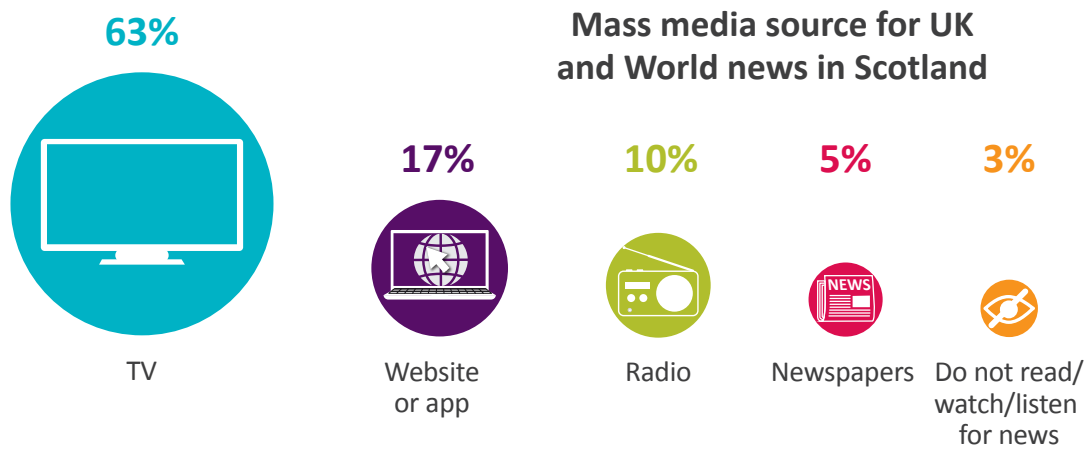
### TV is the main source of news for more than six in ten adults in Scotland

In Scotland in 2017, more than six in ten (63%) adults aged 16 and over said that TV was their main source of UK and world news.

Websites or apps were cited by 17% as the main source, radio by 10% and print newspapers by 5%.

Each of these are in line with the UK averages.

Figure 2.12: Respondents' main media source for UK and world news, by nation: 2016



Source: Ofcom Media Tracker 2016

Base: All (2,069); England (1,591); Scotland (179); Wales (144); Northern Ireland (155). Prompted, single code. Significance testing shows any difference in the main source of news between any nation and all adults in 2016.



The following section outlines spend and hours of programming

## 2.4 TV programming for viewers in Scotland

specifically for viewers in Scotland, Wales, Northern Ireland and the English regions, provided by the BBC and the holders of the Channel 3 licences across the UK – ITV, STV and UTV (which was purchased by ITV in February 2016). 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 1.44.

In January 2014 there was a change in the licensing obligations for the ITV Border region, creating two sub-regions: ITV Border Scotland and ITV Border England. While the majority of 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 viewers in the ITV Border Scotland region. This includes the current affairs programme *Representing Border* and the magazine programme *Border Life*. From 2014 onwards, ITV Border content has been attributed to England, with the exception of content specifically for viewers in the Scottish Borders, which is attributed to Scotland. Before 2014, all ITV Border data was attributed to England.

Historical financial figures are adjusted for inflation using CPI, which was particularly high in the period from 2007 to 2013. Due to the commercially sensitive nature of the data, BBC and ITV/STV spend figures have been combined.

### 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.

#### Spend on output

Includes all costs incurred by the broadcaster associated with making or acquiring programmes. These include both direct and indirect production costs for in-house productions and licensing costs for commissioned and acquired programmes, and excludes costs related to marketing and distribution.

