



Oliver & Ohlbaum

UK Television Production Survey

Financial Census 2021 – Nations & Regions Annex

July 2021

A report by Oliver & Ohlbaum Associates for Pact

External commissioning spend outside of London grew to 45% of all spend in 2020

Despite declining external commissioning spend across the sector, the proportion spent on commissions outside of London grew to 45% in 2020

While overall commissioning spend fell in 2020 due to the disruption caused by the COVID-19 pandemic, productions outside of London accounted for 45% of all external commissioning spend, up from 43% in 2019.

The traditional large production hubs based outside of London retained a stable share of commissioning spend in 2020. Wales and South West England in particular, accounting for more than 50% of all commissioning spend outside of London.

UK PSBs accounted for the majority of all external commissioning spend outside of London in 2020, while international commissioners also spent significantly.

Production budgets spent on commissions outside of London accounted for 47% of all productions budgets spent in the UK in 2020, proportionally slightly less than in 2019.

Total direct full-time equivalent (FTE) employment in the UK production sector remained stable in 2020, with the proportion of outside of London increasing marginally.

Almost half of all UK production budgets were spent outside of London

- Wales, the South West and North West England remained the areas which saw the highest investment in 2020

UK PSBs accounted for 70% of external commissioning spend outside of London

- International commissioners made up 25% of all external commissioning spend outside of London
- Among the PSBs, the BBC dominated, accounting for more than 40% of all external commissioning spend 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 marginally in 2020, accounting for 38% of all direct employment

- 38% of the reported direct employed workforce in the UK TV production sector were located outside of London
- Scotland and South West England remained the largest individual employment locations outside of London

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

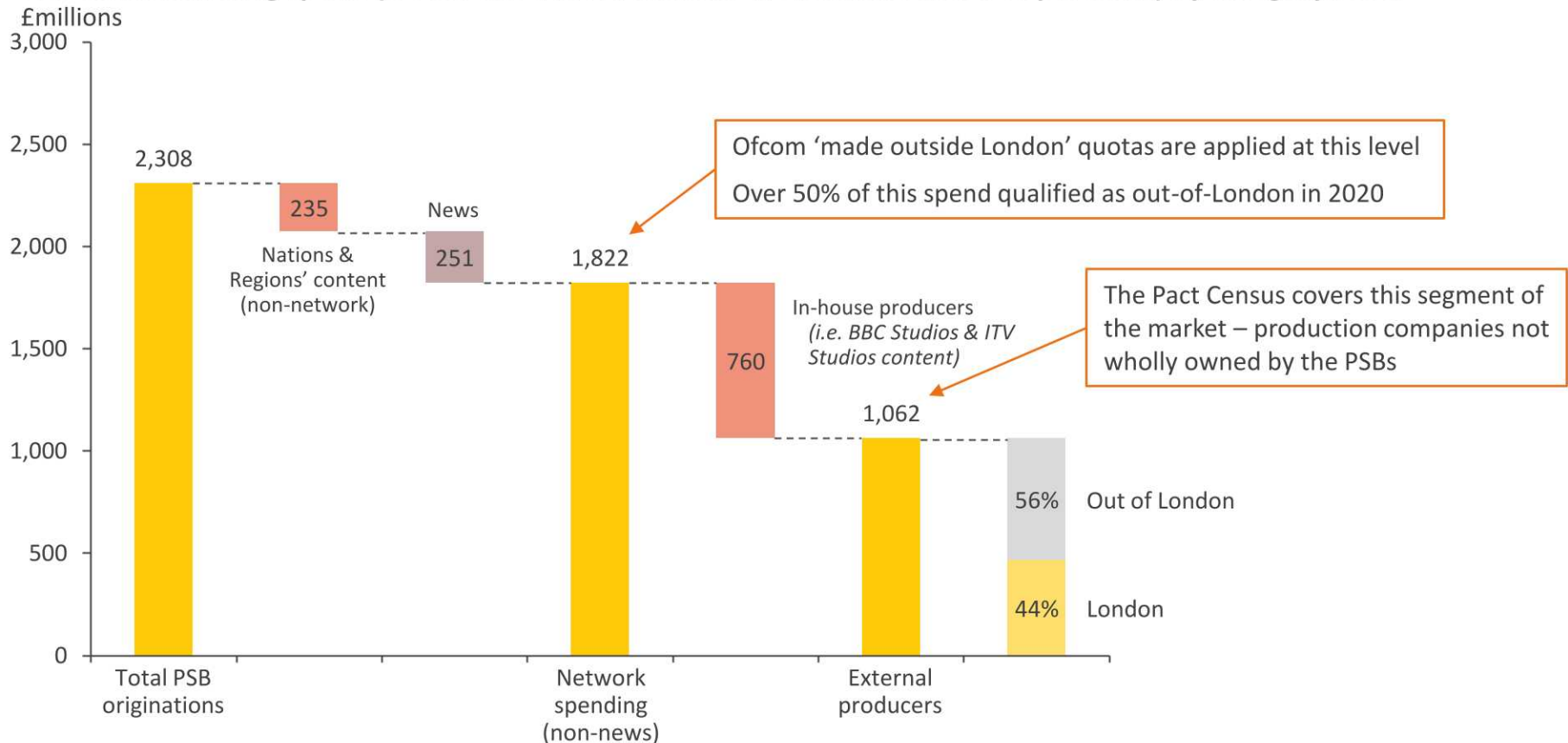
The Pact Census defines the 'UK production sector' as TV and film production companies in the UK excluding those companies wholly owned by PSBs. All references to producers and the production sector within this report follow this definition.

