



PSB Annual Report 2015

Research document

Publication date:

July 2015

About this document

This report summarises the evidence base for assessing delivery of the purposes of public service television broadcasting (PSB) by the public service broadcasters (PSBs) on the PSB channels, i.e. the main five PSB channels (BBC One, BBC Two, the Channel 3 services, Channel 4 and Channel 5), the BBC portfolio channels and S4C. It is an annual report. This year's publication covers the period 2013 and 2014.

Contents

Section	Page
1 Ofcom's duties	4
Further information	5
2 Introduction	7
Market and audience changes.....	7
3 Summary of PSB findings	9
PSB spend and output	9
PSB viewing	14
Audience opinions of the PSB channels	18
4 Glossary of terms	22

Section 1

Ofcom's duties

Ofcom has a duty to assess the designated public service broadcasters, taken together, in terms of their delivery of the public service purposes as set out in the Communications Act 2003. The designated public service broadcasters are the the BBC, Channel 4 Corporation (C4C), the Channel 3 licensees – ITV, STV and UTV – and Channel 5. BBC Alba and S4C provide Gaelic and Welsh-language channels. All BBC¹ services are PSB, only the main channels of the others are PSB². The public service purposes³ can be summarised as:

- to deal with a wide range of subjects;
- to cater for the widest possible range of audiences – across different times of day and through different types of programme; and
- to maintain high standards of programme-making.

Based on the public service purposes presented in the Communications Act, in its first PSB Review⁴ Ofcom developed a range of PSB purposes and characteristics to provide a detailed description of public service broadcasting (see Figure 1 below).

Figure 1 PSB purposes and characteristics

PSB purposes

Purpose 1: Informing our understanding of the world - To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas

Purpose 2: Stimulating knowledge and learning - To stimulate our interest in and knowledge of arts, science, history and other topics, through content that is accessible and can encourage informal learning

Purpose 3: Reflecting UK cultural identity - To reflect and strengthen our cultural identity through original programming at UK, national and regional level; on occasion, bringing audiences together for shared experiences

Purpose 4: Representing diversity and alternative viewpoints - To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere

¹ The BBC PSB channels are BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC HD, BBC News and BBC Parliament and All BBC One HD. Note: the focus in this annual report is on generalist channels. BBC HD has been excluded from much of the analysis in the report as much of its output is simulcast from the core BBC channels and therefore would represent a disproportionate amount of broadcast hours and spend.

² The Welsh Authority has the statutory responsibility to provide S4C Digidol (digital) services for viewers in Wales.

³ See section 264 of the Communications Act for the full wording and more detail on these.

⁴ <http://stakeholders.ofcom.org.uk/broadcasting/reviews-investigations/public-service-broadcasting>

PSB characteristics

High quality - well-funded and well produced

Original – new UK content rather than repeats or acquisitions

Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones

Challenging – making viewers think

Engaging – remaining accessible and attractive to viewers

Widely available – if content is publicly funded, a large majority of citizens need to be given the chance to watch it

Trust⁵

Distinctive⁶

The first PSB Review also stated that, in delivering its duties, Ofcom should develop a new approach to assessing the effectiveness of the public service broadcasters, taken together, in delivering PSB. This assessment would include an audience tracking survey to evaluate audience opinions, as well as broadcaster spend, output and viewing data. The aim was to provide a common basis for understanding the delivery of PSB, and resulted in the publication of the PSB Annual Reports.

The PSB Annual Report sets out to provide an evidence base for assessing the delivery of PSB⁷. While the key purpose of this report is to show how PSB is being delivered in the UK as a whole, it also looks at the contributions of the individual PSB channels. Separate data on PSB compliance have been published as an annex to this report.

The Digital Economy Act 2010 is also now in force and the majority of its sections applied from June 2010. In addition to the requirements outlined above, that Act extends Ofcom's PSB review duties to include consideration of public service content online and on video on demand (VoD). It also introduced new powers for Ofcom to monitor and enforce Channel 4 Television Corporation's (C4C) media content duties.

For the purpose of this report, delivery of PSB has been defined by assessing three areas: audience opinion of PSB delivery; PSB viewing and PSB broadcasters' spend and output.

Further information

In addition to the data presented in this report summary, further information is provided in the following appendices:

⁵ Although trust was not outlined as a PSB characteristic in Ofcom's PSB Review 2004, it is considered alongside the PSB characteristics throughout the report. It was added to the PSB tracker in 2007 to monitor the extent to which people trust the main PSB channels as the digital TV environment expands.

⁶ New characteristic statement added in 2014

⁷ Ofcom is required under the Communications Act to assess delivery of PSB by carrying out a review every five years. The third PSB review carried out in 2014 can be found: <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/>

- a) PSB spend and output;
- b) PSB viewing;
- c) Audience opinions of the PSB channels;
- d) Background and methodology.

Section 2

Introduction

Ofcom has a duty to assess the designated public service broadcasters, taken together, in terms of the delivery of their public service purposes as set out in the Communications Act 2003. Ofcom recently published the final statement to its third review of public service broadcasting⁸.

Ofcom's Public Service Broadcasting (PSB) Annual Report provides an evidence base for assessing the delivery of PSB on the main five PSB channels (BBC One, BBC Two, ITV, Channel 4 and Channel 5), the BBC portfolio channels and S4C on an annual basis. In this report 'the PSB channels' is used as an overall term to refer to this group of channels. This year's report covers the period 2013 and 2014 and provides previous years' data for context.

Further information relating to the evidence base can be found in the appendices and data tables available with this report.

Our report uses a series of metrics to measure the performance of the PSB channels. These include the PSBs' hours of output and investment in new UK programmes; audiences' viewing to the PSB channels, and audiences' opinions on the PSB channels. While none of these metrics individually are a perfect measure of the delivery of PSB goals, taken together they provide an evidence base of the extent to which this system is delivering the PSB purposes and characteristics.

