



Oliver & Ohlbaum

UK Television Production Survey

Financial Census 2022 – Nations & Regions Annex

August 2022

A report by Oliver & Ohlbaum Associates for Pact

External commissioning spend outside of London grew to 46% of all spend in 2021

Production activities in the Nations & Regions experienced a strong bounce back in 2021 from the disruption of the previous year

The UK sector experienced a bounce back from a disrupted 2020, with overall external commissioning spend growing. Commissioning spend on external productions outside of London also rose, in 2021, up to 46% of total external commissioning spend.

2021 saw a continuation of the trend for strong production hubs outside of London; Scotland, Wales, South West and North West England accounted for 75% of all commissioning spend outside of London.

UK PSBs remained committed to productions outside of London, accounting for 65% of total external commissioning spend outside of London in 2021.

Production budgets spent on commissions outside of London surpassed 50% of all production budgets spent in the UK for the first time, accounting for 51% of the total.

Total direct full-time equivalent (FTE) employment in the UK production sector rose in 2021, whilst a contraction in the proportion of employment outside of London was seen.

Over 50% of UK production budgets were spent outside of London for the first time

- Wales, the South East and North West England were the areas which received the highest levels of investment in 2021

UK PSBs accounted for 65% of external commissioning spend outside of London

- While the BBC remained the largest spender outside of London among the UK PSBs, the overall mix between UK PSBs reverted to pre-pandemic trends
- International commissioners accounted for 18% 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)

Direct full-time equivalent employment in the Nations & Regions grew by 11% in 2021

- Despite this strong growth, the proportion of total UK direct employment based in the Nations & Regions fell to 37% in 2021, a small decline from 38% in 2020
- 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 2020 and 2021.

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

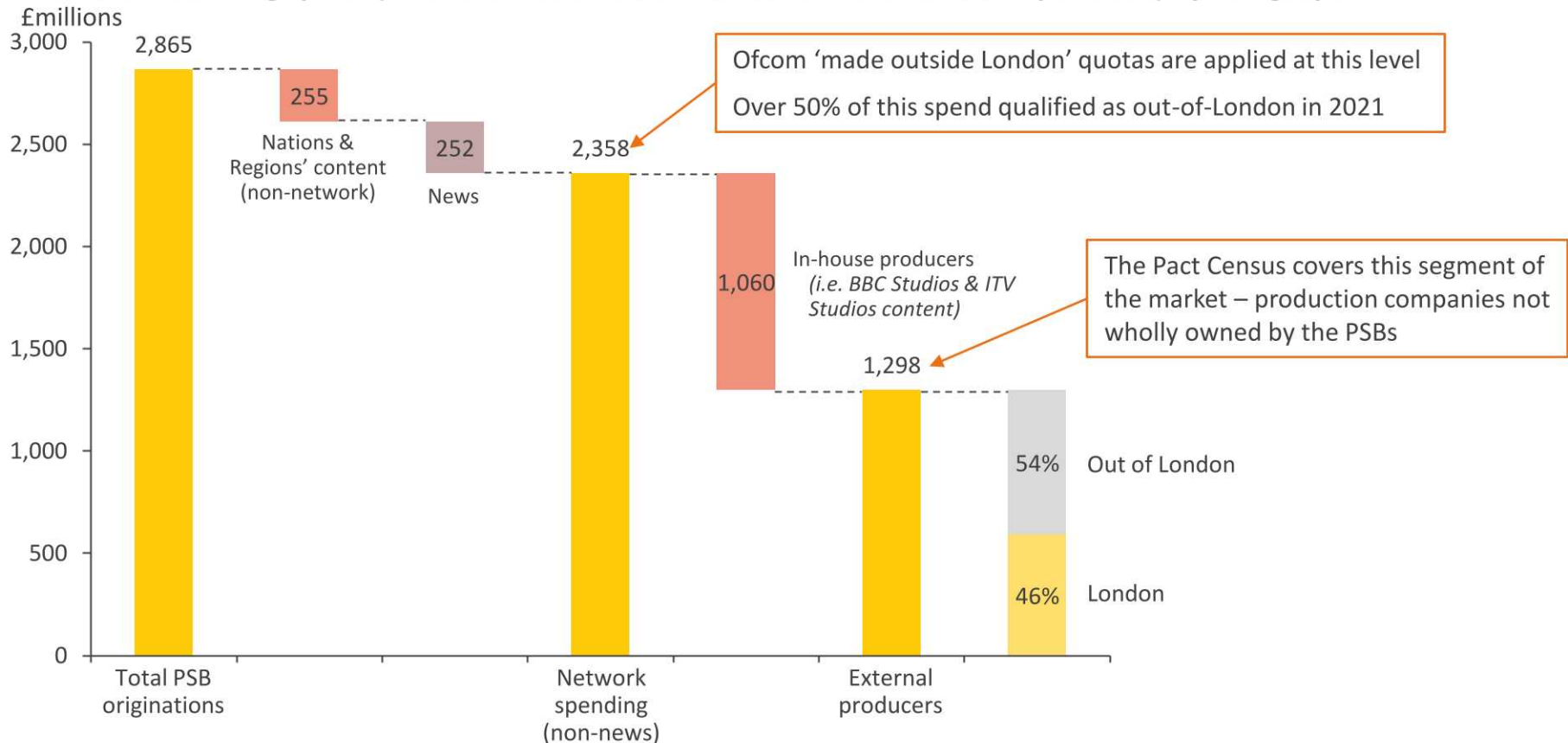
The Pact Census defines the 'UK production sector' as TV and film production companies in the UK excluding those companies wholly owned by PSBs. All references to producers and the production sector within this report follow this definition.