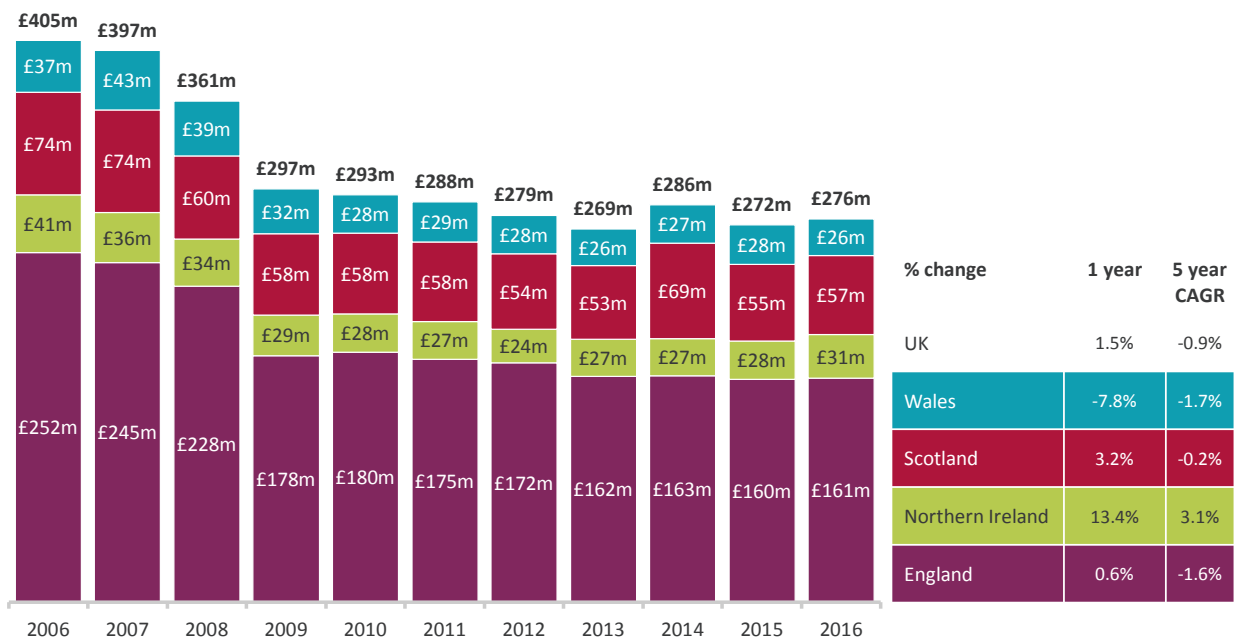
### BBC, STV and ITV Border Scotland’s spend on first-run originated content for viewers in Scotland increased in real terms from 2015 to 2016

In 2016, £276m 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, up by £4m in real terms year on year.<sup>1</sup> However, since 2011, spend on first-run originated nations’ and regions’ output by the BBC and ITV/STV/UTV has fallen by £12m in real terms.

Spend in Scotland shows a similar trend. In real terms, the BBC, STV and ITV Border Scotland’s 2016 spend on first-run originated programming for viewers in Scotland increased by £2m (3.2%) compared to 2015. However this was a fall of £1m (an average decline of 0.2% each year) compared to 2011 in real terms.<sup>2</sup>

2016 levels of spend were at its highest level since 2011 in Scotland, with the exception of 2014 where high-profile events such as the Commonwealth Games in Glasgow and the referendum on Scottish Independence were covered widely across the BBC and STV.

Figure 2.13: Spend on first-run originated nations’ and regions’ output by the BBC/ ITV/ STV/ UTV



Source: Broadcasters. All figures are adjusted for inflation (2016 prices).

Note: Spend data for first-run originations only. BBC includes BBC One and BBC Two channels. Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. Since 2014, spend on content by ITV Border specifically for viewers in Scotland has been assigned to Scotland with the rest of ITV Border spend attributed to England. These figures do not include spend on network content.

<sup>1</sup> In Northern Ireland, the increase in spending could be explained in part by ITV’s takeover of UTV in 2016. Prior to the takeover, UTV did not charge staff costs to their news programmes, allocating direct costs only. From 2016, ITV have allocated relevant staff costs to UTV news programming, consistent with their approach across the rest of the ITV network.

<sup>2</sup> ITV Border spend was not included under Scotland in the 2011 figure.

### The BBC, STV and ITV spent £58m on English-language programming for viewers in Scotland in 2016

Including acquisitions and repeats, the BBC, STV and ITV Border Scotland spent £58m on English-language programming for viewers in Scotland in 2016.

Spend on non-news/ non-current affairs accounted for more than half of the total, while current affairs had the smallest share of spend at 11% of the total.

In addition to this, there was content spend of £16.4m for programming on BBC Alba in 2016 which is discussed in further detail in section 1.4.

**Figure 2.14: Total spend by the BBC/ ITV/ STV/ UTV on nations'/ regions' output: 2016**



**Source:** Broadcasters.

**Note:** BBC includes BBC One and BBC Two channels. 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. Scotland figures include programming for viewers of ITV Border in Scotland: 76 hours of current affairs in 2016.

