



CoBA CONTENT REPORT 2019

Multichannel investment in UK television programming

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CoBA

A VOICE FOR COMMERCIAL
BROADCASTERS IN THE UK

Written by



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Executive Summary

The multichannel broadcasting sector, which was surveyed for COBA's 2019 Content Report, comprises hundreds of digital, cable and satellite channels. They are available on free-to-air and pay-TV platforms, as well as increasingly via on-demand services. Their investment in the production of UK television programming covers a wide variety of genres, including news, arts, entertainment, sport, drama, factual, comedy, music and children's and animation. This investment is directly linked to their commercial revenues, particularly advertising and subscription fees.

INVESTMENT IN UK CONTENT

- Annual UK content investment made by COBA members crossed the £1 billion mark for the first time in 2017, hitting £1.1 billion
- This marks a 57 per cent uplift since 2013 and 75 per cent since 2011
- In 2017, UK content accounted for half of all content spend by COBA members
- COBA members' spend on UK originated content has grown faster than that of the main PSB channels since 2011

INDEPENDENT COMMISSIONING

- Spending with UK external producers has more than doubled since 2011, reaching £447m in 2017

INTERNATIONAL INFLUENCE

- COBA members with international channel groups raised just over a third of their content investment from their own overseas channels
- COBA members exported over 21,000 hours of UK content across their international channels, up 79 per cent on 2011

KEY FACTS

Investment in UK production:
£1.1 billion pa

Increase in overall spending since 2011:
75%

Spend on commissions from external producers:
£447m pa

Increase in commissioning from independents since 2011:
100%

Hours of UK content broadcast globally:
21,000 pa

Content Investment

COBA members invested more than £1.1 billion in UK television production last year, a record amount and the first time multichannel spending on the creation of homegrown content has crossed the £1 billion mark

FIGURE 1

Total investment in UK content made by COBA members reaches £1.1 billion in 2017

Total UK content investment surpassed £1 billion in 2017, up over 57 per cent since 2013 and 75 per cent since 2011 (excluding sports rights)

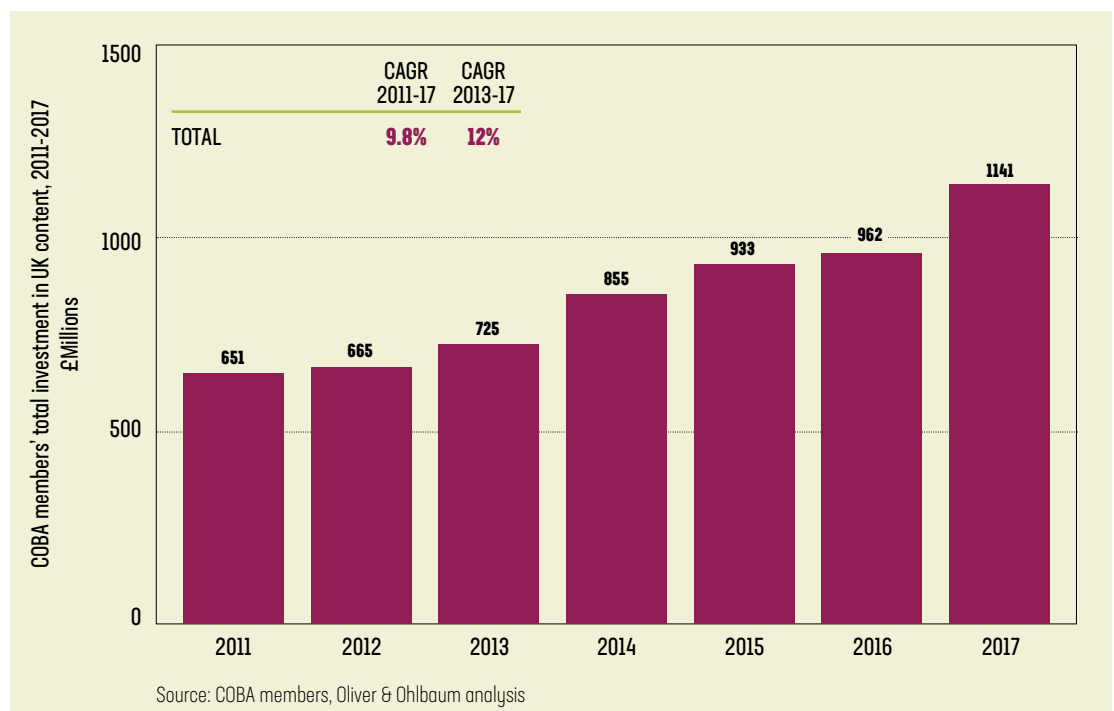


FIGURE 2

Advertising revenues relatively flat while subscription grows

Investment in content is directly linked to commercial revenues, notably advertising (relatively flat overall) and subscription fees (still growing)