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 56% of total external PSB commissioning spend in 2020

Despite a decline in PSB external commissioning spend in 2020, the PSBs increased the proportion of their external commissioning spend allocated to out-of-London productions

PSB commissioning spend (BBC1, BBC2, ITV1, Channel 4, Channel 5 and BBC portfolio) by category, 2020



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

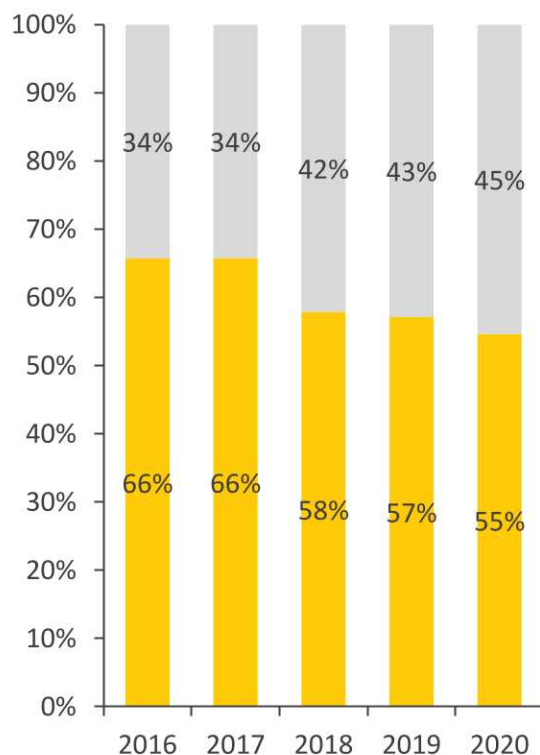
Source: Ofcom, Pact UK Television Production Census 2021, Oliver & Ohlbaum analysis

Nations and Regions trends 2016 – 2020

Since 2016, commissioners have spent an increasing proportion of their primary commissioning spend outside of London. Employment in the Nations and Regions also continued to grow in 2020

