



**Oliver & Ohlbaum**

# UK Television Production Survey

Financial Census 2020 – Nations & Regions Annex

August 2020

A report by Oliver & Ohlbaum Associates for Pact

## 2019 saw another strong year for producers in the Nations and Regions

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### The share of external commissioning value spent outside of London grew again, rising to 43%. Producers outside of London increased their share of total sector employment in 2019

Commissioning spend outside of London continued to grow again in 2019, reaching £1,042 million, accounting for 43% of all primary commissions revenue.

The major production hubs outside of London performed strongly, with Scotland and the South-West particularly notable, together accounting for almost half of all commissioning spend outside of London.

2019 also saw the proportion of total production budgets spent on commissions outside of London increase again, now accounting for 50% of all production budgets spent in the UK.

The makeup of sector employment changed in 2019, with 37% of full-time equivalent (FTE) direct employment in the UK production sector recorded outside of London. This represented a significant upwards shift in the proportion of employment based outside of London.

#### Half of all UK production budgets were spent outside of London

- Wales, the South-West and North-West of England saw significant production budget investment in 2019

#### International investment in outside of London productions increased significantly in 2019

- International commissioners accounted for nearly one-quarter of all commissioning spend outside of London, whilst among the PSBs, the BBC and Channel 4 remain the highest spenders outside of London
- As per the scope of the Pact Census, which excludes producers wholly owned by the PSBs; Out of London spending figures do not include in-house broadcaster spend (e.g. BBC Studios productions)

#### The proportion of direct employment based in the Nations & Regions grew in 2019, accounting for 37% of all direct employment

- 37% of the reported direct employed workforce in the UK TV production sector were located outside of London
- Scotland and South West of England were the largest single regional employment hubs

## Methodology

**The figures in this report are reflective of the total market; these are calculated by scaling up our financial survey data based on the current composition of the UK production sector**

The Pact Census is conducted through a detailed financial survey of Pact members. Pact currently represents the majority of production companies active in the UK market.

The data from this survey is subsequently aggregated and scaled up in order to estimate the overall size of the market and specific sub-segments of activity.

Turnover band ranges are used to gross up sample responses to market size. Responses are placed into turnover bands, then totals within each band are scaled up based on known market composition (i.e. number of producers by turnover band).

The completeness of the Census is subject to the level of disclosure provided by participants. We reflect the revenues that are reported by participants in our figures.

Due to different company reporting periods, the annual Census returns include financial information spanning 2018 and 2019.

### Sensitivity to sampling

Every year, new companies return our financial survey thus changing the make-up of our sample. This can cause slight variations in our year-on-year market values, though these small variations average out over time.

Regionality trends identified in the Census across multiple years provide an accurate indication of market developments, based on a broadly consistent survey sample, year-on-year.

Statistics should, however, be treated with caution when comparing individual years (especially where regions are broken out individually); this is due to the relatively small number of returns we receive from each individual region, and the variation in the companies providing returns between years.