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 54% of total external PSB commissioning spend in 2021

PSB spending on out-of-London productions remained at more than 50% of their total external commissioning spend

PSB commissioning spend (BBC1, BBC2, ITV1, Channel 4, Channel 5 and BBC portfolio) by category, 2021



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

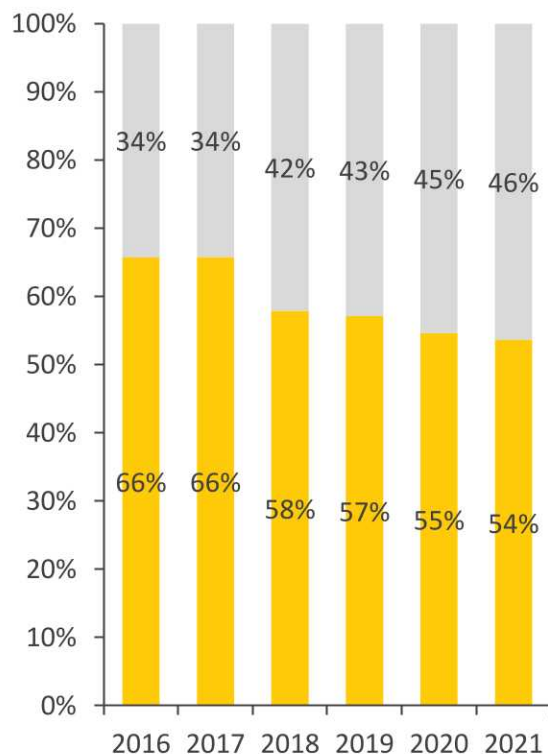
Source: Ofcom, Pact UK Television Production Census 2022, Oliver & Ohlbaum analysis

Nations and Regions trends 2016 – 2021

Since 2016, commissioners have spent an increasing proportion of their primary commissioning spend outside of London. Employment in the Nations and Regions has also followed this trend but to a lesser extent

