



# The Communications Market in Northern Ireland

## **2 TV and audio-visual content**

## 2.1 TV and audio-visual content

### 2.1.1 Recent developments in Northern Ireland

#### **BBC Northern Ireland**

As part of the BBC's overall efficiency programme, BBC Northern Ireland announced proposals for a major programme of savings and investments in October 2009. The proposals included the reshaping of its in-house production capacity; a refocusing of priorities in drama to enable more productions to be made in Northern Ireland; and a drive to move some newsgathering out of Belfast in order to deliver more news for local communities. Also in 2009, BBC Northern Ireland celebrated 70 years at Broadcasting House in Belfast. To mark the anniversary BBC Northern Ireland held a season of events and activities.

#### **UTV**

In 2009 UTV celebrated 50 years of television broadcasting to Northern Ireland. In the years since 1959, UTV has expanded its interests to include radio and new media and, in partnership with NWN Media, was the preferred bidder for the Independently Funded News Consortium (IFNC) pilot for Wales.<sup>8</sup>

#### **Northern Ireland Affairs Select Committee**

The Northern Ireland Affairs Select Committee published a report in January 2010 entitled *Television Broadcasting in Northern Ireland*<sup>9</sup>. In compiling the report members of the Committee, chaired by Sir Patrick Cormack MP, heard evidence from, among others, BBC Northern Ireland, UTV, Channel 4, Northern Ireland Screen, the NUJ, the independent production sector and Ofcom. It also received written evidence from a range of interested parties.

The report stated that “the evidence we received demonstrates that Northern Ireland is the least well served of the UK's four nations in terms of network production that reflects and portrays its life and the amount of network programming produced there. Among the three nations with devolved administrations, it also fares worst in terms of the provision of minority language broadcasting”.

A series of recommendations was contained in the report, including “that the Government seeks to engage with broadcasters and producers so as to more accurately reflect life as it is in Northern Ireland in a way that is understandable throughout the rest of the UK. We recommend that the Government encourages the BBC and Channel 4 to use programmes made within the province for UK-wide broadcasting to address the lack of portrayal and to help ensure the people throughout the rest of the UK have a clearer perception of Northern Ireland – its people, its geography and wildlife, history and culture; and of its history and culture in times before ‘the troubles’”.

---

<sup>8</sup> Pilots for Independently Funded News Consortia were first proposed in the government's Digital Britain report in June 2009. Applications were invited for Scotland, Wales and the Tyne Tees/Border areas. Since UTV had indicated its intention to continue providing news for Northern Ireland it was not considered that an IFNC pilot was necessary here.

<sup>9</sup> <http://www.parliament.the-stationery-office.co.uk/pa/cm200910/cmselect/cmniaf/237/237.pdf>

## Network production in Northern Ireland

In the 2009/10 BBC Northern Ireland Annual Review, published in July 2010, the BBC Audience Council said that audiences now expect a more up-to-date portrayal of Northern Ireland on the BBC's UK-wide services, leaving behind an apparent preoccupation with political and security issues. The Council also said the BBC needed to do more to reflect the integral role which individuals from diverse groups play within wider society, noting that "too often people feel they are defined by a single fact of their identity."

The BBC has publicly committed to commission a total of 17% of its production from the nations, including Northern Ireland, by 2016. Network productions made in Northern Ireland in 2009/10 included *Five Minutes of Heaven* (which won Best Director and Best Screenplay at the 2009 Sundance Film Festival); *Occupation* (which won Best Serial at the Prix Europa); and *Small Island* – an adaptation of the Andrea Levy book.

In December 2009, two Northern Ireland-based independent production companies – Wild Rover and Green Inc – won commissions to produce network entertainment programmes for the BBC. These included *Secret Fortune*, a lottery show format for BBC One, and *The Many Faces of...June Whitfield* for BBC Two.

Channel 4 is the only other PSB broadcaster to have specific quotas for production in the nations of the UK, including Northern Ireland; currently 35% of the channel's programming must be made outside London, of which a combined total of 3% must come from Scotland, Wales and Northern Ireland. Channel 4 programmes made in Northern Ireland in 2009/2010 included *Mo* – a TV drama about former Northern Ireland Secretary of State, Mo Mowlam.

## Other independent production in Northern Ireland

Independent television producers based in Northern Ireland continue to have success in winning commissions for television programmes broadcast outside the UK, and in recent years Northern Ireland has also enjoyed success as a location for international television and film productions; see the case study below.

*Seacht*, an Irish-language drama series set in Belfast, which was jointly commissioned by the Irish Language Broadcast Fund, BBC Northern Ireland and TG4, and produced by Northern Ireland independent production company, Stirling Film and Television Productions. It won the Award for Productions for Young People at the 2010 Celtic Media Festival.

## Cross-border television

A Memorandum of Understanding (MoU) regarding digital switchover and the provision of digital television services in Northern Ireland and the Republic of Ireland was signed in February 2010 by the governments of the United Kingdom and Ireland.

The MoU committed both governments to co-operate to ensure "a smooth transition to digital terrestrial television and the switch-off of analogue services on the island of Ireland...the widespread availability on DTT (Digital Terrestrial Television) of TG4 in Northern Ireland...the widespread availability on the DTT platforms of BBC services in Ireland and of RTE services in Northern Ireland".<sup>10</sup>

---

<sup>10</sup> [http://www.culture.gov.uk/images/publications/UK-NI-ROI\\_MOU\\_Feb\\_2010.pdf](http://www.culture.gov.uk/images/publications/UK-NI-ROI_MOU_Feb_2010.pdf)

## Local television

The Government is currently working on policy options to help create a regulatory environment which will support a strong, independent and vibrant local media sector. It has set out its vision for a network of local television services across the UK and has asked Nicholas Shott, the Head of UK Investment Banking at Lazard, to carry out an independent assessment of the commercial potential of local television in the UK. The findings of that review will help produce a local media action plan, due to be published in the autumn. In addition, the Government has cancelled the previous plans for pilots of the proposed Independently Funded News Consortia (IFNCs)<sup>11</sup>.

There are two restricted television service licence services (RTSLs) in Northern Ireland – NvTv, broadcasting in analogue terrestrial to the Belfast area, and Channel 9, with three licences covering Derry/Londonderry, Coleraine and Limavady. The Channel 9 licences were transferred from their previous owners, North West Television Services Ltd, to UC Business in November 2008, but the station has yet to re-launch.

In March 2010, current holders of RTSLs in the UK were advised of Ofcom's agreement in principle to extend their existing licence periods to 31 December 2013, in order to allow them to begin digital transmissions, subject to spectrum availability, once digital switchover had been achieved in their broadcast areas. In the case of Northern Ireland digital switchover will be in 2012.

## Irish- language broadcasting

Irish-language broadcasting is currently supported by the Irish Language Broadcast Fund. The fund supports the production of around 75 hours of television in the Irish language each year, broadcast primarily on BBC Northern Ireland and the Irish language channel, TG4 – based (and regulated) in the Republic of Ireland but available in Northern Ireland on satellite, cable and via analogue services in Belfast and spill-over signal from the Republic of Ireland.

## TV and film production in Northern Ireland

Northern Ireland is developing a growing reputation for television and film production. While some of this has been for UK network production, primarily via BBC Northern Ireland, the independent production sector has also won major commissions from much further afield.

Northern Ireland Screen has played a pivotal role in attracting production to Northern Ireland. The organisation, funded jointly by Invest Northern Ireland and the European Regional Development Fund, can provide production funding of up to £800,000 per project (larger in certain cases) and productions made in Northern Ireland can also benefit from the UK's film tax relief arrangements – both of these incentives contribute to Northern Ireland's global competitiveness.

One element of the success has been the re-purposing of the Paint Hall building in Belfast's regenerated Titanic Quarter as a 64,000 square foot film studio. Once the home of a thriving shipbuilding industry, most famous for building the ill-fated Titanic, the Titanic Quarter is now at the forefront of Northern Ireland's aspiration to become a world-class destination for content production.

<sup>11</sup> [http://www.culture.gov.uk/news/ministers\\_speeches/7132.aspx](http://www.culture.gov.uk/news/ministers_speeches/7132.aspx)

In recent years the Paint Hall has served as the location for international film productions such as *Your Highness* (Universal Pictures) and *City of Ember* (Walden Media/Playtone Productions) and television productions including the BBC's *Small Island*, *Occupation* and *Best: His Mother's Son*.

Most recently the American cable channel HBO used the studio to shoot a pilot episode of the fantasy adventure, *Game of Thrones*. The series has now been commissioned for a further nine episodes, to be shot both at the Paint Hall and at other locations around Northern Ireland. The series is set to be one of the largest television productions ever filmed in Europe and it is estimated that it will generate £20m for the local economy.

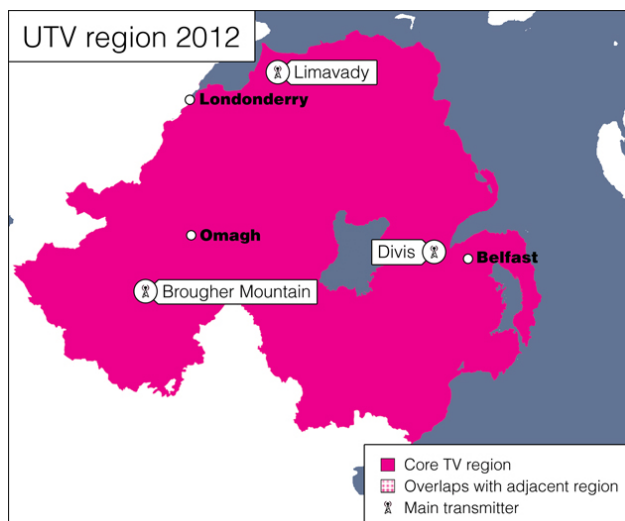
Elsewhere in Northern Ireland locations as diverse as Belfast's Crumlin Road Gaol and Cave Hill Country Park, Larne's Magheramorne Quarry and the seaside towns of Ardglass, Bangor, and Portaferry have played host to film productions including *Closing The Ring*, *Cherrybomb*, *Breakfast on Pluto*, the award-winning *Hunger* and television productions such as Channel 4's *Mo* and the BBC's *Messiah V* and *Five Minutes of Heaven*.

Northern Ireland independent production companies have also been enjoying success in the television production market outside the UK. Companies including Doubleband, Green Inc, Waddell Media and Wild Rover have won commissions from RTÉ, TG4 and TV3 in the Republic of Ireland and the Arts and Entertainment Network, National Geographic Channel and the Discovery Channel in the USA.

### 2.1.2 Digital switchover in Northern Ireland

Northern Ireland will switch to digital TV in 2012, bringing the UK switchover programme to a close after all three main transmitter groups in the region switch to digital-only broadcasting. Detailed switchover dates will be announced later in the programme.

Figure 2.1 Northern Ireland switchover transmitter map



Source: Digital UK

At the end of May 2010, over half a million homes in Northern Ireland already had access to digital TV on at least one TV set in their home, with 84% of main sets converted. Sixty-six per cent of homes can currently receive the low-powered digital terrestrial (Freeview) signal broadcast from the three main transmitter sites at Brougher Mountain, Limavady and Divis. At switchover, Freeview coverage at all three main transmitters will be boosted and the signal extended to all associated relay transmitter sites. Freeview coverage of the

public service channels will become universal (98% coverage) and 79% of homes will be able to receive the full channel line-up of public service and commercial TV channels.