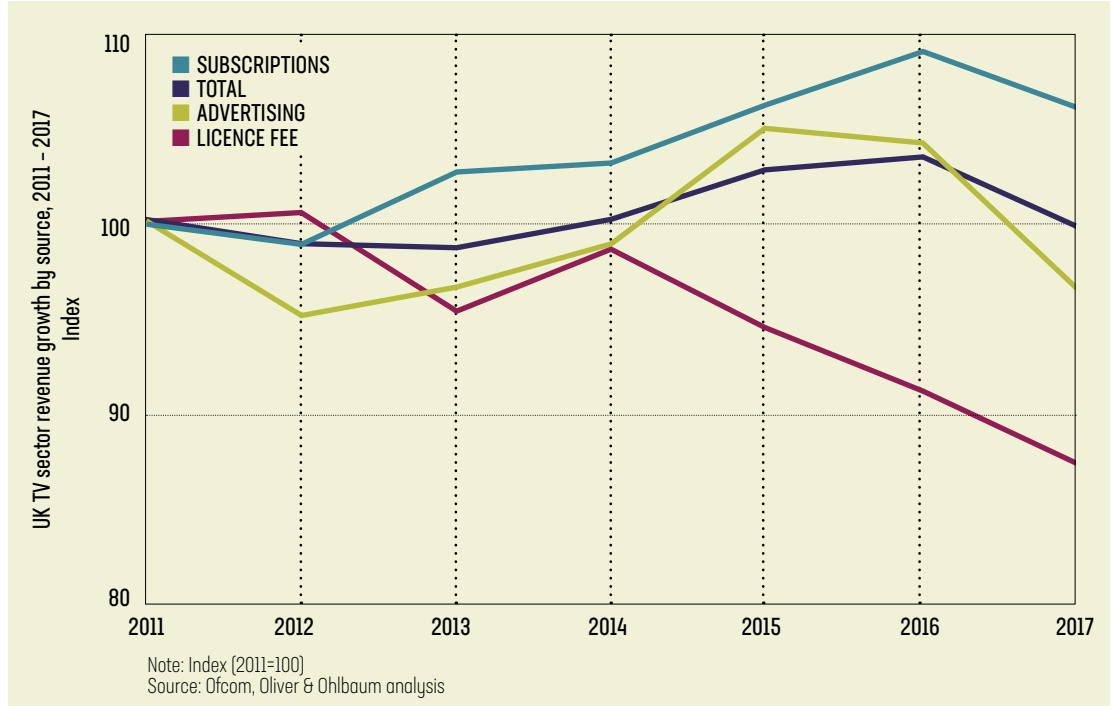


FIGURE 3

Growth in multichannel spending outpaces all other broadcasters

Since 2011, COBA members' investment in UK originations has continued to grow faster than the main five PSBs

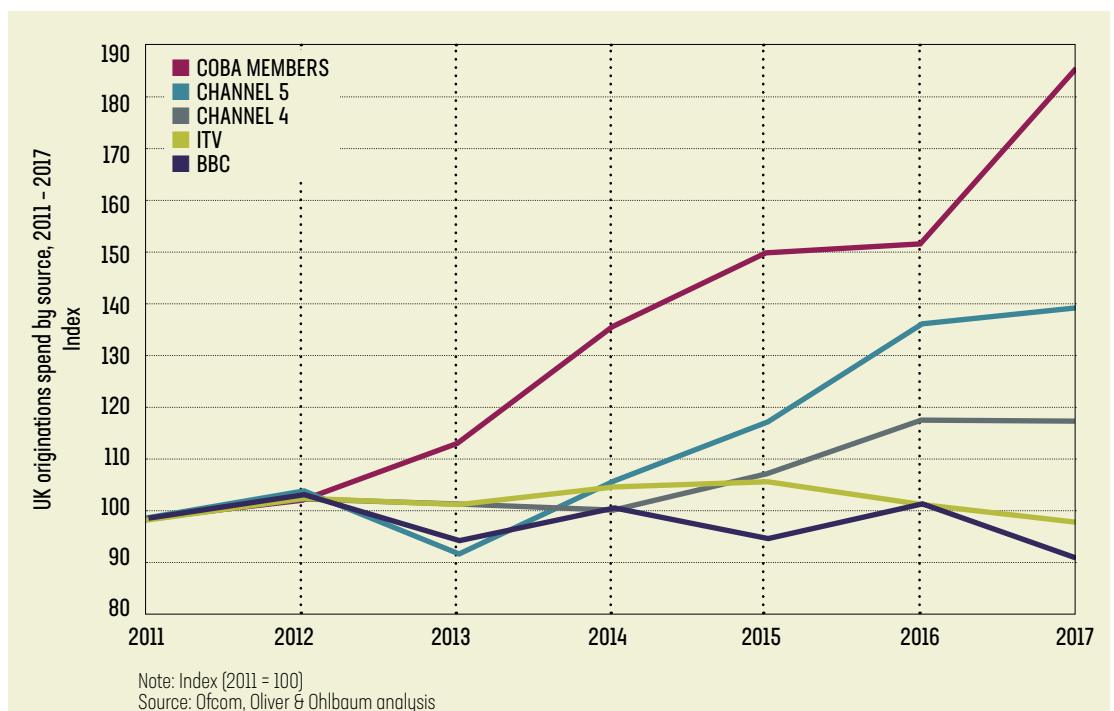


FIGURE 4

Investment in new “first-run” production drives overall growth

Growth in total UK content investment was supported in particular by a significant uplift in spend on new UK programming (“first-run originations”), which outpaced total growth at an annual rate of 12.8 per cent since 2013