## This spending has increased since last year, but fallen since 2011

Including acquisitions and repeats, the BBC, STV and ITV Border Scotland's spend on nations' and regions' output was 4% higher in real terms in 2016 than in 2015. However, between 2011 and 2016, spend in real terms fell by an average of 1% each year. Spend on non-news/ non-current affairs increased by 5% between 2015 and 2016, but has decreased by an average of 2% each year since 2011.

Total BBC, STV and ITV Border Scotland spend on current affairs programming for viewers in Scotland decreased by 16% in real terms year on year in 2016. This could be attributed to the BBC reducing the number of hours of the *Scotland 2016* programme through the year, as it went from being broadcast four nights a week to three by the end of the year.

However, the same genre has had an average 2% real terms increase in spend each year since 2011.

In 2016, spend on news has increased by 9% in real terms year on year, and by an average of 3% in real terms each year since 2011. A factor behind this may be increasing coverage of Scottish politics, such as the 2016 Scottish Parliamentary election.

**Figure 2.15: Change in total spend on nations' and regions' output, by genre and nation: 2011-2016**

	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR
Current affairs	9%	2%	20%	-2%	22%	19%	-16%	2%	11%	5%
News	1%	-1%	-2%	-2%	16%	5%	9%	3%	2%	-2%
Non-news/non-current affairs	1%	-2%	36%	3%	7%	-2%	5%	-2%	-18%	-3%
<b>Total spend in 2016</b>	<b>£277m</b>		<b>£161m</b>		<b>£31m</b>		<b>£58m</b>		<b>£26m</b>	

	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR	1yr	5yr CAGR
<b>Change in spend</b>	<b>2%</b>	<b>-1%</b>	<b>1%</b>	<b>-2%</b>	<b>13%</b>	<b>3%</b>	<b>4%</b>	<b>-1%</b>	<b>-8%</b>	<b>-2%</b>

**Source:** Broadcasters. All figures are adjusted for inflation.

**Note:** BBC includes BBC One and BBC Two channels. 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 divided between England and Scotland from 2014 onwards and attributed to England only prior to 2014.

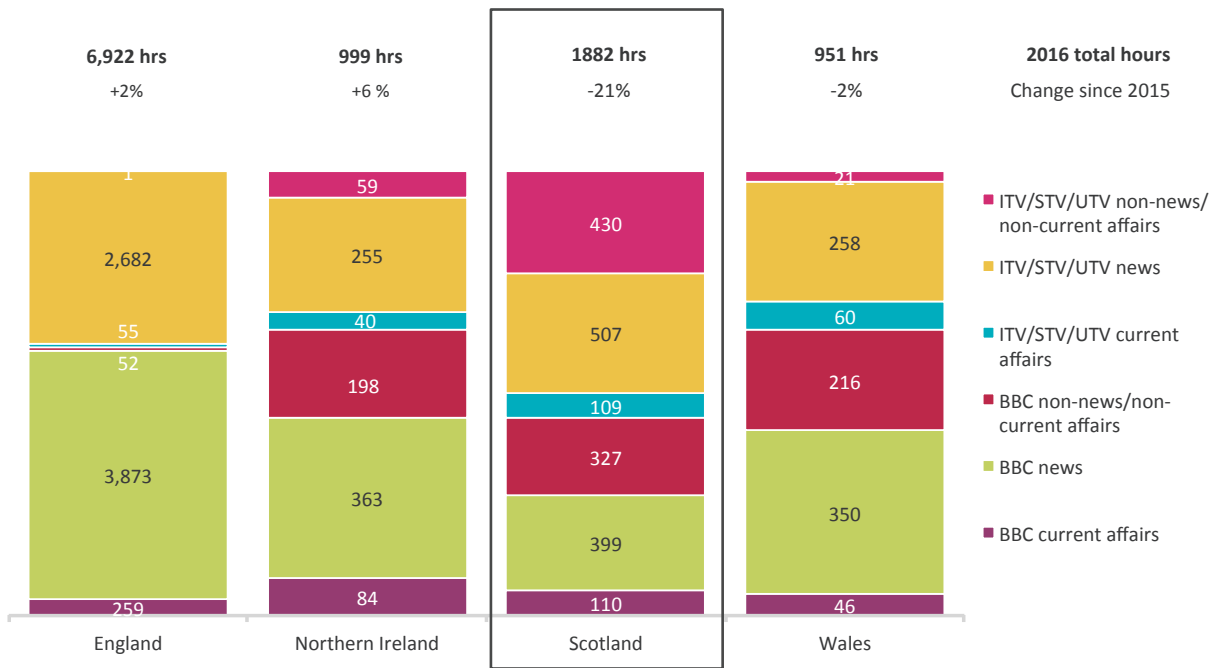
### Total first-run originated hours on the BBC, STV and ITV Border for viewers in Scotland have fallen in recent years