**Figure 2.2 Transmitter groups to switch in Northern Ireland**

Northern Ireland main transmitter groups	Number of relay transmitters	Number of households served	Switchover year
Brougher Mountain	4	37,000	2012
Limavady	13	104,000	2012
Divis	26	508,000	2012

Source: Digital UK Programme office

### Consumer readiness in Northern Ireland

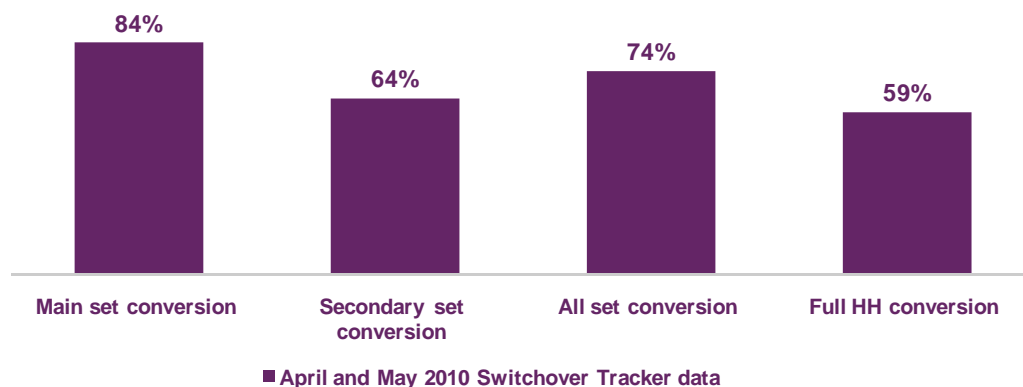
Digital UK, the organisation managing the UK switchover programme, started monthly tracking of awareness and understanding of switchover in Northern Ireland in April 2010. First results indicate that even before any campaign activity 87% of homes are aware that switchover is happening, and almost half of the population (46%) know that their region switches in 2012. Awareness of the switchover year in Northern Ireland is significantly higher than average date awareness in the other remaining switchover regions (35%), even in those switching in 2011.

People's understanding that they will have to upgrade their TV sets to get a digital Freeview, cable or satellite service is less widespread in Northern Ireland than elsewhere in the UK. Understanding of what to do stood at 59% in Northern Ireland in April and May, compared to an average of 67% in other un-switched regions.

However, with the switchover programme already well under way across the UK, people in Northern Ireland feel as positive about the process as those in other parts of the country. During April and May 2010, 95% of residents felt comfortable with switchover, slightly above the average 90% level across the remaining switchover regions.

Digital TV take-up is slightly lower in Northern Ireland, with 84% of homes receiving digital TV on their main set and 59% of homes fully converted to digital. As this region is the last to switch on the switchover timetable, conversion results look on track for the 2012 switchover.

**Figure 2.3 Digital TV take-up in Northern Ireland, May 2010**



Q Which, if any, of these types of television does your household receive at the moment?  
Source: Digital UK Switchover Tracker April and May 2010 n=223 homes

Digital UK will start its information campaign to help people get ready for digital switchover at least six months before switchover starts in Northern Ireland. Awareness, understanding and TV conversion rates are expected to rise after the campaign starts.

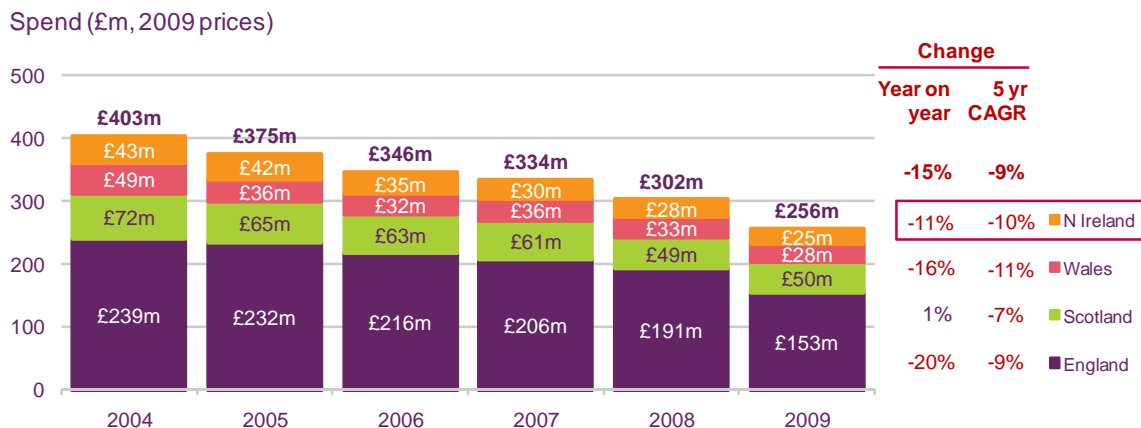
### **2.1.3 Spending by public service broadcasters (PSBs) on TV content for viewers in Northern Ireland**

#### **PSB spend on TV programmes for viewers in Northern Ireland**

A total of £256m was spent by the BBC and ITV/STV/UTV on producing programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2009, down 15% (£46m) on 2008.

The BBC and UTV spent a combined total of £25m on TV programmes specially made for viewers in Northern Ireland, down 11% year on year from £28m. Spend on programmes for Northern Ireland represented 10% of total spending on nations and regions programming, up from 9% in 2008.

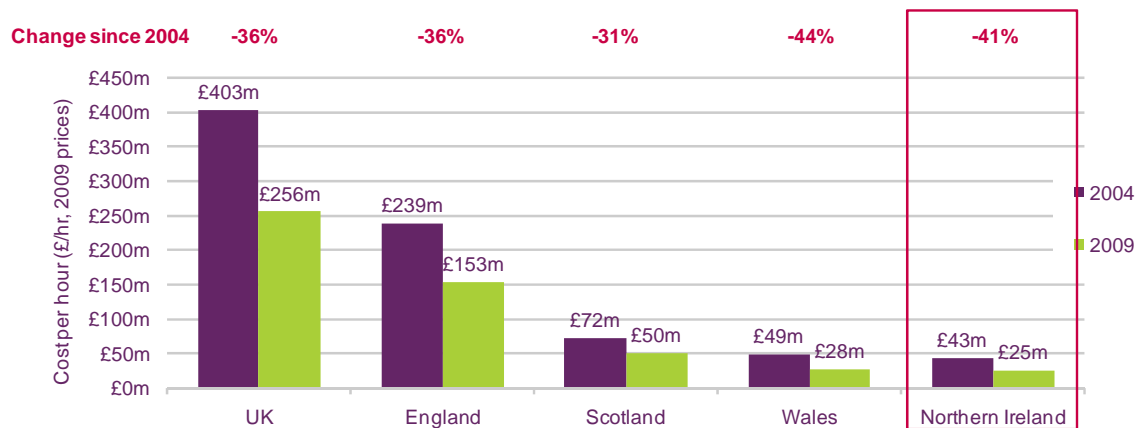
**Figure 2.4 Spend on originated nations and regions output by the BBC, ITV1/STV/UTV, 2009**



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh-language programming but includes some spend on Iris-language programming by the BBC.

Over a five-year period, investment in English-language programmes for viewers in Northern Ireland is down 10% per year since 2004 (41% over the period), a slightly larger decrease than the UK average decline of 9% per year (36% over the period).

**Figure 2.5 Spend on originated nations and regions output by the nation, 2004 and 2009**



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

By genre, the steepest proportional decline in spending in Northern Ireland was seen in non-news/non-current affairs, down by 25% (£4.1m) in 2009 to £12.5m. Investment in both news and current affairs programming in Northern Ireland increased during the year, up by 7% and 18% respectively to £9.9m and £2.9m.

The UK-wide average investment in news fell by 13% (£24m) to £171m, while that for non-news/non-current affairs programming experienced a 25% (£20m) reduction across

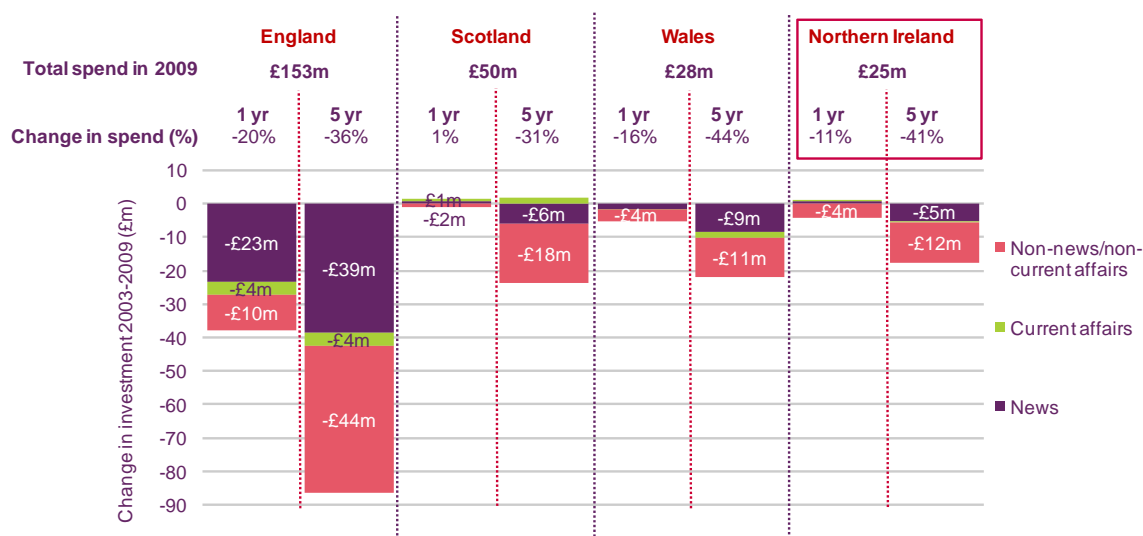


all four nations to £61m. Spend on current affairs programming across all of the nations was down by 15% (£4m) year on year to £23m.

Since 2004, total expenditure by the BBC and UTV on TV programmes for viewers in Northern Ireland has fallen by 41% in real terms, from £43m in 2004 to £25m in 2009 (this spend includes a small amount of Irish language output from the BBC but the majority is English-language programming).

Proportionally, this is among the biggest declines in spending experienced by the four nations, behind only Wales, which saw a 44% decline between 2004 and 2009 as broadcasters reined in their spend. The bulk of the reduction in spending over the five years, £12m, was in programmes that fall outside the news or current affairs categories. Spend on news programmes fell by £5m between 2004 and 2009.

