

## 2 Television and audio-visual content

### 2.1 Recent developments in Scotland

#### BBC Alba

BBC Alba's drama series, *Bannan*, returned in 2016 for a new series, having been re-commissioned for a further ten episodes in 2015, and it received a nomination in the drama series category at the Celtic Media Festival 2015.

In March 2016 the Scottish Government announced £1m of funding for MG Alba for 2016/17. The UK Government withdrew £1m of funding, not renewing the annual grant from the Department of Culture, Media & Sport.

In April 2016 MG Alba welcomed the commitment to Gaelic broadcasting in the BBC White Paper, which stated that the BBC should maintain its partnership with MG Alba. MG Alba moved from channel 8 to channel 7 on the Freeview EPG, following BBC Three's move to an online platform.

#### BBC Scotland

BBC Scotland's coverage of the 2015 General Election included results broadcast live from every count across the country, while *Reporting Scotland* remained the most-watched news programme in Scotland.

The Investigations team covered a range of issues including fracking, and doping in sport, and *Catch Me If You Can* received the Sport Story of the Year Award at the 2015 British Journalism Awards.

#### STV

In March 2016 STV launched an enhanced digital news service tailored for Scottish viewers, including a mobile app, featuring bite-sized video reports on local, international, UK and other news from a Scottish viewpoint.

#### Local TV

STV Edinburgh and STV Glasgow joined forces to cover the Edinburgh Festival 2015 in a live one-hour show transmitting each weekday evening; this was shared with local TV stations across the UK.

In April 2016 STV Edinburgh and STV Glasgow moved from channel 21 to channel 8 on the Freeview EPG after BBC Three began operating as an internet-only brand.

#### Production and commissioning

STV Productions and GroupM Entertainment were commissioned by Sky to produce a documentary series about life behind bars, and were given permission to film in a number of prisons.

Channel 4 spent £18.9m in Scotland on first-run UK originated content broadcast on their main channel in 2015. This represented 5.0% of its total spend on such content<sup>7</sup> compared

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<sup>7</sup> Total excludes spend on Channel 4 News output

to 4.6% in 2014. In total, 159 hours of C4 programming, including peak-time transmissions, came from Scottish independent production companies, representing 6.2% of total first-run originated programming.<sup>8</sup> Series highlights included *Supershoppers*, *Location, Location, Location* and other programmes with C4 regulars Kirstie Allsopp and Phil Spencer, and *Fifteen To One*. One-off programme highlights included *Dispatches: Secrets of Cadbury* and *Britain's Benefit Tenants*.

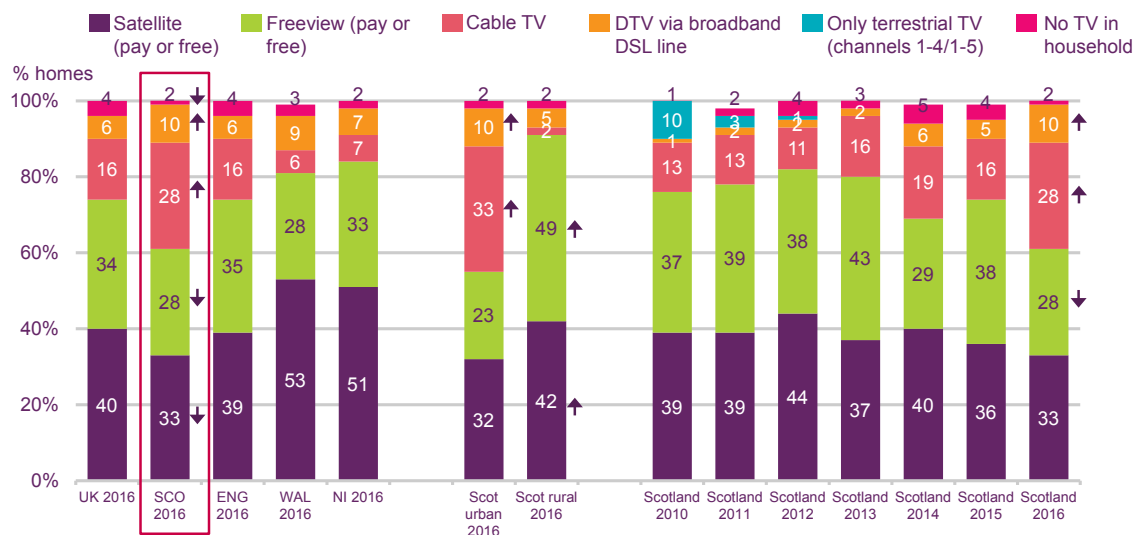
## 2.2 Television platform take-up in Scotland

### Satellite television remains the most widely-used TV platform in Scotland

Figure 2.1 shows that in 2016, satellite television (33%) was the most popular main television service in Scotland. Freeview/ DTT (28%) and cable services (28%) were the next most popular services, while one in ten adults (10%) nominated DTV via a broadband connection. Compared to the UK overall, adults in Scotland were less likely to say that satellite (33% vs. 40% for the UK) or Freeview/ DTT (28% vs. 34% for the UK) was their main television service. They were more likely to nominate cable TV (28% vs. 16% for the UK) or DTV via a broadband connection (10% vs. 6% for the UK).

Satellite television had higher penetration in rural areas of Scotland (42% in rural areas vs. 32% in urban areas), and cable services had lower penetration (2% in rural areas vs. 33% in urban areas). In 2016, people in rural areas of Scotland were more likely to say that Freeview was their main television service (49%) compared to those in urban areas (23%).

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



Source: Ofcom Technology Tracker, H1 2016

Base: All adults aged 16+ (n = 3737 UK, 502 Scotland, 2239 England, 489 Wales, 507 Northern Ireland, 251 Scotland urban, 251 Scotland rural, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015, 502 Scotland 2016)

Significance testing: Arrows indicate any significant differences between Scotland and UK in 2016, between Scotland urban and rural in 2016 and between Scotland 2015 and 2016.

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

Note: In 2015 the survey data indicated an increase in use of Freeview as a main television service in Scotland. The 2016 measure is similar to the previous measure from 2014. This may suggest that the apparent increase in 2015 was due to sample error.