Between 2015 and 2016, Scotland had the highest proportional decrease in hours of first-run original content, falling by 21% (486 hours). This compares to a 2% fall in Wales, and increases in England and Northern Ireland of 2% and 6% respectively. Since 2011, there has been a 36% fall in the number of first-run originated hours for viewers in Scotland on the BBC, STV and ITV Border.

A large proportion of this fall was in the channel 3 licence holder’s non-news/non-current affairs programming, which went from 1,636 hours in 2011, and 906 hours in 2015, to 430 hours in 2016. This fall can be attributed to the cancellation of *The Nightshift* on STV, which ran sub-regional editions for up to seven days of the week in 2011, but ran for only seven months in 2015 and not at all in 2016.

For comparative purposes, this chart does not include first-run originated BBC Alba programming hours funded by the BBC, or BBC hours provided to S4C. There is a more detailed breakdown of BBC Alba programming in 0 and 1.19.

**Figure 2.16: Hours of first-run originated nations/ regions’ output, by genre and broadcaster: 2016**



Source: Broadcasters.

Note: Hours data for first-run originations only. BBC includes BBC One and BBC Two channels. 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. Scotland figures include programming for viewers of ITV Border in Scotland. This was 76 hours of current affairs in 2016.

### The cost per hour of first-run programming for viewers in Scotland has risen over the past five years

When measured in real terms, the cost per hour of first-run BBC and STV/ITV Border programming for viewers in Scotland increased steeply between 2011 and 2016, rising from £20k to £30k per hour. This represents an average increase of 9.2% each

year in real terms, much higher than the UK average of 0.7%. This may be because in 2011 there were an exceptionally high number of hours of first-run programming for viewers in Scotland, particularly in non-news/

non-current affairs, which by 2016 had fallen dramatically. As discussed above, the cancellation of *The Nightshift* had a notable impact on the number of hours broadcast in 2016, but this was not accompanied by a comparable fall in spend.

**Figure 2.17: Cost per hour of first-run nations' and regions' output, by nation: 2011-2016**



**Source:** Broadcasters. All figures have been adjusted for inflation (2016 prices).

**Note:** BBC includes BBC One and BBC Two channels. 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. Scotland figures include programming for viewers of ITV Border in Scotland: 76 hours of current affairs in 2016.

## 2.5 Gaelic-language programming

### BBC Alba

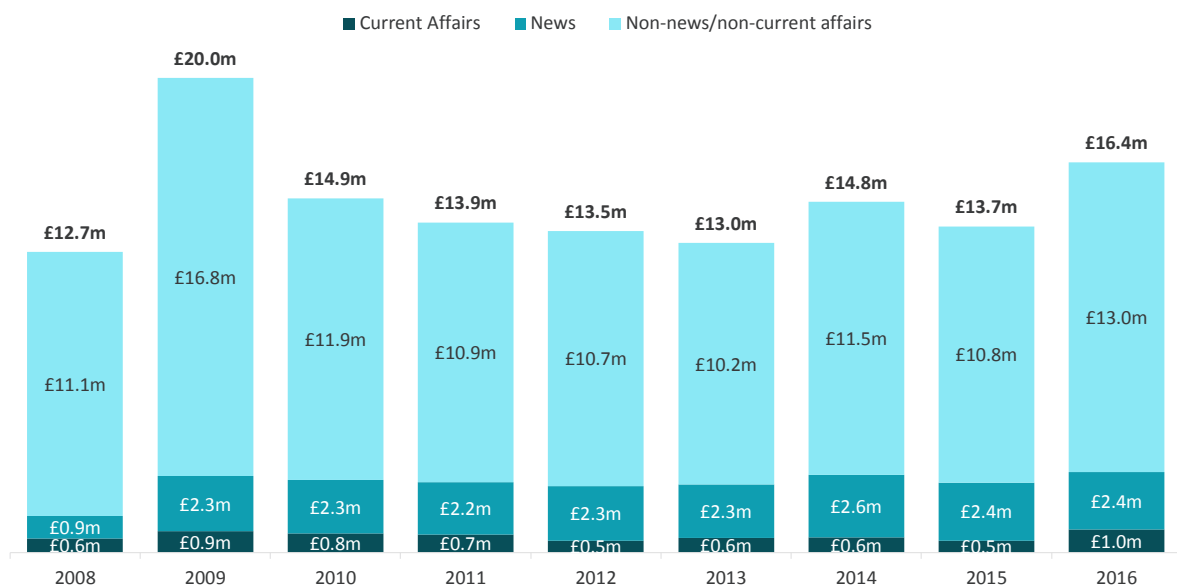
BBC Alba is the Gaelic-language service backed by the BBC and MG Alba, which launched in September 2008.