Market and audience changes

Ofcom's third review of public service broadcasting explored how the context in which PSB operates has changed in recent years. The report found that a wide variety of factors can contribute to audiences' overall perceptions of PSB. There have been a number of changes which have affected PSB delivery over recent years, particularly in terms of media technology and consumption.

High-definition picture quality, the ability to easily record and time-shift viewing using a DVR, and the widespread availability of on-demand services on a range of devices all allow viewers to enjoy higher-quality television in an increasingly convenient and flexible manner. There are an increasingly diverse number of ways of accessing content. According to Ofcom research⁹, more than half (55%) of households claim to have a high-definition TV service, whereas around two thirds (67%) of households now have a digital video recorder. Take up of connected TVs is growing; we estimate that over half of homes now have some form of connected set, with around one fifth owning a smart TV (with integrated internet connection). Use of on demand services is growing, with almost half of (48%) of adults reporting that they watch catch-up services (e.g. BBC iPlayer, Sky Player, ITV Player, 4OD, Demand 5 or Sky Go). Furthermore, younger audiences (16-34s) watch and consume content in markedly different ways to previous generations. They tend to be early adopters of technology and services compared to older age groups.

⁸ <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/statement/>

⁹ Ofcom Technology Tracker Q1 2015

PSB changes in spend

As part of its review, Ofcom commissioned O&O to quantify the individual drivers contributing to the general long term decline in first run originated content by the PSB channels. The report¹⁰ covered the period 2007 to 2013. The drivers are described in the 'Trends in TV Content Investment' final report and are namely;

- **Genre mix and volume:** Broadcasters have a fixed programme budget and need to adjust the genre mix to live within it –when under cost pressure, this inevitably puts greater emphasis on relatively low cost programmes with broad audience appeal.
- **Input prices:** Prices increased more slowly than inflation between 2007 and 2013 as pressure on programme budgets kept price rises subdued. This is particularly true for equipment and studio hire and production staff who do not have a direct on-screen impact. So a real terms decline based on CPI may be overstated –other measures of inflation over the period were lower.
- **Efficiency gains:** Smaller crews and fewer filming days have been used where possible to lower costs and protect producer margins. Post production has seen the largest technological gains, with digitisation significantly reducing cost for standard work.
- **Third party finance:** Producer margins have been squeezed, producers reported that reliance on deficit finance has increased, particularly for BBC commissioned programmes. Deficit finance previously focused in drama and comedy (scripted), but is now required across all genres to a greater extent.

¹⁰ http://stakeholders.ofcom.org.uk/binaries/consultations/psb-review-3/statement/PSB_Content_Investment.pdf

Section 3

Summary of PSB findings

The following sections of the report set out in turn PSB spend¹¹ and output, viewing and audience opinions.

PSB spend and output

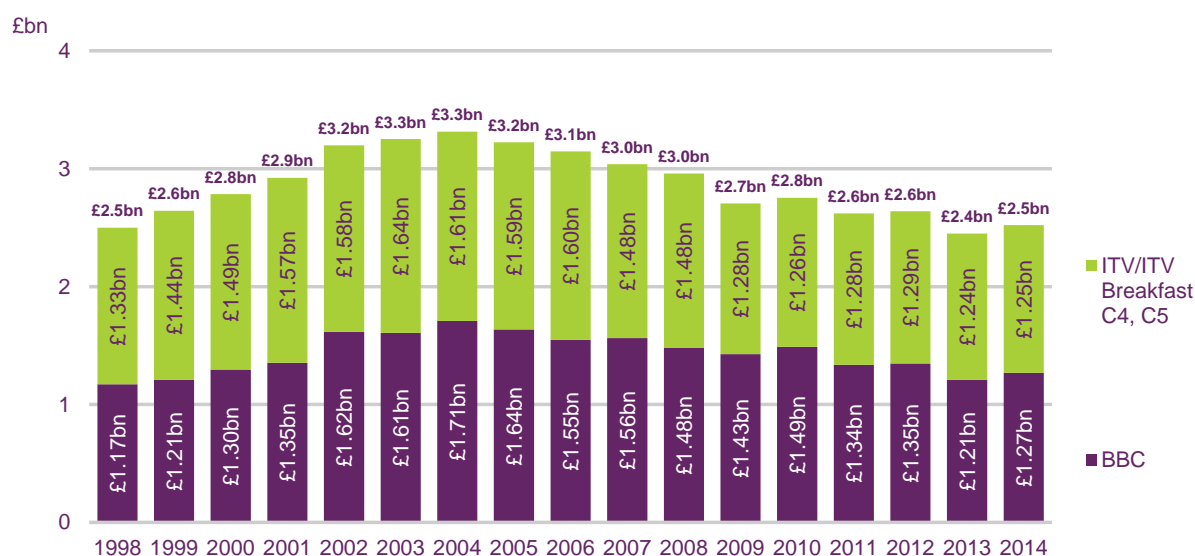
PSB channel spend on new UK network programmes increased by 3% in real terms between 2013 to 2014¹²

- The PSB channels (including the BBC portfolio channels) spent a total of £2.85bn on all network television content in 2014. The commercial PSB channels (ITV/ITV Breakfast, Channel 4 and Channel 5) contributed £1.49bn, while the BBC contributed £1.36bn.
- Year-on-year, overall spend increased by 2% in real terms from the £2.79bn total spend of 2013. BBC spend increased by £50m (4%) in real terms and that of the commercial PSB channels increased by £11m (1%) over the same period.
- Spend on first-run UK originated network content by the PSB channels increased by 3% (£72m) in real terms to £2.52bn from 2013 to 2014. However with 2014 featuring the Brazil World Cup and the Glasgow Commonwealth Games, this increase is predominantly driven by the 36% real term increase in first-run UK originated sport spend year-on-year.
- Figure 2 below provides the longer term picture for first-run UK originated spend by the PSB channels from 1998 to 2014. In 1998, the PSB channels spent £2.50bn in real terms on network first-run UK-originations. This rose between 1998 and 2004 to reach a peak of £3.31bn, driven by the launch of the BBC portfolio channels and increased spend by the commercial PSB channels. Such spend on new UK-originated programmes has fallen since then and stood at £2.52bn in 2014.

