

Annex 1 - PSB spend and output

PSB Annual Report
December 2014

Background (1)

Notes on the data

The data in this report are collected by Ofcom from broadcasters, as part of their PSB returns, and include figures on the volume of hours broadcast during the year and programme expenditure.

- **PSB channels**

- Wherever possible, data have been provided for BBC One, BBC Two, ITV, ITV Breakfast, Channel 4, Channel 5 and the BBC's PSB portfolio channels: BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament. BBC HD and BBC One HD have been excluded from most of the analysis in the report, as much of their output is simulcast from the core BBC channels and therefore would represent a disproportionate amount of duplicated broadcast hours and spend. Please refer to individual footnotes and chart details indicating when a smaller group of these channels is being reported on. ITV includes ITV Breakfast unless otherwise stated.
- Data for S4C and BBC Alba are shown within the nation's and region's section.
- GMTV became Daybreak during 2010; the data relating to both services are labelled ITV Breakfast in the output and spend analysis.

- **Non-PSB Channels**

- Additional output and spend data was collected from non-PSB channels via a Ofcom request for information. Data were collected from the following commercial PSB portfolio channels: CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5USA and 5* as well as the following broadcasters; Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and the Baby Network.

Background (2)



- **Spend data**

- Programme spend represents the total cost of production or acquisition, including rights costs but excluding third-party investment. In the case of commissions, it represents the price paid to the independent producer (and therefore includes a mark-up on production costs).
- Trend data showing programme costs over a number of years is given in 2013 prices (i.e. taking account of inflation, using the Consumer Price Index).

- **Genre definitions**

- The allocation of programmes to different genres and the application of common definitions was agreed with broadcasters in 2006.

- **Definition of peak time**

- The standard definition of peak time is from 6pm to 10.30pm. However, for BBC Three and BBC Four peak time runs from 7pm (when broadcasting starts on these channels) to 10.30pm.

- **Definition of 'slot time' vs. 'running time'**

- Output hours are either based on slot time or running time. Slot time includes advertisements, sponsorship breaks and promos whereas running time excludes these minutes from programme output hours analysis. It is stated beneath each chart in this annex whether slot time or running time has been used.

Background (3)



- **Adjusting spend data for inflation**

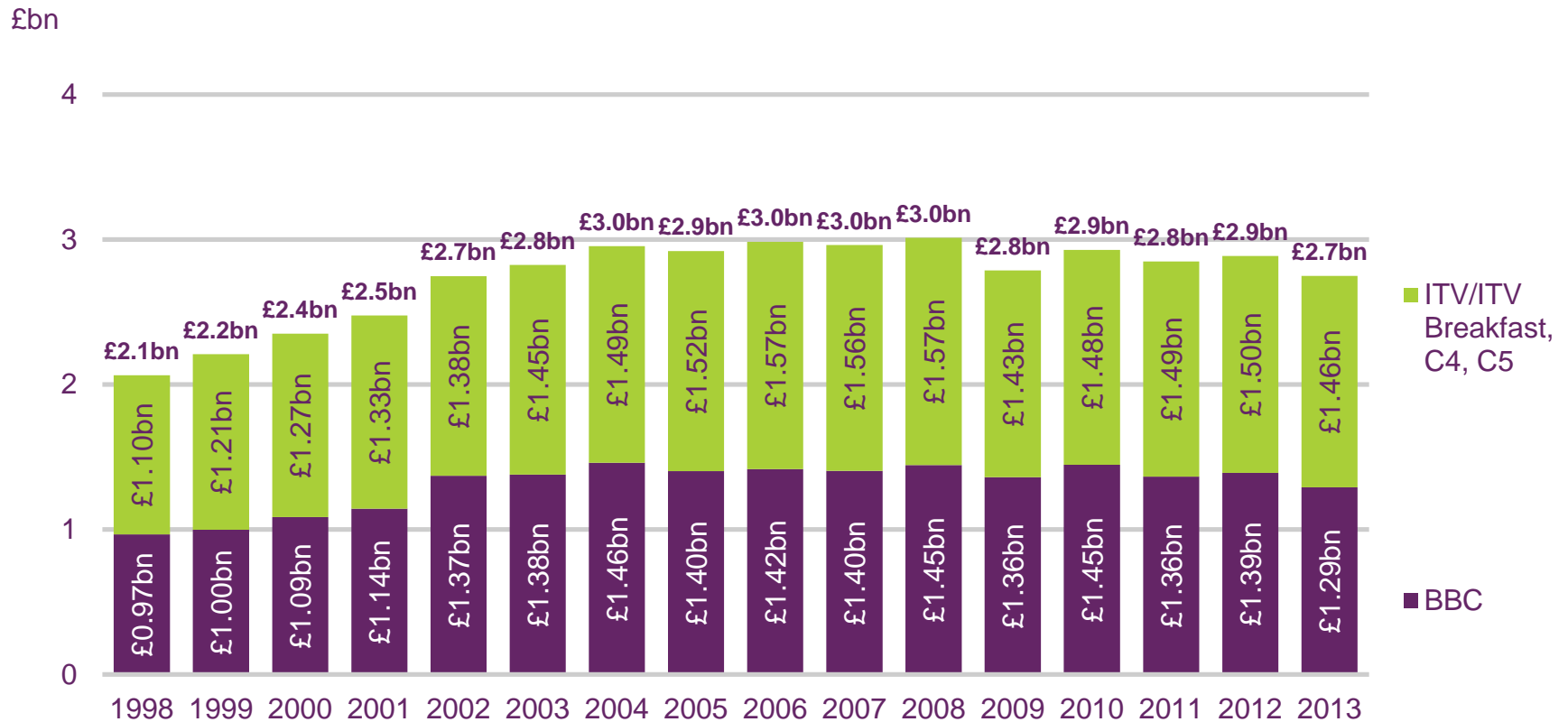
- The data and information expressed in this report has been adjusted for inflation. It is important to adjust for inflation when comparing nominal data at different points in time because with inflation, increases in nominal figures may simply reflect higher prices rather than increased production or purchasing power. For example, if a book cost £5 ten years ago, but £10 today, we would say its price has risen 100% in nominal terms. But had inflation risen by 100% at the same time, halving the value of money, we would say that the price has not moved in real terms.
- Trend data showing programme costs over a number of years are given in 2013 prices (i.e. taking account of inflation, using the Consumer Price Index, as provided by the National Statistics Office).

Contents:

- 5) PSB spend
- 24) PSB hours
- 29) Non-PSB channels spend and hours

PSB spend

Fig 1 PSB overall network programme spend; nominal terms



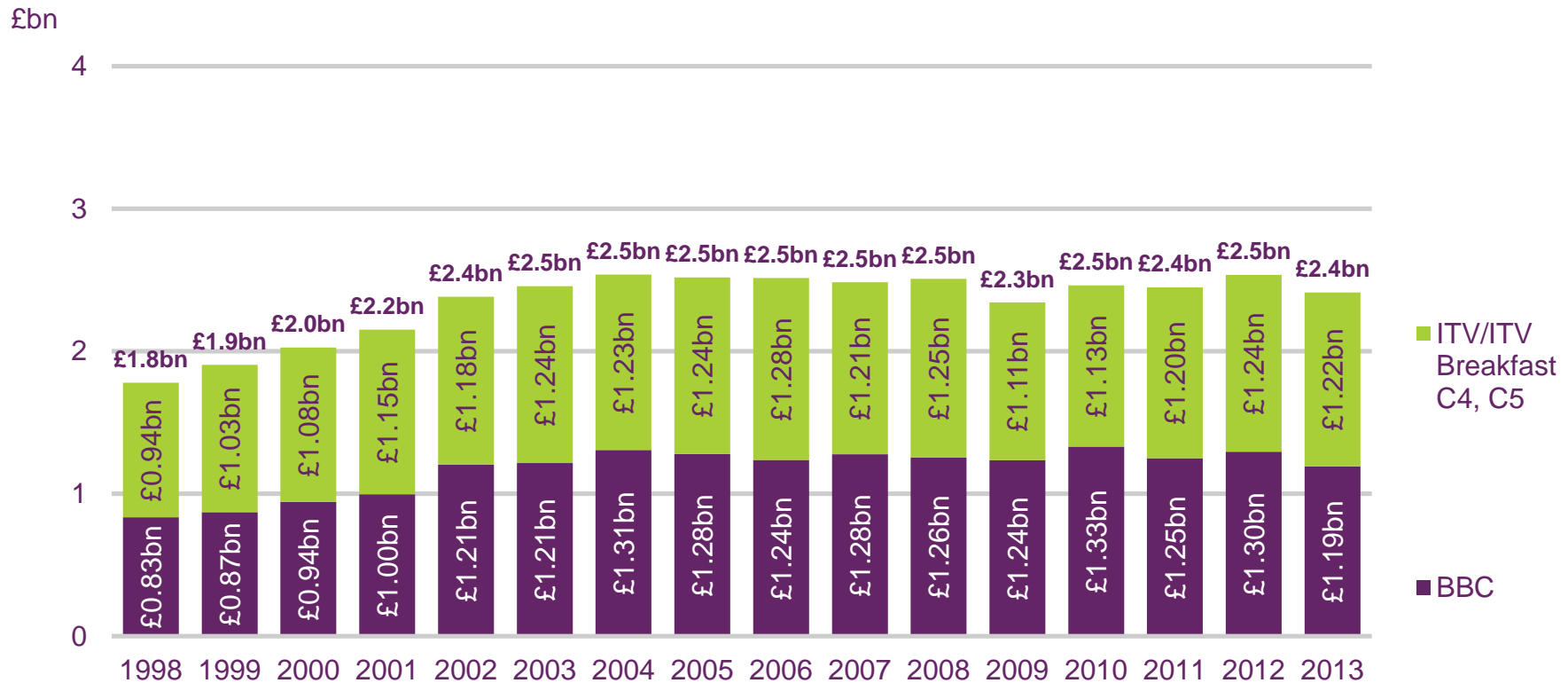
Source: Ofcom/broadcasters. Note: figures are expressed in nominal terms. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 2 PSB overall network programme spend; real terms