**Figure 2.6 Change in investment, by genre and nation, 2004 – 2009**



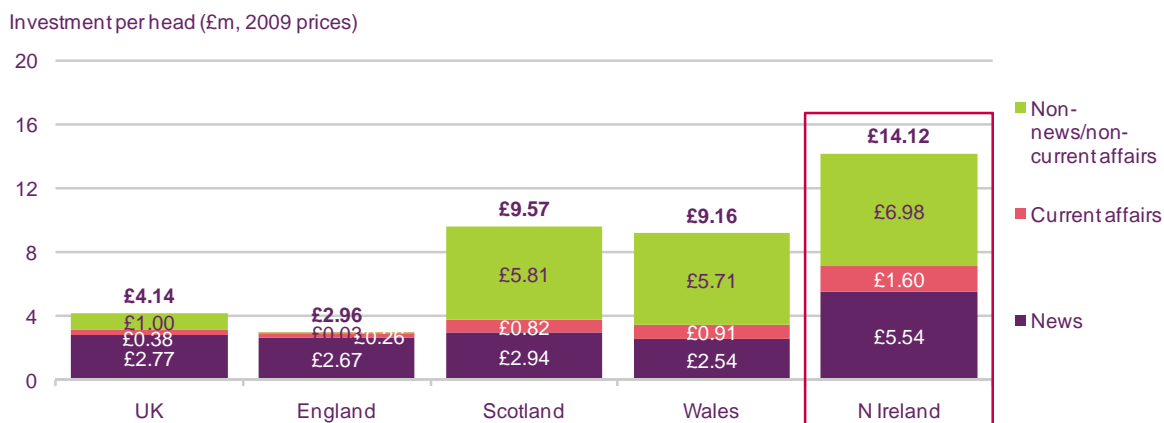
Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

Expenditure per head of population is highest in Northern Ireland at £14.12 (£16.05 in 2008) compared to the UK average of £4.14, and reflecting the fact that Northern Ireland has the smallest population of all the nations of the UK.

News programming accounted for 39% (£5.54) of spend per head in Northern Ireland in 2009, while current affairs accounted for 11% (or £1.60 per head). Other programming, which includes non-news and non-current affairs programmes made for the nation, accounted for nearly half of the spend per head (49% or £6.98).

Investment on TV programmes per head in Wales was £9.16, slightly lower than Scotland (£9.57/head). Spend per head in the English regions was much lower, at £2.96, due to the larger population of England compared to that of Scotland, Wales and Northern Ireland and fewer hours produced in the nations, while the UK average was £4.14. These figures exclude spend on programmes produced in local languages within the nations, apart from a small amount of Irish-language programming in Northern Ireland.

**Figure 2.7 Investments per head made by the BBC and ITV1 in regional and national output, 2009**



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish-language programming by the BBC.

## 2.1.4 Hours of output of content for viewers in the nations

### Hours of programmes for viewers in Northern Ireland down in 2009

The BBC and ITV1/STV/UTV produced a total of 10,439 hours of programmes for the English regions, Scotland, Wales and Northern Ireland in 2009, down 12.4% (1,593 hours) compared to 2008 and down a fifth over a five-year period.

As part of its *Second Public Service Broadcasting Review: Putting Viewers First*, Ofcom reduced some of the quotas around the production of regional programming for the Channel 3 licences<sup>12</sup> from the beginning of 2009. This was to balance the cost of programme obligations to ITV, with the benefits to the broadcaster of continuing to hold the licences and maintain PSB delivery. Otherwise it might have been in ITV's interest to relinquish the licences, in which case all guarantees of any PSB delivery would be lost. For UTV, which was in a stronger commercial position, the quota on programmes other than news was revised upwards to a minimum of two hours per week.

The number of hours produced specifically for viewers in Northern Ireland stood at 969, the lowest number of hours produced for any of the nations. Northern Ireland saw the sharpest decline in hours of output produced in 2009, down by 15.1% year on year. This compared to a UK-wide average decline of 12.4%.

However, since 2004, hours of regionalised output produced specifically for Northern Ireland declined by just 17.3%, among the smallest decline of all the nations over the five-year period (behind Scotland, which saw a 15.6% decline over the same period). The UK average decline in hours of regionalised programming was 19.5% between 2004 and 2009.

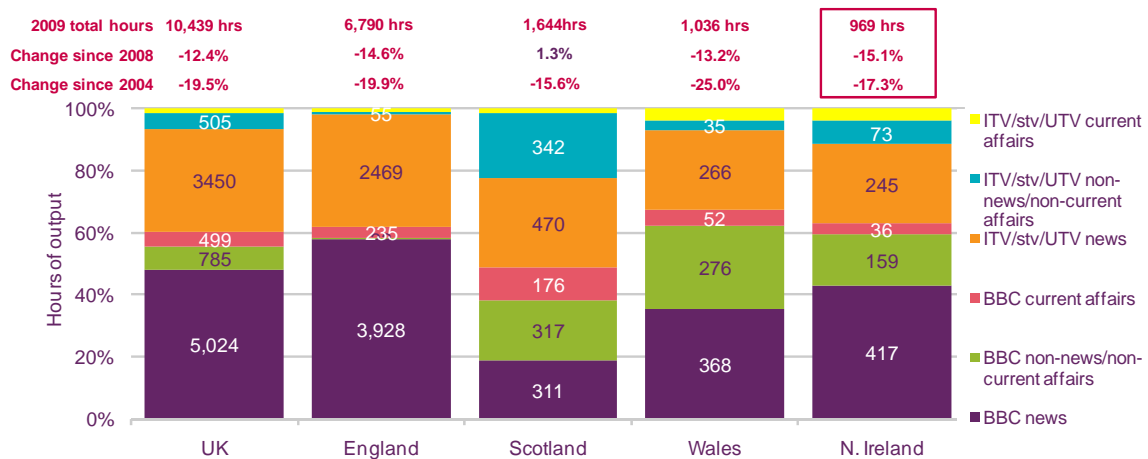
The largest single component of the reduction in hours for Northern Ireland in 2009 was attributable to non-news/non-current affairs produced by the BBC and UTV, which was down by a combined 137 hours (37%) to 232 hours. The number of hours of current

<sup>12</sup> For more information, read the statement on short-term regulatory decisions: [http://www.ofcom.org.uk/consult/condocs/psb2\\_phase2/shortterm/](http://www.ofcom.org.uk/consult/condocs/psb2_phase2/shortterm/)

affairs programming increased by nine hours to 75 hours in 2009. News hours fell by 45 hours to 662. This was attributed to UTV decreasing the number of hours of news it produced by 20%, to 245 hours in 2009.

Programming produced by the BBC for viewers in Northern Ireland accounted for 63% of all hours, while UTV accounted for the remaining 37%.

**Figure 2.8 Hours of regionalised output, by genre and broadcaster, 2009**



Source: PSB returns. Note: Hours data for first-run originations only. Hours excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC.

When analysing the cost of making programmes for the nations, cost per hour calculations show that all of the nations produced programmes more cheaply (or cost effectively) in 2009 than they did in 2004. The UK average cost per hour in 2009 was £25,000, down £6,000 (or 28%) compared to 2004.

The average cost per hour of producing content for Northern Ireland stood at £26,000 per hour in 2009, down 41% from £37,000 per hour in 2004. This represents the sharpest decline in cost per hour of all the nations during the five-year period. Scotland had the highest cost per hour of any nation in 2009, at £30,000, £5,000 higher than the UK average.

In terms of genres, across the UK, the cost per hour of producing regional news reduced the most in the five-year period, down by 19% to £20,000 per hour. The cost per hour for current affairs across the UK was down 15% to £35,000. Non-news and non-current affairs programmes made for the nations cost on average £48,000, a 0.4% reduction on 2004.

**Figure 2.9 The cost of output for the nations, by genre, 2009**



Source: Broadcasters, all figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC.

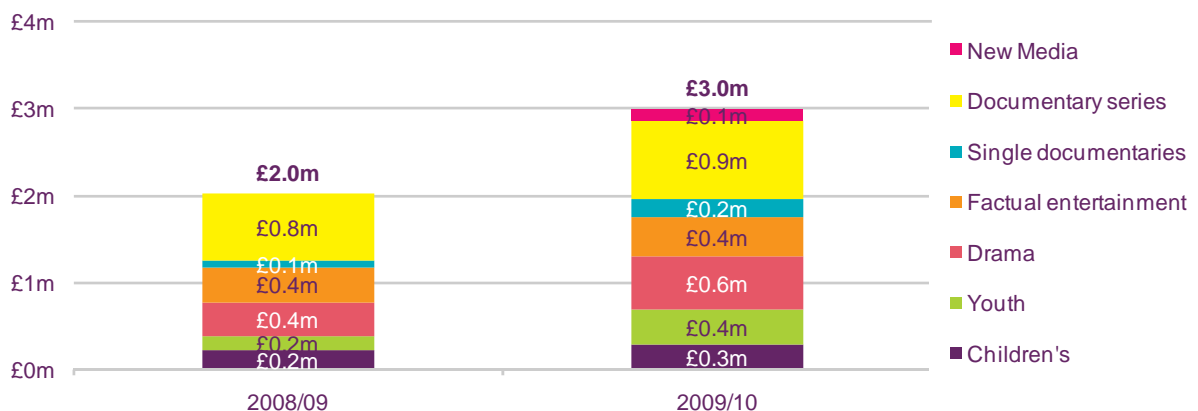
### Non-network production in the nations and English regions

In addition to English-language programming, viewers in Northern Ireland can also watch Irish-language programming, which is funded by the BBC and the Irish Language Broadcast Fund (ILBF) on TG4, the Irish language channel based in Galway in the Republic of Ireland. In Belfast, the local TV service, NvTv, also broadcasts some programmes in Irish.

In 2009/10, spend by the ILBF reached £3.0m, up from £2.0m in 2008/09, as investment in all genres increased year on year. The largest component of spending in 2009/10 was documentary series, at £0.9m, up from £0.8m a year earlier. Investment in single documentaries reached £0.2m, while spend on youth programming more than doubled to £0.4m

The £3m investment by the ILBF represented a return to spending levels in 2007/08. Separately, funding of £5m over five years has also been announced for Ulster-Scots programming.

**Figure 2.10 Spend by the ILBF on Irish language programming**



Source: ILBF

## 2.1.5 PSB television quota compliance

### Programme production in the nations and English regions

Production quotas for programmes produced outside London set minimum percentages for the four main PSBs (BBC, ITV, Channel 4 and Five) which must broadcast programmes produced in the nations and English regions. The out-of-London production quotas have two elements – one relating to the value, which applies to the amount of *money spent* on programmes produced in the nations and regions, and the second relating to the *volume of hours* broadcast.

To qualify against the quota, programmes must comply with Ofcom's regional production definition, which became the industry standard in 2006 and establishes three criteria:

- having a substantive base in the relevant nation or regional area;
- achieving a minimum level of expenditure in the nation or region; and
- achieving a minimum spend on production talent based in the nation or region.

Programmes must meet at least two of these three criteria.

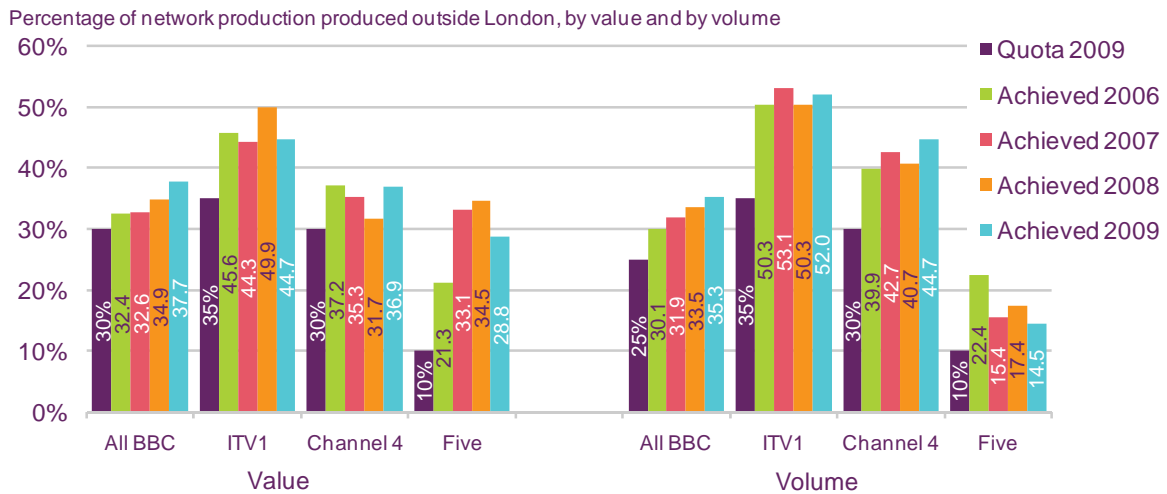
Figure 2.11 shows the broadcasters' achievements against the quotas over the last four years. The BBC's quotas are set at 30% by value and 25% by volume and apply across all of its PSB channels. The BBC has exceeded these quotas each year since 2006, steadily increasing the proportions year on year and achieving 37.7% by value and 35.3% by volume in 2009. The BBC plans to further increase its production and commissioning of programmes from outside London, and the relocation of key departments, such as Breakfast and Children's, from London to Salford Quays, Manchester, will contribute to the commitment to achieve 50% by 2016. Within this figure there is a further commitment to achieve 17% from the devolved nations.