### Scope of the Pact Census

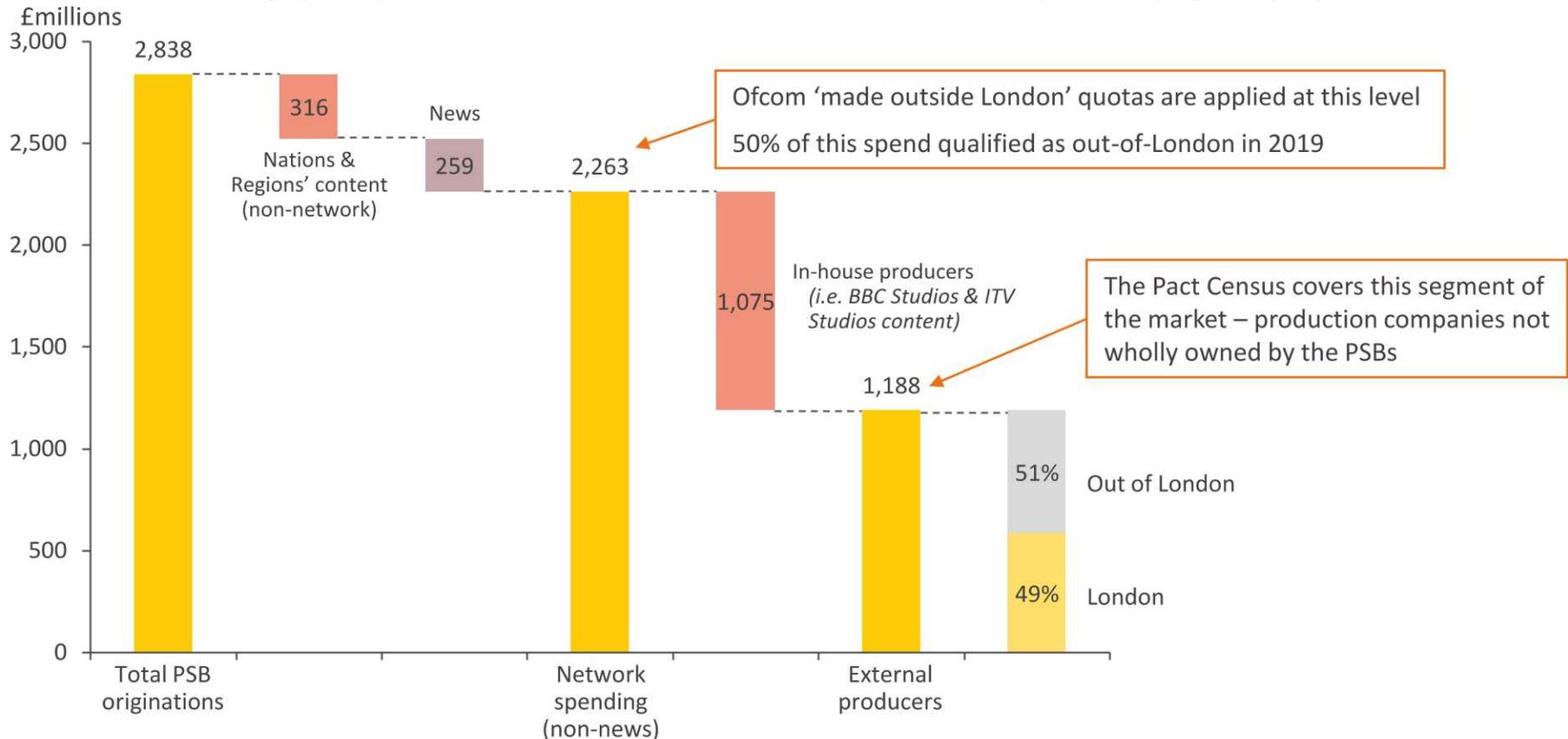
The Pact Census defines the 'UK production sector' as TV and film production companies in the UK excluding those companies wholly owned by PSBs. All references to producers and the production sector within this report follow this definition.

Regional classification in the Pact Census is based on the location of production. It should be noted that this is slightly different to Ofcom compliance reporting which is based on the 'made outside London' qualifying criteria.

# N&R productions made up 51% of total external PSB commissioning spend in 2019

The PSBs continued to increase their spend on external commissions in the Nations & Regions in 2019, reaching just over £600 million

PSB commissioning spend (BBC1, BBC2, ITV1, Channel 4, Channel 5 and BBC portfolio) by category, 2019



Note: Network news and in-house producer spend has been estimated based on available information. 'Network' refers to content broadcast across the UK, whereas 'nations' and regions' content' is broadcast only in specific areas or regions