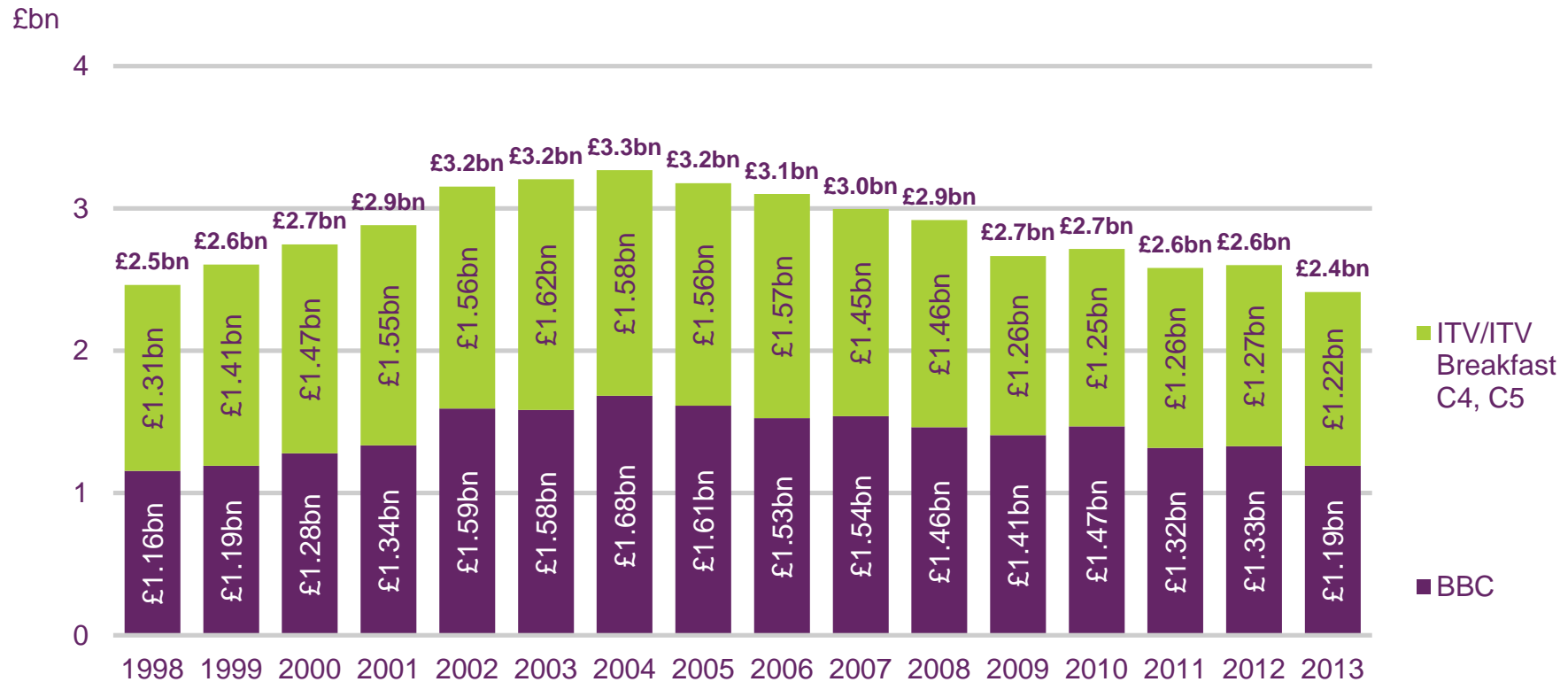
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 3 PSB network spend on first-run UK originations; nominal terms



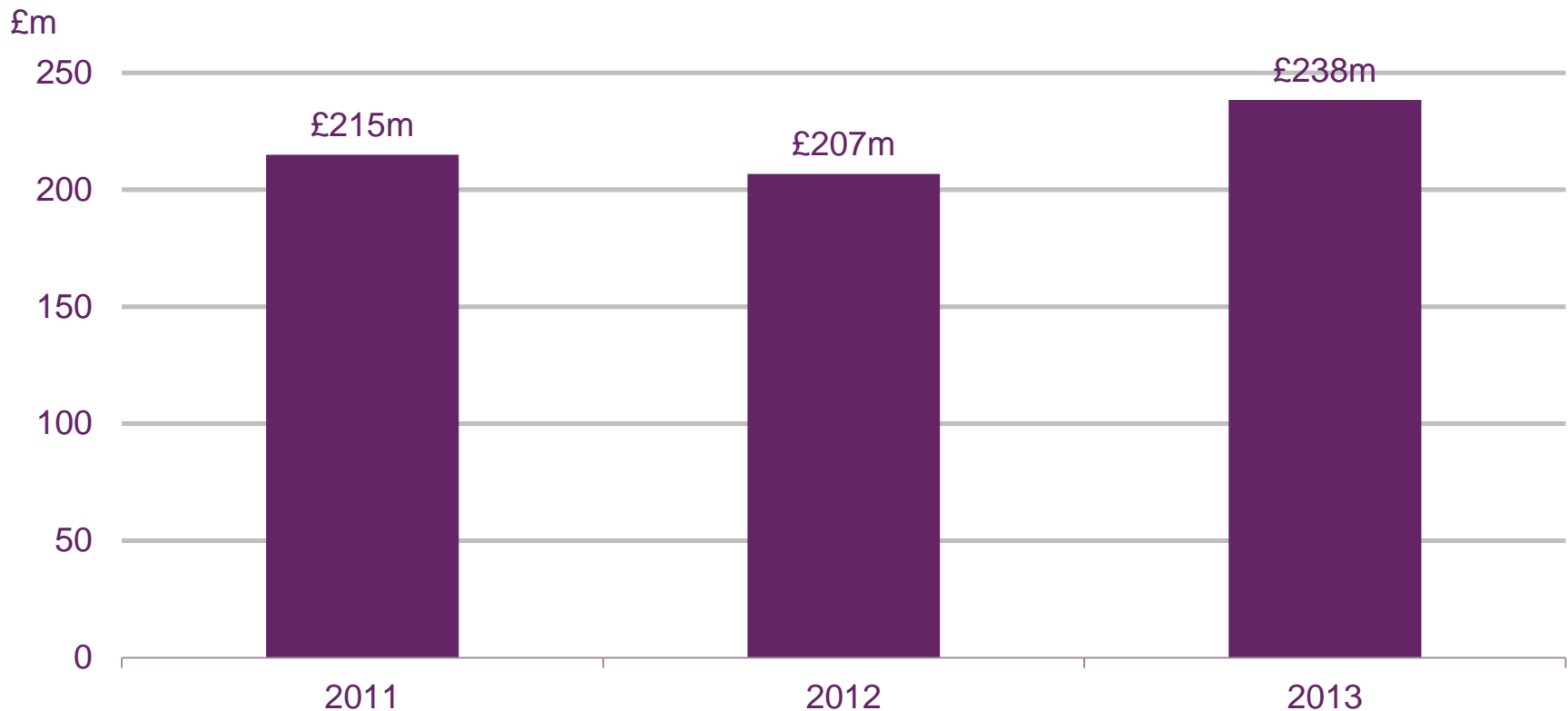
Source: Ofcom/broadcasters. Note: figures are expressed in nominal terms. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 4 PSB network spend on first-run UK originations; real terms



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 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.

Fig 5: Third party contribution to first-run UK originations; PSB channels



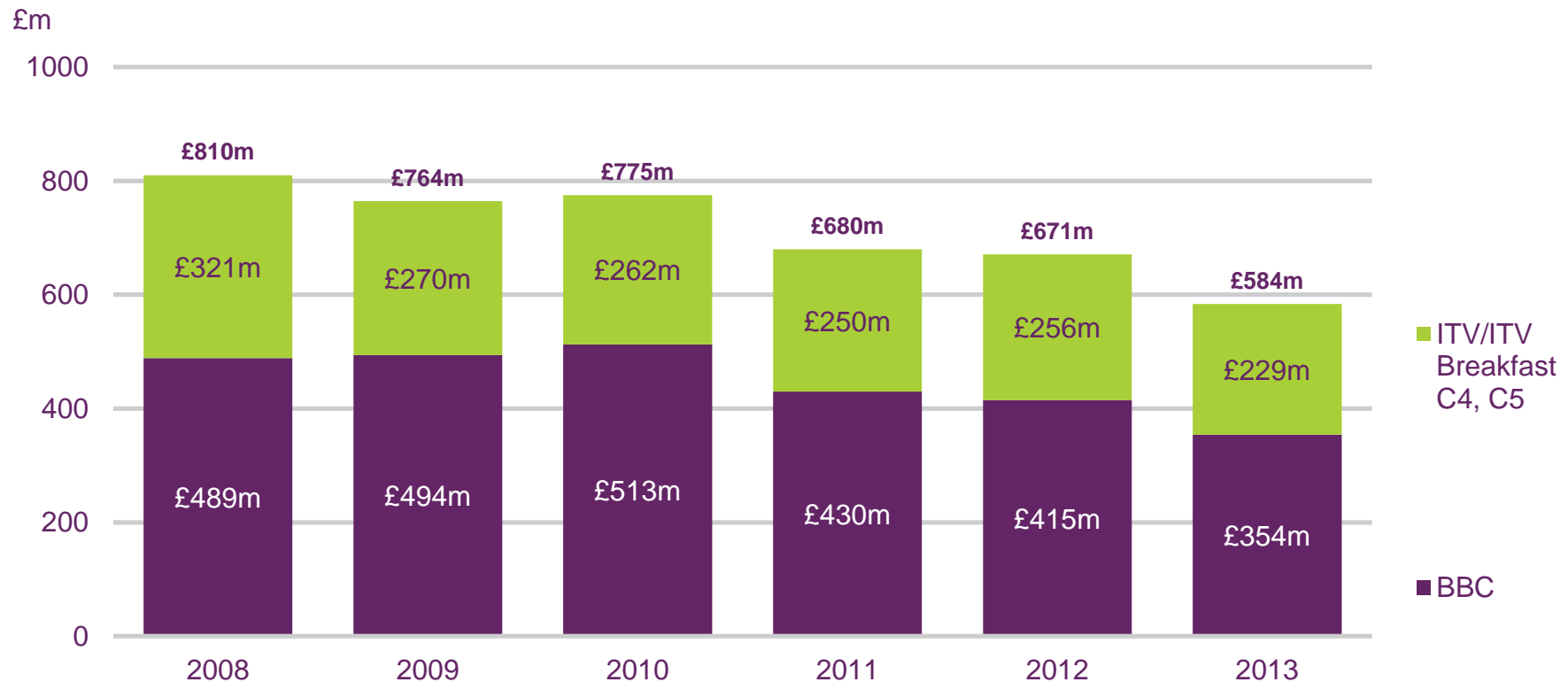
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 6 PSB network spend on first-run UK originations at peak time



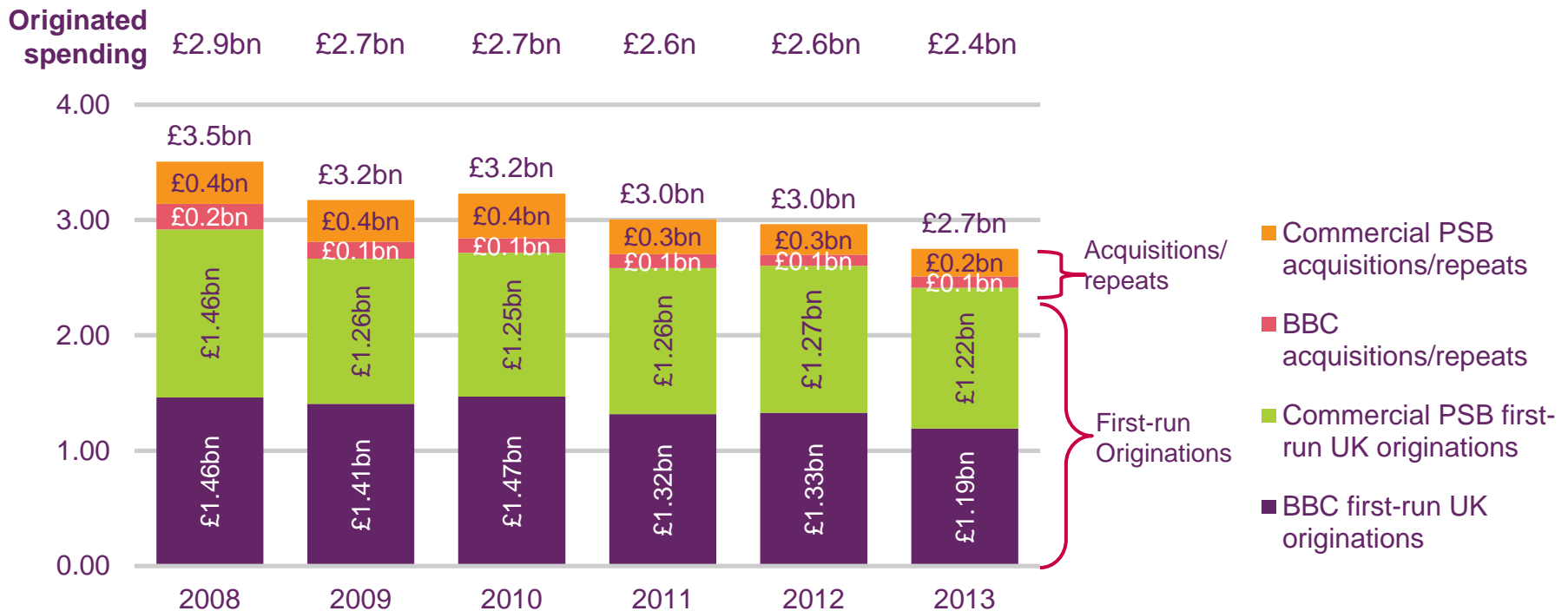
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 7 PSB network spend on first-run UK originations during daytime



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 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.