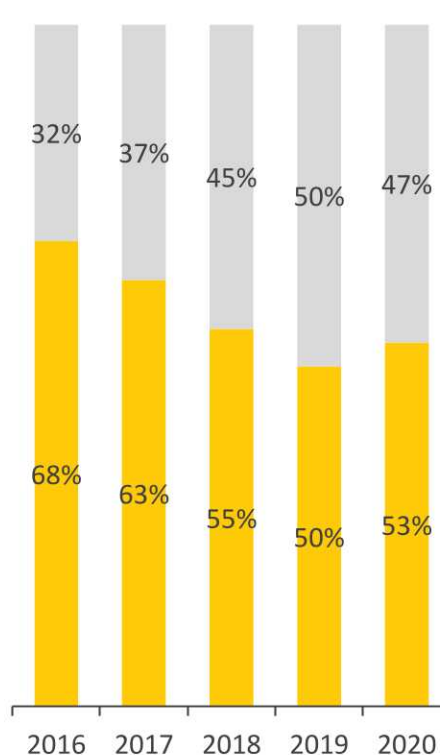
Primary commission value

% 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



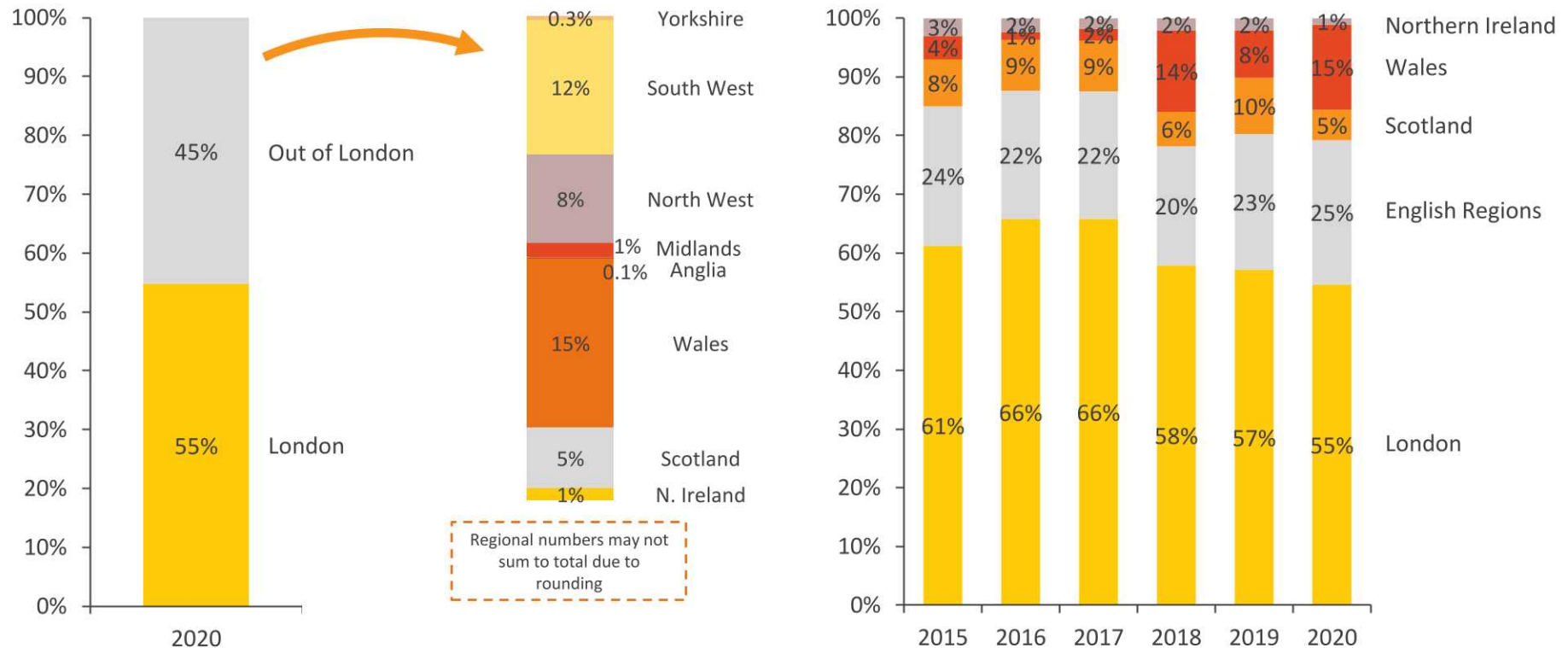
An increasing proportion of commissioning value is spent outside of London