Ofcom's Second PSB Review recognised the need to align PSB requirements on ITV1 with the diminishing value to ITV of holding the licences. As a result, the quota level for ITV was reduced from 50% by value and volume to 35% with effect from 2009. The levels achieved in 2009 were 44.7% in terms of value and 52% by volume, which remain higher than the amounts achieved by the other three main PSB broadcasters.

In 2009, Channel 4 achieved 36.9% by value and 44.7% by volume, exceeding the existing quota of 30% as well as its new quota of 35%, which came into effect at the beginning of 2010. Alongside the 2010 quota revision is the introduction of a minimum devolved nations quota of 3% of programmes by spend and volume which must be produced outside England. Subject to resources, it is expected that this figure will grow in future years.

Five has a lower quota commitment, at 10%, but has exceeded its obligations by large margins in recent years, reaching 28.8% by value and 14.5% by volume in 2009. These figures are lower than the levels achieved in previous years and are based on lower first-run originations expenditure figures than the other broadcasters.

**Figure 2.11 Performance against the out-of-London production quotas**

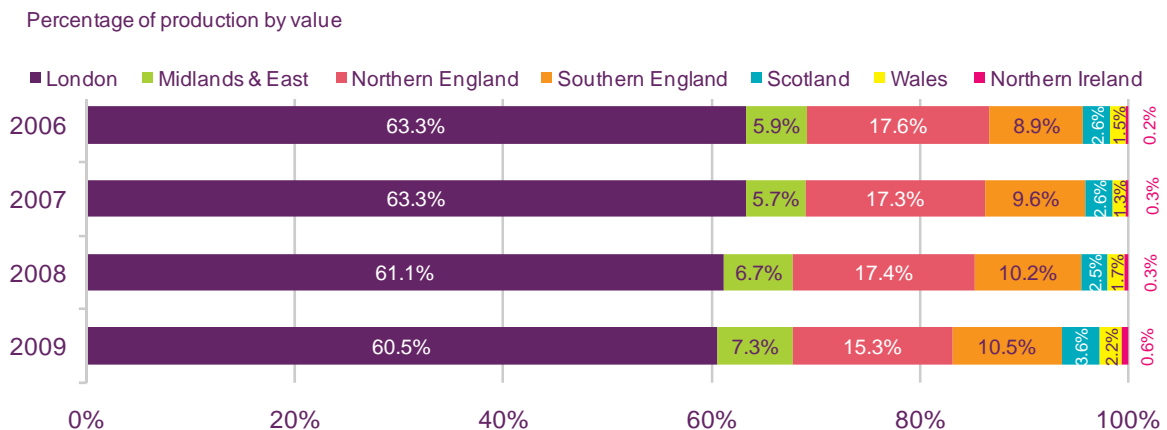


Source: Ofcom/broadcasters

The proportion of spend on network original programme productions in the UK, by the four PSBs collectively, is given in Figure 2.12. The chart shows how the expenditure was divided up among the UK's nations and, within England, among 'macro-regions'. The majority of programmes continue to be produced in London but this proportion is gradually falling – down from 63.3% in 2006 to 60.5% in 2009. Of the overall UK spend of £1,800m, a total of £1,089m was spent on programmes made in London and 33% of expenditure, or £596m, was in the English regions.

The total for the devolved nations has increased by 38% since 2006, rising from £83m to £115m in 2009, or 6.4% of all UK expenditure on originated programmes. The proportion of overall spend in Northern Ireland remained low – at 0.2% in 2009, down from 0.3% in 2008.

**Figure 2.12 Expenditure on out-of-London production**

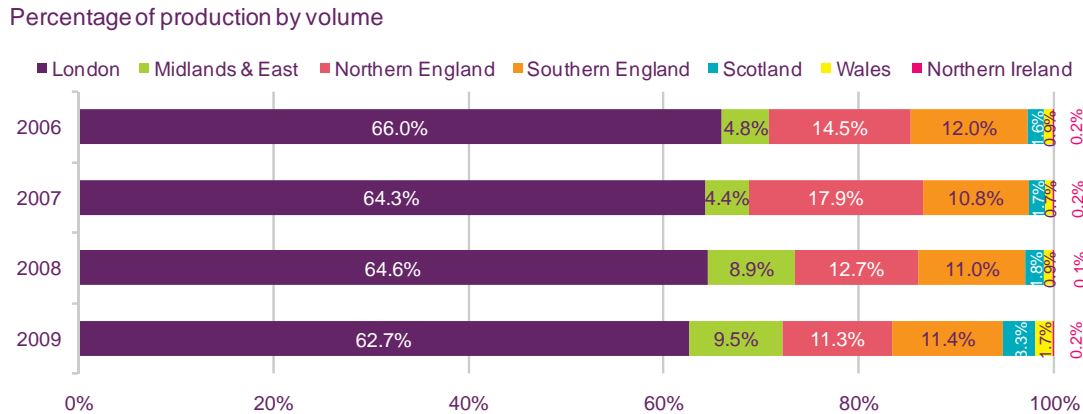


Source: Ofcom/Broadcasters

The proportion of hours of programmes produced outside the M25 has also increased; from 34% in 2006 to 37.3% in 2009. Of the total of 14,700 hours of first-run UK-originated network programmes broadcast by the four main PSBs in 2009, around 5,400 hours were made in the nations and English regions. The volume of productions made in England stood at 4,700 hours, with 750 hours in Scotland, Wales and Northern Ireland. The share of hours produced in the devolved nations increased to just over 5% in 2009, up from

2.7% in 2006. The number of hours produced in Scotland, and its share of total volume, rose from 1.8% in 2008 to 3.3% in 2009, and in Wales the proportion increased to 1.7% from 0.9% the previous year. In Northern Ireland there was a small rise in share to 0.2% from 0.1% in 2008 (Figure 2.13).

**Figure 2.13 Volume of out-of-London production**



Source: Ofcom/broadcasters

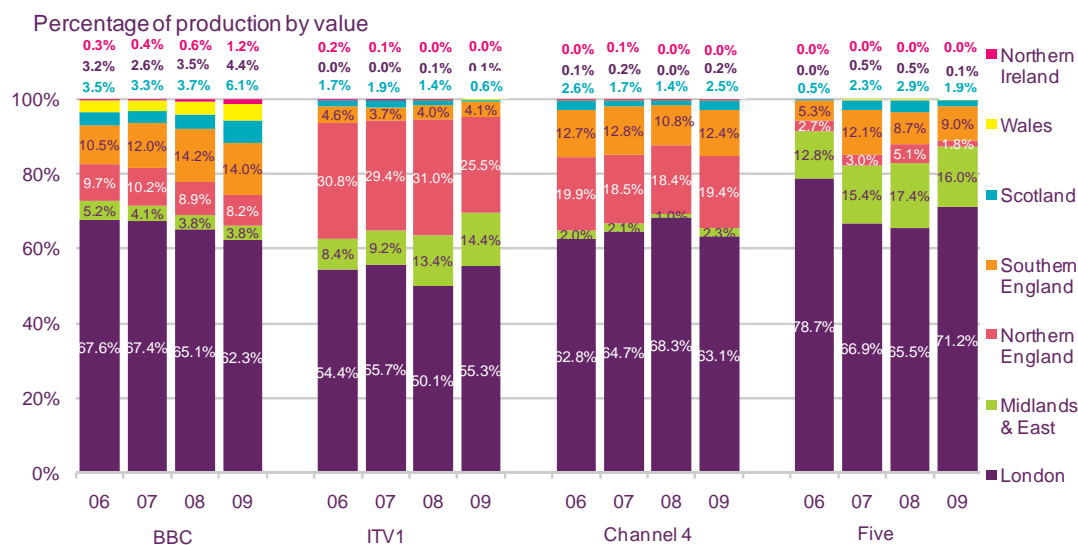
Figure 2.14 shows how expenditure is divided up for each broadcaster. The BBC's proportion of spend in London has reduced slightly in each of the past four years, with out-of-London spend going up from 32.4% in 2006 to 37.7% in 2009. The BBC's spend in the nations has increased from 7% to 11.7% over the same period. Within this, Northern Ireland's share rose from 0.6% in 2008 to 1.2% in 2009.

For ITV1, the proportion of out-of-London expenditure fell in 2009 from 45.6% in 2006 to 44.7% in 2009. Spend in the devolved nations has not shown signs of revival.

Channel 4's performance showed an improvement in 2009, with an increase in the proportion of out-of-London spend, from 31.7% in 2008 to 36.9% in 2009. Increases were more significant in the English regions than in the devolved nations.

Five's proportion of expenditure on out-of-London productions fell to 28.8% in 2009, compared with 34.5% in 2008, and the proportion of combined spend in Scotland, Wales and Northern Ireland also dropped.

**Figure 2.14 Breakdown of expenditure, by broadcaster**



Source: Ofcom/broadcasters

The volumes of out-of-London production by broadcaster over the last four years are shown in Figure 2.15. The proportion of hours made or commissioned by the BBC in London has fallen each year, reducing by five percentage points from 69.9% in 2006 to 64.7% in 2009. The number of hours made in the devolved nations increased, and the percentage in Northern Ireland increased marginally to 0.4%, compared with 0.3% in the previous three years.