Fig 8 PSB network spend on first-run UK originations; acquisitions and repeats



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. Commercial PSB includes ITV, ITV Breakfast, Channel 4 and Channel 5. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

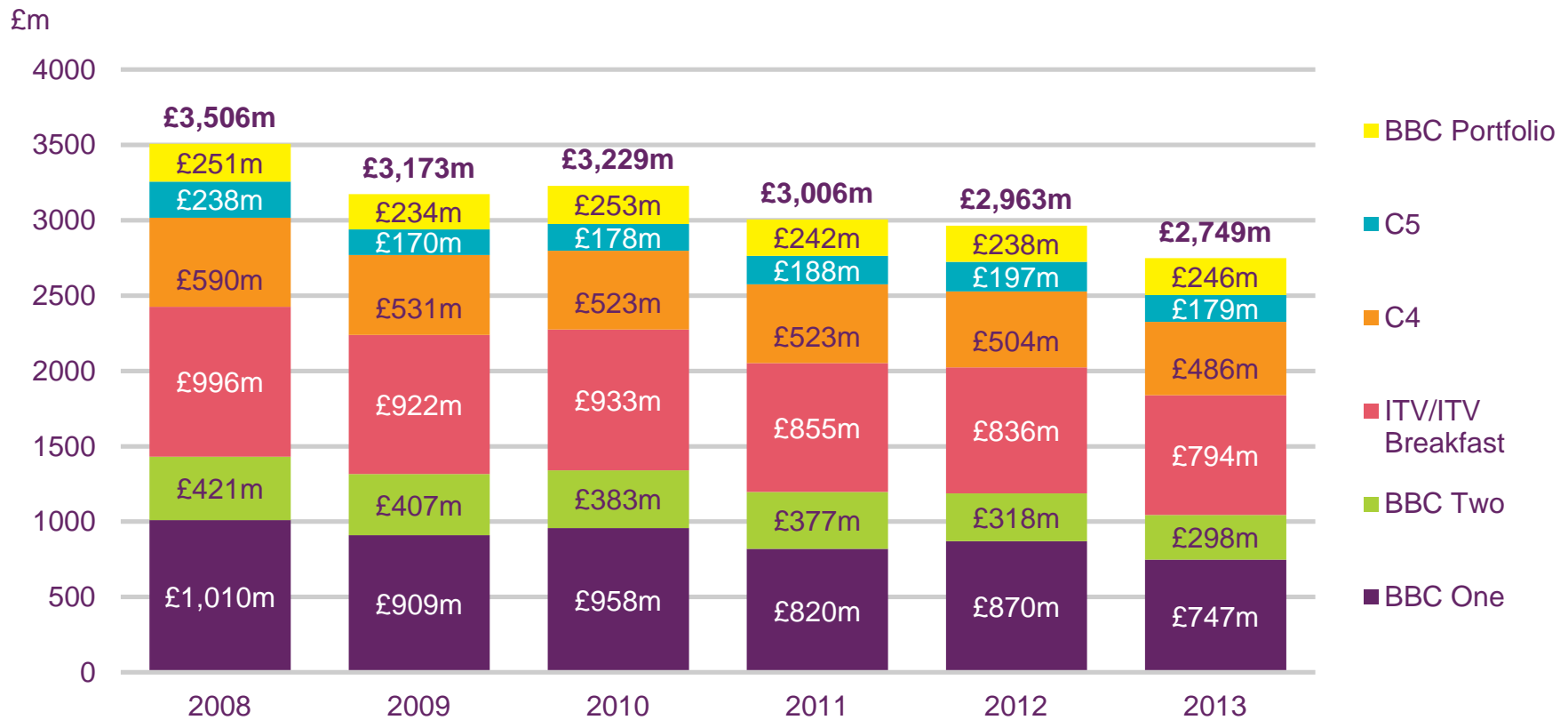
Fig 9 PSB spend – first-run and all hours; by channel



	Spend on all hours of output								Spend on first-run originated output								First run spend as a % of all spend		
	2008	2012	2013	Change (£)		Change (%)		2008	2012	2013	Change (£)		Change (%)		2008	2012	2013		
				5 yr	1 yr	5 yr	1 yr				5 yr	1 yr	5 yr	1 yr					
BBC One	£1010m	£870m	£747m	-£263m	-£123m	-26%	-14%	£876m	£817m	£696m	-£179m	-£121m	-20%	-15%	87%	94%	93%		
BBC Two	£421m	£318m	£298m	-£123m	-£20m	-29%	-6%	£358m	£293m	£272m	-£87m	-£22m	-24%	-7%	85%	92%	91%		
BBC Portfolio	£251m	£238m	£246m	-£5m	£7m	-2%	3%	£228m	£219m	£224m	-£4m	£5m	-2%	2%	91%	92%	91%		
BBC Total	£1682m	£1426m	£1291m	-£391m	-£136m	-23%	-10%	£1462m	£1330m	£1192m	-£270m	-£138m	-18%	-10%	87%	93%	92%		
ITV/ITV Breakfast	£996m	£836m	£794m	-£202m	-£41m	-20%	-5%	£895m	£775m	£750m	-£144m	-£25m	-16%	-3%	90%	93%	94%		
Channel 4	£590m	£504m	£486m	-£105m	-£19m	-18%	-4%	£450m	£395m	£382m	-£68m	-£13m	-15%	-3%	76%	78%	79%		
Channel 5	£238m	£197m	£179m	-£60m	-£18m	-25%	-9%	£112m	£102m	£88m	-£24m	-£14m	-21%	-13%	47%	52%	49%		
Commercial Total	£1824m	£1536m	£1459m	-£366m	-£78m	-20%	-5%	£1457m	£1272m	£1221m	-£236m	-£51m	-16%	-4%	80%	83%	84%		
Grand Total	£3506m	£2963m	£2749m	-£757m	-£214m	-22%	-7%	£2919m	£2602m	£2413m	-£506m	-£189m	-17%	-7%	83%	88%	88%		

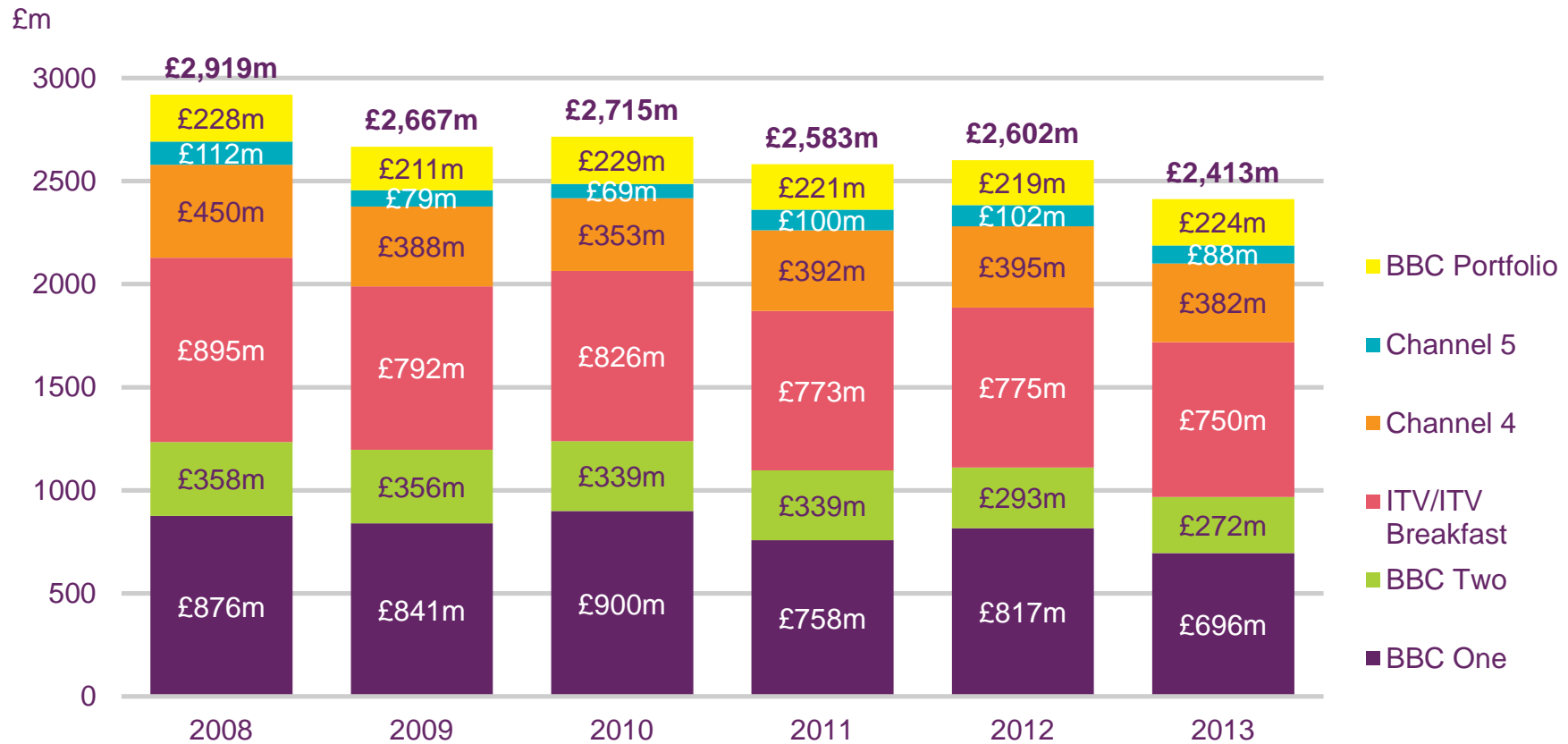
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 10 PSB network programme spend, by channel