£16.4m was spent on total programming output for BBC Alba in 2016. Since 2015, spending on non-news/ non-current affairs programming has increased by 21% in real terms, while spending on current affairs almost doubled, rising by 91%. Spending on news was broadly similar, with a small annual decrease of 0.5%.

BBC Alba spend overall increased by 19% in real terms.

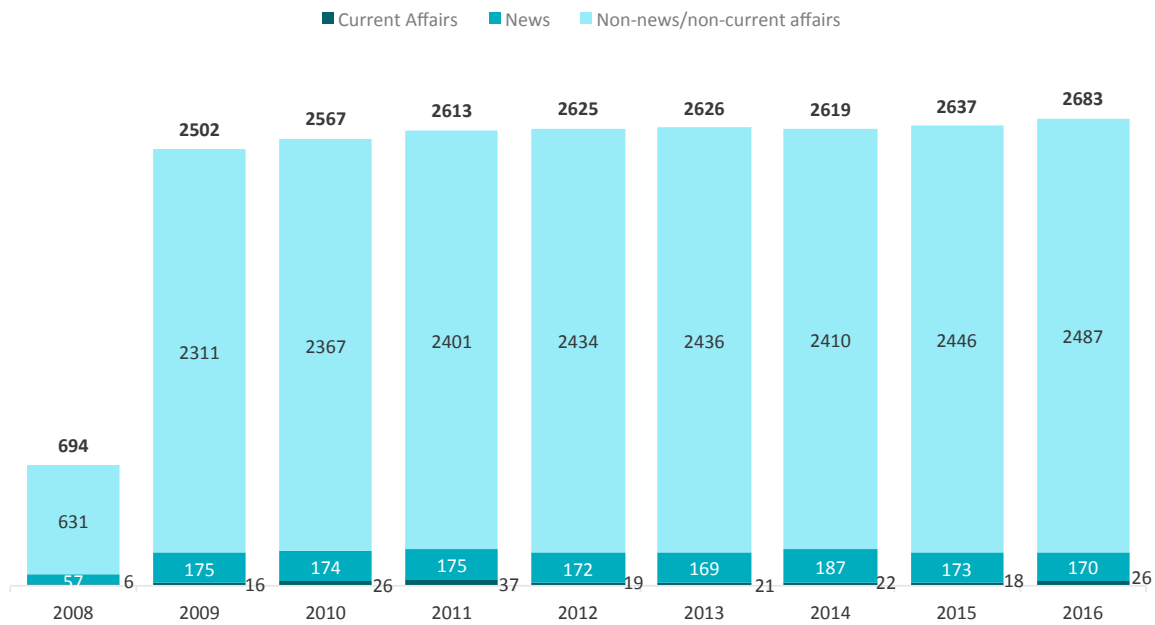
In 2016 BBC Alba broadcast 2,683 hours in total, 46 hours more than in 2015. Of this, the vast majority was non-news/ non-current affairs programming, including two series of the drama *Bannan*.

Figure 2.18: BBC Alba total spend: 2008-2016



Source: BBC. All figures have been adjusted for inflation (2016 prices).