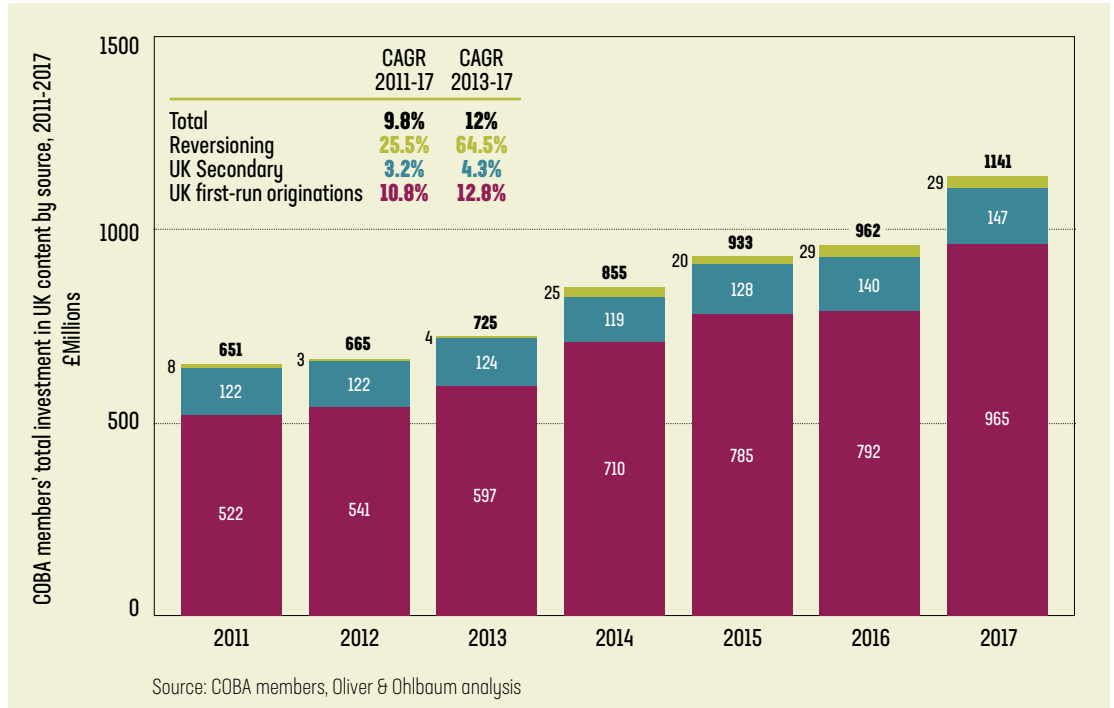


FIGURE 5

Spend on independent commissioning doubles

Total sector growth was bolstered by multichannel groups’ continued investment in the UK independent production sector, with spend more than doubling between 2011 and 2017

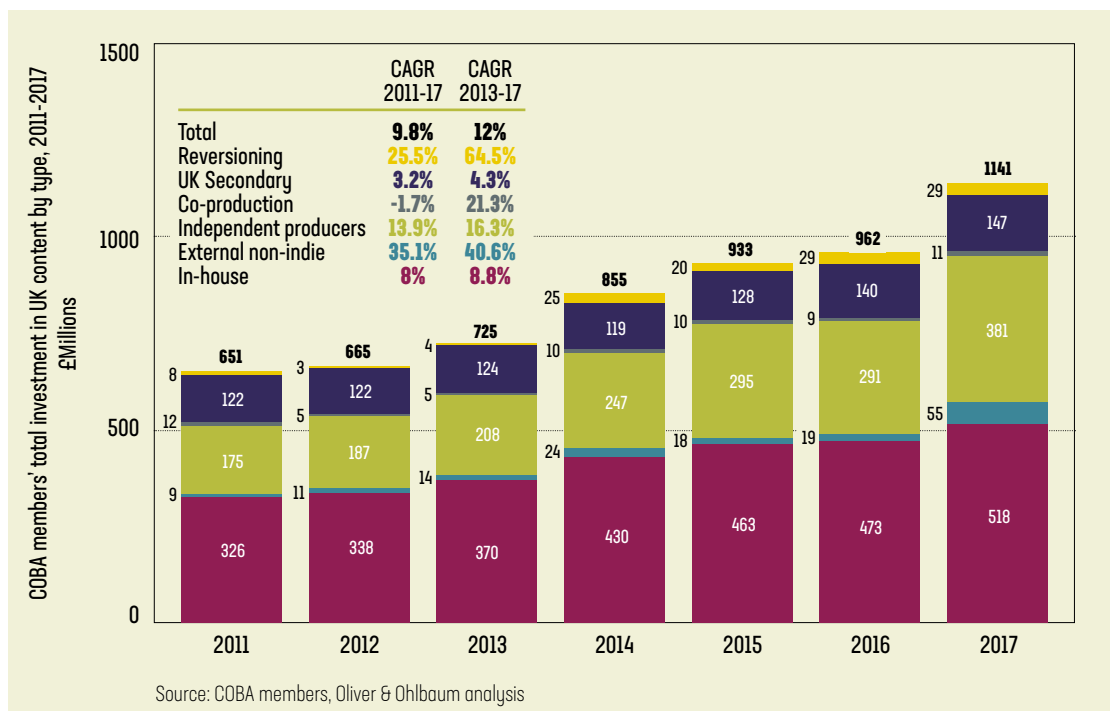


FIGURE 6

COBA members' annual investment in UK content increased by £416m since 2013

Annual sector spend on UK content increased by £416 million between 2013 and 2017, with spend on UK independent productions representing the largest change at £173 million

