Public Service Broadcasting in the Internet Age

Ofcom's Third Review of Public Service Broadcasting

Data annex

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About this document

Ofcom has published two statements concurrently with this document. They set out Ofcom's final conclusions on the third Review of Public Service Broadcasting (PSB). *Public Service Broadcasting in the Internet Age* considers the performance of the PSB system as a whole, the potential challenges it faces in future, and ways in which the system might be maintained and strengthened. *Public Service Broadcasting in the Internet Age: The Nations of the UK and their Regions* considers the performance of the PSB system in each of the UK's Nations and their regions specifically.

Both statements include the key facts and evidence supporting the conclusions. This annex should be read alongside the statements. It provides supplementary information, including 2014 data, and further analysis carried out after the publication of the consultation in December 2014. It covers topics such as output and investment, viewing, the Nations and regions, representation and portrayal, the sources of funding available to the PSB system, and how the landscape is changing. Other evidence considered as part of the Review is also available on Ofcom's website, including non-confidential consultation responses, consultancy reports and audience research.

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Section 1

Executive summary

The overall performance of the PSB system

1.1 PSB spend on new, UK-originated programmes fell by 15% in real terms over the period 2008-2014, to £2.5bn. Both the BBC and the commercial PSBs have reduced real terms investment in programmes, by 14.2% and 15.5% respectively.

1.2 Overall, there has been a decline of 4% in new hours of first-run, original programmes shown on PSB channels since 2008.

1.3 Overall levels of measured TV viewing have fallen in the last two years; from 241 minutes in 2012, to 220 minutes per person per day in 2014. Despite declines on a yearly basis, the main five PSB channels still account for over half of all viewing.

1.4 The importance audiences attach to the PSB purposes and characteristics increased from 2008 to 2014. Satisfaction with delivery also rose, reinforced by the continuing high levels of viewing to PSB channels and services.

1.5 Audience perceptions of the on-screen representation and portrayal of different groups varies, with many people from ethnic minority, lesbian, gay and bisexual (LGB), and disability groups, stating that they feel underrepresented.

The performance of PSB in the nations and regions

1.6 Investment in new programmes made specifically for audiences in England, Northern Ireland, Scotland and Wales has fallen in real terms from £358m in 2008 to £277m in 2014.

1.7 Spend on nations language services S4C and BBC Alba has declined, but the volume of first-run original output has been steady on BBC Alba and has grown on S4C.

1.8 Average levels of viewing to the news made for the UK nations and the regions of England has fallen from 28.3 hours to 24.0 hours per year for the average person.

1.9 Research into audience perceptions of representation and portrayal indicate that portrayal of their Nation or region is an issue for some audiences.

How the landscape is changing

1.10 The key driver of future levels of non-live viewing is likely to come from video on-demand services, accessible across multiple devices. This viewing accounted for an estimated 6% of all long form TV viewing in the first half of 2014, up from 2% in 2010.

1.11 Despite most viewing still being to live/linear broadcast channels overall, it is clear that younger audiences are increasingly using many other forms of video and many different devices to watch it on. We estimate that just less than 70% of all audio visual consumption (including recorded, catch up, on-demand services, DVDs and short form content) by adults 16+ is to live broadcast channels. This is lower for younger viewers: 50% for 16-24s and 61% for 25-34s.

Section 2

The overall performance of the PSB system

Introduction

2.1 This section sets out evidence to support our assessment of the performance of the PSB system as a whole at UK level. It sets out data relating to investment in and output of programmes as well as viewing trends and audience opinion.