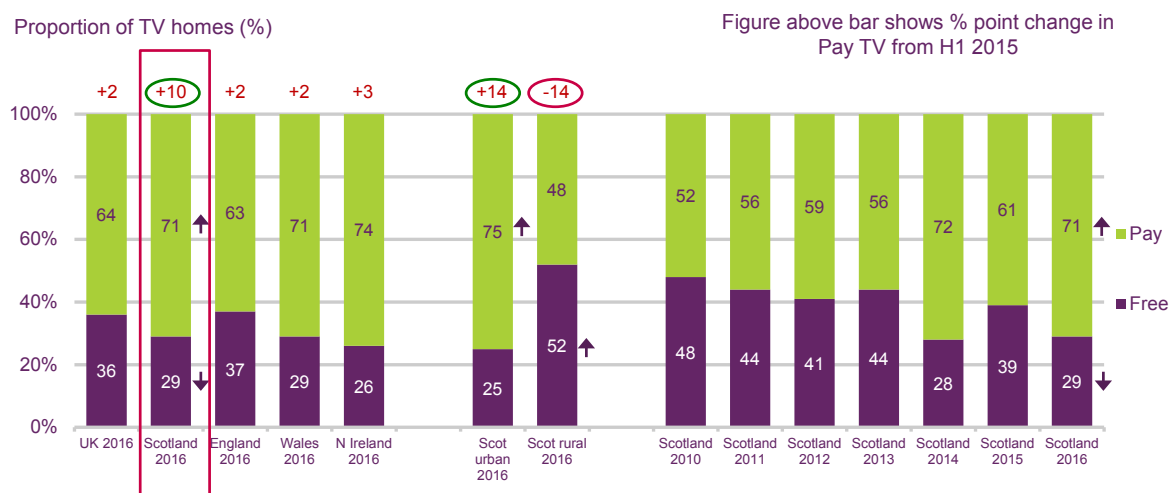
<sup>8</sup> Source – Channel 4

## Households in Scotland are more likely to have pay TV compared to the UK as a whole

In 2016, seven in ten households in Scotland (with a television set) had pay TV<sup>9</sup> (71%) and this incidence has increased by ten percentage points since 2015 (from 61%). Households in Scotland are more likely to have pay TV compared to the UK overall (64%).

Take-up of pay TV is significantly higher in urban than in rural areas.

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



Source: Ofcom Technology Tracker, H1 2016

Base: All adults aged 16+ with a TV in household (n = 3606 UK, 491 Scotland, 2148 England, 471 Wales, 496 Northern Ireland, 246 Scotland urban, 245 Scotland rural, 1452 Scotland 2010, 479 Scotland 2011, 489 Scotland 2012, 487 Scotland 2013, 481 Scotland 2014, 472 Scotland 2015, 491 Scotland 2016)

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Scotland and UK in 2016, between Scotland urban and rural in 2016 and between Scotland 2015 and 2016. Circles around the +/- figures above the chart indicate any significant difference between 2015 and 2016 for Scotland, urban and rural.

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

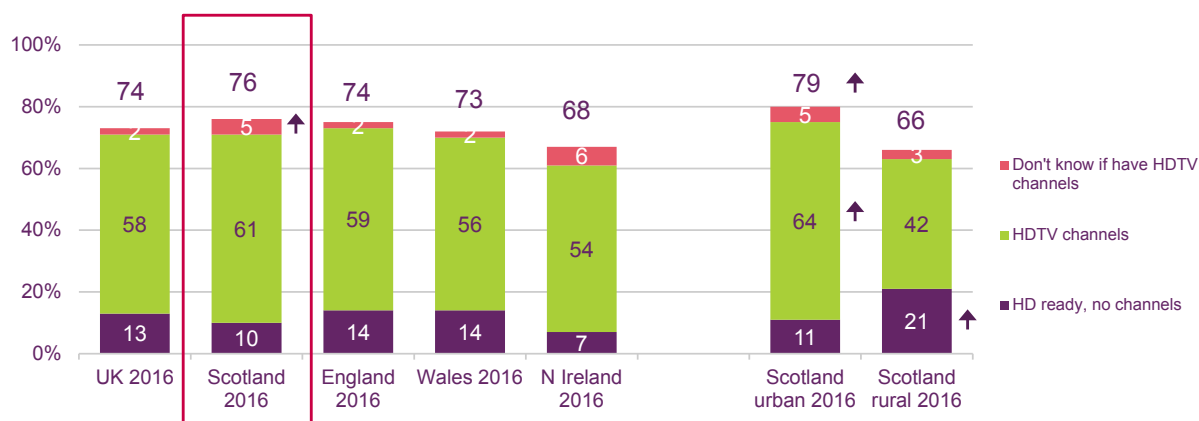
## Over six in ten households in Scotland have access to HDTV services, in line with the UK average

Seventy-six per cent of households in Scotland with a TV set claimed to have either HDTV services or an HD-ready television. Six in ten TV households (61%) claimed to actually receive HDTV services, with a further 10% claiming to have an HD-ready TV but not to receive HD services. The remaining 5% were not sure whether or not they were receiving HD services.

In Scotland, ownership of an HD-ready set was more likely in urban (79%) than in rural (66%) households. Respondents in urban households were more likely than those in rural locations to say they actually received HD services (64% vs. 42%). Households in rural areas were more likely than those in urban areas to have an HD-ready TV, but not receive HD services (21% vs. 11%).

<sup>9</sup> Pay TV refers to all other types of television service. Free TV refers to households that only receive Freeview with free channels (without any additional subscriptions to services such as Netflix or Top Up TV etc.) or only receive Freesat satellite TV. In 2015 the survey data indicated an increase in use of Freeview as a main television service in Scotland. The 2016 measure is similar to the previous measure from 2014. This may suggest that the apparent increase in 2015 was due to sample error.

**Figure 2.3 Proportion of homes with HD television**



Source: Ofcom Technology Tracker, H1 2016

Base: All adults aged 16+ with a TV in the household (n = 3606 UK, 491 Scotland, 2148 England, 471 Wales, 496 Northern Ireland, 246 Scotland urban, 245 Scotland rural)