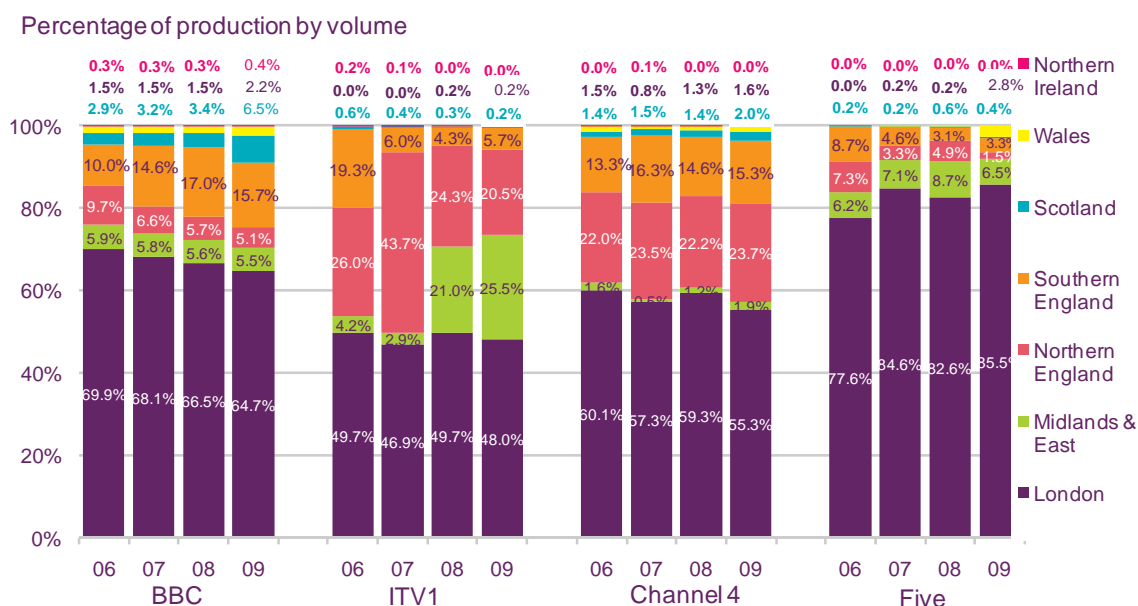
While the proportion of hours from outside London broadcast by ITV1 in 2009 was a little higher, at 52%, in 2009, compared with 50.3% in 2006, the levels in the devolved nations remained static.

The proportion of Channel 4's hours made in London fell by five percentage points, from 60% to 55%, during the period, with small increases in the proportions in Scotland and Wales but not in Northern Ireland. The aggregated figure for the nations was 3.6% in 2009, compared with 2.9% in 2006.

For Five, the percentage of out-of-London production by volume fell to 14.5%, its lowest level since quotas were introduced, and the proportions in the nations were mostly lower, with the exception of Wales where the figure went up to 2.8%.



**Figure 2.15 Breakdown of production volume, by broadcaster**



Source: Ofcom/broadcasters

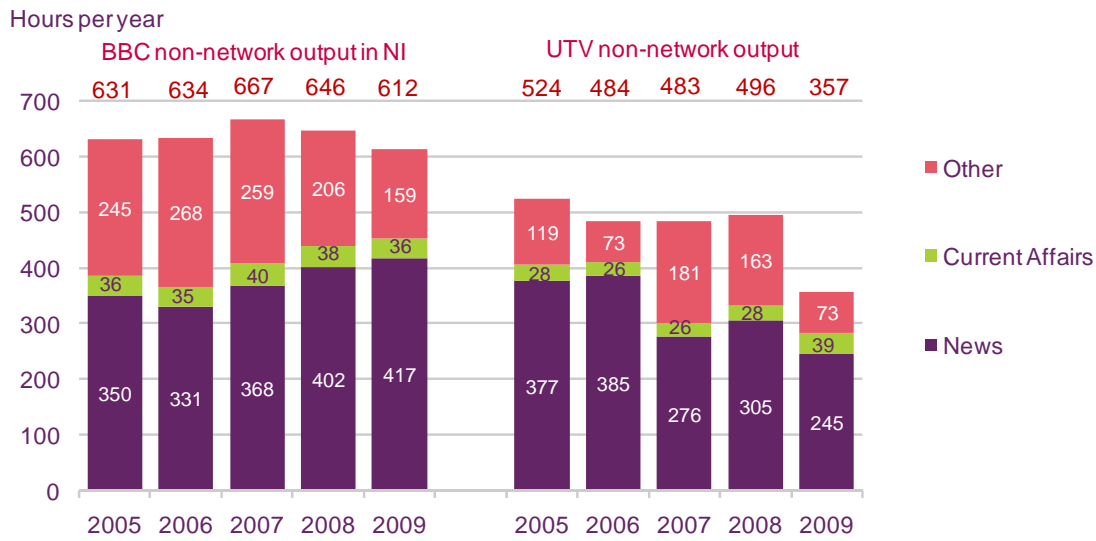
### Non-network production in Northern Ireland

The volume of non-network programmes broadcast over the past five years is illustrated in Figure 2.16. Hours shown by BBC Northern Ireland on BBC One and Two declined a little (3%) between 2005 and 2009, going down from 631 hours per year to 612 hours. The volume of news increased by 19% over the period; to 417 hours in 2009, while current affairs remained relatively stable across the five years. The level of other non-network programmes fell by 35% from 245 hours in 2005 to 159 hours in 2009.

UTV's non-network programming volumes have also reduced over the last five years (by 32%) and they fell substantially in 2009 as a result of the changes agreed as part of Ofcom's second PSB Review. While the volume of non-network news programmes during peak time remains a priority, it was agreed that the levels of news bulletins broadcast during the daytime could be reduced. The weekly quota figure of 5 hours 20 minutes a week was reduced to 4 hours a week from 2009, in line with the rest of the ITV network, and to facilitate network screening.

The quota for non-news programmes was also reduced as part of the Review, from four hours to two hours a week, although peak time, near-peak and current affairs elements within this quota were unchanged. The effect of this can be seen in Figure 2.16, with current affairs remaining relatively stable between 2005 and 2008 and actually increasing by 11 hours year on year to 39 hours in 2009. Other non-network programmes fell from 119 hours in 2005 to 73 hours in 2009.

**Figure 2.16 Non-network output in Northern Ireland, 2005-2009**



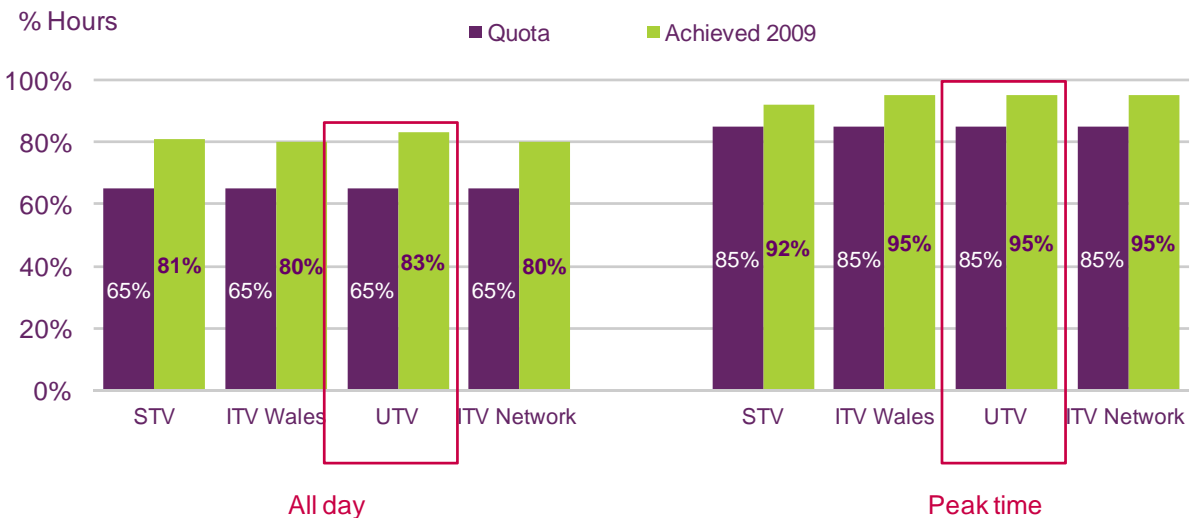
Source: Ofcom/broadcasters  
 Note: Figures exclude repeats

**Other quota compliance matters**

In common with other ITV licensees broadcasting in the nations, UTV opts out of some network material, replacing programmes with its own productions designed for the Northern Ireland audience. In terms of compliance with the relevant network quotas, these changes did not adversely affect UTV’s ability to meet its licence commitments. Information on UTV’s delivery in 2009, compared with the ITV network performance and the position in Scotland and Wales, is shown in Figure 2.17 to Figure 2.19 below.

The original production quota for the full 24-hour day is set at 65% of all hours and UTV exceeded this, achieving 83% in 2009, which was also above the figure of 80% achieved by the ITV network. In peak time, UTV delivered 95%, again exceeding the quota of 85% and matching the ITV figure of 95% (Figure 2.17).

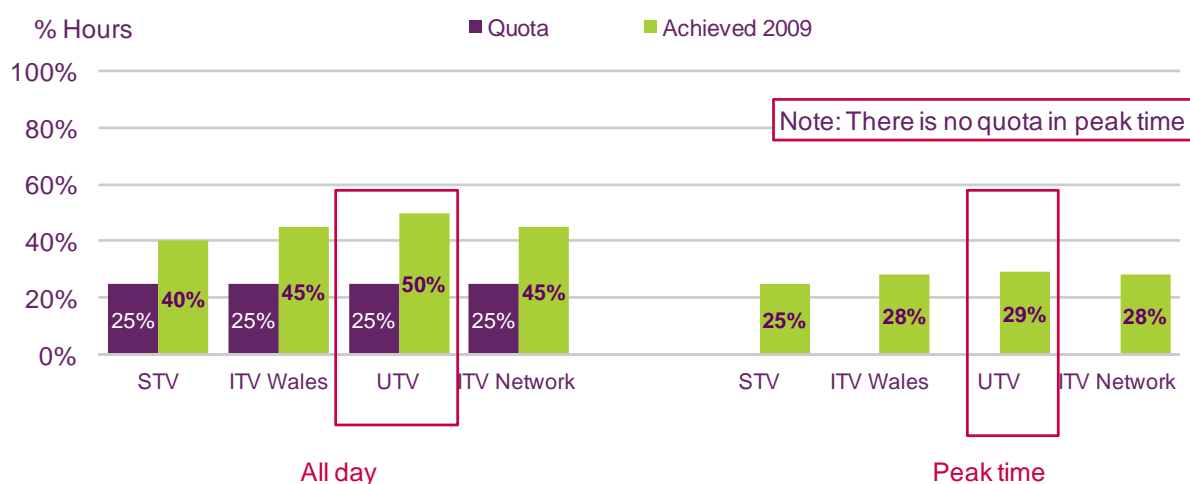
**Figure 2.17 UTV performance against original production quotas, 2009**



Source: Ofcom/broadcasters

UTV easily exceeded the 25% independent quota, and the proportion achieved was well above the levels delivered by other ITV licensees (Figure 2.18). UTV achieved 50% by volume of hours in total, compared with a figure of 45% reached by the rest of ITV. In peak time, the proportion for UTV was 29%, against the ITV network figure of 28% (Note that there is no separate quota for peak time; the proportions achieved are provided here for information).