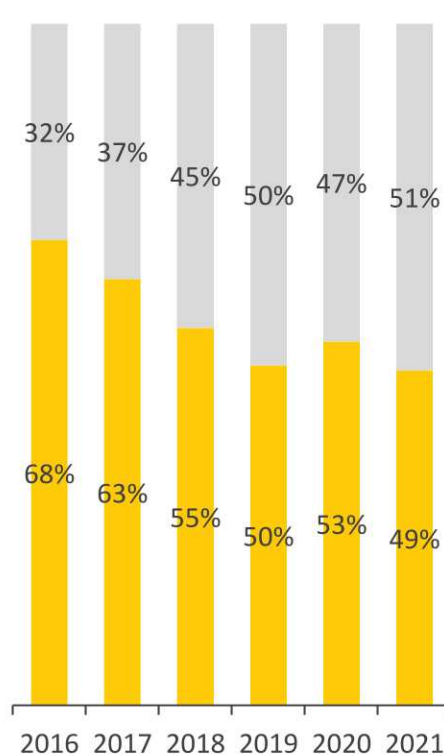
Primary commission value

% 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



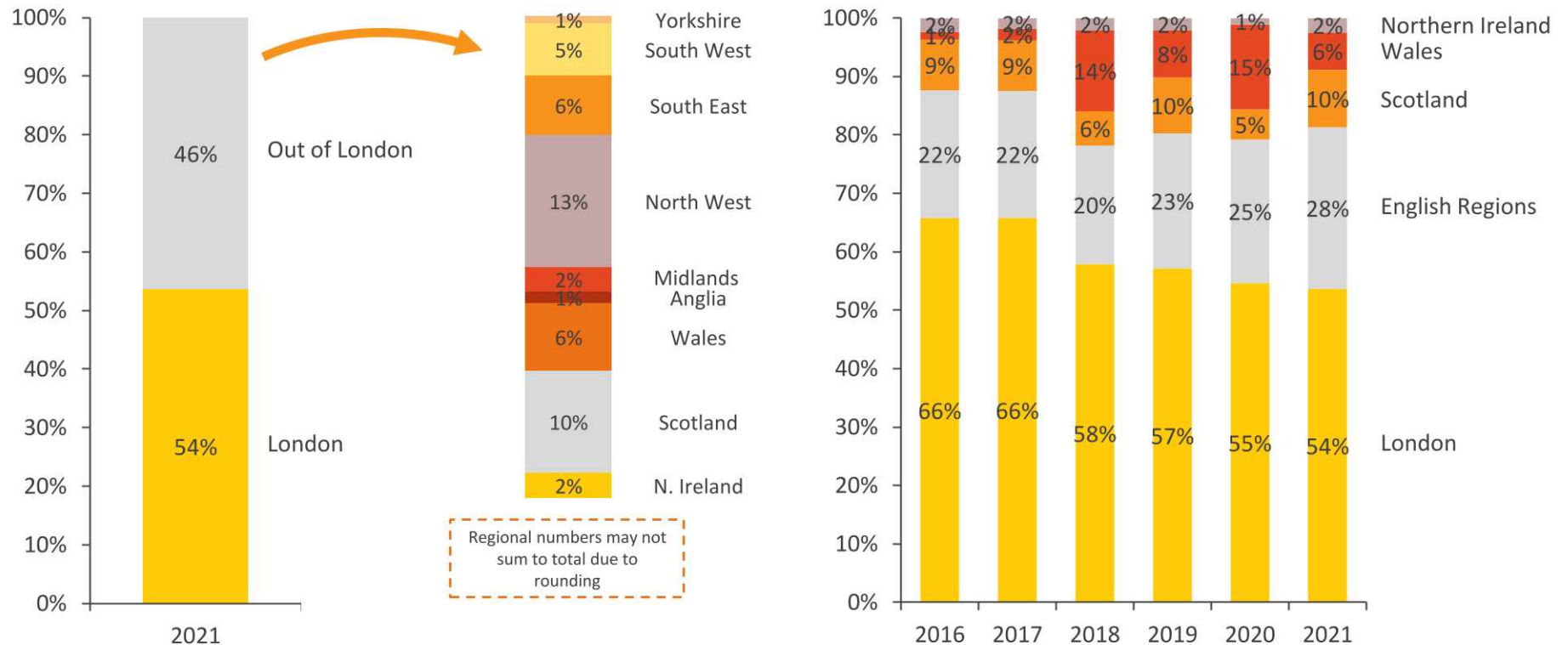
Whilst London remains the largest production hub, its share continues to decline

Whilst spend on productions in London continues to dominate, 2021 saw its share of the overall sector continue to decline for a fourth consecutive year. Share of spend in the English regions continued to grow, with share of spend in the nations having remained fairly consistent since 2018