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

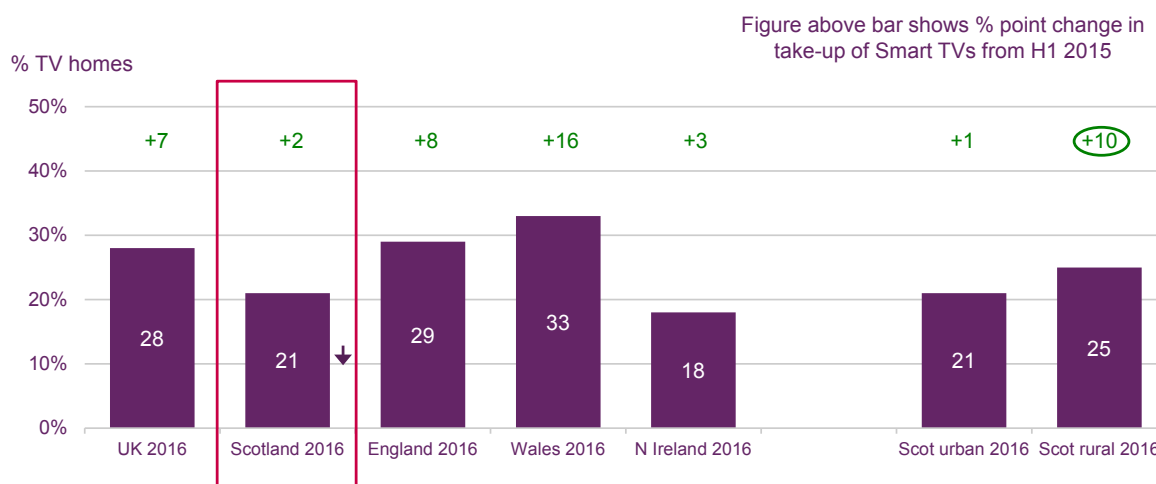
QH53: Is the main TV in your household an HDTV set or HD ready?/ QH54: Although you have an HDTV ready set, to actually watch TV channels and programmes that are broadcast in high definition, you need an HD set top box or a TV with built-in HDTV receiver. For the main TV set, does your household have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

### Two in five TV households in Scotland have a connected TV, and one in five have a smart TV set

Among those with a TV set in the household, 21% claimed to have a smart TV; this has not changed significantly since 2015. Compared to the UK overall, smart TV ownership is lower in Scotland (21% vs. 28%). There has been an increase of 10pp since 2015 in rural household ownership of smart TV sets (now 25%).

Using a smart TV's inbuilt internet functionality is only one way of connecting a TV to the internet. Set-top boxes, game consoles and dongles can also be used to make a TV internet-enabled. The proportion of households in Scotland with a connected TV is likely to be greater than the smart TV take up figure of 21%.

**Figure 2.4 Smart TV take-up**



Source: Ofcom Technology Tracker, H1 2016

Base: All adults aged 16+ with a TV in household (n = 3606 UK, 491 Scotland, 2148 England, 471 Wales, 496 Northern Ireland, 246 Scotland urban, 245 Scotland rural)

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Scotland and UK in 2016 and between Scotland urban and rural in 2016. Circles around the +/- figures above the chart indicate any significant difference between 2015 and 2016 for Scotland, urban and rural.

QH62: Are any of your TV sets smart TVs? These are newtypes 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.

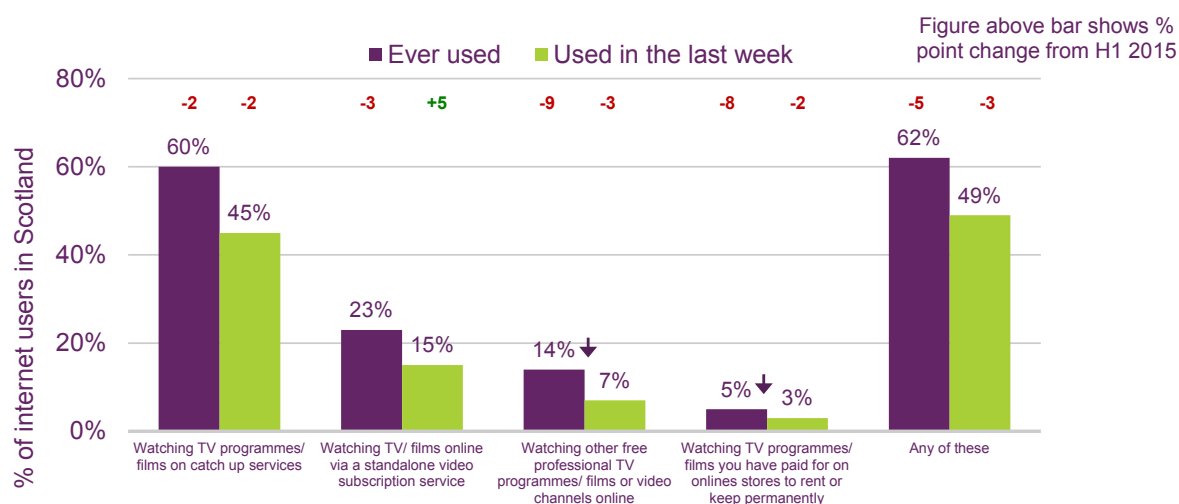
### Catch-up services were the most popular way to watch TV programmes and films online

Among those who use the internet at home or elsewhere (e.g. on their smartphone, tablet or laptop), three in five said they had ever watched TV programmes or films on a catch-up service (e.g. BBC iPlayer, All4, Demand 5, Sky On Demand). Just under half claimed to have watched these services within the last week.

Stand-alone video subscription services (e.g. Netflix, Amazon Prime) and free professional sources (e.g. official YouTube channels, producers' websites) were less popular, with around a quarter of internet users claiming to have ever used them. Five per cent of internet users had ever watched TV programmes or films that they had bought or rented digitally.

Slightly more than a third of adults in Scotland who use the internet at home or elsewhere had never used any of these services.

**Figure 2.5 TV programmes and films: on-demand on any service**



Source: Ofcom Technology Tracker, H1 2016

Base: All Scotland adults aged 16+ who use the internet at home or elsewhere (n = 405)

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Scotland 2015 and 2016.

QH46: 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? / QH47: And which, if any, of these have you used in the last week?

## 2.3 Broadcast television content

### Definitions

#### Broadcast TV viewing

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. Broadcast TV viewing refers to programmes watched on the TV set live at the time of broadcast, 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.

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.

Channel groups are referred to as 'main five PSB channels', 'PSB portfolio channels' and 'PSB family' or 'PSB broadcaster' channels. These are defined as:

#### Main five PSB channels:

BBC One, BBC Two, Channel3/ITV (inc ITV Breakfast), Channel 4 and Channel 5. Includes HD variants but excludes +1s.

#### PSB portfolio channels:

BBC: BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC red button channels

ITV: Channel3/ITV+1 , ITV2, ITV3, ITV4, CITV, ITVBeITV Encore

Channel 4: Channel 4+1, E4, More4, Film4, 4Music, 4seven,

Channel 5: Channel 5+1, Channel 5+24, 5\*, 5USA, Spike.

+1 and HD variants are included where applicable.

**PSB family or PSB broadcaster channels:**

The main five PSB channels and all PSB portfolio channels combined.

All viewing data is based on individuals aged 4+.

**People in Scotland spend an average of four hours per day watching TV**

In 2015, people in Scotland spent an average of four hours per day watching television<sup>10</sup>, less than in Wales (4 hours 10 minutes) but more than in Northern Ireland (3 hours 45 minutes) and the UK average (3 hours 36 minutes). Of the four hours spent watching television daily, 2 hours 50 minutes were spent watching the PSB family of channels<sup>11</sup>.