¹¹ The data and information expressed in this report has been adjusted for inflation, using the consumer price index (CPI).

¹² Due to the cyclical nature of major sporting events, PSB channel spend on originations has tended to increase in every even-numbered year in recent years and 2014 was no different.

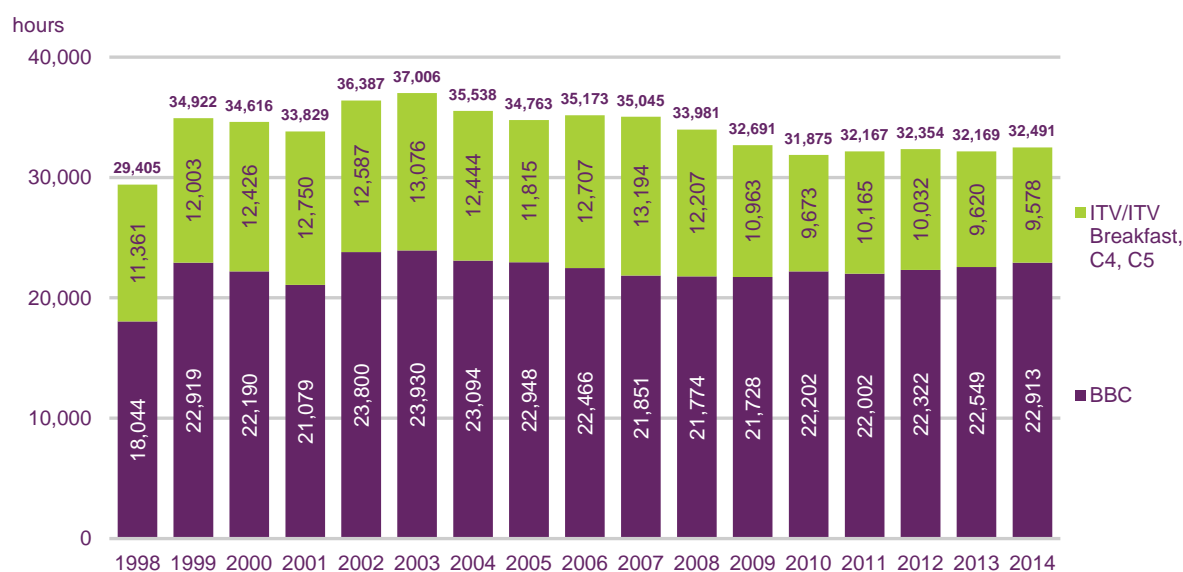
Figure 2: PSB network spend on first-run UK originations; real terms



Source: Ofcom/broadcasters. Note: figures are expressed in 2014 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

- While spend on peak-time first-run UK originations remained relatively constant from 2013 to 2014 (a £2m decrease in real terms to £1.60bn), spend on original content during daytime hours increased by 10% year-on-year (£59m in real terms) to £652m. This followed three years of decreasing daytime spend as PSB broadcasters focussed their originations spend on evening peak-time programming.
- In 2014, 88% of all spend by the PSB channels was on first-run UK originated content which was the same proportion as in 2013.
- Looking at output, the hours of first-run UK network originations by the PSB channels rose slightly year-on-year to 32,491 hours. This increase was driven mainly by the increase in sports hours due to the Football World Cup.
- Figure 3 below provides the longer term picture of first-run UK originated hours broadcast by the PSB channels from 1998 to 2014.

Figure 3: PSB hours of first-run UK network originations



Source: Ofcom/broadcasters. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming. Output hours are based on slot times.

Four out of the five main PSB channels saw an increase in spend on first-run UK originated content from 2013 to 2014

- BBC One (up 7% to £813m), BBC Two (up 3% to £311m) and ITV/ITV Breakfast (up 1% to £818m) each increased their total programme spend in real terms from 2013 to 2014, while that of Channel 5 remained constant at £181m and Channel 4's decreased by £1m to £492m.¹³
- In terms of first-run UK network originations, Channel 4 was the only one of the main five PSB channels to see a decrease in spend on such content from 2013 to 2014, with first-run spend decreasing by 3% in real terms to £377m. Each of the other main PSB channels saw annual increases in first-run spend with that of Channel 5 increasing by the greatest proportion (13% to £101m) year-on-year.
- As was the case in 2013, 43% of all hours broadcast on the PSB channels were first-run UK network originations in 2014. BBC One had the greatest proportion of first-run UK originated hours among the main five PSB channels in 2014, with 79% of their output being such content. At 19%, Channel 5 had the lowest proportion of first-run UK network originated hours in 2014 although this was a small increase on the 18% original output they had in 2013.

Original UK drama and comedy saw further decreases in both spend and output in 2014 among the PSB channels

- First-run UK network originated spend increased in real terms for sport (up £146m to £545m), factual (up £9m to £482m) and arts and classical music (up £3m to £41m) programming from 2013 to 2014. All other genres of programming saw a decrease

¹³ Such a reduction was planned by Channel 4, as they stated on page 122 of their 2013 Annual Plan: "Following record investment in originated content in 2012 and 2013, overall content spend will see a planned modest reduction in 2014."

year-on-year, with education seeing the greatest proportional decrease (down 33% to £7m) over this period.

- Children's programming saw a 1% decrease (to £88m) in first-run UK originated spend year on year, while there was a 1% increase in first-run UK originated output from 2013 to 2014.
- There were 371 hours of first-run UK originated drama programming broadcast on the PSB channels in 2014; an 18% decrease on the 455 hours broadcast in 2013. Such a decrease in output was accompanied by a 15% decrease (£50m in real terms) in spend on the same drama content year-on-year to total £278m in 2014.
- Comedy programming saw a similar decrease in original UK output, with the 213 hours broadcast in 2014 also being an 18% decrease on the 260 hours of first-run UK comedy originations broadcast in 2013. Spend on this content decreased by £10m in real terms (9%) to total £103m in 2014.