Figure 2.19: BBC Alba total hours: 2008-2016



Source: BBC

## 2.6 Network television productions made in Scotland

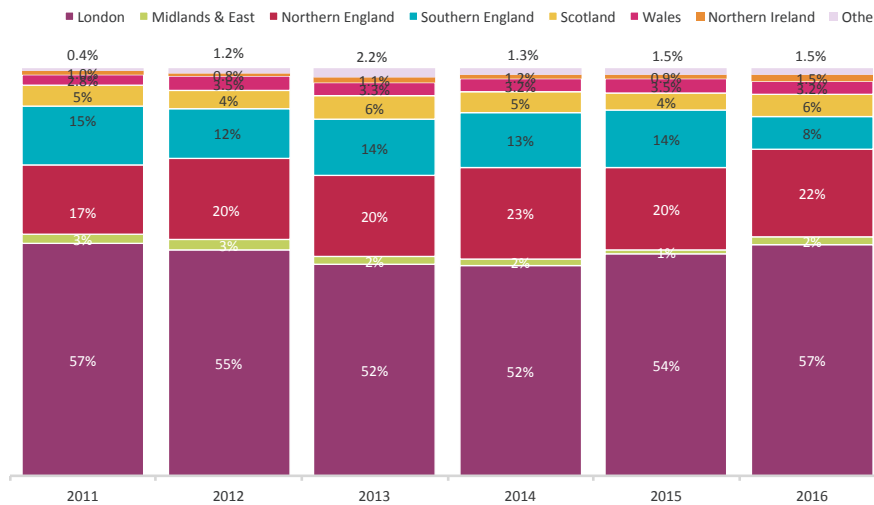
Figure 2.20 and Figure 2.21 below illustrate the proportion of UK PSB network programmes (excluding news) that have been produced in the nations and regions over the last five years, by expenditure and volume respectively.

In 2016, 6% of PSB network broadcast spend on original first-run productions was attributed to Scotland, up from 4% in 2015. This accounted for 9% of all non-news first-run UK-originated hours, up from 7% in 2015.

As in previous years, the majority of such spend was in London, where 57% of spend on new, non-news content returned 49% of all network hours.



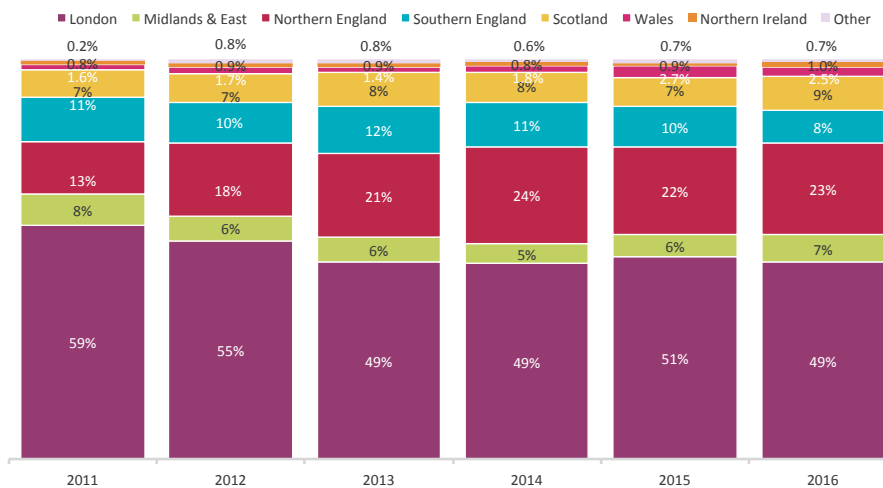
Figure 2.20: Expenditure on originated network productions: 2011-2016



Source: Ofcom/broadcasters

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 [www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0019/87040/Regional-production-and-regional-programme-definitions.pdf](http://www.ofcom.org.uk/__data/assets/pdf_file/0019/87040/Regional-production-and-regional-programme-definitions.pdf) on Ofcom website for further details

Figure 2.21: Volume of originated network productions: 2011-2016



Source: Ofcom/broadcasters

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 [www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0019/87040/Regional-production-and-regional-programme-definitions.pdf](http://www.ofcom.org.uk/__data/assets/pdf_file/0019/87040/Regional-production-and-regional-programme-definitions.pdf) on Ofcom website for further details