**Figure 2.6 Average minutes of television viewing per day, by nation: 2015**



Source: BARB, individuals (4+). Please see definitions for list of PSB channels.

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

**Over half of all viewing is to the main five PSB channels**

In 2015, the main five PSB channels accounted for a combined 51.5% share of the total TV audience in Scotland, just below the combined share in Wales but higher than the average

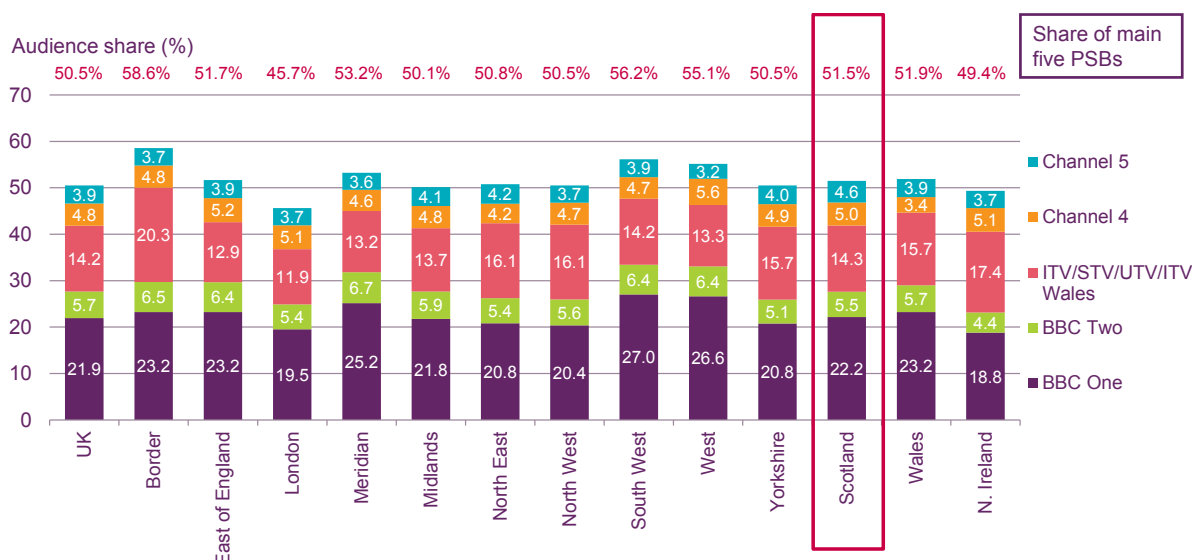
<sup>10</sup> Individuals in the Scottish areas of the ITV Border region watched 4 hours 23 minutes of TV each on an average day across 2015. Note: the Scottish and English sub-regions of the ITV Border area are not standard BARB regions, so we created a customised audience segment to undertake this analysis. The audience was created using BARB's 'BBC/ITV area segments' feature by selecting the BBC Scotland element of the ITV Border region and running the viewing analysis 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 113, should therefore be treated with caution. Only 'average daily minutes' is robust enough for indicative analysis.

<sup>11</sup> Individuals in the Scottish areas of the ITV Border region watched 3 hours 31 minutes of the PSB broadcasters (main five PSBs plus their portfolio channels) on an average day in 2015. 60% of daily TV viewing minutes were attributed to the main five PSBs, with their portfolio channels adding an additional 22%.

50.5% share across the UK. In Scotland the distribution of viewing share across each of the main five PSB channels is broadly similar to the UK as a whole. However, as in 2014 Channel 5 gained a larger share of viewing in Scotland (4.6%) compared to the UK (3.9%), Wales (3.9%), Northern Ireland (3.7%) and any English region.

Scotland's Rugby World Cup quarter-final match with Australia generated one of the highest audiences for the sport for a decade. BARB data provided by STV, the national rights holders for the tournament, showed an audience reach of 3.3 million Scots for the tournament, two-thirds of the national population.

**Figure 2.7 Share of the main five PSB channels, by UK nations and regions: 2015**



Source: BARB, individuals (4+).

Notes: Border includes the two sub-regions of ITV Border Scotland and ITV Border England. Chart shows figures rounded to one decimal place. Shares may not appear to sum up due to rounding.

### The combined share of the main five PSB channels has decreased

Between 2010 and 2015 there was a 3.2pp 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 (4.9pp) and in Northern Ireland (4.2pp).

All UK nations and regions saw a reduction in the combined share of the main five PSB channels between 2010 and 2015. The exception was in the whole ITV Border region where share increased by 0.4ppt to 58.6% in 2015, the largest audience share for the main PSBs in all nations and regions overall.



**Figure 2.8 Reduction in combined share of the main five PSB channels: 2010 and 2015**



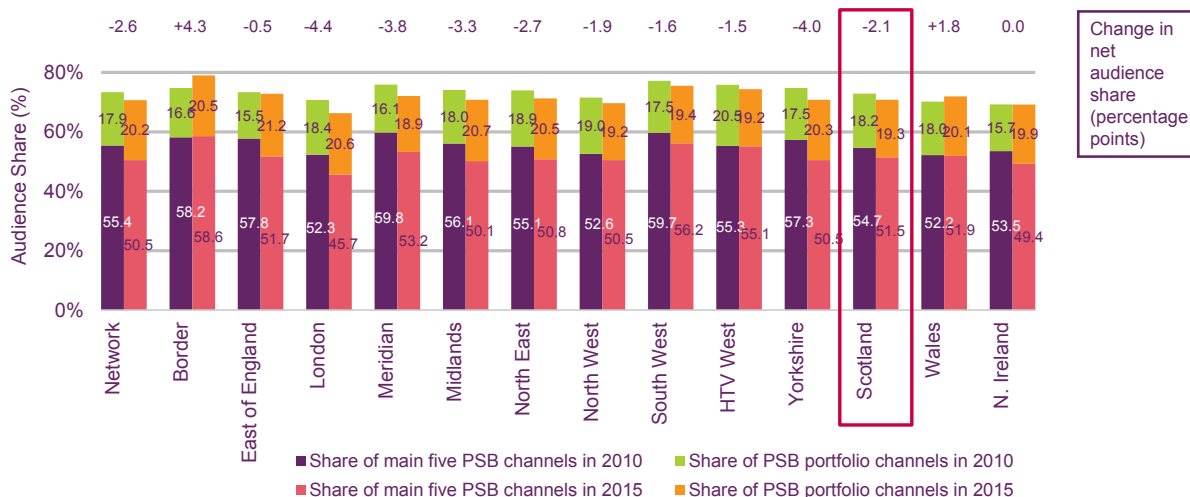
Source: BARB, individuals (4+). Please see definitions for list of PSB channels.