The commercial PSB portfolio channels combined broadcast 1,407 hours of first-run UK network originated content in 2014, representing a 10% decrease on 2013

- Although not PSB channels, we have included output data collected from the commercial PSB portfolio channels for 2014 to see what contribution they make to PSB programming. These channels combined broadcast 1,407 hours of first-run UK network originated content in 2014, of which nearly two-thirds (937 hours) was sport content. This was a 10% decrease on the equivalent number of hours in 2013, which can mainly be attributed to the 110 hour decrease in first-run sport hours year-on-year.

Spend on nations' and regions' first run UK non-network originations increased in real terms by 4% in 2014

- Spend on nations' and regions' first-run UK non-network originations increased by 4% (£11m) in 2014 to reach £277m. The holders of the Channel 3 licences (ITV, STV and UTV) contributed £71m (a decrease of 6% annually in real terms) of this while the BBC spend totalled £207m (an increase of 8% annually in real terms). Whilst this bucks the trend of a long term decline over the last five years, this £15m increase in spend from the BBC can be attributed to extra programming produced by BBC Scotland in light of one off events such as the Glasgow Commonwealth Games and the referendum on Scottish independence.
- Figure 4 shows the long term trend for spend on nations and regions first-run originations by Channel 3 licensees and the BBC.

Figure 4: PSB first-run UK originations spend; nations and regions programming

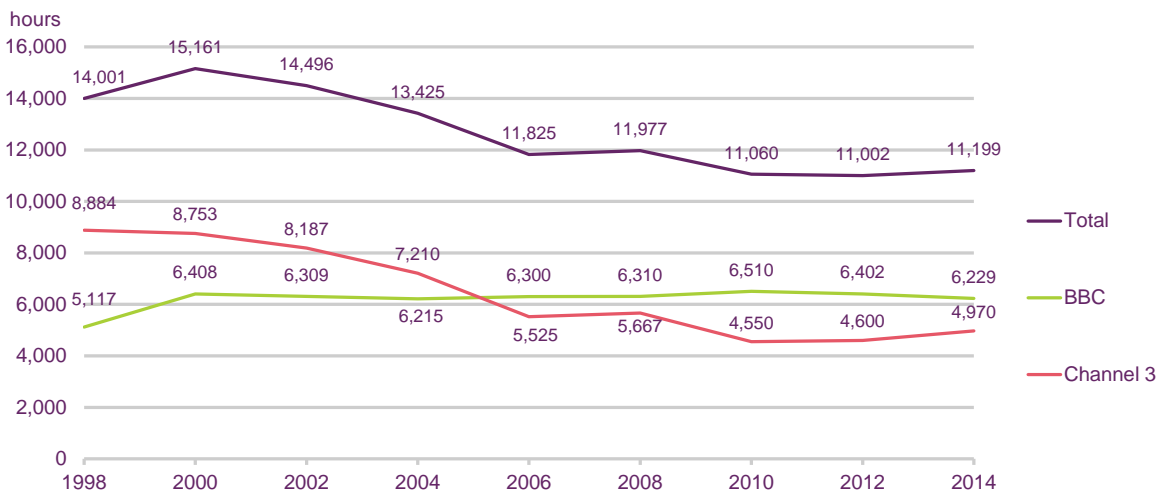


Source: Ofcom / broadcasters. Notes: all figures expressed in 2014 prices; first-run originations only; Channel 3 figures consist of spend by ITV, STV and UTV. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC; this does not account for total spend on BBC Alba or BBC spend on S4C output.

Nations’ and regions’ first run UK originated output remained steady in 2014

- There were 11,199 hours of non-network nations’ and regions’ first-run UK originated content broadcast in 2014; a 0.3% decrease year-on-year. Such output from the Channel 3 licence holders decreased by 1.4% (a decrease of 69 hours to 4,970 hours) from 2013 while BBC hours increased by 0.6% (an increase of 36 hours to 6,229) over the same period.
- Figure 5 shows the long term trend for nations’ and regions’ first-run UK originated output from the Channel 3 licence holders and the BBC.

Figure 5: PSB hours of first-run originations, nations and regions programming

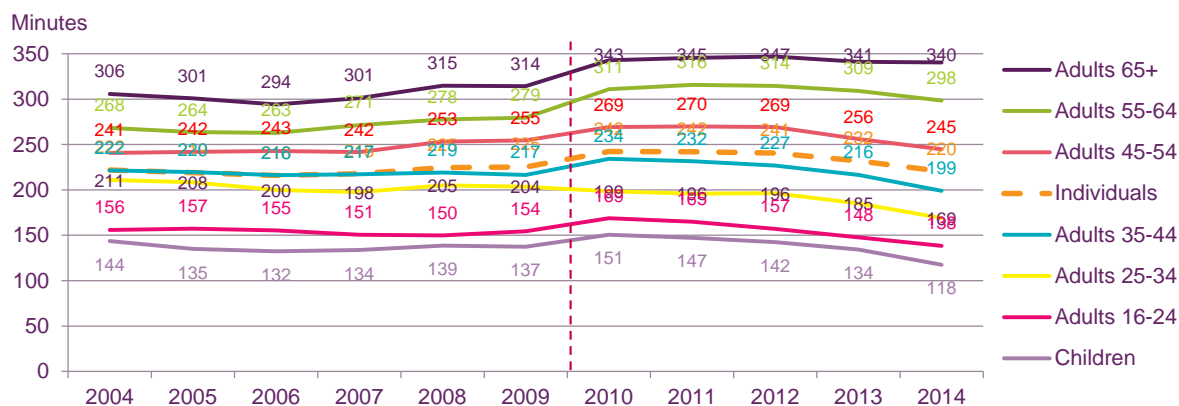


Source: Ofcom/Broadcasters. First-run UK originations only, excluding BBC Alba. Channel 3 figures consist of ITV, STV and UTV

PSB viewing

- Daily viewing hours to all TV channels fell by 11.4 minutes per person a day from 2013 to 2014. This represented a continuation of the longer term decline observed since 2012, depicted in Figure 6 below.