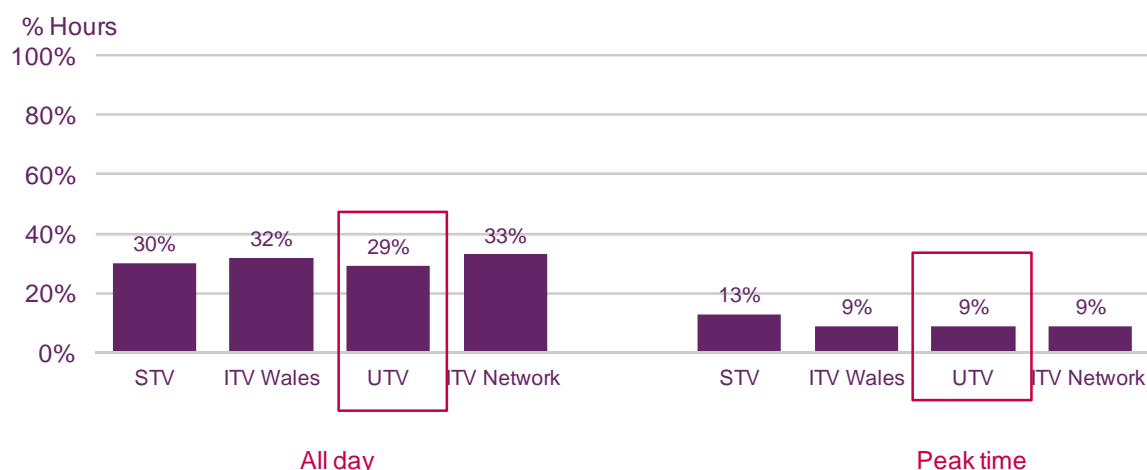
**Figure 2.18 UTV performance against the independent quota, 2009**



Source: Ofcom/broadcasters

There are no quotas limiting the number of repeats. But, given the views expressed by viewers in surveys such as Ofcom's Media Tracker<sup>13</sup>, information is provided here to illustrate the position in the nations. Across the whole schedule, the proportion of repeats broadcast by UTV in 2009 was four percentage points lower than for the ITV network as a whole - at 29%, compared with 33% - as shown in Figure 2.19. In peak time the level was the same for UTV and for the network, at 9%.

**Figure 2.19 Proportion of repeats broadcast by UTV, 2009**



Source: Ofcom/broadcasters

<sup>13</sup> Ofcom's Media Tracker is an annual survey of viewers' perceptions and attitudes to television. In 2009, of the respondents who said that they felt programme standards had got worse, the most popular reason cited was "More repeats" at 65%.

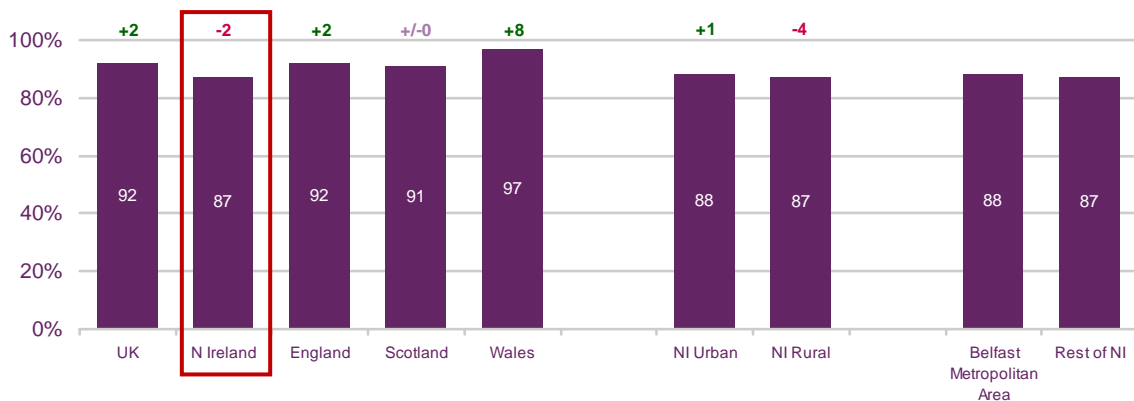
## 2.1.6 Digital television take-up in Northern Ireland

Digital television (DTV) take-up in Northern Ireland stood at 87% in Q1 2010. This was below the UK-wide average of 92% (Figure 2.20); this is partly a result of Northern Ireland being the only UK nation yet to start the digital switchover process. Take-up showed a slight fall of two percentage points year on year, but this is within the error margin of the research.

Take-up was slightly higher in urban areas (88%) than rural (87%). The same pattern can be seen between the Belfast metropolitan area and the rest of Northern Ireland, with take-up of 88% and 87% respectively.

**Figure 2.20 Digital television take-up in Northern Ireland**

Proportion of TV homes (%) (Figures above bar shows % point change in take-up of digital TV since Q1 2009)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ with a TV in household (n = 8858 UK, 746 Northern Ireland, 5600 England, 1452 Scotland, 1060 Wales, 488 Northern Ireland urban, 258 Northern Ireland rural, 339 Belfast metropolitan area, 407 Rest of NI)

QH1a. Which, if any, of these types of television does your household use at the moment?

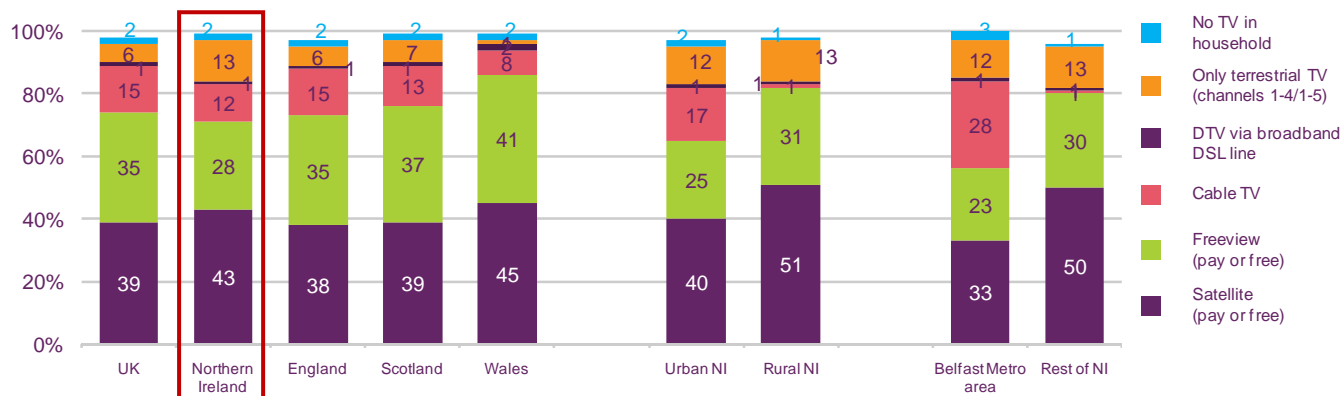
### Satellite is the most widely-used TV platform in Northern Ireland

When asked which platform they considered to be their main type of television, satellite (both pay and free) was the most widely used platform in Northern Ireland at 43%, followed by Freeview (both pay and free) at 28%. The higher ratio of satellite in Northern Ireland could partly be a factor of lower DTT coverage across the country. DTT coverage was estimated at 66% by 2010, compared to the UK average of 80% by 2010. Cable television accounted for 12% of homes in Northern Ireland, with 1% having access to DTV via a broadband DSL line. Thirteen per cent of homes said that analogue terrestrial TV (channels 1-4/1-5) was still their main viewing platform; this was considerably higher than in the rest of the UK. Two per cent of respondents said they had no TV in the home.

Rural areas of Northern Ireland had a higher ratio of satellite, at 51%, than urban areas (40%), a similar pattern to that in Wales. Satellite take-up was lower in the Belfast area, at 33%, possibly because cable is much higher there, at 28%, with DTT at 23%. In the rest of the country satellite accounted for 50%, Freeview 30% and cable, which is not available outside the main metropolitan areas of Belfast and L/Derry, was only 1%.

**Figure 2.21 TV, by platform, in Northern Ireland**

Proportion of respondents / homes (%)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland).

QH1b. And which of these do you consider is your main type of television?

Note: Figures may not add to 100% due to rounding, also an element of survey respondents not differentiating between digital and analogue TV.

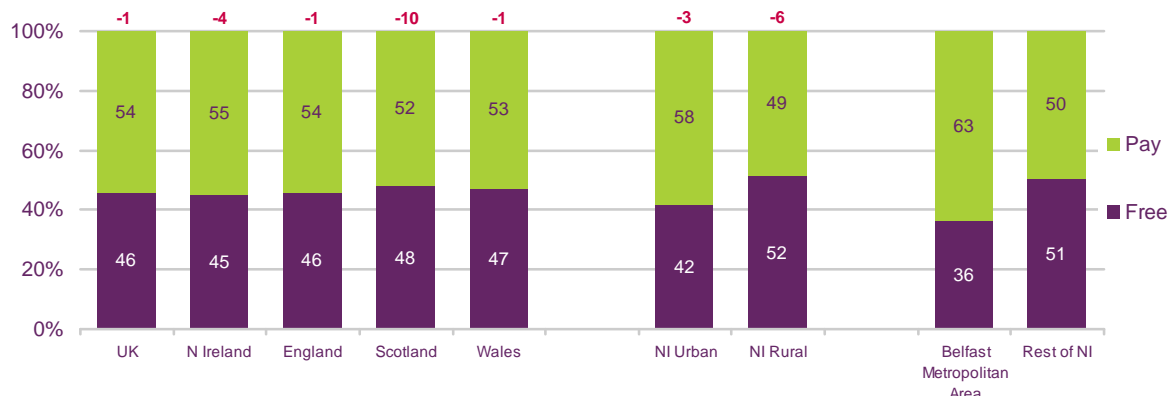
### Fifty-five per cent of homes take a pay-TV service

Fifty-five per cent of DTV homes in Northern Ireland took a pay-TV service such as Sky or Virgin Media in Q1 2010. This was similar to the UK-wide average of 54% but slightly higher than pay-TV take-up in Scotland (52%), Wales (53%), and in England (54%). This reflects the higher levels of satellite take-up in Northern Ireland and lower availability of Freeview.

Of those with pay TV, around three-quarters (74%) claimed to take a pay satellite service; significantly higher than the UK average of 66%. Around a fifth (21%) subscribed to cable TV, (lower than the UK average of 28%). The above-average levels of take-up of pay satellite might also be explained by lower-than-average levels of availability of cable outside the urban areas of Northern Ireland.

## Figure 2.22 Proportion of homes with free and pay television

Proportion of TV homes (%) (Figures above bar shows % point change in take-up of digital TV since Q1 2009)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ with a TV in household (n = 8858 UK, 746 Northern Ireland, 5600 England, 1452 Scotland, 1060 Wales, 488 Northern Ireland urban, 258 Northern Ireland rural, 339 Belfast metropolitan area, 407 rest of NI)

QH1a. Which, if any, of these types of television does your household use at the moment?

### 2.1.7 Broadcast television viewing

During 2009, people in Northern Ireland<sup>14</sup> spent 8% less time watching television than people in the rest of the UK, at 3.5 hours a day, compared to 3.8 hours. However, average viewing levels have increased in Northern Ireland, rising by 5% since 2004, compared to the UK-wide increase of 1%.

The proportion of the population that watched at least 15 consecutive minutes of television in any one week (known as reach) in Northern Ireland during 2009 was also slightly below the UK average, at 92% compared to 93%. Compared to 2004 levels, reach in Northern Ireland has remained relatively stable, similar to the UK average. However, reach of the main PSB channels<sup>15</sup> in Northern Ireland (89%) was higher than the UK average (88%).