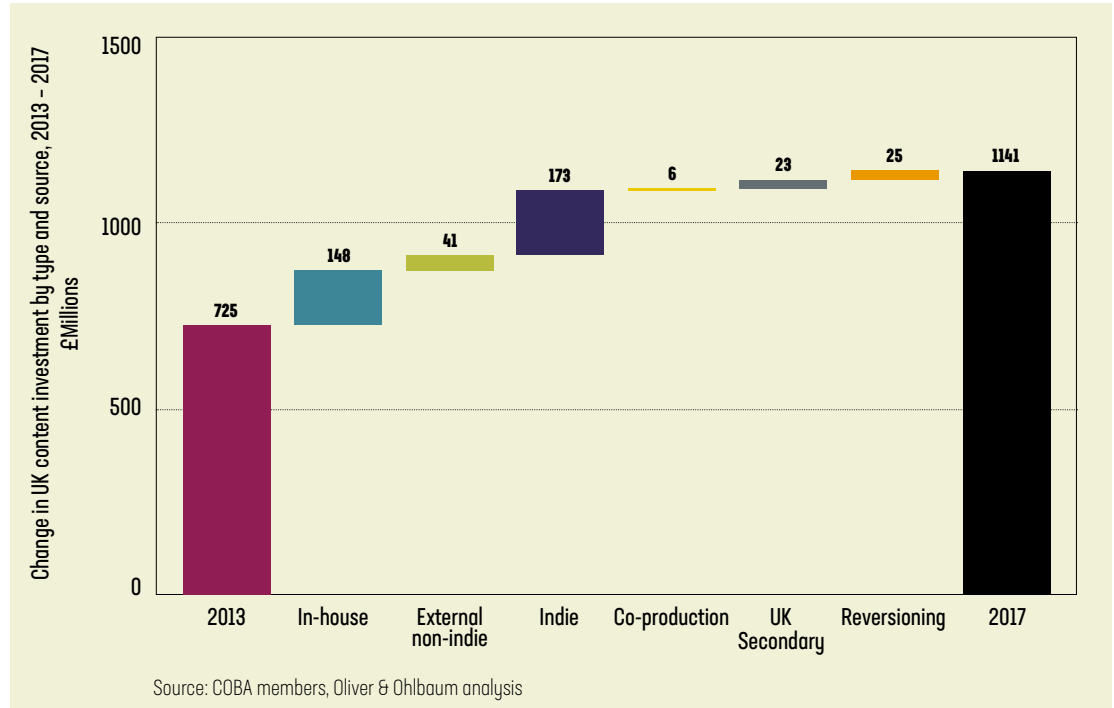
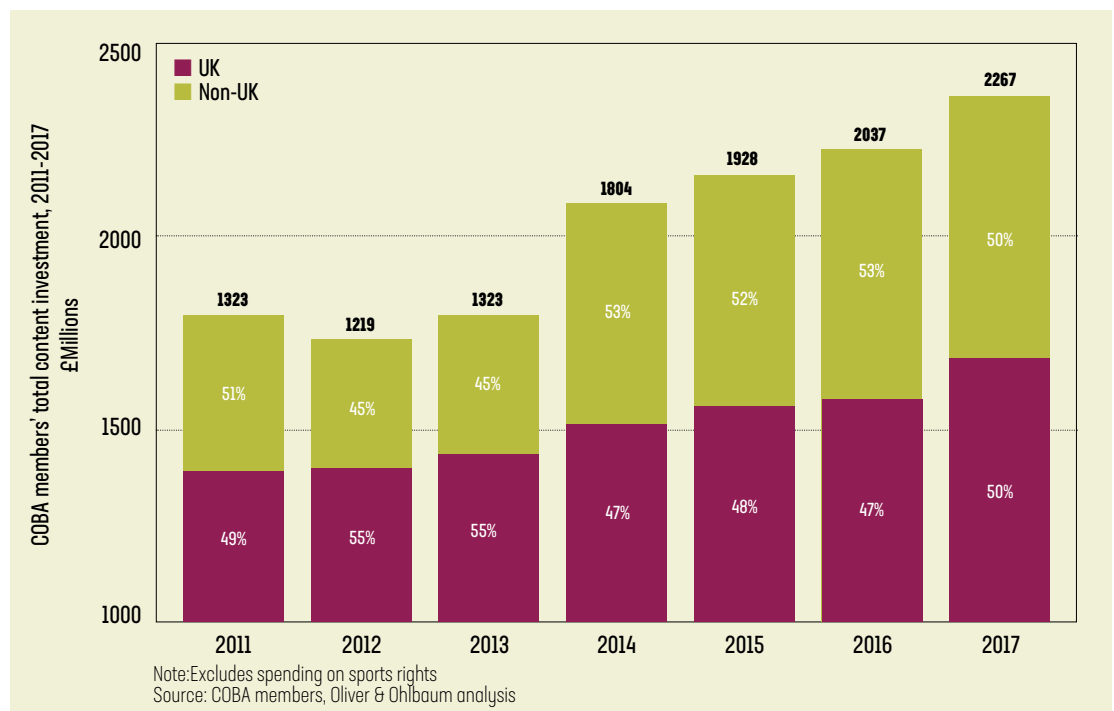



FIGURE 7

COBA members' content investment 2011-2017

UK content spend accounts for roughly half of all content spend by COBA members (i.e. including all spending on overseas content)



A woman with long, wavy brown hair, wearing a light blue double-breasted coat and a necklace with a crescent moon pendant, stands in front of a building with a decorative metal grille. To her right, a person in a bright yellow puffer jacket is partially visible. The background shows a building with a decorative metal grille and a window with a patterned glass.

“The production wanted to confound expectations about the setting on a council estate”

CASE STUDY

Save Me (Sky Atlantic): Backing British talent

Save Me is very much the vision of acclaimed actor Lennie James, who wrote the gripping British drama and stars in it. Commissioned by Sky Atlantic, it follows a father's obsessive search for a kidnapped daughter that he barely knows. Talking to Broadcast magazine, director Nick Murphy explained how the production wanted to confound expectations about the setting on a council estate, creating an often riotous trip through working class South London against the darkest of dramatic backdrops. "Why have a background extra walking discreetly by when we could have a man in pyjamas with his shopping, a woman in a burka stealing a sneaky vape underneath her veil, a bruiser on a hover-board, or some elderly Sikhs playing rugby with a plastic bottle?"

Produced by independent UK producer World Productions, the first series became the most rapidly watched box-set release in Sky's history, with 700,000 watching the entire series in the first week alone. On average, more than 1.7 million watched each episode.

The ending's unpredictability might have also confounded expectations, but it left the door open for Sky to commission a second season, which it has now confirmed. Shooting will start once again on location in London in 2019. Announcing the second season, James said: "I am so chuffed that we get to keep telling the story of Save Me. Thank you to Sky Atlantic and a huge thank you to everyone who watched our little show and enjoyed it. More to come as soon as I can sit down to write it!"