Figure 6: Average minutes of television viewing per day, all individuals, by age group: 2004-14



Source: Ofcom Communications Market Report 2015, BARB, Network, all individuals (4+). Note: a new BARB panel was introduced in 2010, as a result, pre- and post-panel change data must be compared with caution.

Viewing to the main five PSB channels represented over half of TV viewing in 2014, a similar picture to 2013, which suggests the longer term decline is stabilising

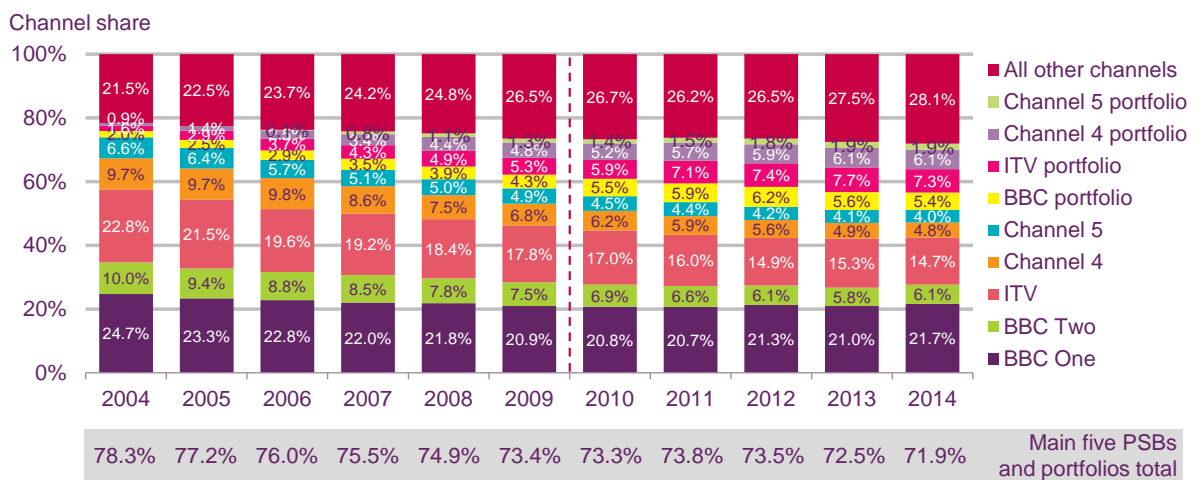
- Average daily viewing hours to all PSB channels (BBC channels, ITV, Channel 4, Channel 5) has fallen by 0.1 hours (around 6-7 minutes a day) in each year since 2010, to 2.1 hours per person aged 4 and above in 2014. By comparison, viewing hours to all TV channels held constant between 2010 to 2012 (4.0 hours a day), before declining in 2013 (to 3.9 hours) which continued into 2014 (to 3.7 hours).
- The proportion of the TV population who tuned into any of the main five PSB channels (BBC One, BBC Two, ITV, Channel 4 and Channel 5) in an average week has been in decline since 2011. However, collectively the main five PSB channels continued to deliver mass coverage in 2014, with 85.2% of the UK population tuning in each week.
- Weekly reach for each individual main PSB channel has generally been falling incrementally over the last six years¹⁴. Year-on-year, Channel 5 (-1.0 points), BBC Two (-1.8 points) and BBC One (-1.9 points) have been most resilient, while ITV and Channel 4 have each seen comparatively larger erosion of reach (-2.5 points each).
- There was a very modest year-on-year increase in the combined share of the main five PSB channels (from 51.1% in 2013 to 51.2% in 2014), the first annual increase across the long term. The share increase was driven by BBC One (up 0.7% points from 21.0% share in 2013) and BBC Two (5.8% to 6.1% share). This was alongside stable shares by Channel 4 (up 0.1 points to 4.9%) and Channel 5 (0.1 point

¹⁴ BBC One and Channel 5 saw reach gains between 2010 and 2011

decrease to 4.0%). Following an increase between 2012 and 2013, ITV's share fell 0.6 points to 14.7% in 2014.

- Share of viewing to the PSBs' portfolio channels varied year on year. The BBC portfolio channels fell slightly compared to 2013 (-0.2 points to 5.4%), the second consecutive year of decline. Share to the ITV portfolio channels also fell year-on-year (-0.4 points to 7.3%), despite the launch of channels ITVBe and ITV Encore partway through 2014¹⁵. Channel 4 and Channel 5 portfolio¹⁶ shares stayed the same.
- The PSB portfolio channels added 20.7% share to the main PSBs, slightly less than their 21.4% contribution in 2013, which may suggest the long term growth in viewing to these channels is plateauing. This took the aggregate PSB broadcasters' share to 71.9% in 2014 compared to 72.5% in 2013.

Figure 7: PSB and portfolio share of TV viewing, all individuals, by channel: 2004-2014



Source: BARB, all individuals (4+). Notes: a new BARB panel was introduced in 2010, as a result, pre- and post-panel change data must be compared with caution (see dotted line); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure in and prior to 2009 but not from 2010 onwards; S4C 2014 channel share = 0.1%; the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

Viewing hours to national and international news as a whole fell for each main news provider

- The most watched programme genres on the main five PSB channels in 2014 were entertainment (19.4% of viewing to those programmes), news (12.6%) and sport (11.4%).
- The proportion of viewing accounted for by programme genre varied compared to 2013. There were declines across most genres, while several stayed the same. The biggest decreases were to *entertainment* (-0.8 points); *UK drama*; *films: other* and *docs: science and natural history* (all -0.6 points). *Sport* gained 3.4 points, not

¹⁵ ITVBe launched as a free-to-air channel and began reporting to BARB on 8 October 2014 (ITVBe +1 followed on 19 November 2014). ITV Encore launched as a pay channel on Sky's platform on 9 June 2014 (along with ITV Encore+1).