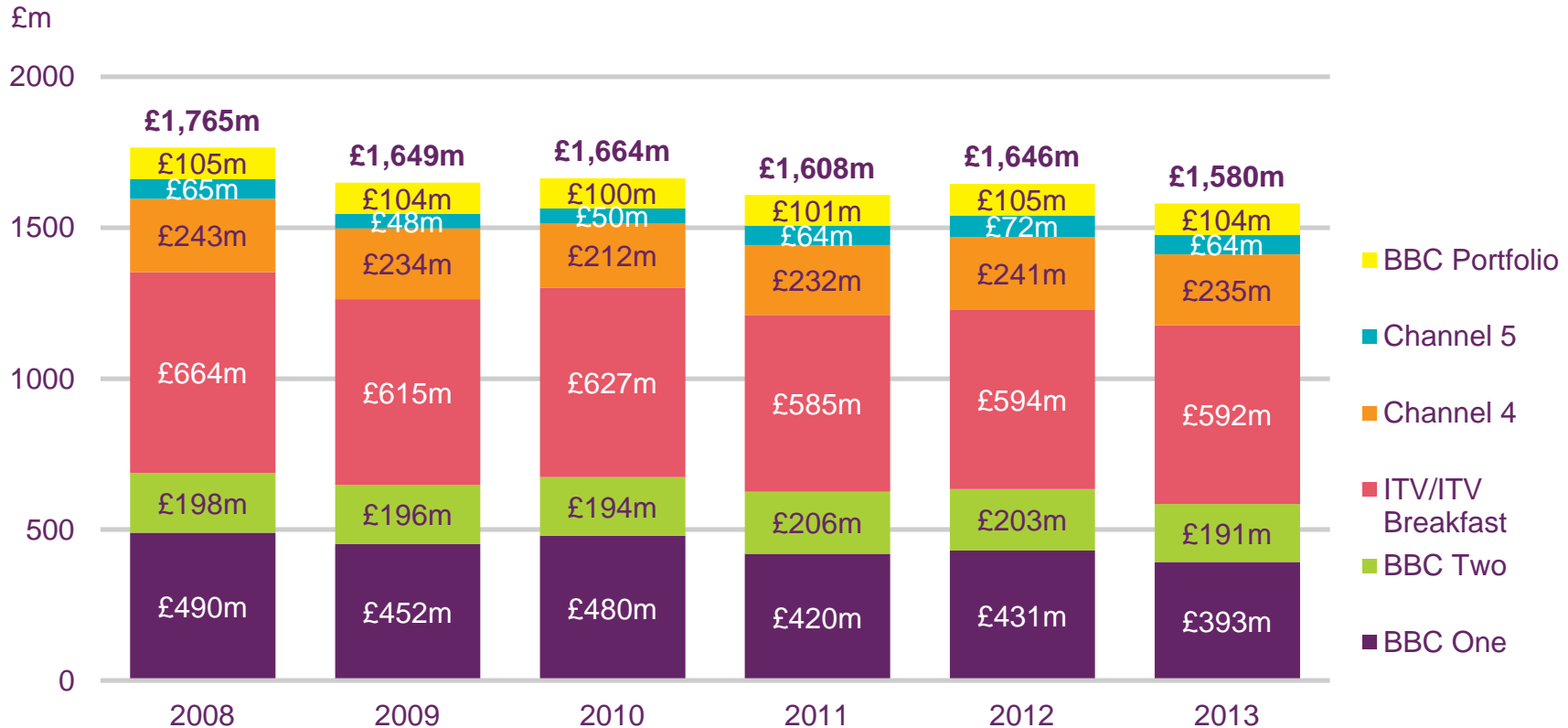
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC Portfolio includes BBC Three, BBC Four, CBBC, CBeebies, BBC News, and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 11 PSB first-run UK originations spend, by channel



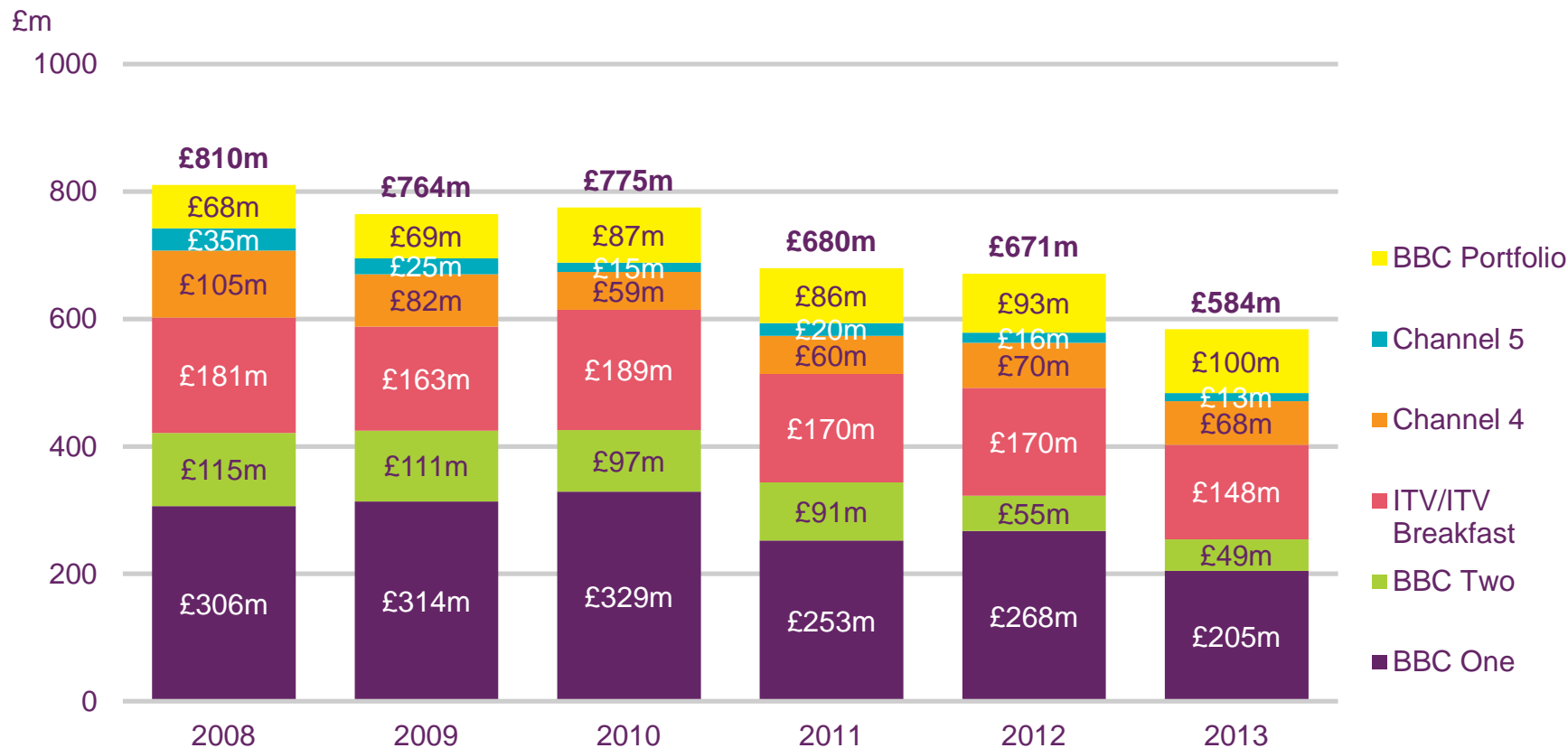
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC Portfolio includes BBC Three, BBC Four, CBBC, CBeebies, BBC News, and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 12 PSB first-run UK originations spend at peak time, by channel



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC Portfolio includes BBC Three, BBC Four, CBBC, CBeebies, BBC News, and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 13 PSB first-run UK originations spend during daytime, by channel



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC Portfolio includes BBC Three, BBC Four, CBBC, CBeebies, BBC News, and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

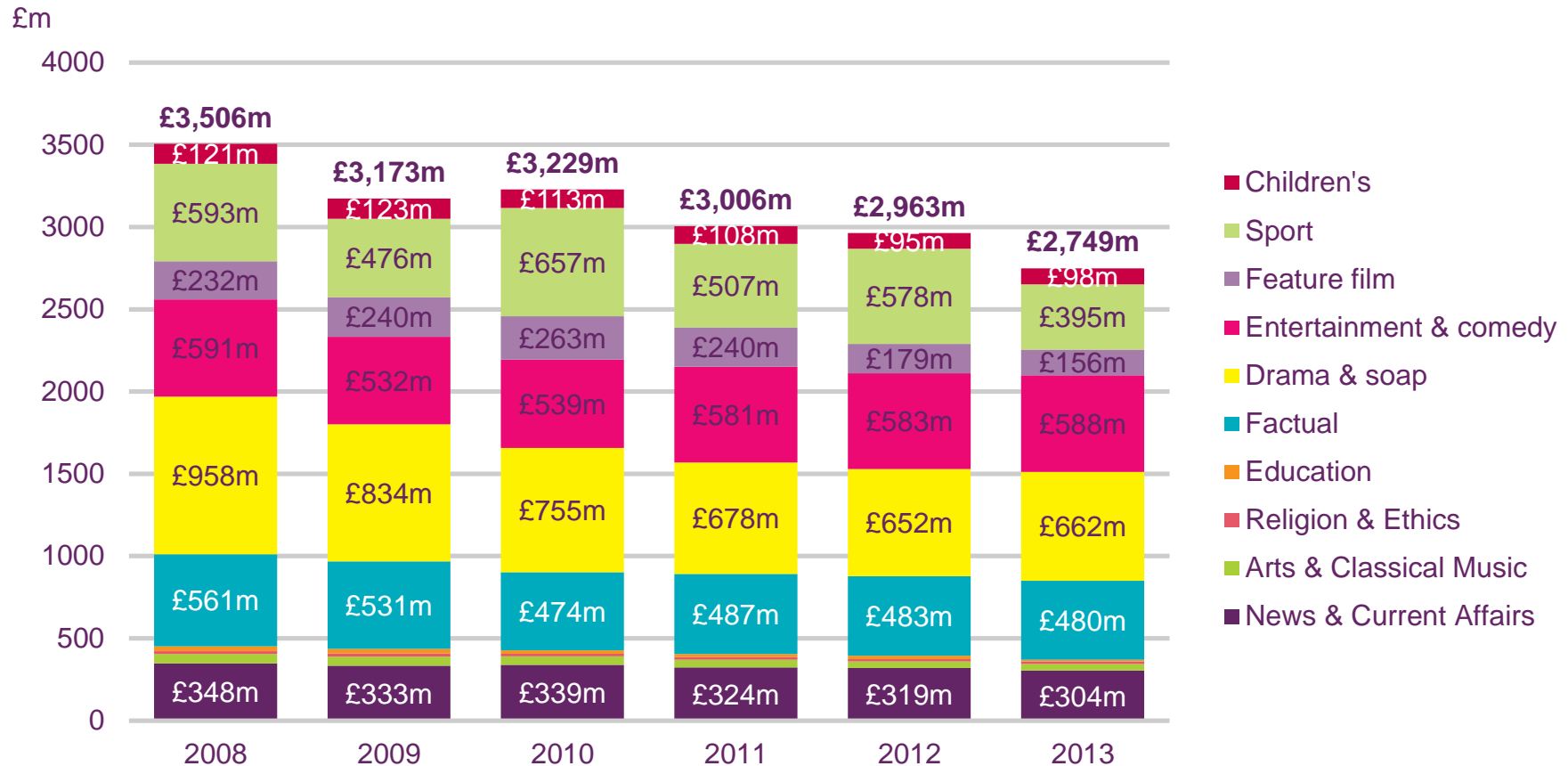
Fig 14 PSB spend, first-run and all hours, by genre