Independent Production

The multichannel sector now invests nearly £450m a year on commissions from independent and other external UK producers, with a particular emphasis on programming from small and medium production companies

FIGURE 8

Commissioning from external producers hits £447m a year

The multichannel sector continues to increase investment in the UK production sector with nearly £450 million spent on externally originated content in 2017 (independent producers, non-qualifying independents, co-productions)

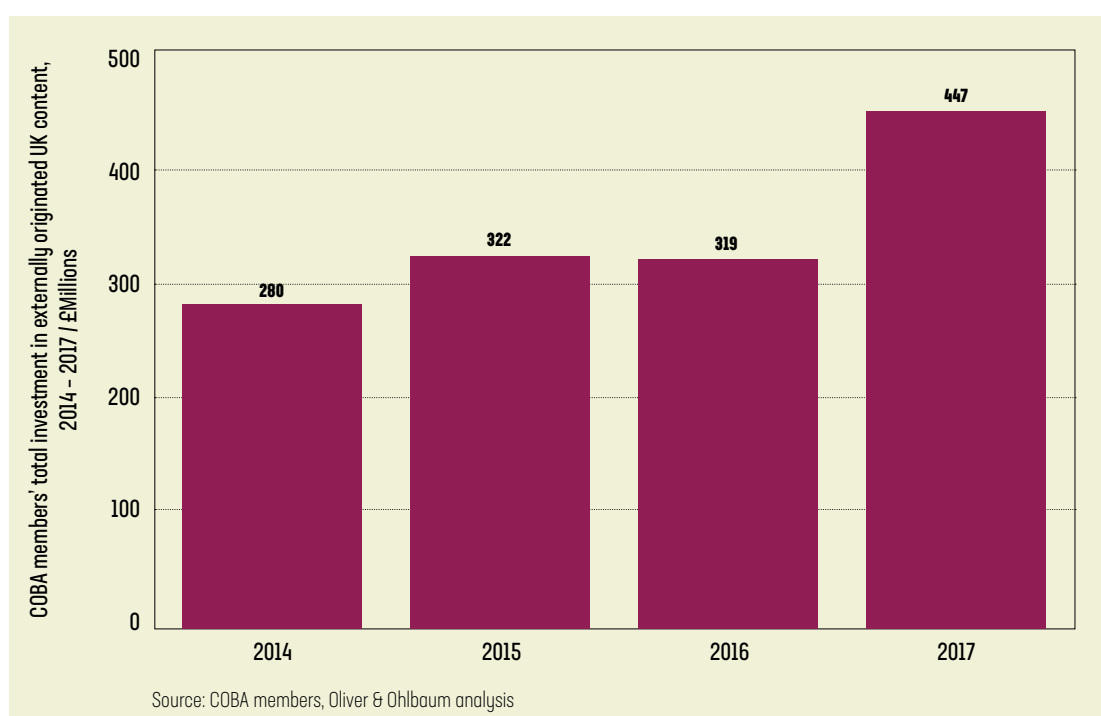


FIGURE 9

External commissions represent nearly half of first-run spending

Independent and other external producers represent nearly half of total spending on new production, while small and medium producers account for just over half of spending on external commissions

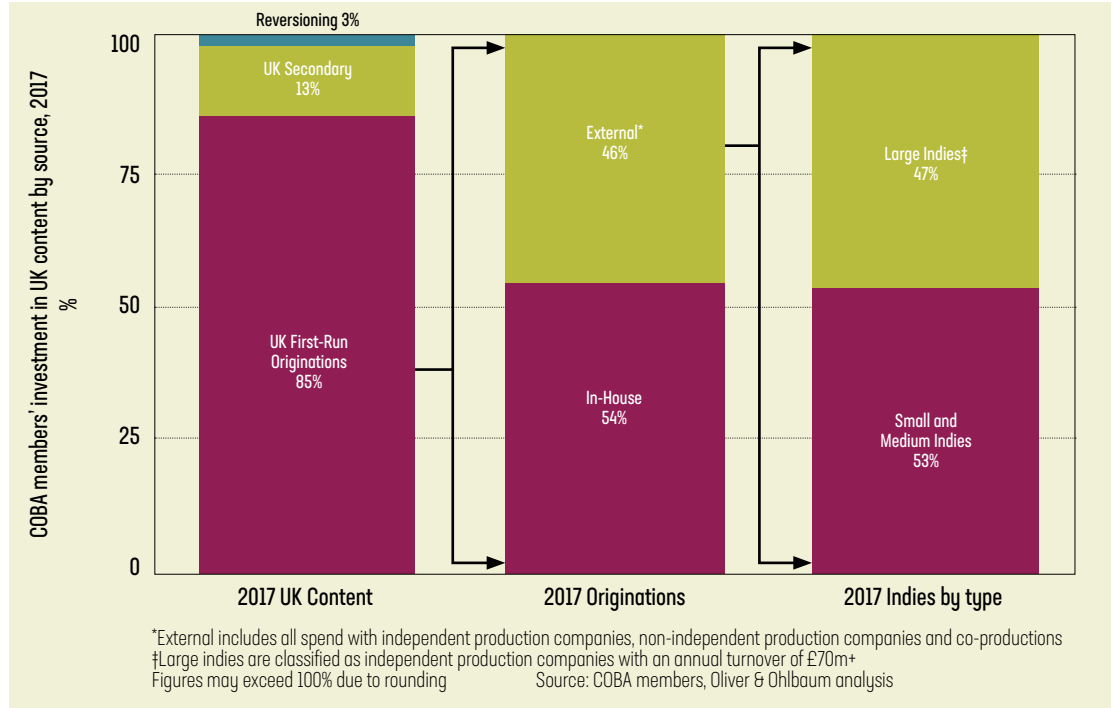
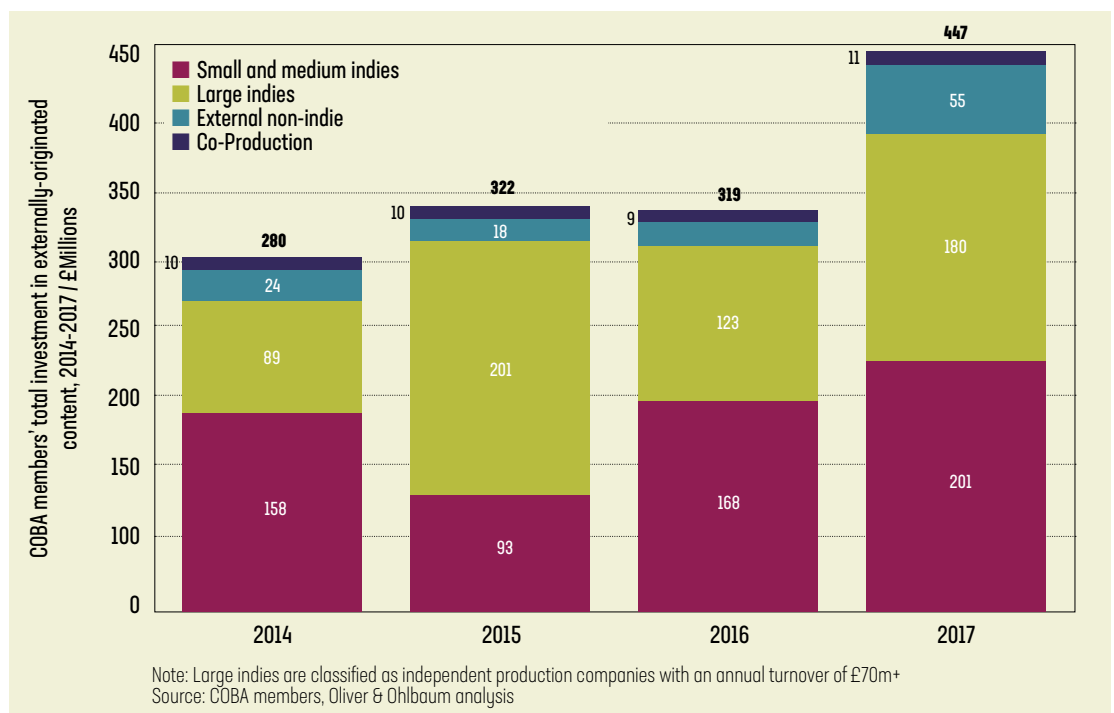