¹⁶ Channel 5 launched Channel 5+24 on 4 February 2014

surprising in a World Cup year, while *leisure interests* (+0.3 points) and *national/international news* (+0.1 points) made modest gains.

- Following stable viewing hours to *national/international news* across all channels in 2012 and 2013 (101.3 hours per person), viewing fell below 100 hours to 94.7 hours in 2014; the lowest level since 2009. The decline was on each main PSB channel, although the reduction was most notable on BBC One (-1.5 hours) and ITV (-1.3 hours). Overall, BBC News (-1.6 hours) and Sky News (-1.8 hours) had the biggest falls in viewing to news year-on-year. Despite the reduction in absolute viewing hours to the main five PSB channels (from 81.1 hours in 2013 to 77.9 hours), as a proportion of all viewing to news on TV, they represented 82.3% of viewing in 2014. This represented a small increase versus 2013 (80.1%). The PSB channels as a whole (including all BBC channels) accounted for around 95% of viewing to news with most of this attributed to the BBC family (77% in 2014).
- Viewing to the nations and regions news genre on BBC One and Channel 3 fell for the fourth consecutive year, from 27.6 hours in 2010 to 25.3 hours in 2013 and to 24.0 hours in 2014. Viewing fell year-on-year across both BBC One (17.0 hours to 16.4 hours in 2014) and ITV (8.3 to 7.6 hours in 2014). The -5% drop in viewing hours per person was less than the 7% decline in viewing to national and international news.
- Year on year, the share held by the Channel 3 early evening nations/regions news bulletin stayed stable in Northern Ireland, decreased in Scotland and continued on an upward trend in Wales. The share of the BBC One early evening news bulletin increased in Northern Ireland and Wales while it fell in Scotland – the first decline seen since 2009.
- Following an increase in viewing hours to UK drama across total TV between 2012 and 2013, viewing fell in 2014 (-8.0 hours per person). ITV had a decline of - 4.7 hours year-on-year (accounting for over half of the decline), while viewing fell by 1.6 hours on BBC One. Viewing to UK drama increased 0.3 hours on BBC Two, the only main PSB channel to see an increase, it decreased on Channel 4 (0.4 hours) while it stayed the same on Channel 5. The main five PSB channels accounted for almost 60% of all viewing to the genre in 2014 (-1.9pp vs 61.6% of viewing in 2013).

Younger people's viewing share to the main five PSB channels increased year-on-year bucking the longer term trend of decline

- Average viewing to all TV among all individuals fell by 11.4 mins a day between 2013-2014, the second consecutive period of marked decline in viewing. The decline was among all age groups to varying degrees with a distinct split between the under 45s including children (above the average fall)¹⁷ and the over 45s (below the average). Figure 6 above shows the long term trend in viewing by age group.

¹⁷ The decline among 16-24s was comparatively less of all the under 45 age groups and was below (the 11.4mins) average at -9mins.

- Looking at the differences in viewing among younger and older age groups to the PSBs and their family of channels¹⁸ shows that viewing levels increases with age, which is in line with viewing patterns to total TV.
- Daily hours of viewing to all PSB channels ranged from 0.8 hours per person among children 4-15 and 3.8 hours a day among those aged 65+ and over in 2014. This compares to an average of 2.1 hours a day among all individuals. Daily viewing hours to all PSB channels continued to fall among all age groups in 2014, reflecting the general fall in total TV viewing year-on-year.
- While share of viewing to the main PSBs declined for 16-34s across the longer term, there has been a year-on-year increase (+0.5 points) to 39.3% in 2014. However, the combined share of the main five PSBs continued to fall among 35+s and accounted for 56.3% share of viewing in 2014.
- The combined share of the PSB portfolio channels (such as ITV2, More 4 and 5*) stayed the same among 16-34s (26.6%) compared to 2013, while it declined among 35+ adults (-0.7 points to 18.6%).
- The collective share to the PSB portfolio channels has historically increased over the longer term, but in more recent years (since 2012) it has plateaued for all individuals and for the younger and older age groups alike.
- The combined weekly reach of the main five PSB channels among all individuals fell from 86.7% in 2013 to 85.2% in 2014 (-1.5pp). Reach fell above the average (-1.9pp) among 16-34s to 77.4%, while it fell much less among adults 35+ (-0.5pp to 92.8%).
- Total viewing hours to the national/international news genre fell year-on-year for both 16-34s and 35+s. It reduced by 3.1 hours per person among the younger 16-34 age group, below the decline among all people (-6.6 hours) and for adults 35+ (-8.8 hours). Over a longer period, the decline among 16-34s is a continuation of reduced viewing to the genre since 2011 while the year-on-year decline among 35+s is an exception to a generally rising trend in viewing to national/international news having dipped twice since 2009.

S4C

- In 2014, S4C Welsh language programming was watched for an average of 12.6 hours per individual in the S4C region, the fourth consecutive year of decline. This compared to 15.4 hours (-2.8 hours) the previous year, and was a 1.7 hours decrease from 2010 when digital switchover completed in Wales and S4C ceased to carry Channel 4 programming¹⁹. The proportion of the population in the S4C region who watched Welsh language programming in an average week stayed the same compared to 2014 (41.1%).
- S4C's share of all viewing in Wales dipped 0.1pp to 1.0%. The fall in viewing share during peak time was more pronounced (from 1.6% in 2013 to 1.3% in 2014).
- Sport (19.9%), UK soaps (15.3%) and children's programming (12.5%) were the most-watched programme genres on S4C in 2014, the same as in 2013.

¹⁸ PSB families include the main PSB channel/s and their respective portfolio of channels

¹⁹ After March 31 2010 S4C became exclusively Welsh language based.