Primary commission value by region of production, 2021 & 2016 – 2021

% of primary commissions spend amongst producers included in the census

Total primary rights for UK productions = £2,135 million



Note: North East England, at 0%, is 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 2022, Oliver & Ohlbaum analysis

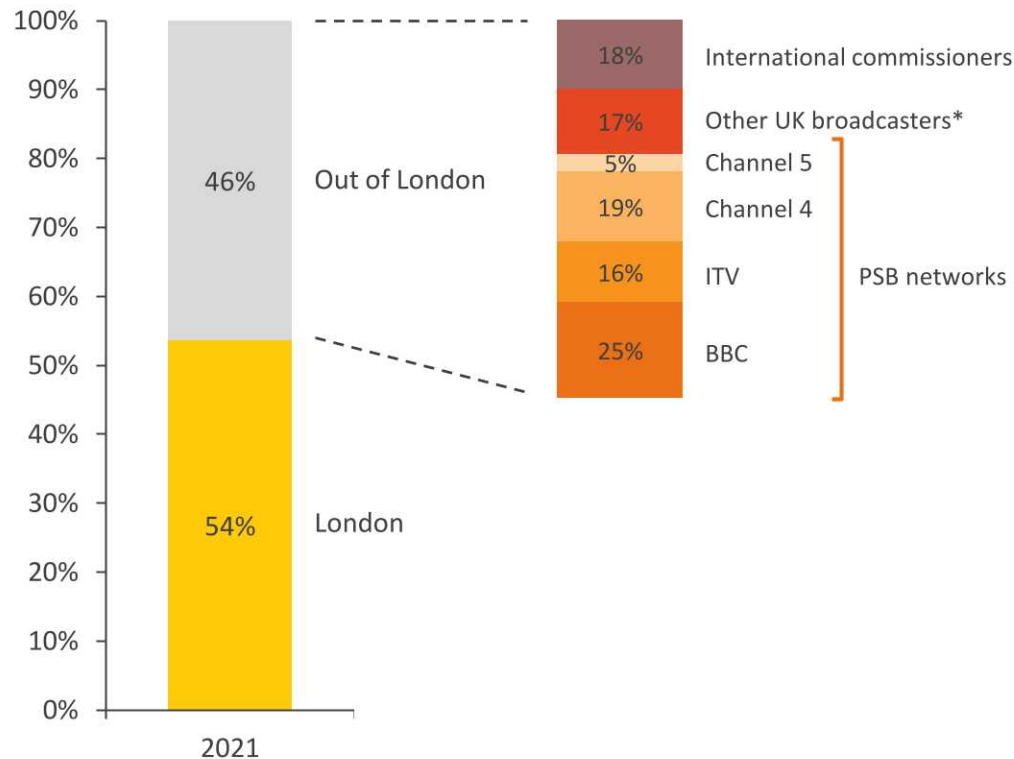
The majority of out of London productions continue to be commissioned by PSBs

The commissioners' share of programming produced outside of London returned to proportions seen in 2019 after an anomalous COVID year, with the BBC's share shrinking considerably year-on-year and Sky's growing

Out of London primary commission value by commissioner, 2021

% of primary commissions spend amongst producers included in the census

Total primary rights for UK productions = £2,135 million



- Primary commissions produced in the Nations & Regions generated just under £1 billion of revenue in 2021
- 65% of this revenue was derived from UK PSB network commissions, up from 61% in 2019 but down on 2020's 70%
- 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 2022, Oliver & Ohlbaum analysis