While spend on productions in London dominates, the share of primary commission revenues earned outside of London grew again in 2020. 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, 2020 & 2015 – 2020

% of primary commissions spend amongst producers included in the census

Total primary rights for UK productions = £2,160 million



Regional numbers may not sum to total due to rounding

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 2021, Oliver & Ohlbaum analysis

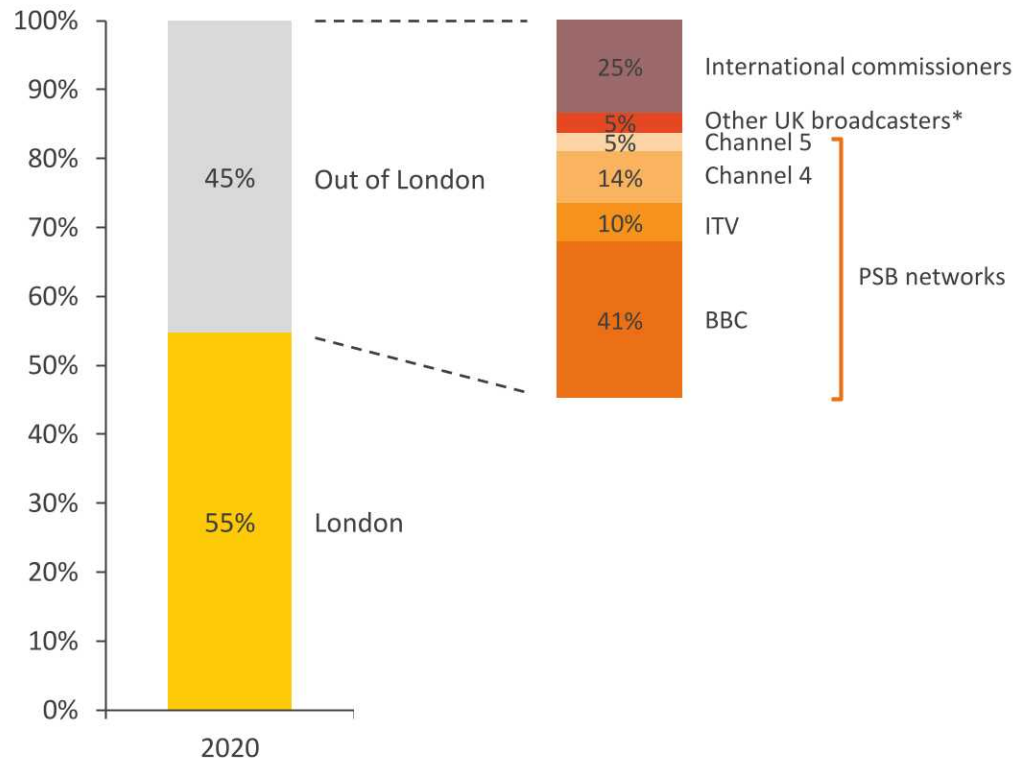
The majority of out of London productions are commissioned by the PSBs

The BBC's share of programming produced outside of London grew significantly in 2020 whilst Sky's shrank. Consequently the share of spending from non-PSB networks was far lower than in 2019

Out of London primary commission value by commissioner, 2020

% of primary commissions spend amongst producers included in the census

Total primary rights for UK productions = £2,160 million



- Primary commissions produced in the Nations & Regions generated over £1 billion of revenue in 2020 with little change in total value from 2019
- 70% of this revenue was derived from UK PSB network commissions, up from 61% in 2019
- 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 2021, Oliver & Ohlbaum analysis