Audience opinions of the PSB channels

The results below are drawn from Ofcom's PSB tracker research. Respondents were asked on a scale of 1-10 the *importance* of the individual PSB purposes and characteristics (see section 1 for details on each of the purposes and characteristics). They were then asked how they feel the PSBs *deliver* these elements. This question was asked for the PSB channels they regularly view and about all the PSB channels as a whole.

The analysis of importance and delivery of PSB purposes and characteristics shows the proportion of UK adults who score each statement 7/8/9/10 out of 10 (described below as 'high') on importance and on delivery, for all the PSB channels as a whole. All significant differences referenced below are between 2013 and 2014 measured at 99% difference level.

Figure 8 below presents the 2014 findings for each of the PSB purposes in the context of 2008 to 2014 results. Over this period increased importance has been placed on many of the PSB purposes (e.g. trustworthiness of news, high quality regional and national news and portrayal of the nations).

Fig 8 Importance and delivery of PSB purposes: 2008-2014

Purpose	Metric	2008	2009	2010	2011	2012	2013	2014	
Its news programmes are trustworthy	Importance	82%	82%	84%	81%	85%	87%	86%	↑
	Delivery	64%	62%	65%	62%	64%	65%	66%	
Its programmes help me understand what's going on in the world today	Importance	81%	78%	81%	78%	80%	79%	80%	
	Delivery	67%	66%	67%	61%	58%	63%	66%	
Its regional news programmes provide a wide range of good quality news about my area	Importance	75%	74%	76%	76%	78%	81%	79%	↑
	Delivery	53%	51%	50%	58%	60%	64%	66%	↑
It shows interesting programmes about history, sciences or the arts	Importance	68%	66%	70%	65%	68%	69%	67%	
	Delivery	48%	49%	52%	46%	47%	52%	53%	↑
It portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK	Importance	58%	59%	60%	63%	66%	68%	66%	↑
	Delivery	34%	34%	33%	43%	40%	44%	46%	↑
Its programmes show different kinds of cultures within the UK	Importance	64%	63%	66%	58%	65%	65%	66%	
	Delivery	47%	46%	48%	43%	43%	46%	51%	↑↑
It shows high quality soaps or dramas made in the UK	Importance	50%	52%	54%	53%	57%	58%	60%	↑
	Delivery	49%	50%	52%	47%	47%	51%	53%	↑
It provides a wide range of high quality and UK made programmes for children	Importance	88%	84%	87%	81%	80%	85%	81%	
	Delivery	59%	60%	60%	60%	61%	68%	70%	
It shows high quality comedy made in the UK*	Importance							65%	
	Delivery			Not asked				50%	
It shows different parts of the UK including England, NI, Scotland and Wales*	Importance							65%	
	Delivery			Not asked				49%	

- ↑ Significantly higher than 2013 ↑ Significantly higher than 2008
 ↓ Significantly lower than 2013 ↓ Significantly lower than 2008

Source: Summary % of respondents rating Importance/Delivery 10/9/8/7. Base for Importance: All (in 2014 n = 3158); Base for Delivery: All respondents who watch any PSB channels regularly or occasionally (in 2014 n = 3066). *All whose children regularly watch any of these channels: BBC One, Cbeebies, CBBC, Channel 5. Question amends since 2011 - previous wording: 'Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI'; 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK'

Figure 9 below shows that there have been a number of significant increases in relation to the perceived importance and delivery of the PSB characteristics.

Figure 9: Importance and delivery of PSB characteristics: 2008-2014

Purpose	Metric	2008	2009	2010	2011	2012	2013	2014	
It shows well made high quality programmes	Importance	81%	82%	84%	78%	82%	83%	82%	
	Delivery	58%	57%	62%	59%	59%	65%	67%	↑
It shows programmes I want to watch	Importance	78%	78%	79%	77%	78%	78%	na	
	Delivery	50%	49%	52%	52%	51%	56%	na	
It shows programmes that make me stop and think	Importance	74%	71%	76%	67%	70%	76%	70%	↓
	Delivery	49%	48%	50%	43%	44%	49%	na	
It shows new programmes made in the UK	Importance	68%	70%	73%	67%	68%	73%	74%	↑
	Delivery	41%	42%	45%	47%	46%	53%	53%	↑
It shows programmes with new ideas and different approaches	Importance	71%	69%	73%	65%	70%	72%	73%	
	Delivery	45%	44%	48%	44%	44%	47%	52%	↑↑
The style of programmes is different to what I'd expect to see on other channels*	Importance				Not asked			67%	
	Delivery				Not asked			49%	

↑ Significantly higher than 2013 ↑ Significantly higher than 2008
 ↓ Significantly lower than 2013 ↓ Significantly lower than 2008

Source: PSB Tracker, 2008-2014, UK adults aged 16+. Summary % of respondents rating Importance/Delivery 10/9/8/7. **Slightly amended wording since 2011: previous wording: 'It shows enough new programmes, made in the UK'; base for Importance: All (in 2014 n = 3158); Base for Delivery: All respondents who watch any PSB channels regularly or occasionally (in 2014 n = 3066)

There were no significant changes in the importance ratings between 2013 and 2014

- Our latest research showed no significant differences in audience opinions about the importance ratings for the PSB purposes and characteristics between 2013 and 2014. As in 2013, the highest level of importance relates to Purpose 1, specifically: 'Its news programmes are trustworthy' (86%), 'Its programmes help me understand what's going on in the world today' remains unchanged from 2013 (80%), and 'Its nations/regional news programmes provide a wide range of good quality news about my area' (79%). The lowest level of importance remains to 'It shows high quality soaps or dramas made in the UK' where 60% of those interviewed saw this purpose as important for PSBs.
- The characteristics that were seen as the most important were: 'It shows well-made, high quality programmes' (82%) and 'It shows new programmes, made in the UK' (74%) A new statement was introduced in 2014, 'the style of the programmes is different to what I'd expect to see on other channels'. This received the lowest level of importance among the characteristics, although just under seven in ten (67 %) thought this was important.