Note: Border refers to the region as a whole including viewers in the two sub-regions of ITV Border Scotland and ITV Border England.

**The total share of the main five PSBs and their families of channels decreased between 2010 and 2015**

While the main five PSB channels' share of viewing decreased by 3.2pp, the PSB portfolio channels increased their share of viewing in Scotland by 1.1pp between 2010 and 2015. This resulted in a net share loss overall of 2.1pp for the main five PSBs and their families of channels. This is a smaller decline than the UK average, which had a loss of 2.6pp, and compares to a steady picture in Northern Ireland (no change) and an increase in Wales (+1.8pp).

**Figure 2.9 Net change in the audience share of the main five PSB channels and their portfolio channels, all homes: 2010 and 2015**



Source: BARB, individuals 4+. Please see definitions for list of PSB channels. Shares may not add to 100% due to rounding.

Note: Border refers to region as a whole, including viewers in the two sub-regions of ITV Border Scotland and ITV Border England.

## Regional news and HD channels

### Channel 3/ITV

ITV does not currently broadcast regional HD variants for all of its regions. This means that in some areas, an out-of-region HD version is shown on the ITV HD channel. London, Meridian, Wales, Central, Granada, Anglia\*, Yorkshire\*, Tyne Tees\* and STV\*\* currently offer the HD service, so in the remaining areas, the local news shown on the HD variant 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. The ITV early evening news bulletin share analysis in the 2014 CMR excluded the ITV HD variants and looked just at the SD share. Note: ITV HD is not reported against the ITV Ulster panel.

### 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.

The reporting of BBC One remains unchanged from the CMR 2014.

\*On 31 March 2016 ITV launched these regions in HD on Sky and Freesat (Freeview and Virgin Media pending).\*\*The HD variant for STV changed to Glasgow in 31 March 2016.

## **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 period**

*Reporting Scotland*, BBC One's early evening news bulletin, drew, on average, 30.9% of TV viewers in Scotland between 6.30pm and 7.00pm in 2015. This was higher than the BBC One UK average for the same slot (29.6%). *STV News at Six*, STV's counterpart bulletin, attracted a lower share than BBC One's *Reporting Scotland*, although at 24.3% it was still higher than the Channel 3 UK average (18.5%).

In the Border area BBC One's *Reporting Scotland* share decreased by 0.3pp compared to the 2014 24.6% share. *ITV News Lookaround* achieved 41.9%<sup>12</sup> share of TV viewing between 6pm to 6:30pm, higher than the Channel 3 UK average of 18.5% share for the same time period.

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<sup>12</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.

**Figure 2.10 BBC One and ITV/ STV/ UTV/ ITV Wales early evening news bulletin shares: 2015**



Source: BARB, individuals (4+). BBC One includes HD variant. ITV includes HD variant but excludes +1. Early evening ('local') news bulletin figures are based on the 'regional news' genre, start time range 5.55pm-6.35pm, 10mins+ duration, weekdays. UK figures are based on share to respective early evening news bulletin slot times. BBC One's early evening news bulletin is transmitted between 6.30pm-7pm and ITV/ STV/ UTV/ ITV Wales' is transmitted between 6pm-6.30pm.

Note: Border refers to the region as a whole including viewers in the two sub-regions of ITV Border Scotland and ITV Border England.

### Over six in ten adults in Scotland used TV as their main source of UK and world news in 2015

In Scotland, the use of TV for UK and world news was in line with the UK as a whole, at 64% of adults. The second most popular source for UK and world news were websites or apps.<sup>13</sup> Just over one in ten adults (11%) used newspapers as their main source of news in 2015; again, this was in line with the UK overall.

<sup>13</sup> These include websites or apps accessed using a computer, laptop, netbook or tablet or using a mobile phone.

**Figure 2.11 Respondents' main media source for UK and world news, by nation: 2015**



Source: Ofcom Media Tracker 2015.

Base: All (2,107); England (1,607); Scotland (180); Wales (164); Northern Ireland (156). Prompted, single code. Responses ≥ 3% labelled. Significance testing shows any difference in the main source of news between any nation and all adults in 2015

## 2.4 TV programming for viewers in Scotland

The following section outlines spend and hours of programming specifically 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*. For the purposes of the report, from 2014 onwards hours and spend data for ITV Border Scotland is attributed to Scotland, whereas hours and spend data for ITV Border England is attributed to England. Prior to 2014, all ITV Border data was attributed to England.

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.

### 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 on content; these usually include production costs for in-house productions and licensing costs for commissioned and acquired programmes.

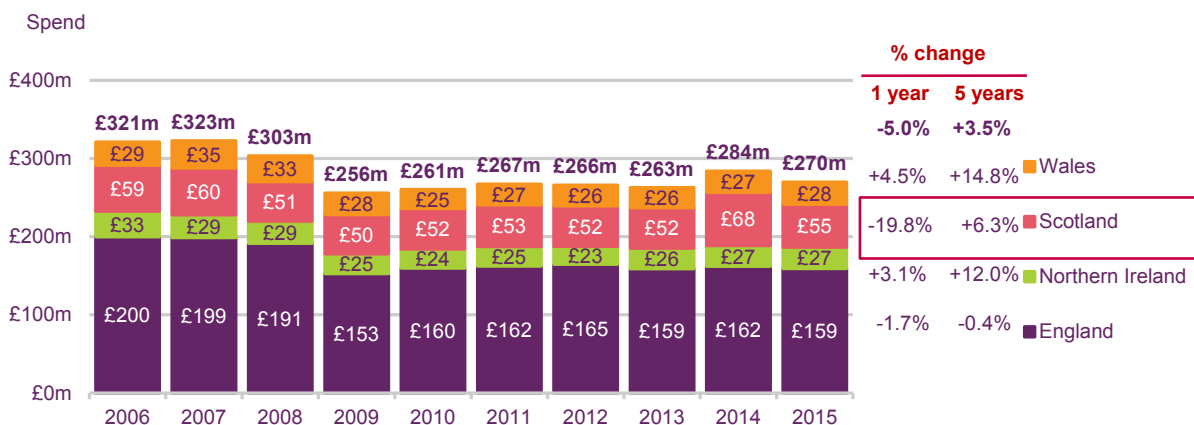
For comparative reasons it is important to note that two exceptional events took place in Scotland in 2014: the 2014 Commonwealth Games, held in Glasgow during July and August, and the Referendum on Scottish Independence in September. An increase in BBC programme investment in Scotland resulted in the production of a range of non-news programmes, which complemented the news and current affairs coverage of these events across the UK. STV's spending also increased in Scotland, but to a lesser degree.