FIGURE 10

Commissioning from all sizes of producer has increased

Commissions from small/medium and large producers have grown strongly. While the strongest growth was in commissions from larger companies, small/medium producers still account for just over half of spending on qualifying independent producers





CASE STUDY

Helicopter ER (UKTV): Supporting independent producers

UKTV's hit show *Helicopter ER* is a key, longterm series for Leeds-based independent producer Air Television. The show, which documents the life-saving work of the Yorkshire Air Ambulance teams, is now in its third season. That sustained investment has helped Air grow to be one of the biggest producers in Yorkshire.

"We wanted to set up a production company that was based in the North," says Air's Ian Cundall.



“We wanted to set up a production company that...not only reflected life in the North but was solidly based here.”

“One that not only reflected life in the North but was solidly based here. That has been directly built on the funding that we have received from UKTV.”

Air now makes a range of shows for UKTV’s portfolio of channels, all based around its speciality of factual entertainment. These include 999 Rescue Squad, which follows the work of a specialist ambulance team.

As it has grown, it has opened a new production office in York University’s Hub building and acquired post-production facilities that are used to edit episodes of new UKTV series and other upcoming projects. In turn, other companies in the region have benefited.

Air is also the only production company with a full-time team of Technical Aircrew qualified to fly on UK air ambulances.

The shows have strong “public service” credentials, documenting the work of the UK emergency services. “It’s a fantastic opportunity to highlight how our highly trained paramedics work alongside their colleagues in Yorkshire Ambulance Service and the other emergency services in some of the most precarious and life-threatening situations,” says Mike Shanahan, Head of Special Operations at Yorkshire Ambulance Service.

International Influence

COBA members gave a global platform to UK talent by broadcasting more than 21,000 hours of homegrown content across their international channels in 2017. They also raised a third of their total investment in UK production from overseas markets via their international channels

FIGURE 11

Overseas investment in UK content

Multichannel broadcasters often raise additional investment for their UK commissions by leveraging against projected sales from overseas channels within their own portfolios. In 2017, just over one third of all UK multichannel spend came from these international channels

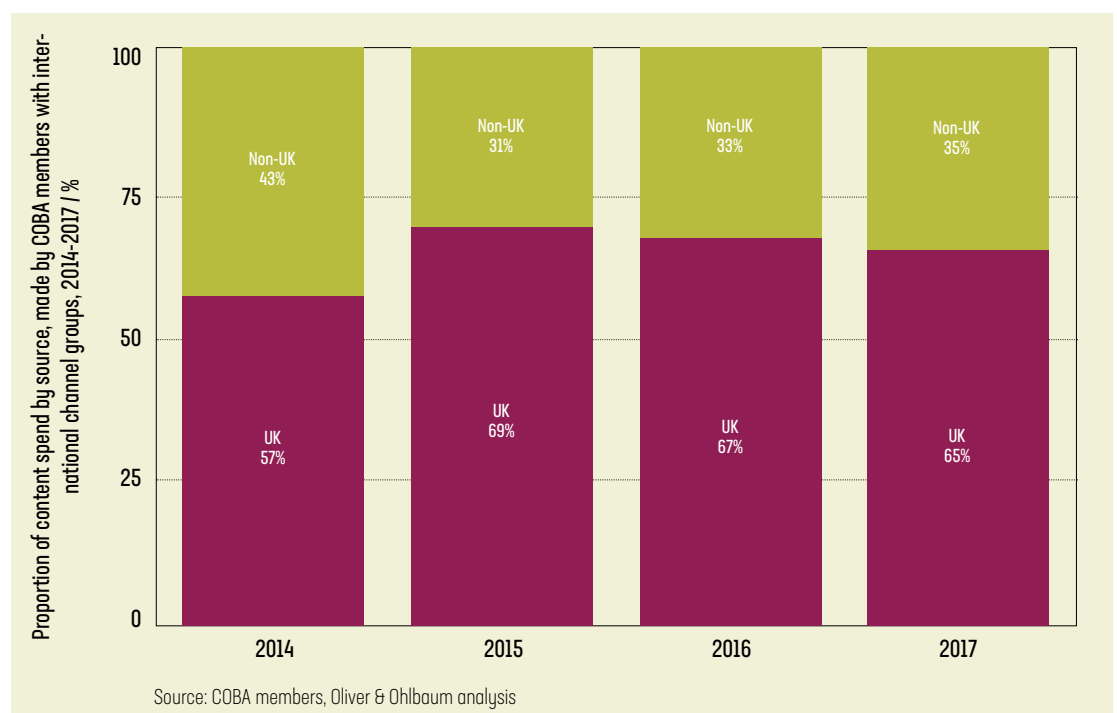


FIGURE 12

Hours of UK programming shared across international channels

In 2017, COBA members broadcast more than 21,000 hours of UK content across their portfolio of international channels, up 79 per cent since 2011