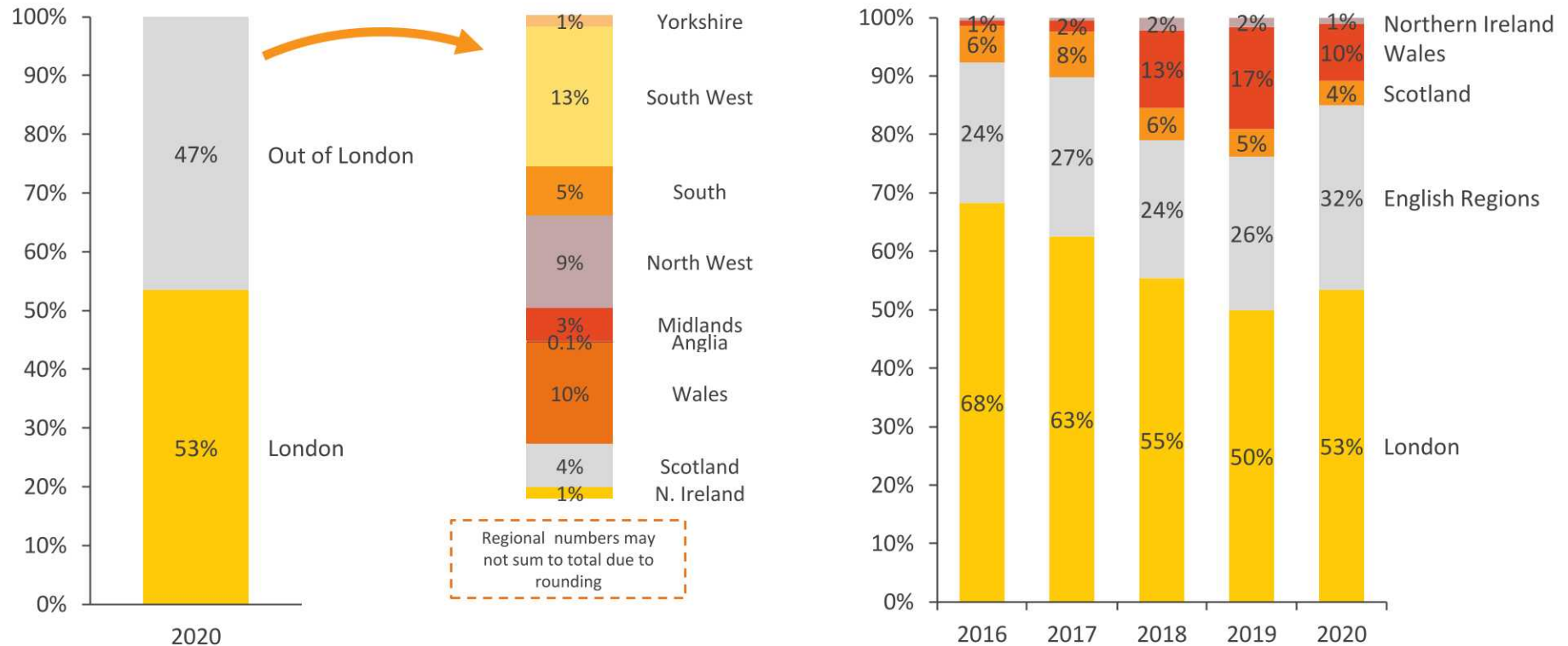
Almost half of sector production budgets were spent outside of London in 2020

The proportion of reported production budgets associated with productions outside of London decreased slightly to 47% in 2020; the regional split of this spend remained similar to the split of primary commissioning revenue

Production budget by region of production, 2020 & 2016 – 2020

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

Total budgets for UK productions = £2,591 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 2021, Oliver & Ohlbaum analysis