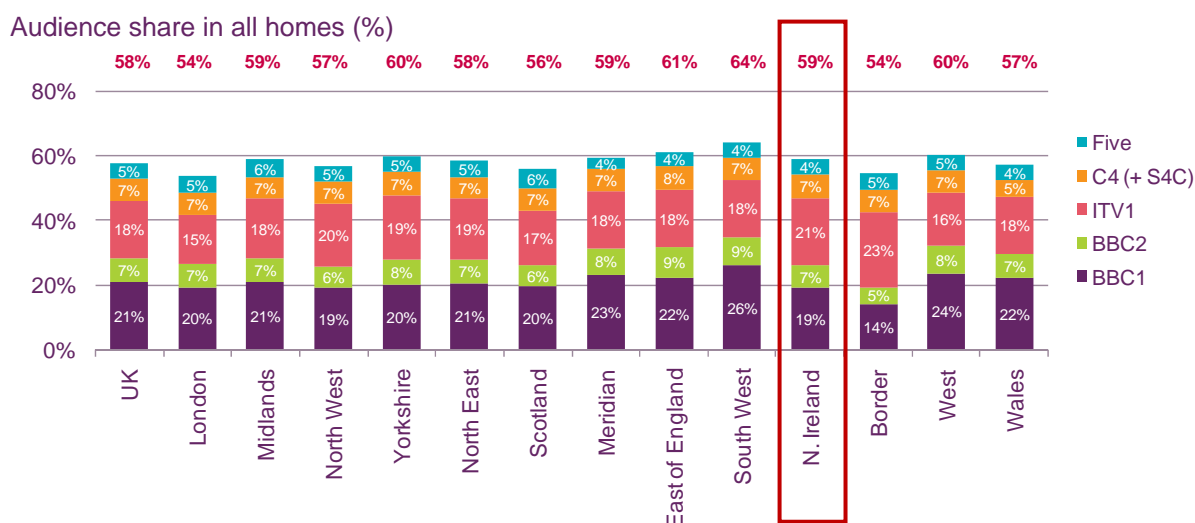
#### The main PSB channels' viewing share fell least in Northern Ireland

The main PSB channels held a 59% viewing share in Northern Ireland in 2009, which was one percentage point higher than the UK-wide average (58%). This is largely because UTV attracts a high share of viewing in Northern Ireland, averaging 21% in 2009, higher than any other ITV1 licensee (with the exception of Border, which attracted a 23% share). BBC One and Five's audience shares were, respectively, two percentage points and one percentage point lower than the UK average (Figure 2.23).

<sup>14</sup> This is based on people who live in the ITV1 Northern Ireland region as defined by BARB.

<sup>15</sup> The main PSB channels consist of BBC One, BBC Two, ITV1 (UTV), Channel 4 (& S4C) and Five

**Figure 2.23 Share of the five terrestrial networks, all homes, 2009**

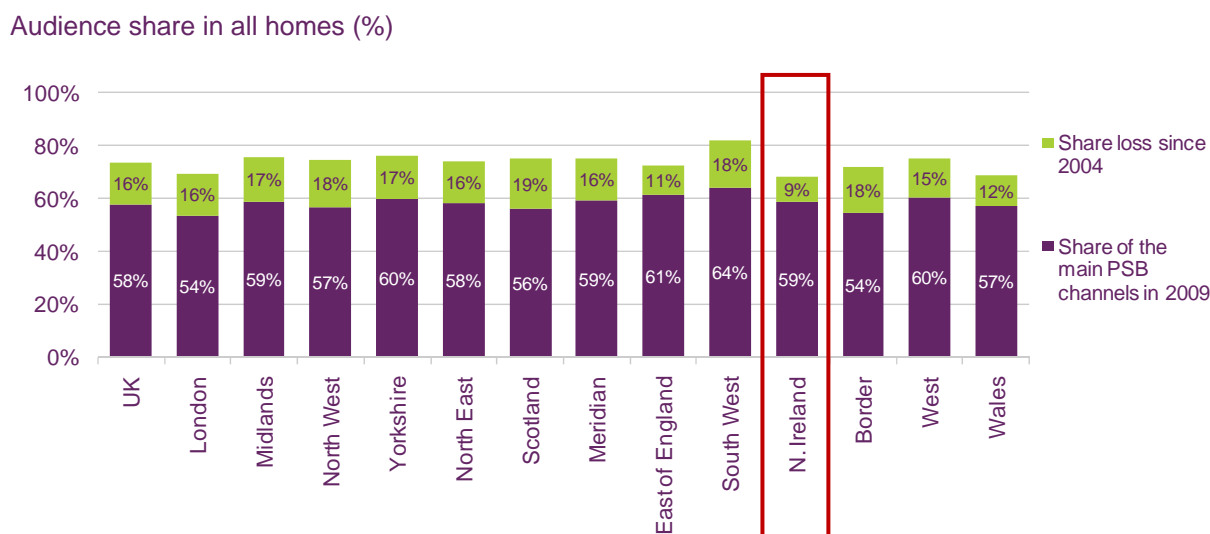


Source: BARB

Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

Since 2004, the main PSB channels' combined share of viewing fell by nine percentage points in all homes in Northern Ireland. This was below the UK average reduction of 16 percentage points.

**Figure 2.24 Reduction in combined share of the main PSB channels, 2004 – 2009**



Source: BARB

Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

### PSBs and their portfolio channels' share of viewing is rising in multichannel homes

Despite losing share in all homes, in multichannel homes in Northern Ireland the main PSB channels' share grew between 2004 and 2009 by two percentage points, compared to the UK-wide average reduction of two percentage points (Figure 2.25). The PSB portfolio channels<sup>16</sup> further boosted the total PSB share over the period, by eight

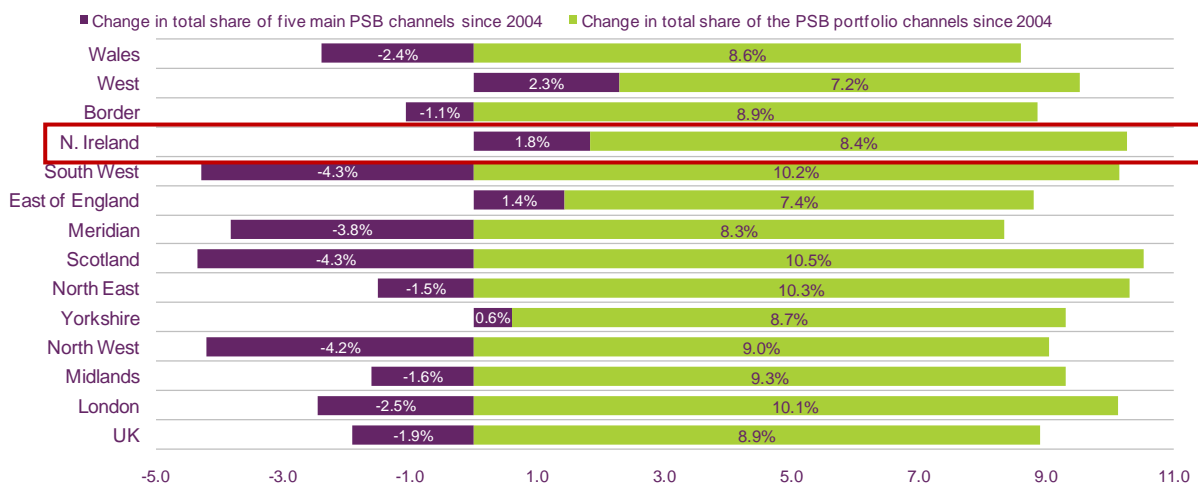
<sup>16</sup> PSB portfolio channels include all the PSB channels except the main channels. For example, BBC Three, ITV2, E4, Fiver.

percentage points – although this was lower than the UK share rise of nine percentage points.

In multichannel homes in Northern Ireland, the most viewed channel, beyond the main PSB channels, was ITV2, followed by E4 – both with audience shares of around 2%.

**Figure 2.25 Net change in the audience share of the main PSB channels and the PSB portfolio channels, multichannel homes, 2004 - 2009**

Change in share (percentage point)



Source: BARB.

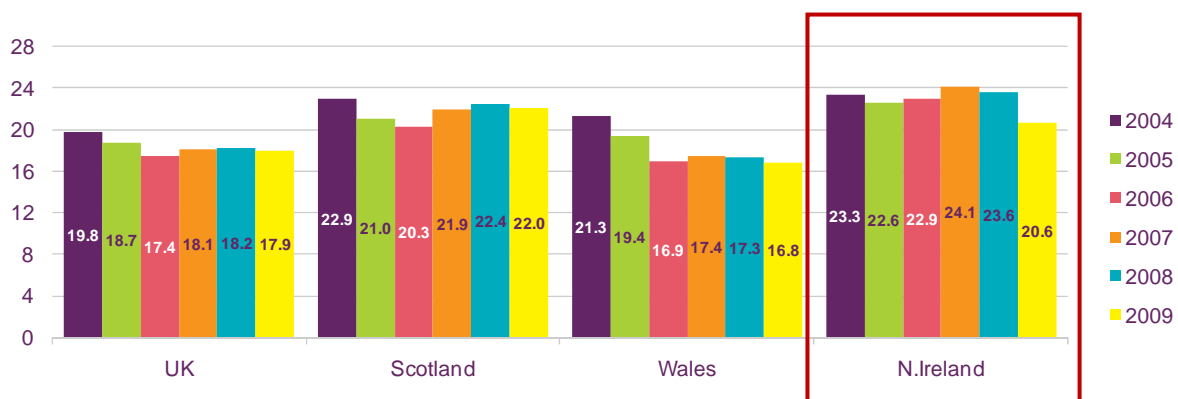
Note: PSB Portfolio channels include all PSB channels except for the main PSB channels.

### Regional television news is most popular in Northern Ireland

Viewers in Northern Ireland continued to have a high level of consumption of early evening television regional news bulletins in 2009, watching an average of 20.6 hours each – nearly three hours more than the UK average (Figure 1.4).

**Figure 2.26 Combined total hours of viewing of early evening regional news bulletins, all homes, 2004 to 2009**

Hours per viewer/year



Source: BARB. Analysis done on BARB genre of Regional News, start time 17:55-18:35, programmes with 10 mins+ duration, channels BBC One and ITV1 (UTV) combined, Monday to Friday.

In 2009, UTV's early evening news bulletins were significantly more popular with viewers than comparable bulletins on STV or ITV1, attracting a 34% average share, compared to



the UK ITV1 average of 19%. BBC One Northern Ireland's early evening news bulletin share (26%) was roughly in line with the UK average of 28%.

**Figure 2.27 BBC One and ITV1/STV/UTV / ITV Wales early evening news bulletin share, 2009**



Source: BARB. Analysis based on daypart analysis of BBC One Monday-Friday 18:30-19:00 and ITV1 Monday-Friday 18:00-18:30. Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

### Sources of local news

Ofcom consumer research (Figure 2.28) shows that half (50%) of people in Northern Ireland claimed that television was their main source of local news, with 20% giving radio as their second main source and 15% stating newspapers. The television figure was in line with the UK average of 49%. The radio figure (20%) was above the U.K average of 11%; newspapers, at 15%, were below the UK average of 22%.

**Figure 2.28 Sources of local news in each nation, 2009**



Q85 Can you tell me what, if anything, is your main source of news about what is going on in your own LOCAL AREA? By this I mean news of local and regional significance.

Base: All adults 15+. n = 2044 (UK), 1713 (Eng) 180 (Sc), 113 (Wa), 108 (NI)

Only responses ≥ 5% labelled

Source: Ofcom 2009 Media Tracker survey. Fieldwork carried out by Continental Research, April and October 2009.