	Spend on all hours of output							Spend on hours of first-run originated output							First run spend as a % of all spend		
	2008	2012	2013	Change (£m)		Change (%)		2008	2012	2013	Change (£m)		Change (%)		2008	2012	2013
				5yr	1 yr	5yr	1 yr				5yr	1 yr	5yr	1 yr			
News & Current Affairs	£348m	£319m	£304m	-£44m	-£16m	-13%	-5%	£348m	£319m	£303m	-£44m	-£16m	-13%	-5%	100%	100%	100%
Arts & Classical Music	£56m	£41m	£41m	-£15m	£0m	-27%	0%	£54m	£39m	£38m	-£16m	£0m	-29%	-1%	97%	94%	94%
Religion & Ethics	£18m	£14m	£14m	-£3m	£1m	-18%	4%	£17m	£14m	£14m	-£3m	£1m	-16%	5%	97%	99%	100%
Education	£29m	£20m	£10m	-£19m	-£10m	-65%	-48%	£29m	£20m	£10m	-£19m	-£10m	-65%	-49%	100%	99%	97%
Factual	£561m	£483m	£480m	-£80m	-£2m	-14%	0%	£546m	£467m	£466m	-£80m	-£1m	-15%	0%	97%	97%	97%
Drama & Soaps	£958m	£652m	£662m	-£295m	£11m	-31%	2%	£739m	£539m	£565m	-£174m	£26m	-24%	5%	77%	83%	85%
Ent. & Comedy	£591m	£583m	£588m	-£3m	£5m	-1%	1%	£526m	£522m	£512m	-£13m	-£10m	-3%	-2%	89%	90%	87%
Feature Films	£232m	£179m	£156m	-£76m	-£23m	-33%	-13%	£13m	£19m	£23m	£10m	£4m	75%	21%	6%	11%	15%
Sports	£593m	£578m	£395m	-£198m	-£182m	-33%	-32%	£546m	£578m	£393m	-£152m	-£184m	-28%	-32%	92%	100%	99%
Childrens	£121m	£95m	£98m	-£23m	£3m	-19%	3%	£102m	£85m	£87m	-£15m	£2m	-15%	2%	84%	90%	89%
Total	£3506m	£2963m	£2749m	-£757m	-£214m	-22%	-7%	£2919m	£2602m	£2413m	-£506m	-£189m	-17%	-7%	83%	88%	88%

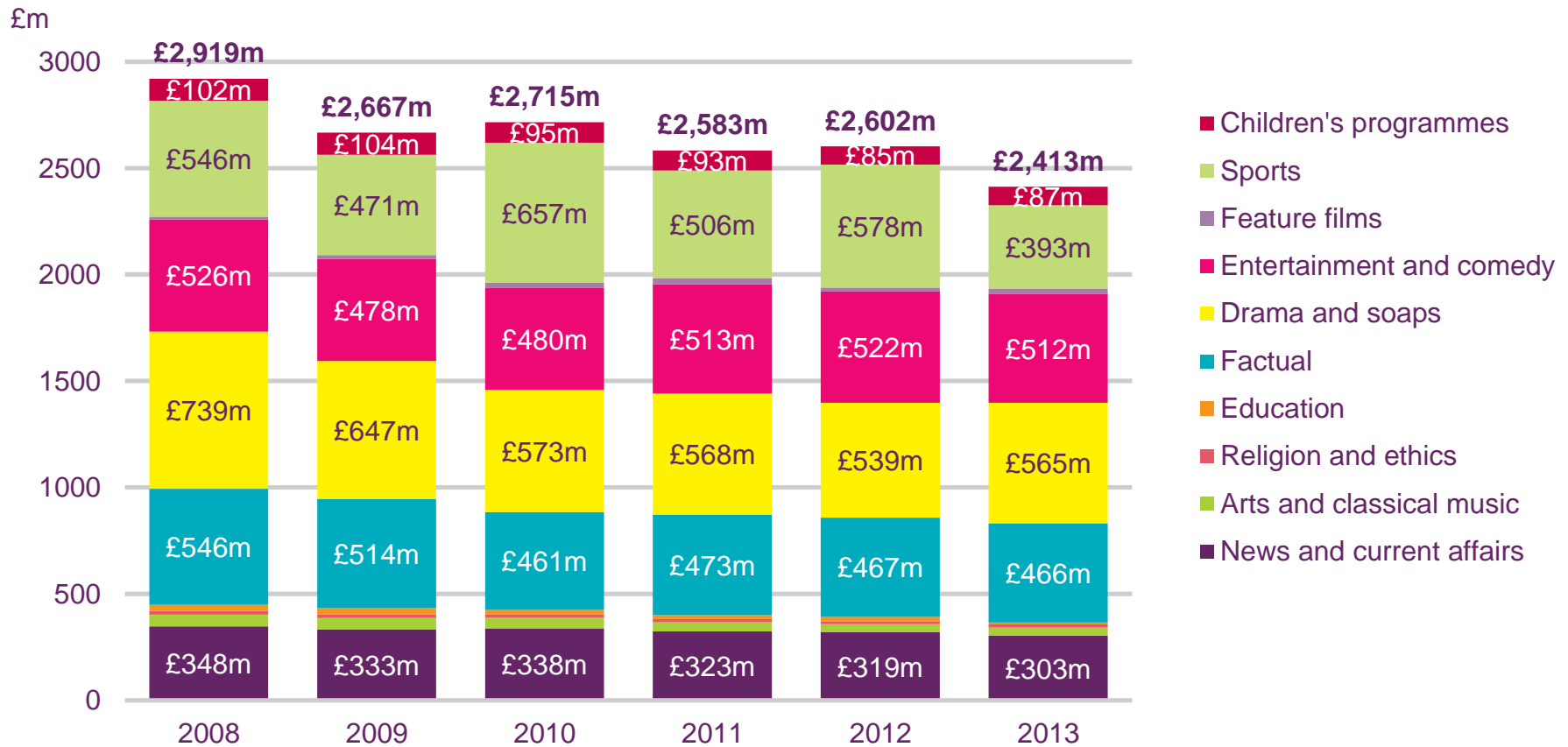
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 15 PSB network programme spend for PSB channels, by genre



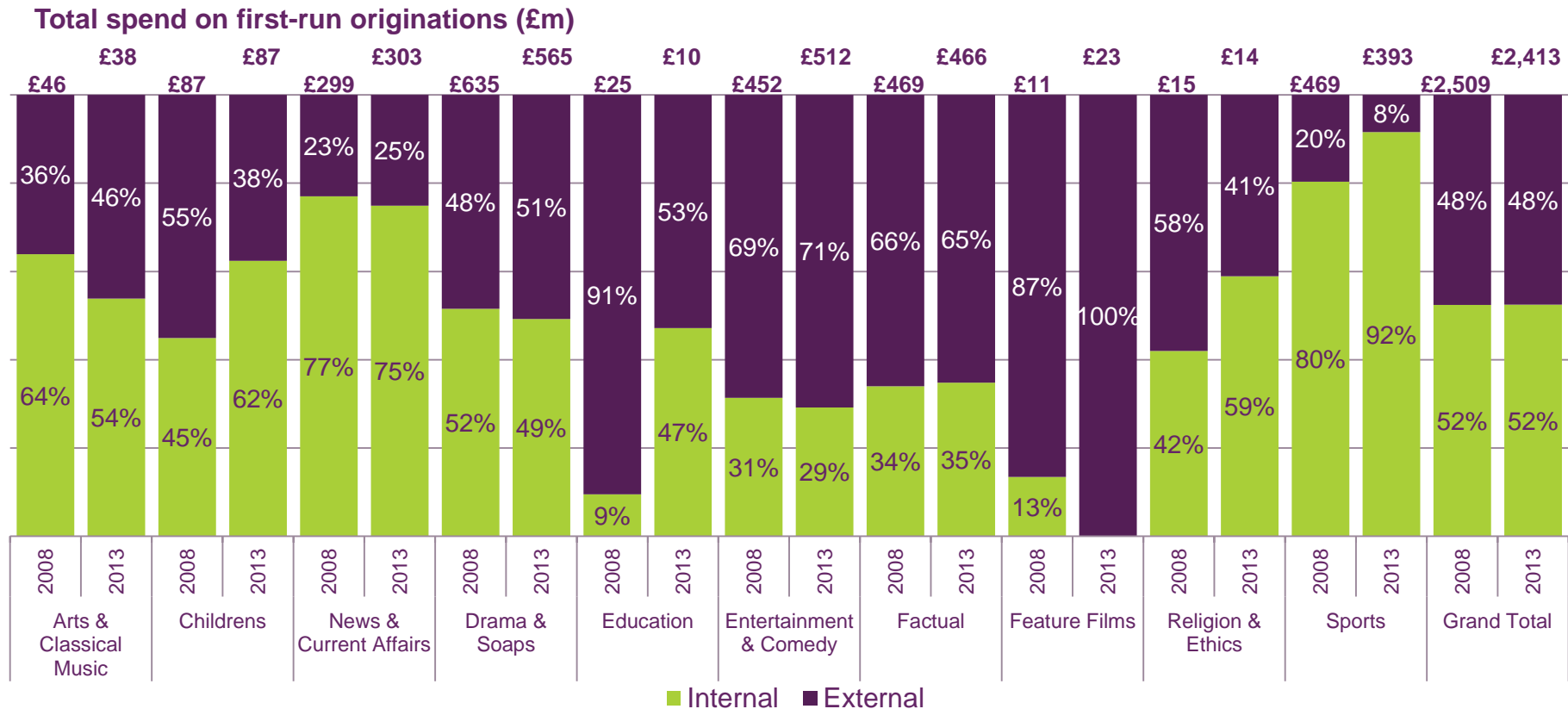
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. Figures include PSB services: BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV, ITV Breakfast, Channel 4 and Channel 5. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 16 PSB first-run UK originations spend, by genre



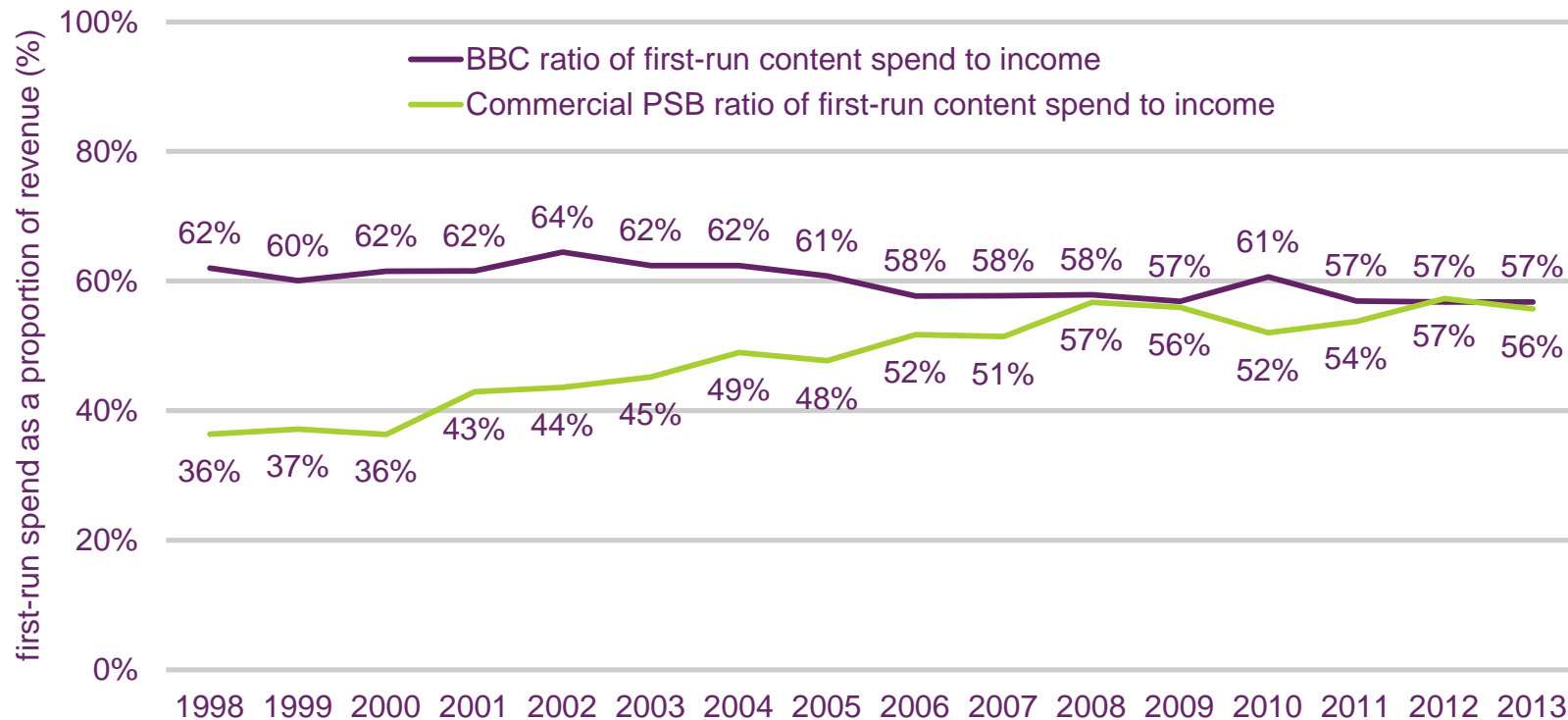
Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. Figures include PSB services: BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV, ITV Breakfast, Channel 4 and Channel 5. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Fig 17: Relative share of spend on first-run originated content by genre, in-house vs. independent producers: 2008 and 2013