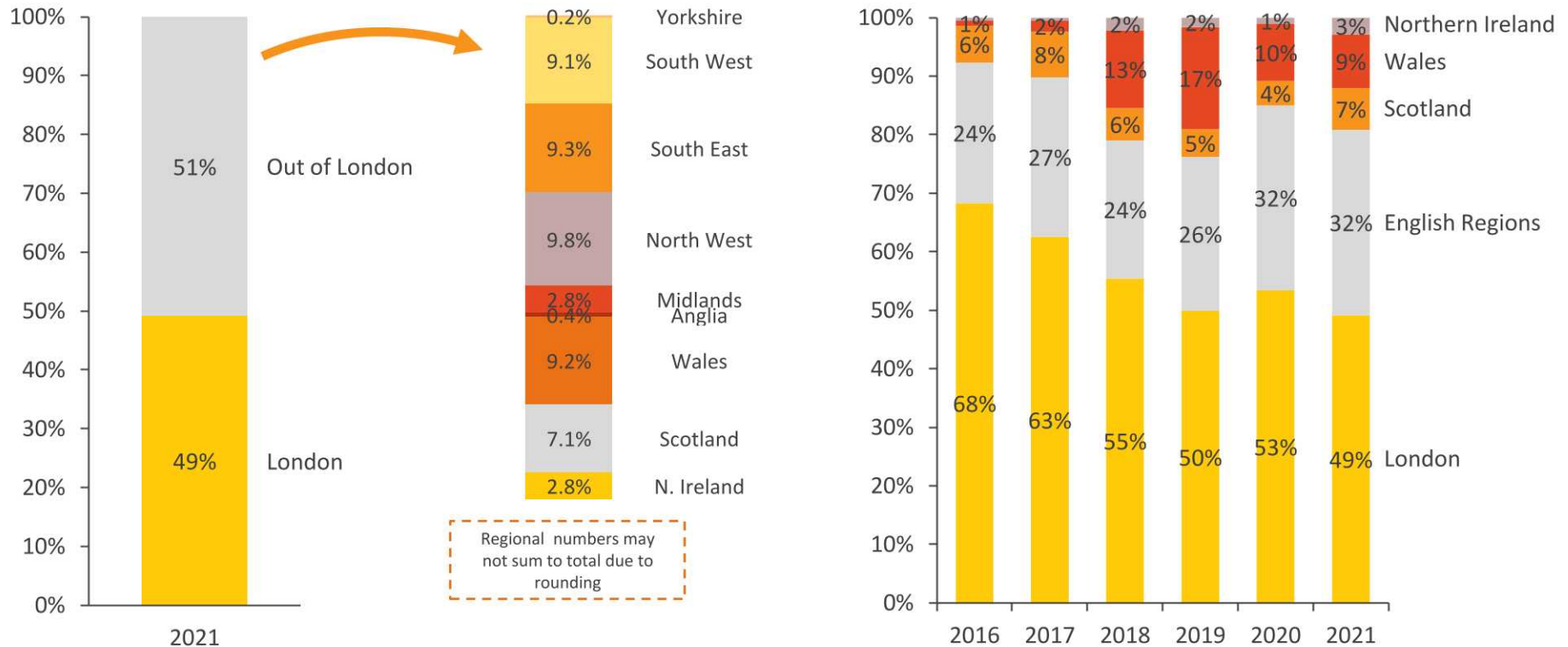
London's share of production budgets fell below 50% for the first time

2021 saw a return to the long term trend of growth in out of London production budgets, increasing to 51% share of total; the regional split of this spend remained similar to the split of primary commissioning revenue

Production budget by region of production, 2021 & 2016 – 2021

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

Total budgets for UK productions = £2,907 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 commission figures