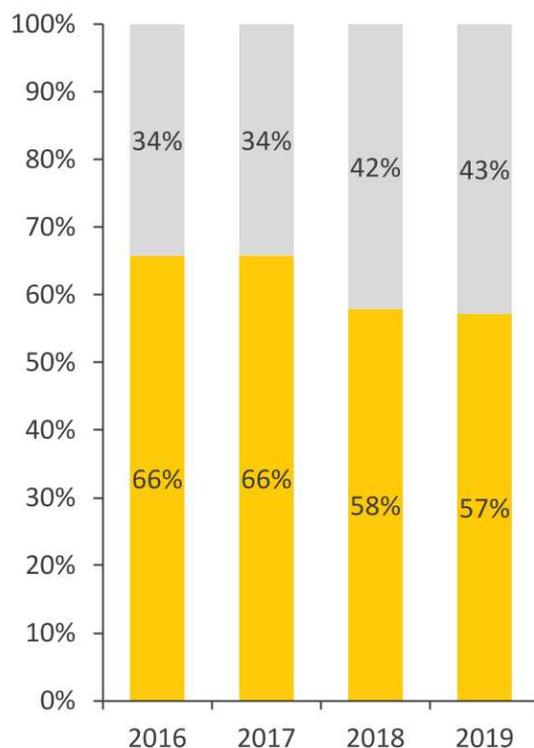
Source: Ofcom, Pact UK Television Production Census 2020, Oliver & Ohlbaum analysis

## Nations and Regions trends 2016 – 2019

Since 2016, commissioners have spent an increasing proportion of their primary commissioning spend and production budgets outside of London. Employment in the Nations and Regions has also risen over the same period

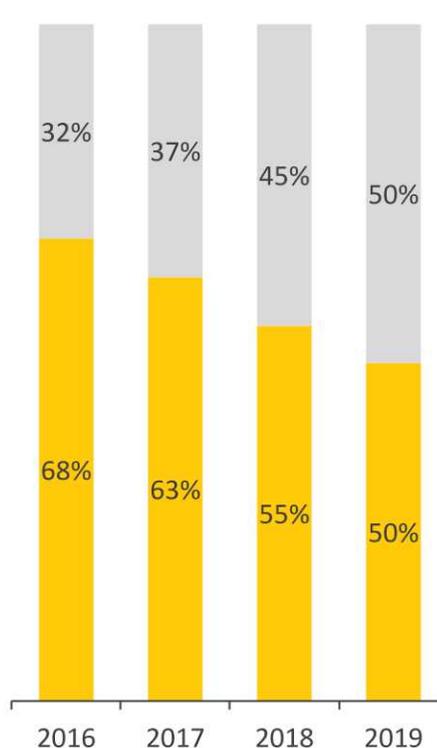
### Primary commission value

% of primary commissions spend amongst producers included in the census



### Production budget

% of production budget (UK) spend amongst producers included in the census



### Direct employment

% of direct, full-time equivalent employment within producers included in the census