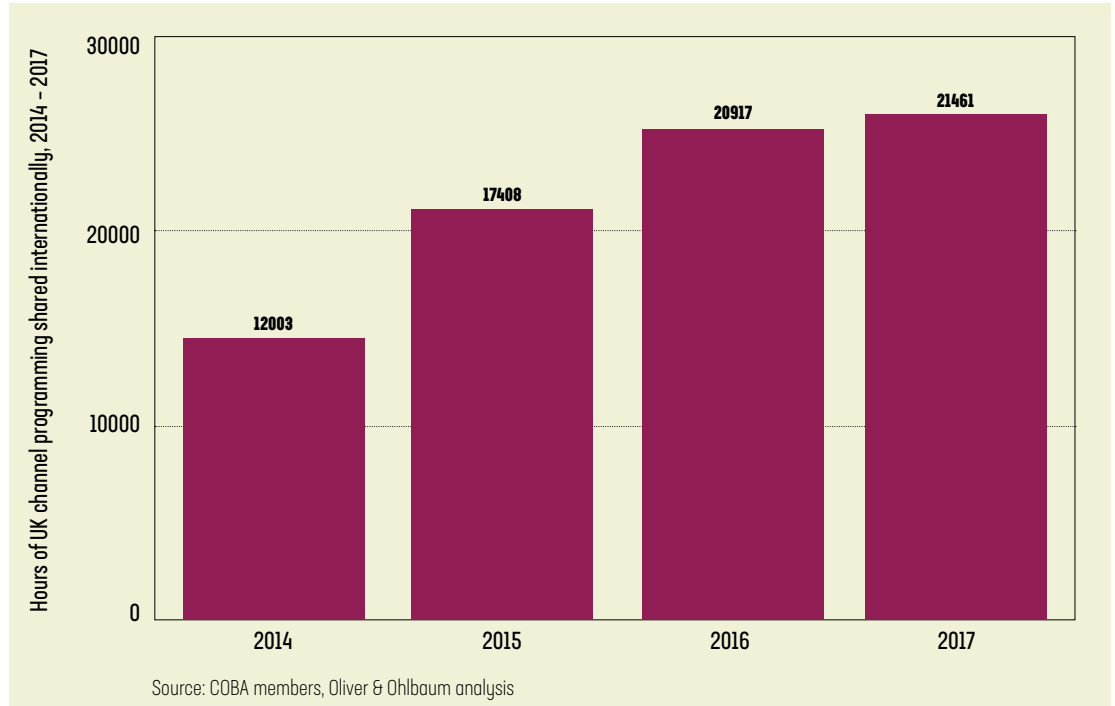
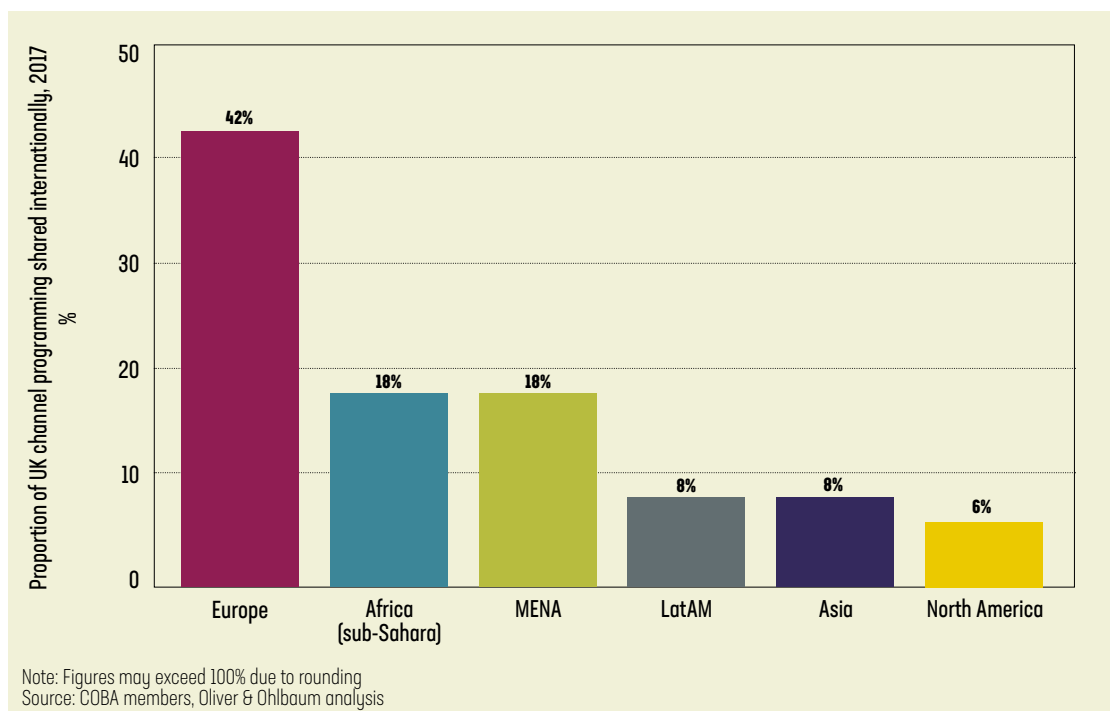