**BBC, STV and ITV Border Scotland spend on first-run originated content for viewers in Scotland decreased by £14m in 2015 but remains greater than in 2010**

Since 2010, spend on first-run originated nations' and regions' output by the BBC and ITV/STV/UTV across the UK has risen by £9m, reaching £270m in 2015. This figure is down by £14m in nominal terms year on year.

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 to £68m. In the year to 2015 there was a nominal decrease of £14m, bringing levels of spending on first-run originated content more broadly in line with those seen before 2014.

**Figure 2.12 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. Spend on content broadcast in the Scottish part of the ITV Border region is included within England from 2006 to 2013, but in Scotland thereafter. These figures do not include spend on network content. For more information on BBC Alba please see Section 2.5.

**In 2015, total spend on nations' programming in Scotland, including acquisitions and repeats, increased by 6.3% compared to 2010**

Total BBC, STV and ITV Border Scotland spend on first-run originated output in Scotland increased by 6.3% in the five years to 2015. In 2010, spend was £52m, growing to £56m by 2015. Year on year, spend on programming commissioned for Scotland as a whole decreased by 19.8% in nominal terms, falling from an exceptional 2014 peak.

Total BBC, STV and ITV Border Scotland spend on current affairs programming for viewers in Scotland decreased by 19% in nominal terms in 2015. This fall can be attributed in part to the exceptional nature of 2014 and the increased spending seen due to the Referendum and the Commonwealth Games.

Spend on news increased by 1% on the year (a 16% increase since 2010) and spend on non-news/non-current affairs decreased by 28%, constituting a 4% decrease on 2010 spending. Again, this sharp year-on-year decrease in spending non-news/non-current affairs spending is probably attributable to the Commonwealth Games being held in 2014.

**Figure 2.13 Change in total spend on nations' and regions' output, by genre and nation: 2010-2015**

	UK		England		N. Ireland		Scotland		Wales	
	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)
<b>Current affairs</b>	-10%	-1%	-1%	-28%	11%	68%	-19%	34%	-7%	11%
<b>News</b>	0%	2%	-1%	-1%	4%	17%	1%	16%	-3%	0%
<b>Non-news/non-current affairs</b>	-14%	1%	0%	-25%	1%	-4%	-28%	-4%	14%	28%
<b>Total spend in 2015</b>	<b>£271m</b>		<b>£159m</b>		<b>£27m</b>		<b>£56m</b>		<b>£29m</b>	
	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
<b>Change in spend</b>	-5%	1%	-2%	-4%	3%	12%	-20%	6%	5%	15%

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 divided between England and Scotland in 2014-2015 and attributed to England only prior to 2014.

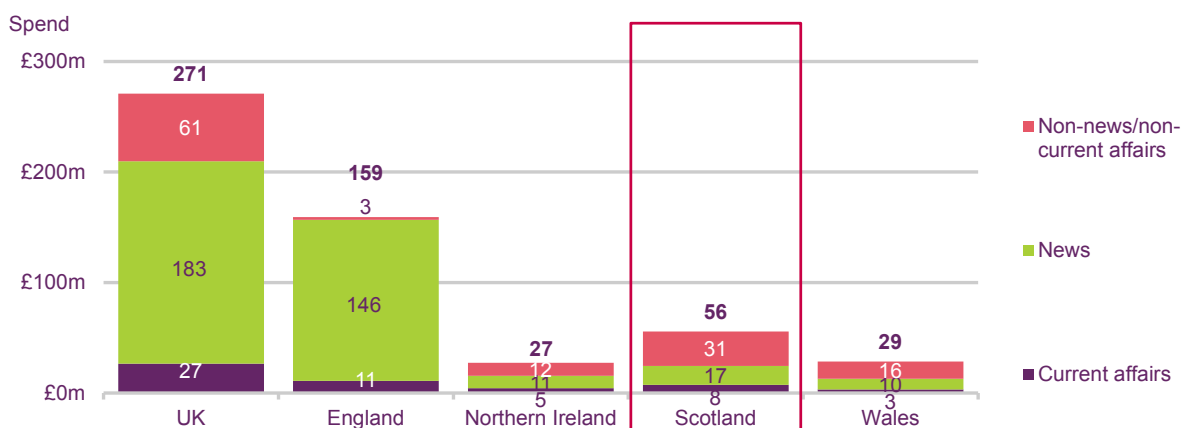
**Expenditure in Scotland on PSB programming fell by nearly a fifth in 2015, although was up by 6% versus 2010**

Most probably due to an exceptional 2014, expenditure on content broadcast by the BBC and STV for people in Scotland decreased in nominal terms, from £69m in 2014 to £56m in 2015.

Spend on non-news/ non-current affairs accounted for over half of spending in 2015, while current affairs had the smallest share of spend (14%).

In addition to this, the BBC spent £28m in delivering other content to S4C under the terms of the operating agreement, and contributed £5m to BBC Alba in Scotland. See Section 2.5 for more detail on BBC Alba.

**Figure 2.14 Total spend by the BBC/ ITV/ STV/ UTV on nations'/ regions' output for the main PSB channels (BBC One and Channel 3): 2015**



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. Scotland figures include programming for viewers of ITV Border in Scotland. This was 73 hours of current affairs in 2015. BBC includes BBC One and BBC Two channels.

### Total first-run originated hours for Scotland have increased more than in any other nation since 2010

The BBC and ITV/ STV/ UTV produced a total of 11,076 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2015. This figure was down by 123 hours compared to 2014. Over a five-year period, Scotland had the highest proportional increase in hours of first-run original content, up by 26% compared to England (0%), Northern Ireland (-7%) and Wales (-4%).