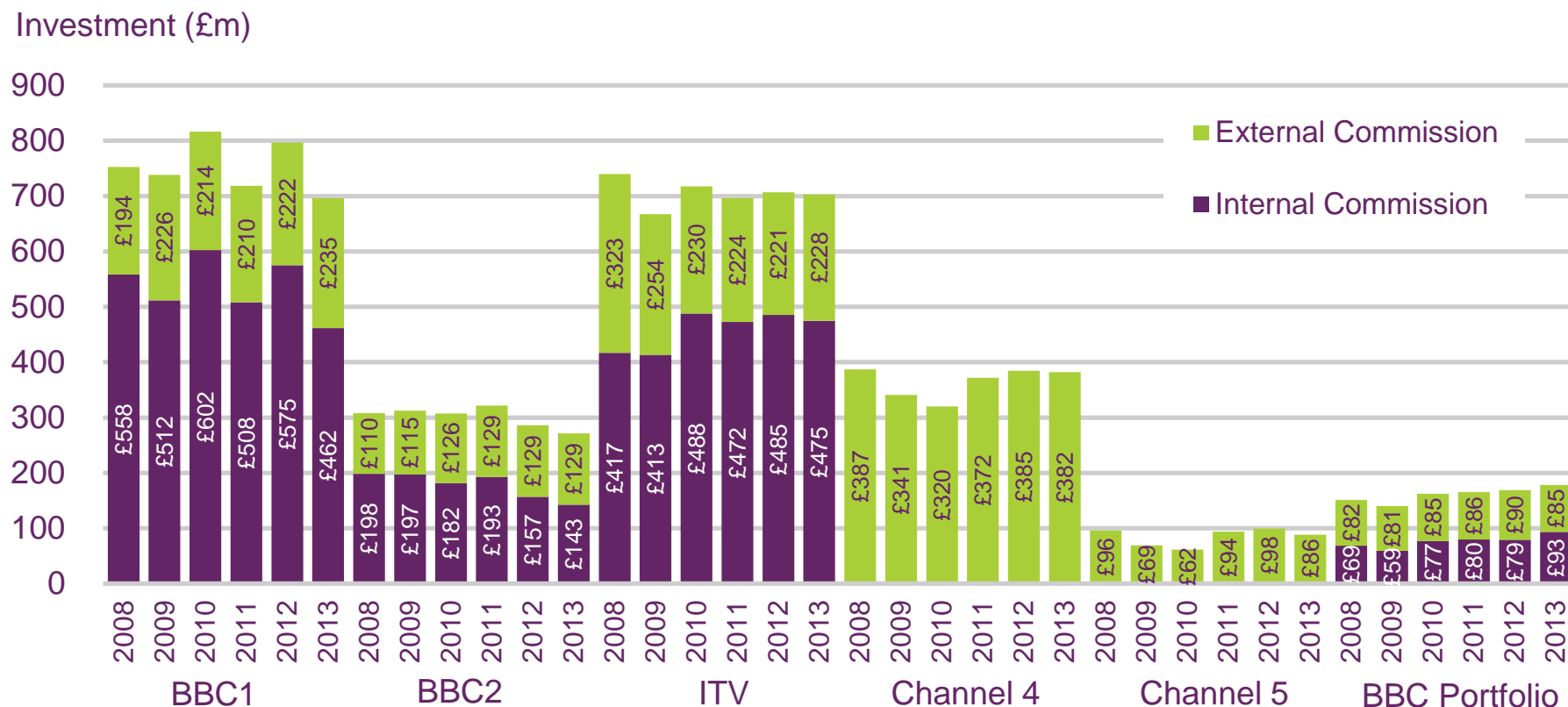
Source: Ofcom/broadcasters. Note: Includes spend by the five main PSBs and BBC portfolio channels on first-run originated content broadcast all day, and excludes regional output.

Fig 18 PSB first-run UK-originated television programming: ratio of spend to revenue



Source: Broadcasters and Ofcom estimates drawing on data from the BBC's Annual Reports and Accounts. Spend is all day, all genres. It includes all spending on networked output by the BBC, ITV, Channel 4 and Channel 5. It also includes BBC, stv, ITV and UTV spending on programmes for viewers in the nations and regions and the BBC's spend on programmes for S4C and BBC Alba. BBC TV income is based on Ofcom estimates of total licence fee revenue that is spent on TV-related services which includes content, distribution, and infrastructure spending, and pro-rata, a share of remaining overheads.

Fig 19: Spend on first run commissions by PSB channels, 2008 to 2013; nominal figures.

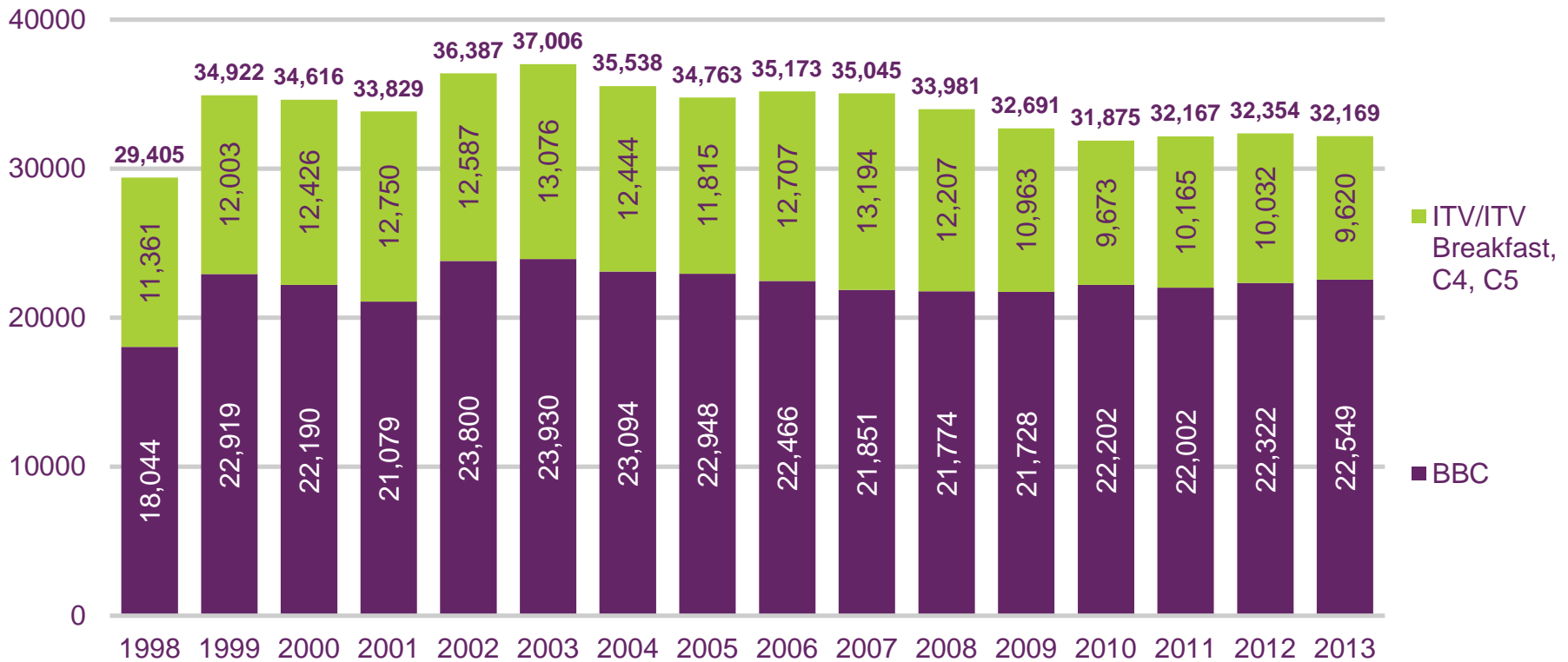


Source: Ofcom / Broadcasters

Note: Figures expressed in nominal terms. First-run network commissions including news and sports rights. BBC portfolio channels included in the chart: BBC Three, BBC Four, CBBC, CBeebies. ITV excludes ITV Breakfast.

PSB hours

Fig 20 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.

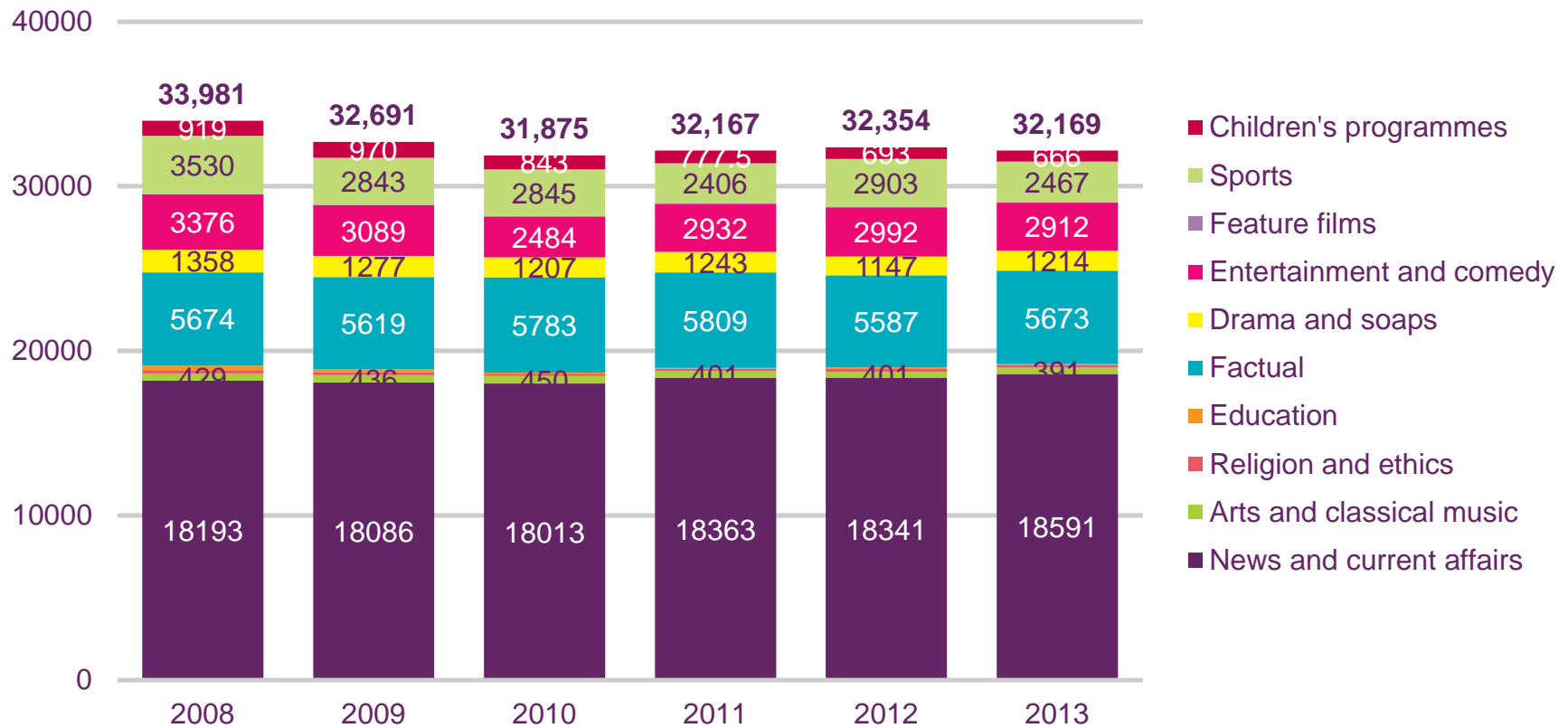
Fig 21 PSB hours – first-run and all hours, by channel