FIGURE 13

Proportion of UK programming shared across non-UK channels in 2017

Europe was the biggest international market for UK programming, but growth was shared across most territories





CASE STUDY

101 Dalmatian Street (Disney): Giving British talent a global platform

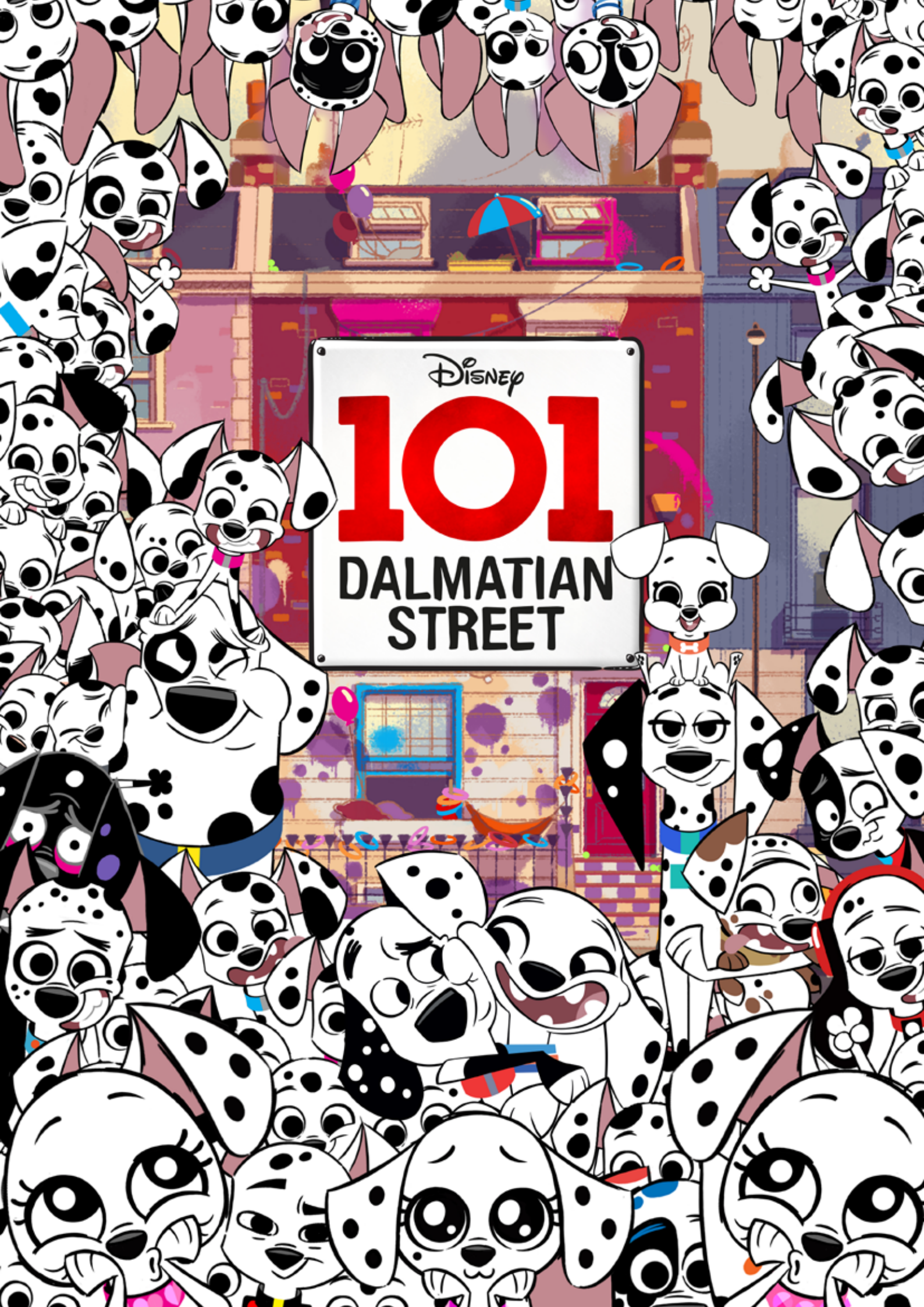
101 Dalmatian Street is the biggest and most ambitious UK-produced series ever commissioned by Disney Channel's European operation (Disney Channel EMEA). The animation series re-imagines Dodie Smith's novel and Walt Disney's classic film, 101 Dalmatians, for the 21st Century, setting a new story against a backdrop of modern-day London.

The large-scale production features 43 cast members covering 106 speaking roles, and includes a raft of UK talent such as Paloma Faith, Miriam Margoyles, Ben Bailey Smith, Tameka Empson, and Bethan Wright, as well as US talent such as Josh Brener and Michaela Dietz. Oscar® and BAFTA winning Passion Animation

Studios, headquartered in London and employing an international crew of more than 50 artists, is the lead producer, while the series was developed by Disney's UK-based original animation team.

In total, the series will include more than 50 episodes, shorts and specials. A special, introducing the characters and setting, aired in the UK and across Europe, the Middle East and Africa in December, with the series itself launching in the UK from spring 2019. From there, the show will roll out on Disney Channels globally throughout the year. Disney Channels Worldwide is a global portfolio of 120 entertainment channels or feeds, available in 164 countries, in 34 languages.

“101 Dalmatian Street is the biggest UK series ever commissioned by Disney's European operation”



Disney
101
DALMATIAN
STREET

Disclaimer

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www.coba.org.uk

The Commercial Broadcasters Association (COBA) is the UK industry body for multichannel broadcasters in the digital, cable and satellite television sector. COBA members operate a wide variety of channels, including news, factual, children's, music, arts, entertainment, sports and comedy. Their content is available on free-to-air and pay-TV platforms, as well as on-demand.



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