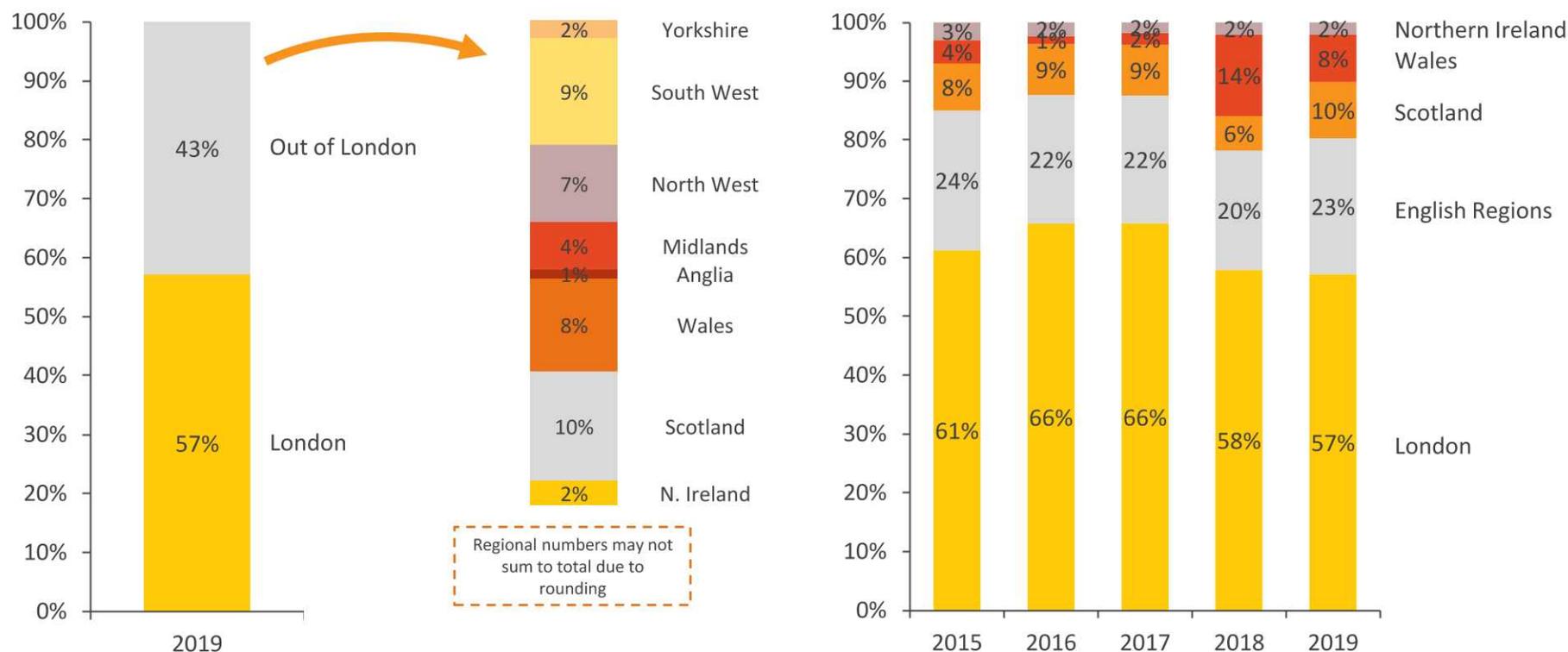
## An increasing proportion of commissioning value is spent outside of London

While spend on productions in London dominates, the share of primary commission revenues earned outside of London grew again in 2019. Much of this revenue is focused in traditional production hubs in Scotland, Wales, the South-West and North-West of England

### Primary commission value by region of production, 2019 & 2015 – 2019

% of primary commissions spend amongst producers included in the census

**Total primary rights for UK productions = £2,433 million**



Note: South & North East England, both at 0%, are not visible on the graph above but have had minor production spend. Overseas productions have been excluded  
 This page, and the following, cover all UK productions whereas page 28 only covers productions commissioned by the PSB channels