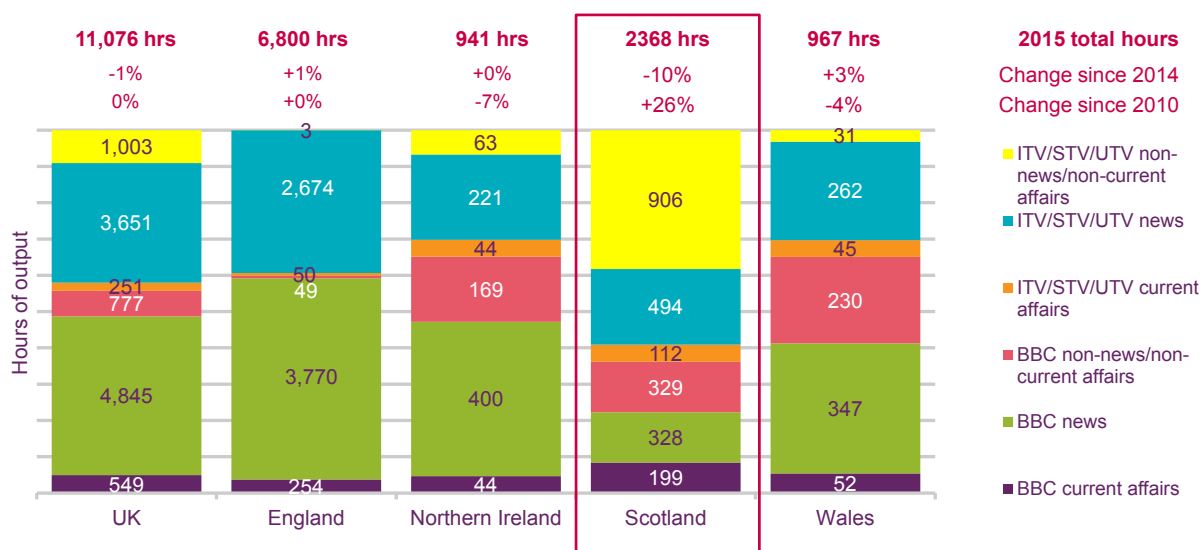
The number of first-run originated hours produced specifically for viewers in Scotland decreased by 277 hours in 2015. This is mostly likely to be due to the high relative increase in 2014 due to Commonwealth Games and Referendum programming.

The greatest year-on-year decrease in Scotland during 2015 was in ITV/STV non-news/non-current affairs programming, falling from 1,161 hours in 2014 to 906 hours in 2015. This was driven by a decrease in hours from STV's *Nightshift*, which ran for seven months in 2015 rather than the full year as in 2014.

For comparative purposes, Figure 2.15 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 Figure 2.18.

Since 2014, the hours and spend of ITV Border Scotland have been partly attributed to Scotland, which will contribute somewhat to an increase in the number of hours of first-run originated content.

**Figure 2.15 Hours of first-run originated nations'/regions' output, by genre and broadcaster: 2015**



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. Scotland figures include programming for viewers of ITV Border in Scotland. This was 73 hours of current affairs in 2015.

**Total cost per hour on total nations' output for Scotland has increased by 1% in nominal terms since 2010**

When analysing the cost of making programmes for the nations, cost-per-hour calculations show that, when measured in nominal terms, Scotland's cost per hour on total nations' output increased slightly between 2010 and 2015, remaining at approximately £20k per hour.

Over a five-year period, Scotland's cost per hour increased by 1%, lower than the total UK's increase of 5% and slightly lower than England's increase of 2% between 2010 and 2015.

In the year to 2015, Scotland's per-hour spend on nations' output fell by 11% (from £23k) compared with an average UK year-on-year decrease of 3%.



**Figure 2.16 Cost per hour of total nations and regions output, by nation: 2010-2015**



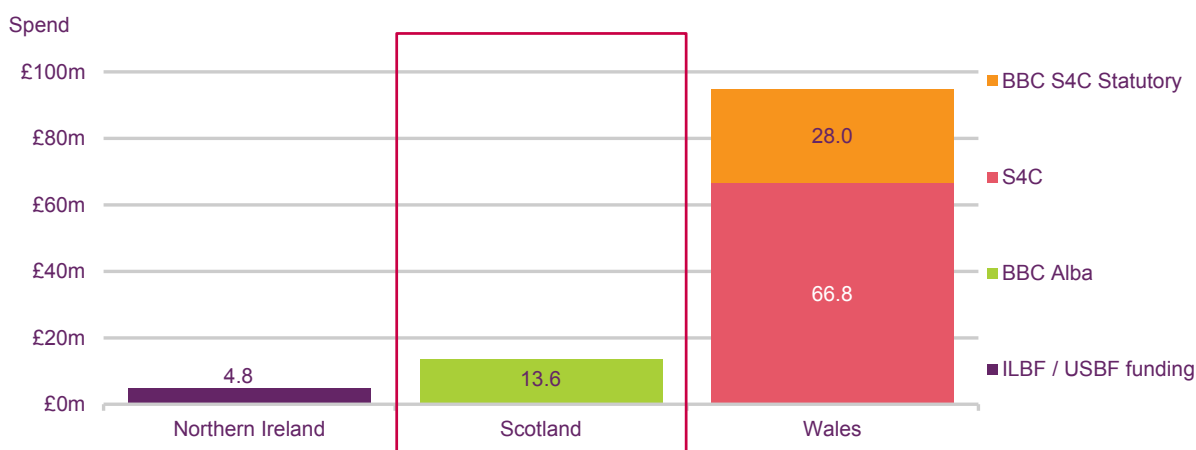
Source: Broadcasters. All figures are nominal.

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. Scotland figures include programming for viewers of ITV Border in Scotland. This was 73 hours of current affairs in 2015.

## 2.5 Gaelic-language programming

Figure 2.17 shows other spend in the devolved nations. BBC Alba spent £13.6m on all programming, including sports rights, in 2015. The channel is jointly funded by the BBC and MG Alba.

**Figure 2.17 Other spend on other programming in the devolved nations: 2015**



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. S4C figures cover the 2015/2016 financial year, BBC Alba and ILBF / USBF figures cover the 2015 calendar year

### BBC Alba

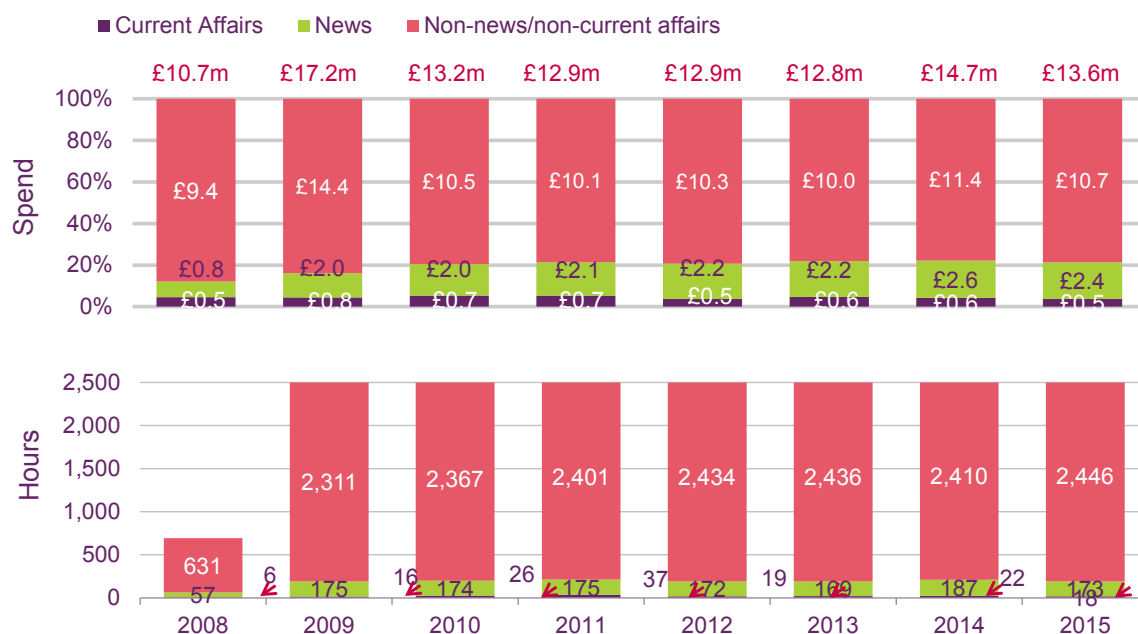
BBC Alba is the Gaelic-language service backed by the BBC and MG Alba, which launched in September 2008.