Source: Pact UK Television Production Census 2022, Oliver & Ohlbaum analysis

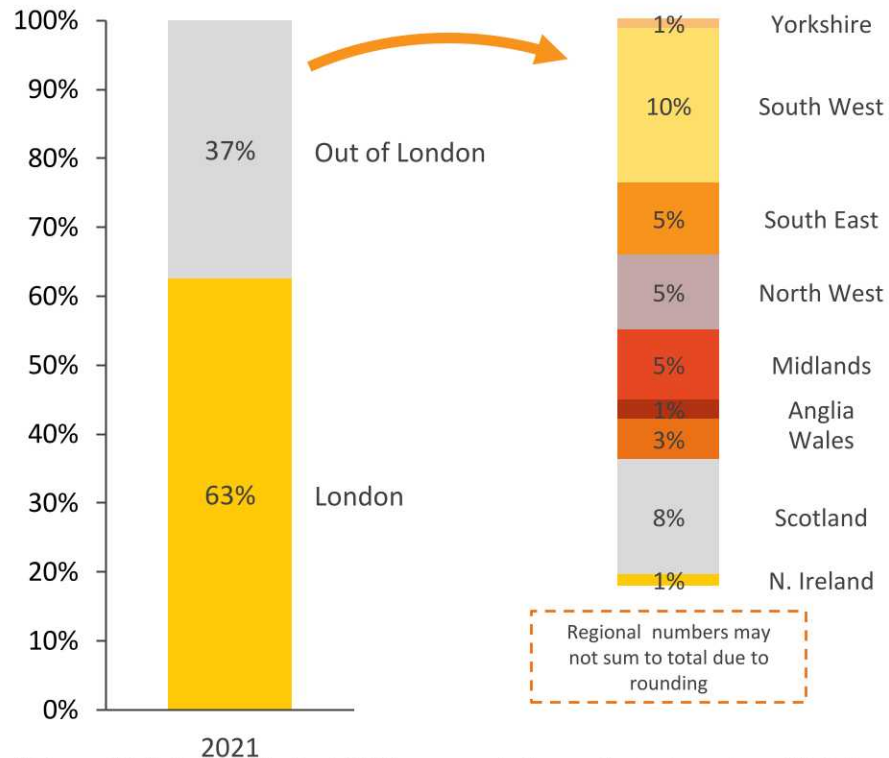
The proportion of employment outside of London shrunk slightly in 2021

Whilst out of London's share of direct employment fell from 38% to 37% in 2021, out of London employment increased considerably in absolute terms as the overall number of direct employees in the market grew substantially year-on-year

Direct employment by region, 2021

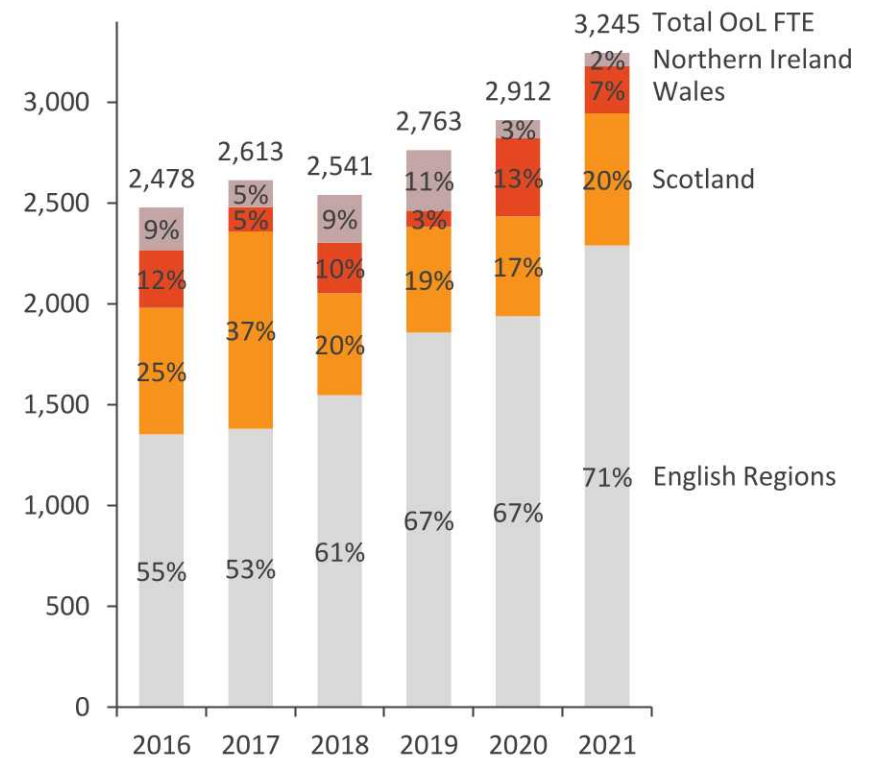
% of direct, full-time equivalent employment within producers included in the census

Total direct employment = 8,672 FTE*



Out of London employment by area, 2016 – 2021

and % of average direct, full-time equivalent employment



Note: *Full-time equivalent (FTE) represents the equivalent number of full-time employees. North East England, at 0%, is 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 2022, Oliver & Ohlbaum analysis

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