	All hours of output								Hours of first-run originated output								First run hours as a % of all output		
	2008	2012	2013	Change (hours)		Change (%)		2008	2012	2013	Change (hours)		Change (%)		2008	2012	2013		
				5 yr	1 yr	5 yr	1 yr				5 yr	1 yr	5 yr	1 yr					
BBC One	8483	8459	8537	54	78	1%	1%	5261	5561	6440	1179	879	22%	16%	62%	66%	75%		
BBC Two	8417	8280	7722	-695	-558	-8%	-7%	3665	3457	2800	-865	-657	-24%	-19%	44%	42%	36%		
BBC Portfolio	33069	33362	32705	-364	-657	-1%	-2%	12848	13304	13309	461	5	4%	0%	39%	40%	41%		
BBC Total	49969	50101	48964	-1005	-1137	-2%	-2%	21774	22322	22549	775	227	4%	1%	44%	45%	46%		
ITV/ITV Breakfast	8324	8479	8500	176	21	2%	0%	5404	5133	5108	-296	-25	-5%	0%	65%	61%	60%		
Channel 4	8783	8784	8760	-23	-24	0%	0%	3194	3305	2941	-253	-364	-8%	-11%	36%	38%	34%		
Channel 5	8785	8783	8764	-21	-19	0%	0%	3609	1594	1571	-2038	-23	-56%	-1%	41%	18%	18%		
Commercial Total	25892	26046	26024	132	-22	1%	0%	12207	10032	9620	-2587	-412	-21%	-4%	47%	39%	37%		
Grand Total	75861	76147	74988	-873	-1159	-1%	-2%	33981	32354	32169	-1812	-185	-5%	-1%	45%	42%	43%		

Source: Ofcom/broadcasters. BBC portfolio includes 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.

Fig 22 PSB first-run UK origination hours, by genre



Source: Ofcom/broadcasters. Figures include PSB services: BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV, ITV Breakfast, Channel 4 and Channel 5. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming. Output hours are based on slot times.

Fig 23 PSB hours, first-run and all hours, by genre



	All hours of output							Hours of first-run originated output						First run hours as a % of all output			
	2008	2012	2013	Change (hours)		Change (%)		2008	2012	2013	Change (hours)		Change (%)		2008	2012	2013
				5yr	1 yr	5yr	1 yr				5yr	1 yr	5yr	1 yr			
News & Current Affairs	24556	24669	24840	284	171	1%	1%	18193	18341	18591	398	250	2%	1%	74%	74%	75%
Arts & Classical Music	1619	1362	1733	114	371	7%	27%	429	401	391	-38	-10	-9%	-2%	26%	29%	23%
Religion & Ethics	285	229	254	-31	25	-11%	11%	159	144	144	-15	0	-9%	0%	56%	63%	57%
Education	1602	646	628	-974	-18	-61%	-3%	319	117	71	-248	-46	-78%	-39%	20%	18%	11%
Factual	12646	13724	14666	2020	942	16%	7%	5674	5587	5673	-1	86	0%	2%	45%	41%	39%
Drama & Soaps	6615	5149	4627	-1988	-522	-30%	-10%	1358	1147	1214	-144	67	-11%	6%	21%	22%	26%
Ent. & Comedy	7148	7711	8523	1375	812	19%	11%	3376	2992	2912	-464	-80	-14%	-3%	47%	39%	34%
Feature Films	4689	4594	4317	-372	-277	-8%	-6%	24	29	40	16	11	67%	38%	1%	1%	1%
Sports	4228	3356	2874	-1354	-482	-32%	-14%	3530	2903	2467	-1063	-436	-30%	-15%	83%	87%	86%
Childrens	12473	12748	10538	-1935	-2210	-16%	-17%	919	693	666	-253	-27	-28%	-4%	7%	5%	6%
Total	75861	74188	73000	-2861	-1188	-4%	-2%	33981	32354	32169	-1812	-185	-5%	-1%	45%	44%	44%

Source: Ofcom/broadcasters. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming. Output hours are based on slot times.

The commercial PSB portfolio channels and sample from the multichannel sector – spend and hours

In the following analysis, a sample of the multichannel broadcasters (chosen based on their collective audience share in the UK) provided output and spend data for the following channels:

Sky: Challenge, Pick, Sky 1, Sky 2, Sky Arts 1, Sky Arts 2, Sky Atlantic, Sky Box Office, Sky Living, Sky Livingit, Sky Movies Action, Sky Movies Comedy, Sky Movies Disney, Sky Movies Drama & R, Sky Movies Family, Sky Movies Greats, Sky Movies Premier, Sky Movies Sci-Fi/Horror, Sky Movies Select, Sky Movies Showcase, Sky Movies Thriller, Sky News, Sky Sports, Sky Sports 2, Sky Sports 3, Sky Sports 4, Sky Sports F1 and Sky Sports News.

Viacom: MTV, MTV Base, MTV Classic, MTV Dance, MTV Hits, MTV Live HD, MTV Live HD Euro, MTV Music, MTV Music 24, MTV ROCKS, VH1, VIVA, Comedy Central, Comedy Central Extra, Nick Jr. (UK), Nick Jr. 2, Nickelodeon and Nicktoons.

UKTV: Alibi, Blighty, Dave, Eden, Good Food, Home, Really, UKTV Gold, Watch and Yesterday

BT: BT Sport 1 and BT Sport 2

Discovery: Animal Planet (UK), Disc Science (UK), Disc Travel & Living, Discovery History UK, Discovery Home and H, Discovery Real Time, Discovery Shed, Discovery Turbo, Discovery Channel (UK), DMAX, Investigation Discovery, Quest, Quest 2 and TLC (UK)

AETN: Crime & Investigation, Bio, History and Lifetime.

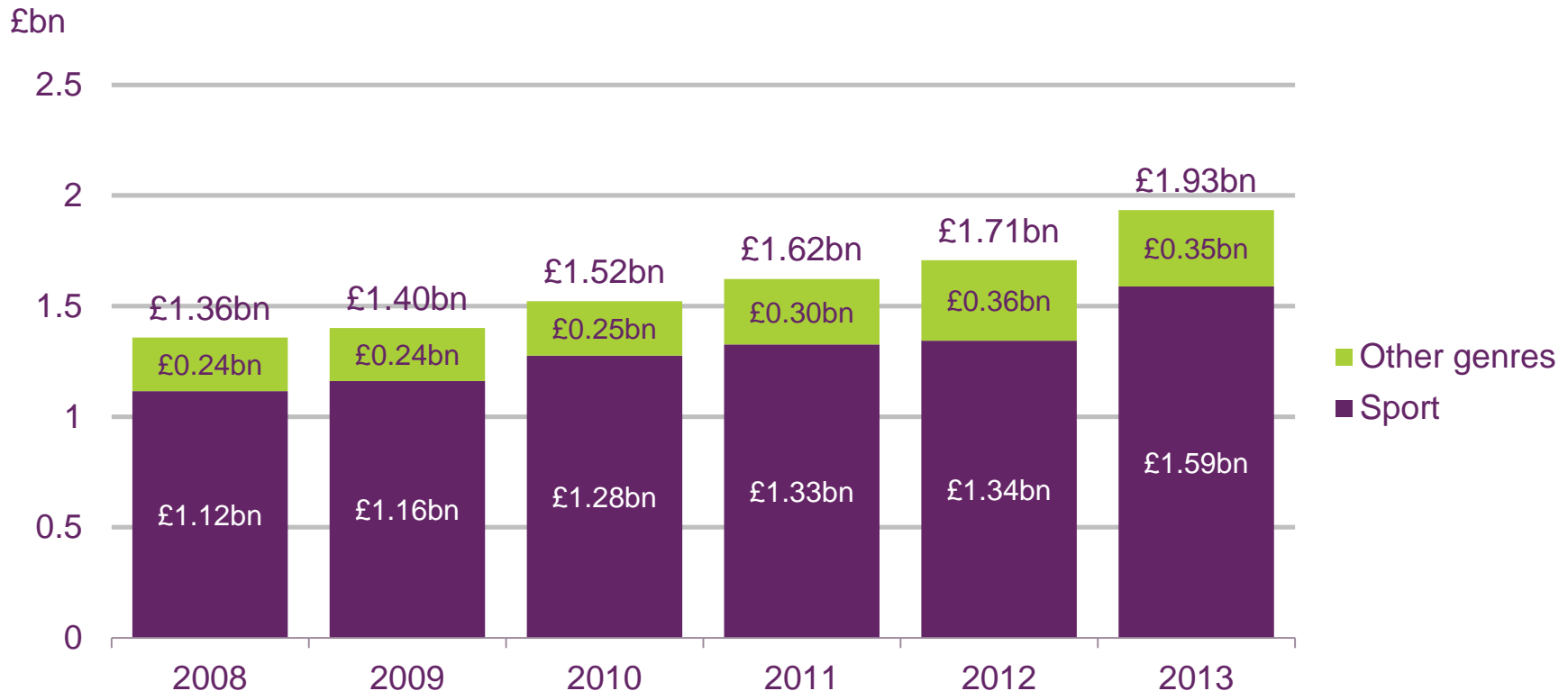
Turner: Boomerang UK, Cartoon Network Too, Cartoon Network UK and Cartoonito.

Disney: Disney Channel, Disney Junior, Disney Junior + and Disney XD.

CSC: Kix!, POP, Pop girl and Tiny Pop.