Source: Pact UK Television Production Census 2020, Oliver & Ohlbaum analysis

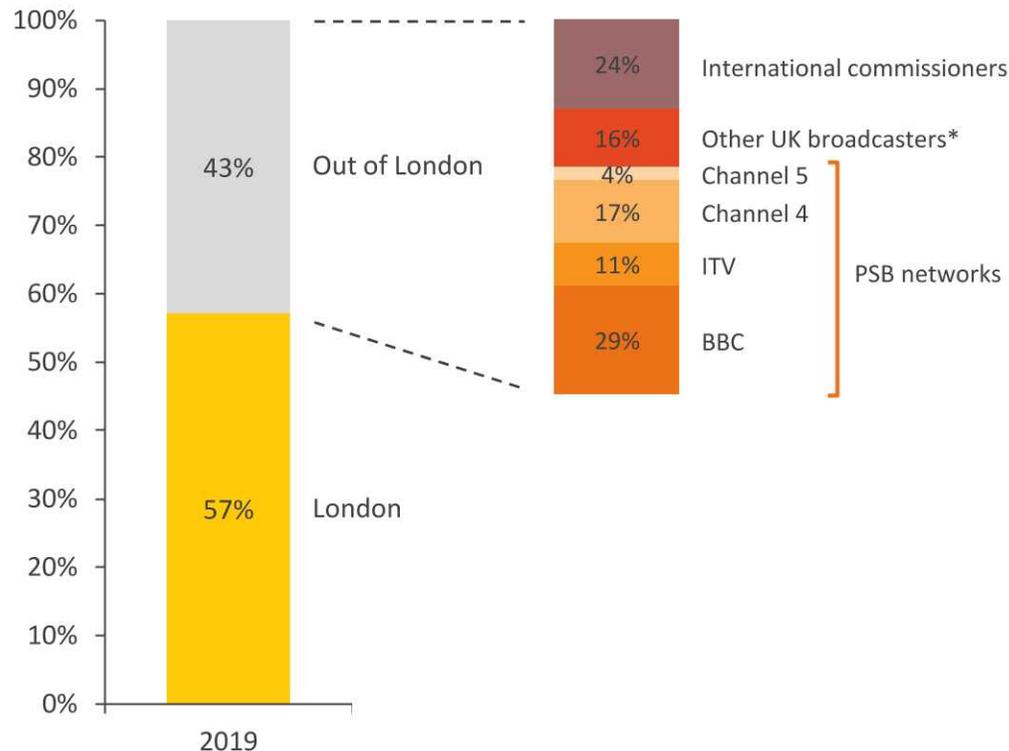
# The majority of out of London productions are commissioned by the PSBs

The BBC, Channel 4 and Sky remain the highest spending broadcasters on programming produced outside of London. The share of spending from non-PSB networks grew significantly from 2018

## Out of London primary commission value by commissioner, 2019

% of primary commissions spend amongst producers included in the census

**Total primary rights for UK productions = £2,433 million**



- Primary commissions produced in the Nations & Regions generated over £1 billion of revenue in 2019
- 61% of this revenue was derived from UK PSB network commissions
- In order to meet quotas, the PSBs also spend a significant amount on in-house Out of London productions. These statistics are not included in this Census