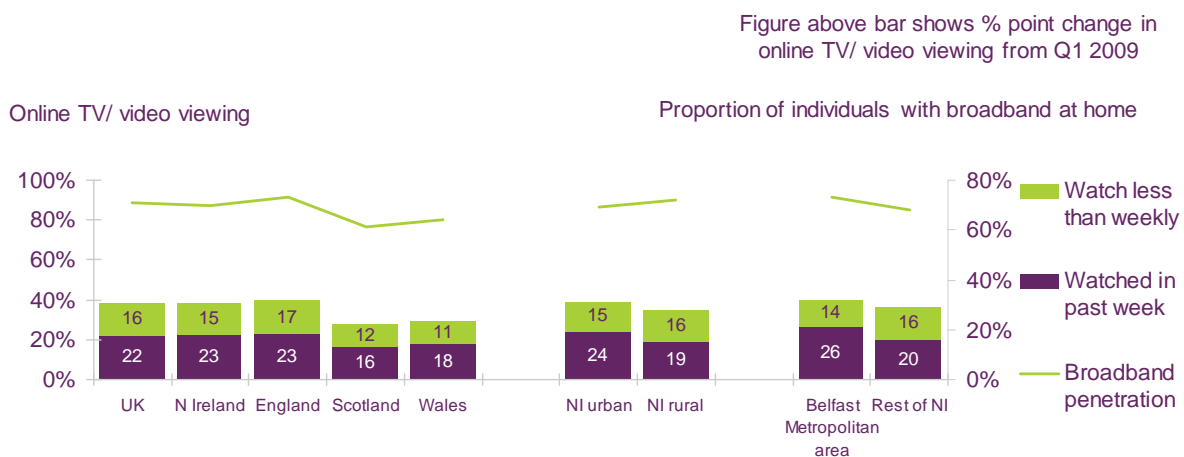
## 2.1.8 AV viewing and consumer satisfaction

### Over a third of households in Northern Ireland used the internet to watch video online

Audio-visual content online can include catch-up TV, user-generated content, music videos and video on demand. Sites like YouTube, which enable consumers to share content with each other, and video content embedded in social networking sites, have continued to grow in popularity. And the success of services like the BBC iPlayer, Skyplayer and itvplayer (Uplayer on UTV) has shown that there is also an appetite for made-for-television content delivered online.

Over a third of adults in Northern Ireland (38%) said that someone in their home had used the internet to watch television or video content. This is on a par with England (38%) but ahead of Scotland (28%) and Wales (29%).

**Figure 2.29 Proportion of adults living in a household that has used the internet to watch TV or video content**



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

\*Base size less than 100: Apply caution

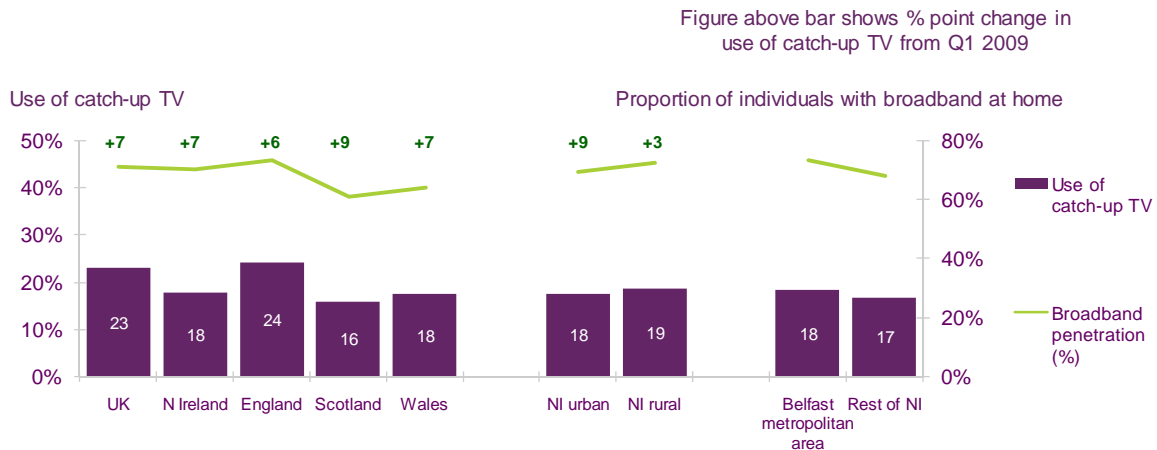
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

### One in five households in Northern Ireland use the internet to watch catch-up TV

Catch-up TV formed a significant part of the consumption of TV content online during the past year. Across the UK just under a quarter (23%) of adults claimed that someone in their household used the internet to watch catch-up TV online. Take-up was highest in England (24%) and lowest in Scotland (16%). In Northern Ireland and Wales the figure stood at 18%. Lower take-up outside England may be a result of lower broadband take-up in those areas. Use of catch-up TV has grown rapidly over the past year, with growth of at least six percentage points in each nation. Growth was fastest in Scotland, at nine percentage points (Figure 2.30).

There was very little difference in use of catch-up TV within Northern Ireland. Take-up has grown most rapidly in urban areas, by nine percentage points, to reach 18%. By contrast take-up grew by only three percentage points in rural areas.

**Figure 2.30 Proportion of adults living in a household that has used the internet to watch catch-up TV**



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

\*Base size less than 100: Apply caution

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

### Watching video clips and webcasts is highest in Northern Ireland

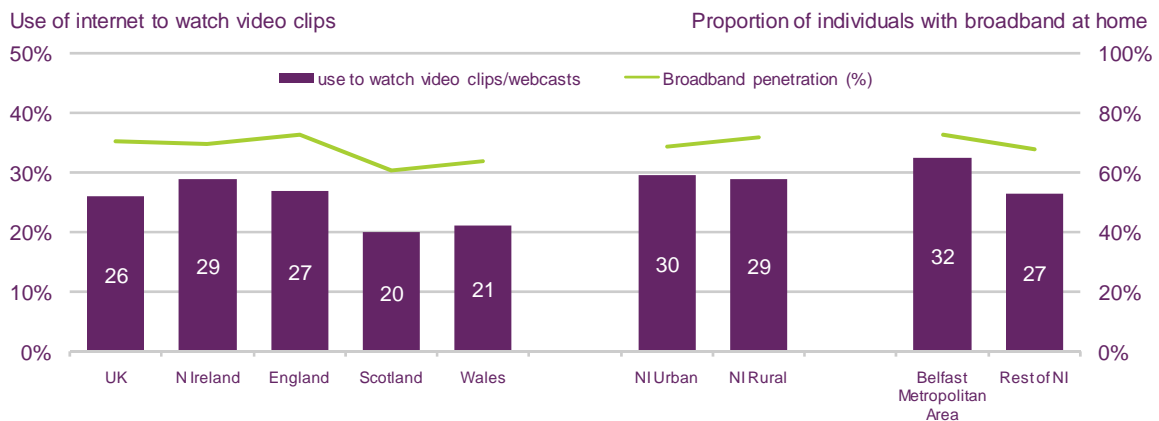
Despite the rapid growth in watching catch-up TV online in some areas, it still forms only a part of consumers' engagement with audio-visual content online. Many people's main engagement with audio-visual content online is through sites offering video clips or short webcasts, such as YouTube and webcasts of programmes like Big Brother.

But the boundary with long-form and broadcast content is beginning to blur. Both Channel 4 (in October 2009) and Five (in December 2009) signed deals with YouTube to make their broadcast catch-up content available on the site.

Across the UK use of the internet to watch video clips and webcasts ranges from 20% of households in Scotland to 29% in Northern Ireland, possibly reflecting the younger population skew in Northern Ireland. The UK average take-up was 26%. Unsurprisingly, this type of activity broadly reflects levels of broadband take-up (Figure 2.31).

Within Northern Ireland use of the internet to watch video clips was highest in the Belfast metropolitan area, at 32%, compared to 27% in the rest of Northern Ireland. This broadly reflected internet take-up. There was little discernible difference between rural and urban areas.

**Figure 2.31 Use of the internet for watching clips and webcasts**



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

\*Base size less than 100: Apply caution

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

### 2.1.9 Take-up of leading games consoles is highest in Northern Ireland

In recent years games consoles have developed from simple games-playing machines into sophisticated pieces of technology, supporting a variety of converged services. Consumers can, among other things, use them to:

- watch audio-visual content on demand – including streaming and downloading films on demand and watching content on catch-up services such as the BBC iPlayer;
- watch high-definition content using the Blu-ray drive on the Playstation 3;
- download new content such as games and extras such as trailers and add-on game content (e.g. extra items or levels) to their console;
- play networked games and communicate and chat with other players; and
- watch live streamed television from Sky on the Xbox 360.

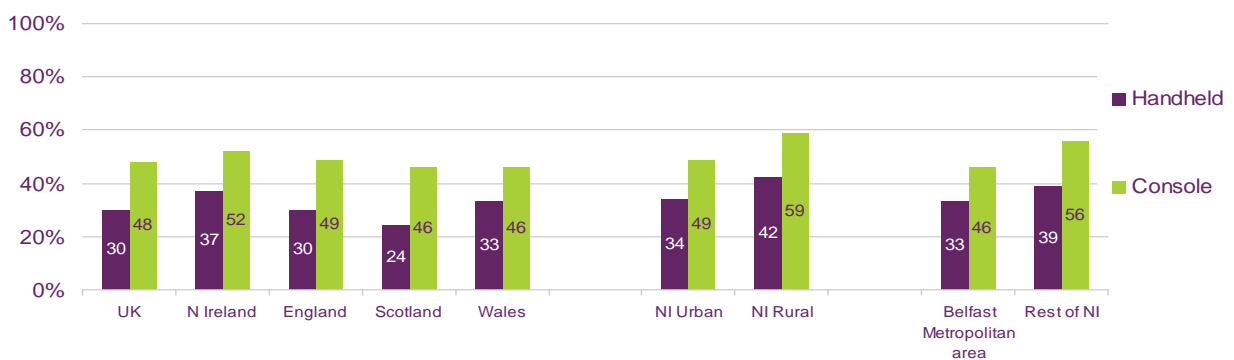
As functionality has increased, games consoles have expanded out of their traditional niche segments (typically younger men) to reach a wider audience, and nearly one in every two households now have these converged devices.

Figure 2.32 shows the take-up of the three leading games consoles (PS3, Wii and Xbox 360) in Northern Ireland, where take-up, at 52%, remains ahead of Wales and Scotland. England has closed the gap, with 49% of households having a games console. Microsoft's Xbox is less popular in Northern Ireland (27%) than in other parts of the UK (33%), and rural households are more likely to have a games console than those in urban areas. The consoles used in the Belfast metropolitan area tend to be newer models than those in the rest of Northern Ireland, where a third of households (37%) have a Playstation 2.

Hand-held portable consoles with their own screens and barriers, such as the Nintendo DSi / DSi Lite and Sony's PSP/PSP Slim & Lite / PSP Go are more common in Northern Ireland, where 37% of households have one, compared to England (30%) and Scotland (24%). The Nintendo DSi and DSi Lite are popular in Northern Ireland, with 15% of console-owning households having a DSi Lite and 10% a DSi. The Nintendo DSi is more common in the Belfast metropolitan area, where 41% of households with a portable gaming device use that brand, compared to 29% in the rest of Northern Ireland.

In Northern Ireland and Wales, a quarter of people with a console use it to watch DVDs and just under a third use it to watch video content. It also plays a social role, with 25% of people in Northern Ireland playing online games and 14% using it to surf the internet. People in the Belfast metropolitan area are more likely than people in other parts of Northern Ireland to watch live TV(10%) and browse the internet (10%) using the consoles.

**Figure 2.32 Take-up of leading games consoles**



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)\*Base size less than 100: Apply caution.