Almost all delivery ratings for the PSB purposes and characteristics remained stable year-on-year

- The delivery ratings for each PSB purpose did not change versus 2013, with the exception of one; significantly more adults compared to 2013 (51% vs 46%) rated PSB as delivering on: 'its programmes show different kinds of cultures within the UK'.
- Similar to previous years, the highest levels of appreciation were shown for news content. Two in three of UK adults (66%) rated highly the delivery of 'Its news programmes are trustworthy'. A similar proportion (66%) rated highly delivery for 'Its nations/regional news programmes provide a wide range of good quality news about my area' and 'Its programmes help me understand what's going on in the world'.

- The lowest level of perceived delivery among the purposes of PSB relate to *'portraying my nation/region fairly to the rest of the UK'* (46%), this remains broadly stable compared to 2013. Just under half (49%) of adults rated PSBs as delivering on the new statement introduced in 2014: *'Its shows different parts of the UK including England, Northern Ireland, Scotland and Wales'*.
- All of the characteristics scores did not change versus 2013, with the exception of one; *'Showing programmes with new ideas'* which increased significantly from 47% in 2013 to 52% in 2014.
- Similar to previous years, in terms of characteristics, *'High quality'* (rated highly by 67%) was seen as the characteristic most likely to be delivered well by the PSBs. This was followed by just over half stating that PSBs delivered well on the statement *'It shows new programmes made in the UK'* (53%).
- At an individual channel level there were small but significant increases in the perception of delivery of UK drama and soaps for BBC One, ITV and Channel 4. The decrease in spend and hours on drama does not appear to have affected audience opinion.
- The lowest levels of perceived delivery among the characteristics were *'The style of the programmes is different to what I'd expect to see on other channels'* (49%).

Views in the devolved nations on the provision of nations'/regions' news varied by channel and nation

- While there were no year on year changes in results, views in the devolved nations on the provision of nations'/regions' news varied by channel and nation, with viewers in Northern Ireland the most likely to state that *'Its nations/regional news programmes provide a wide range of good quality new about my area'* (77%) compared to England, Scotland and Wales (65%, 66% and 69% respectively).
- BBC One: delivery of nations/regional news content remained high, with 74% of viewers in the UK rating delivery as high. The most positive views of the nations'/regions' news were in Northern Ireland (87%), with viewers in England being the least likely to express a positive view, albeit still a large majority (73%).
- ITV: The most positive views were in Northern Ireland (88%), followed by Scotland (75%), and Wales (74%). This compared to those interviewed in England where about two thirds (67%) rated regional news on ITV highly.

The vast majority of parents/carers rate children's PSB programming as important

- Four in five (81%) parents/carers of children under the age of 15 rated the provision of PSB children's programming as important. This compares to seven in ten (70%) of parents/carers stating the PSB channels deliver on *'providing a wide range of high quality, UK-made programmes for children'*. There were no changes in results year-on-year.

Overall satisfaction with PSB channels remains high across all age groups

- Overall satisfaction with the PSB channels combined remains high, with just under four in five (79%) of those who ever watch any PSB channel claiming to be quite or very satisfied, this is in line with results seen in 2013.

- Among the age groups, satisfaction with PSB broadcasting in 2014 was highest among adults aged 65+ (82%) this is significantly up from 72% in 2013, with the lowest level of satisfaction among respondents aged 25-34 (75%).
- Four in five (80%) of young adults aged 16-24 stated that they were satisfied with PSB channels overall. This is in line with the overall population
- There are no significant year on year changes for any of the PSB purposes and characteristics among 16-24s.

Around seven in ten interviewed thought the PSB websites and catch up services were important

- Seven in ten (70%) of those interviewed thought it important that the BBC *'provides a website with high quality content that you can trust'*, this is unchanged from 2013. Just over half (53%) stated it is important that Channel 4 provides this content, also unchanged from 2013.
- Satisfaction remains high with nine in ten who have used the BBC website in the last month saying they were satisfied. There was no change versus 2013. Just under four in five (78 %) users of the Channel 4 website were satisfied with no change versus 2013.
- When asked about the use of catch-up services, 47% of those interviewed had used a PSB catch up service in the last month (including BBC iPlayer 4oD²⁰, ITV Player and Demand 5). More than four in ten (44%) had used BBC iPlayer (no change from 2013) and just under a fifth (17%) used ²¹4oD (same as 2013).
- Seven in ten thought it important that the broadcasters *'provide a catch up service that allows viewers to watch previously broadcast programmes'*.

There were no changes in viewers' opinions about the delivery of the purposes and characteristics by S4C

- There were no significant changes year-on-year for any of the PSB purposes or characteristics amongst regular viewers of S4C Welsh language programming in 2014.
- The purpose with the highest level of delivery was *'its news programmes are trustworthy'* (58%). S4C was rated as delivering highly on the characteristic statement *'It shows well-made high quality programmes'* by 55% of the regular viewers to the channel.

²⁰ Name changed to All 4 in March 2015

²¹ Name changed to All 4 in March 2015

Section 4

Glossary of terms

PSB Public Service Broadcasting

Commercial PSB portfolio channels for output and spend purposes, these are CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5USA and 5*.

Daytime 6.00am – 6.00pm

First-run UK 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.

Network/non-network programming Network programming is shown by the PSB channels across the UK whereas non-network programming is nations' and regions' programming that is only shown in particular areas of the UK.

Peak time 6.00pm -10.30pm. For BBC Three and BBC Four, peak time runs from 7.00pm to 10.30pm.

Average daily hours Average hours of viewing per person, per day.

Average weekly reach The proportion of the TV population who tuned in to a channel or group of channels at least once in an average week.

Share The percentage of the total viewing audience watching a specific channel or group of channels, over a given period of time. For example, a 65% share for a channel means that of all the viewers watching television at the time, 65% were watching the given channel (and the remaining 35% were watching other channels).