Note: Overseas productions have been excluded

\*Other UK broadcasters refers to all UK, non-PSB network channels and groups

Source: Pact UK Television Production Census 2020, Oliver & Ohlbaum analysis

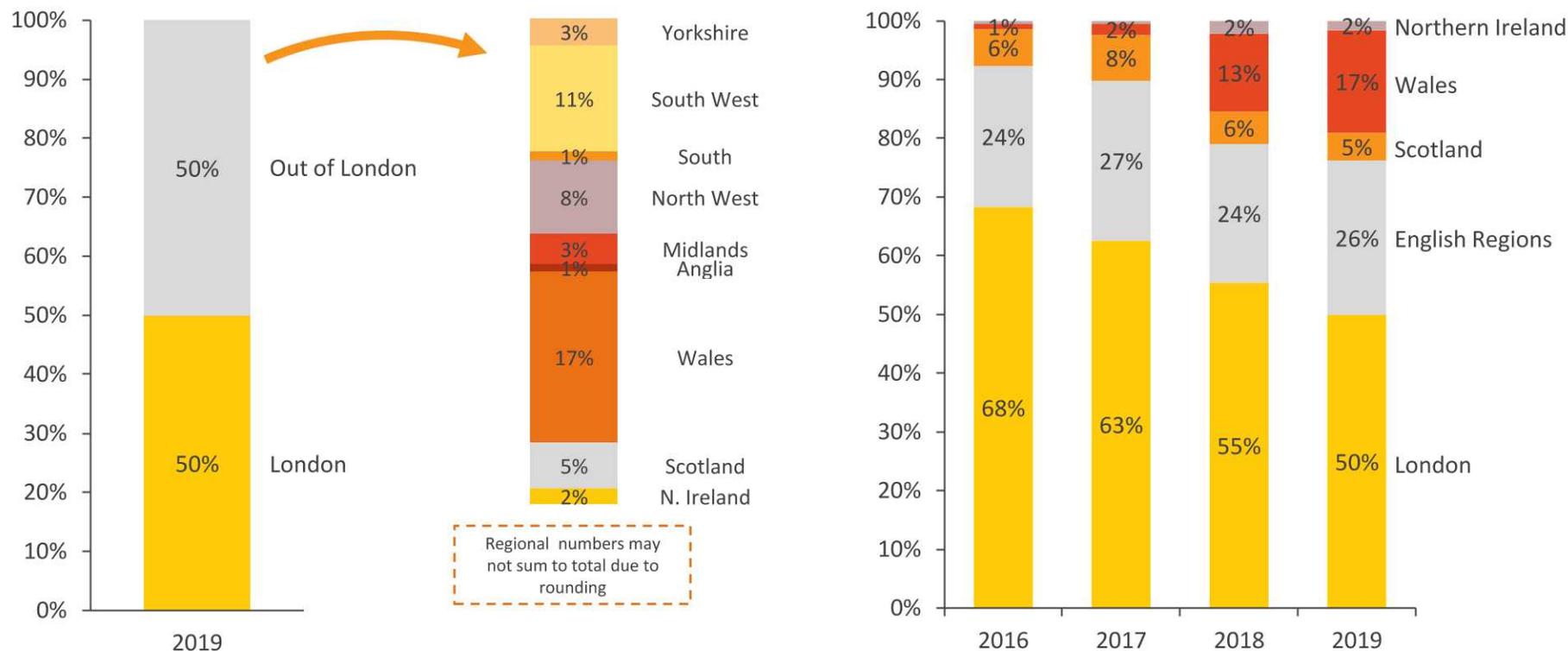
# Half of sector production budgets were spent outside of London in 2019

The proportion of reported production budgets associated with productions outside of London increased to 50% in 2019; the regional split of this spend remained similar to the split of primary commissioning revenue

## Production budget by region of production, 2019 & 2016 – 2019

% of production budget (UK) spend amongst producers included in the census

**Total budgets for UK productions = £3,206 million**



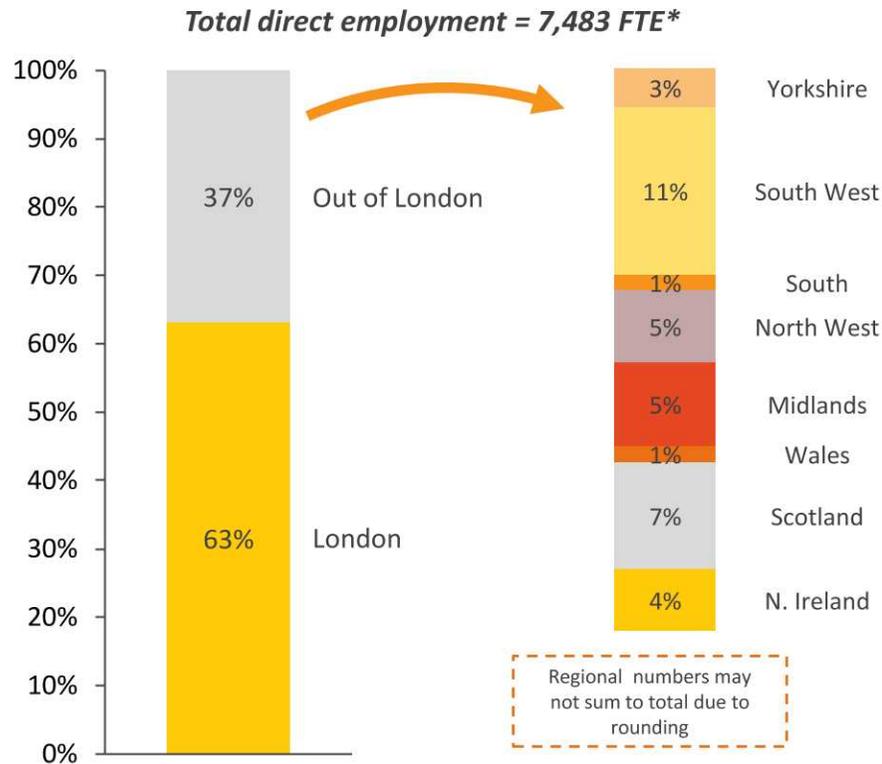
Note: North East England, at 0%, is not visible on the graph above. Overseas productions have been excluded.  
 Fewer respondents provided production budget information so our sample is not consistent with the primary commissioning figures  
 Source: Pact UK Television Production Census 2020, Oliver & Ohlbaum analysis