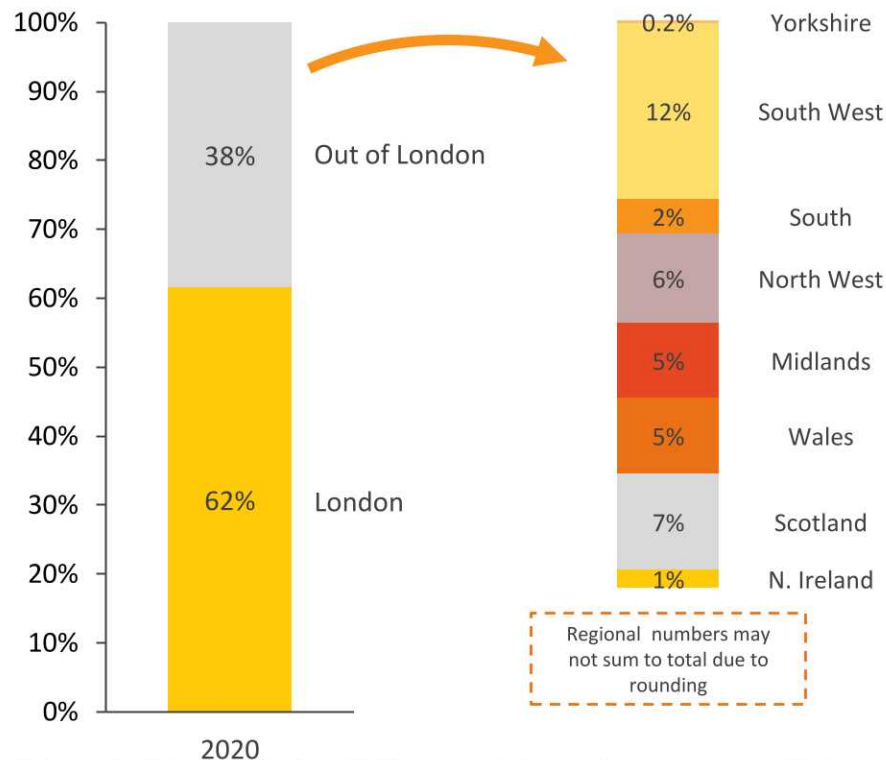
The proportion of employment outside of London continued to rise in 2020

With both total direct employment increasing slightly on 2019 and out of London's share of this total increasing, there has been an increase in overall employment by producers based outside of London

Direct employment by region, 2020

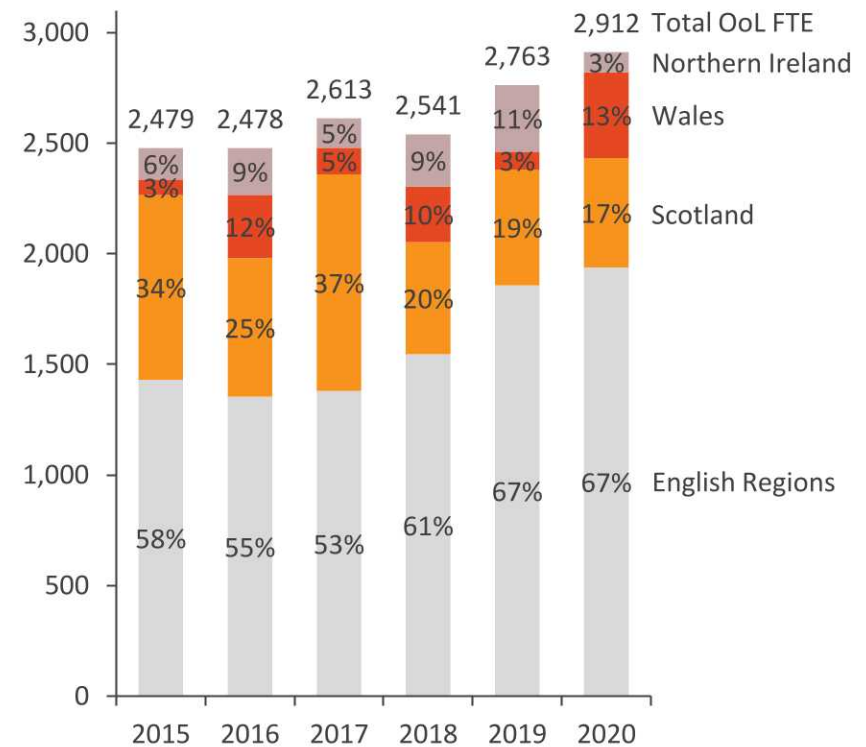
% of direct, full-time equivalent employment within producers included in the census

Total direct employment = 7,571 FTE*



Out of London employment by area, 2015 – 2020

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 2021, Oliver & Ohlbaum analysis

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