Figure 2.18 shows that £13.6m was spent on total programming output for BBC Alba in 2015.

Nominal spend on non-news programming fell by 6%, spend on news decreased by 8%, and current affairs spending fell by 19% year on year. BBC Alba spend overall decreased by 7% in nominal terms.

In 2015 BBC Alba broadcast 2,637 hours in total, eighteen hours more than in 2014. Of this, the vast majority was non-news/non-current affairs.

**Figure 2.18 BBC Alba total spend: 2008-2015**



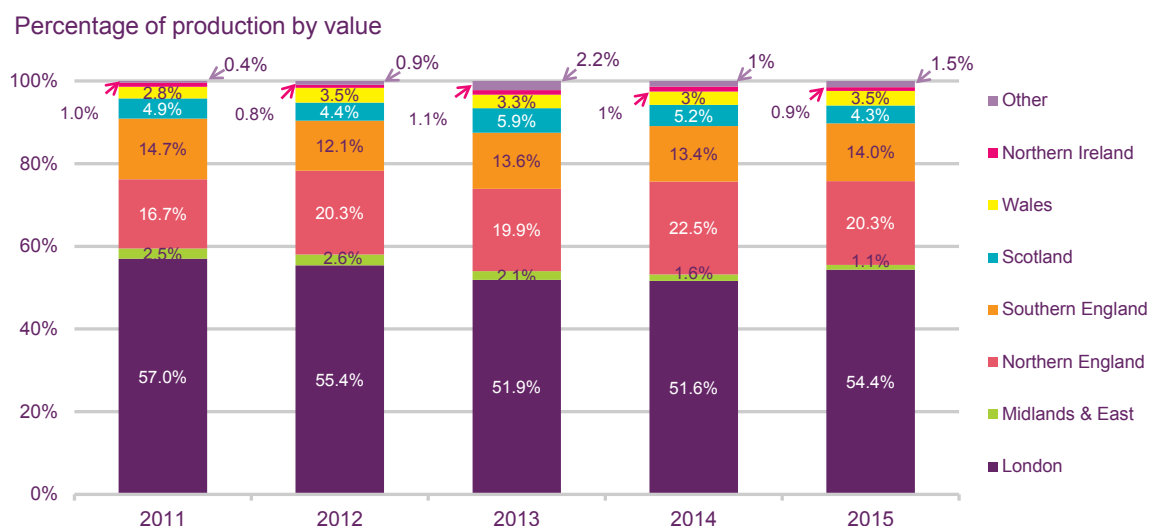
Source: BBC, total hours and spend. All figures are nominal.

## 2.6 Network television productions made in Scotland

Figure 2.19 and Figure 2.20 below illustrate the proportion of qualifying first run PSB commissions that were produced in the nations and regions over the last five years, in terms of expenditure and volume respectively.

In 2015 4.3% of network broadcast spend on original first run productions was directed toward Scotland in return for 7.2% of all originated hours. This indicates that the average cost per hour of production was less than the UK average. Cost per hour can vary depending on the type of programme being produced, so any comparisons across the nations and regions should be treated with caution.

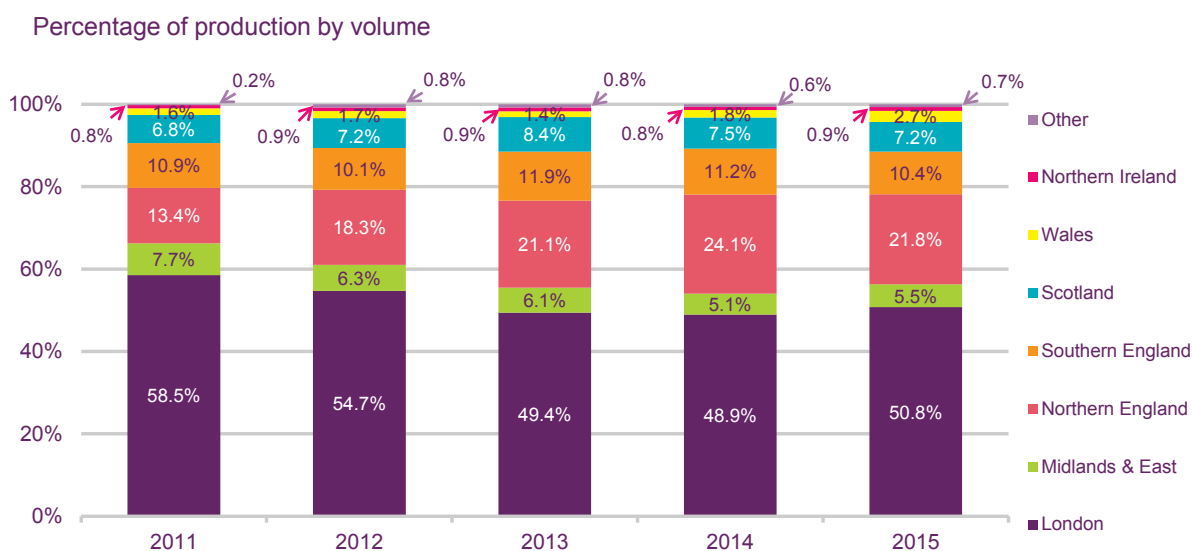
**Figure 2.19 Expenditure on originated network productions: 2011-2015**



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 that qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25, but not all in one macro-region, and therefore cannot be attributed to a single region. See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on Ofcom website for further details.

**Figure 2.20 Volume of originated network productions: 2011-2015**



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 that qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25 but not all in one macro-region, and therefore cannot be attributed to a single region. See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on Ofcom website for further details.