Baby Network: Baby TV

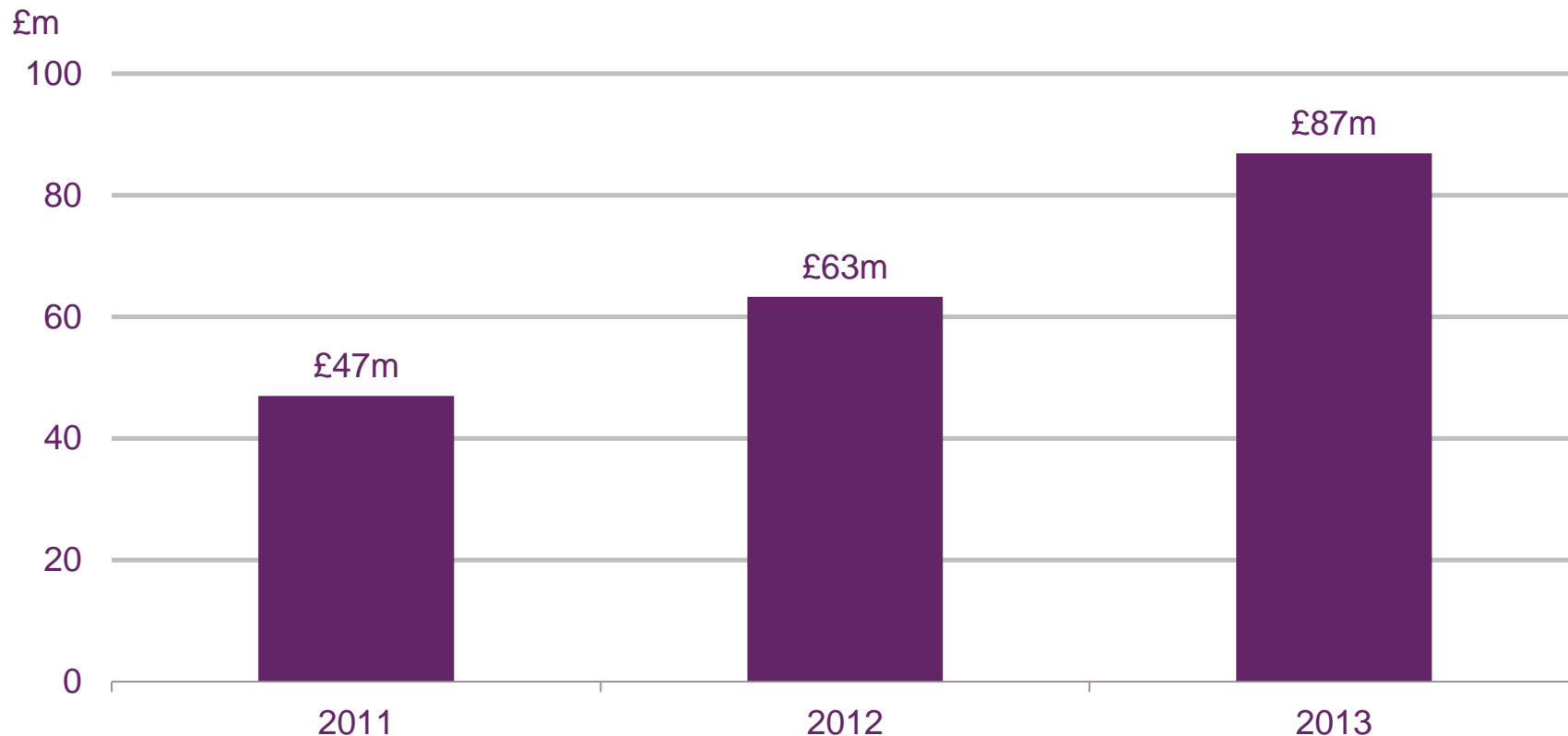
Figure 24: First-run UK originations spend by the commercial PSB portfolio channels and sample from the multichannel sector combined



Source: Ofcom Note: figures are expressed in 2013 prices. The commercial PSB portfolio channels are CITV, ITV2, ITV3, ITV4, 4Seven, E4, Flim4, More4, 5USA and 5*. The multichannel sector sample consists of returns from Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and Baby TV and were chosen based on their collective audience share in the UK.

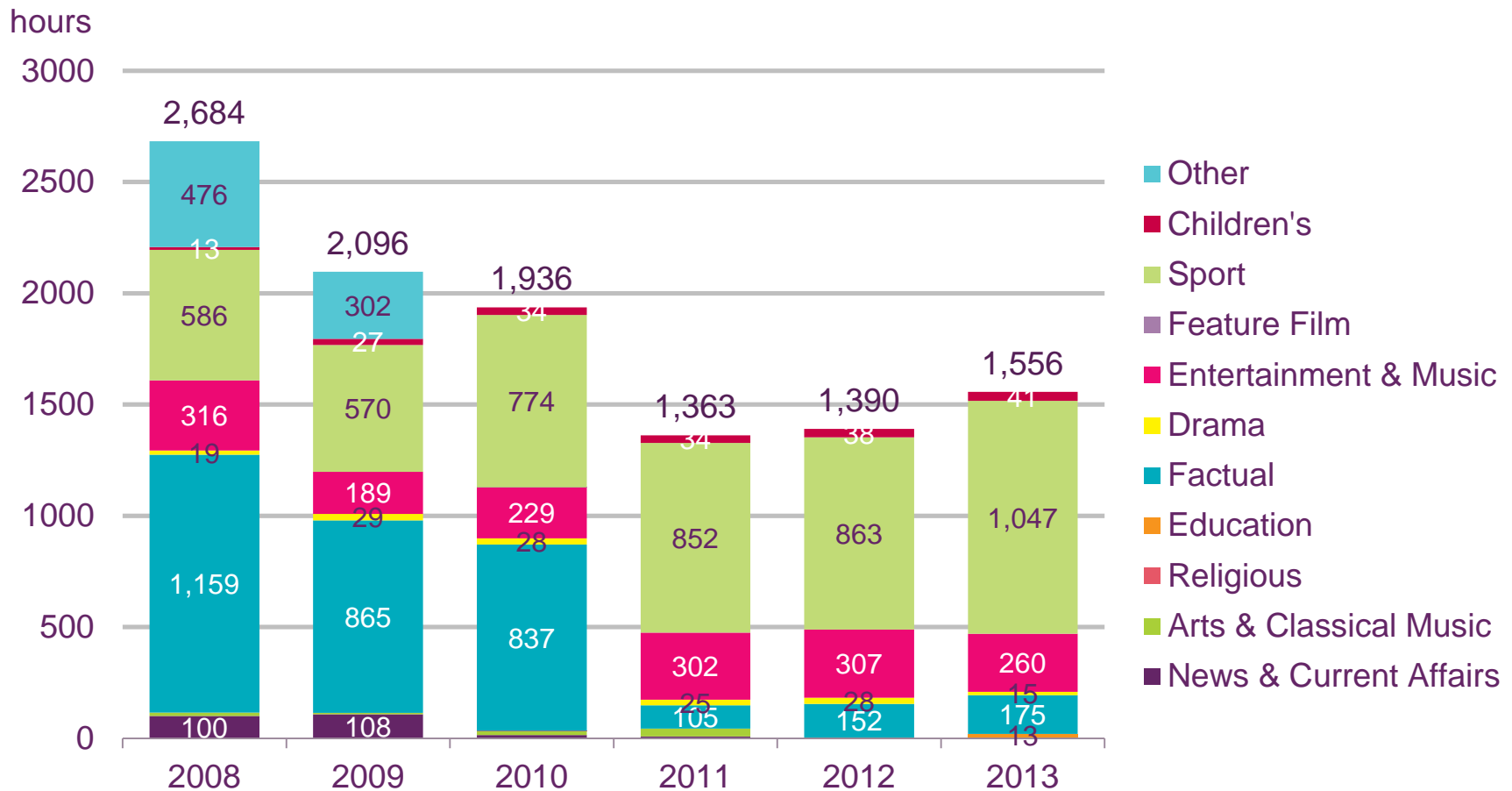
Sport figures include broadcaster spend on both production and rights acquisition.

Fig 25: Third party contribution to first-run UK originations; commercial PSB portfolio channels and sample from the multichannel sector combined



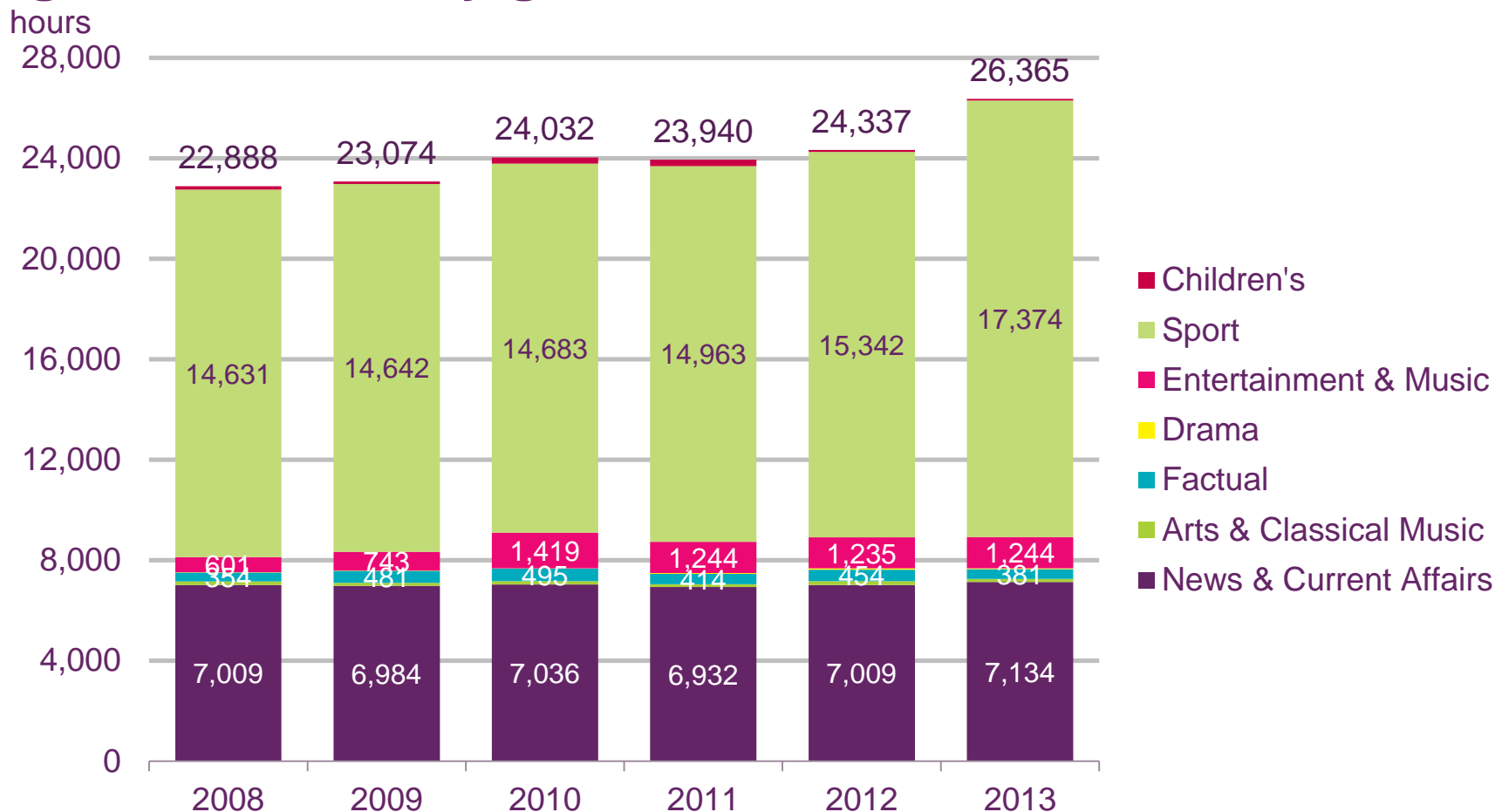
Source Ofcom. Note: figures are expressed in 2013 prices. The commercial PSB portfolio channels are CITV, ITV2, ITV3, ITV4, 4Seven, E4, Flim4, More4, 5USA and 5*. The multichannel sector consists of returns from Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and Baby TV and were chosen based on their collective audience share in the UK.

Fig 26: Commercial PSB portfolio first-run UK originated hours, by genre



Source: Ofcom. Note: Commercial PSB portfolio channels are CITV, ITV2, ITV3, ITV4, 4Seven, E4, Flim4, More4, 5USA and 5*. Output hours are based on running time.

Fig 27: Multichannel sample first-run UK originated hours, by genre



Source: Ofcom. Note: Multichannel data consists of returns from Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and Baby TV and were chosen based on their collective audience share in the UK. Output hours are based on running time.