# The proportion of employment outside of London continued to rise in 2019

Despite total direct employment falling from 2018, there has been an increase in share of overall employment by producers based outside of London

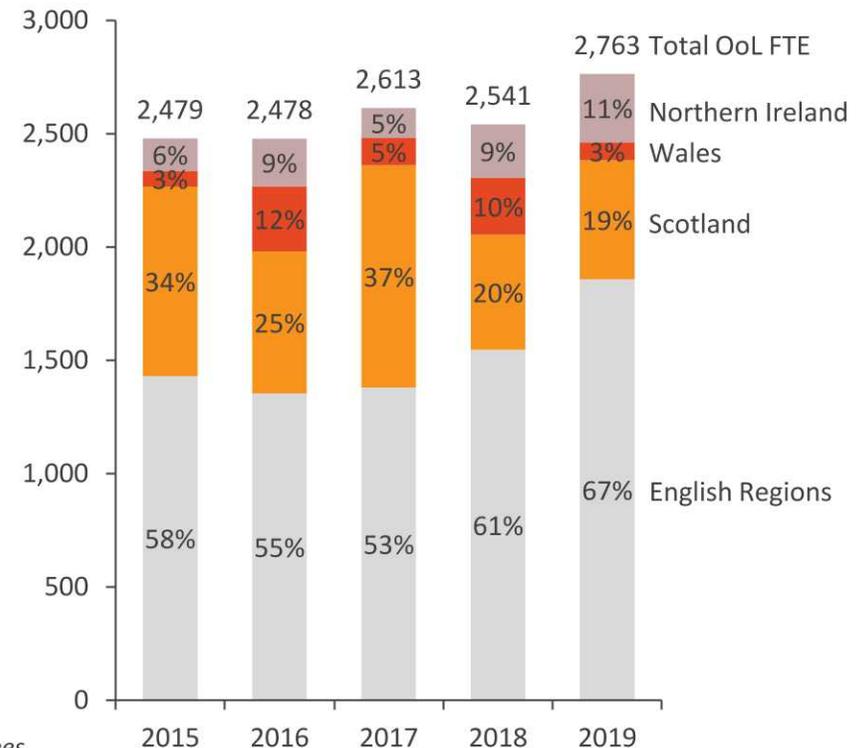
## Direct employment by region, 2019

% of direct, full-time equivalent employment within producers included in the census



## Out of London employment by area, 2015 – 2019

# and % of average direct, full-time equivalent employment



Note: \*Full-time equivalent (FTE) represents the equivalent number of full-time employees.

North East England and Anglia, both at 0%, are not visible on the graph above. Direct employment does not include freelance workers and total FTE represents an average across the year. Regional breakdown is particularly sensitive to differences in sampling between years

Source: Pact UK Television Production Census 2020, Oliver & Ohlbaum analysis

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