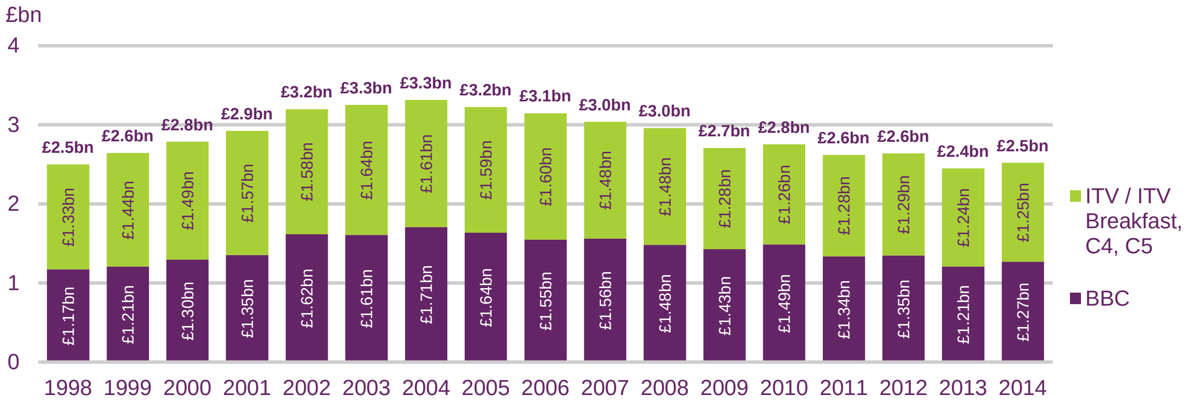
Overview of spend on new UK programmes

2.2 Our consultation identified a decline in spend in real terms on new UK programmes commissioned by PSBs between 2008 and 2013. The primary measure we use in this regard is spend on original UK content, which is the best proxy for the range of outcomes specified in the legislation. However, we acknowledge that this focuses on inputs rather than outputs and therefore does not address whether reduced spend is a result of increased efficiency or reduced output.

2.3 In 1998, the PSBs spent £2.5bn in real terms on first-run UK-originations. This rose between 1998 and 2004 to reach a peak of £3.3bn, in part driven by the launch of the BBC portfolio channels and increased spend by the commercial PSBs. PSB spend on new UK-originated programmes has fallen by 15% in real terms since 2008, to £2.5bn in 2014.

2.4 Both the BBC and the commercial PSBs have reduced real-terms investment in programmes since 2008. The commercial PSBs combined have reduced investment by 15.5% from 2008 to 2014, whereas BBC investment reduced by 14.2% in real terms from 2008 to 2014. The BBC accounted for over half of this (£1.27bn) while ITV, Channel 4 and Channel 5 contributed the rest (£1.25bn).

Figure 1: PSB main network spend on first-run UK originations (real terms, 2014 prices): 1998-2014

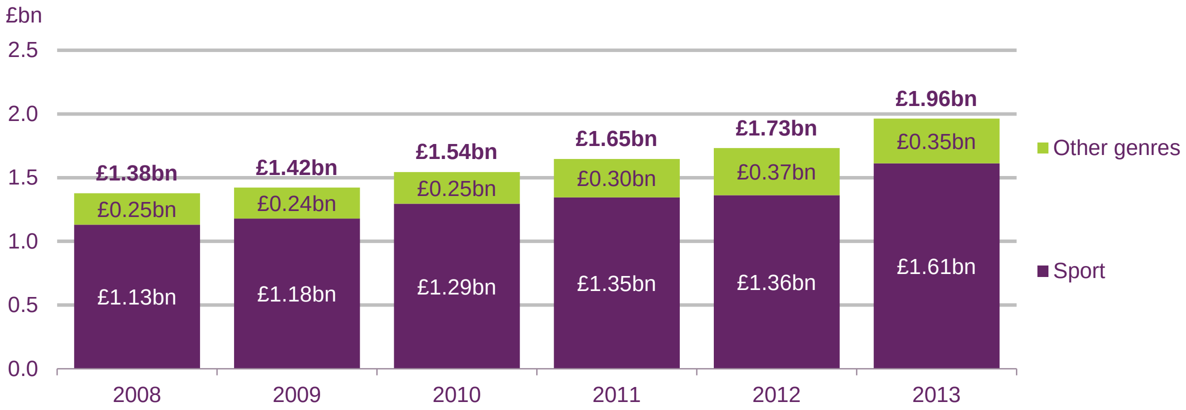


Source: Ofcom / broadcasters
Notes: figures are expressed in 2014 prices; BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament; the analysis does not include S4C, BBC Alba or BBC HD; figures exclude nations / regions programming.

2.5 A sample of non-PSB channels surveyed by Ofcom for the review increased investment in real terms in new first-run UK-originations between 2008 and 2013; from £1.38bn to £1.96bn, an increase of 42%. The limited number of channels surveyed accounted for 90% of non-PSB viewing but we recognise that other channels may also have contributed additional spending on first-run UK originations.

2.6 This analysis shows that 82% of this investment by the multichannel sector is in sports programming that requires payment to view. When sport is excluded, the same broadcasters spent £350m on first-run UK originations in 2013, up 43% in real terms from £245m in 2008. This accounted for around 15% of total investment in non-sport first-run UK originations in 2013[1].

Figure 2: Non-PSB channel spend on first-run UK originations (real terms, 2014 prices): 2008-2013



Source: Ofcom PSB Review Consultation
Notes: figures are expressed in 2014 prices; 2014 data is unavailable; the commercial PSB portfolio channels are CITV, ITV2, ITV3, ITV4, 4seven, E4, Film4, 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.*

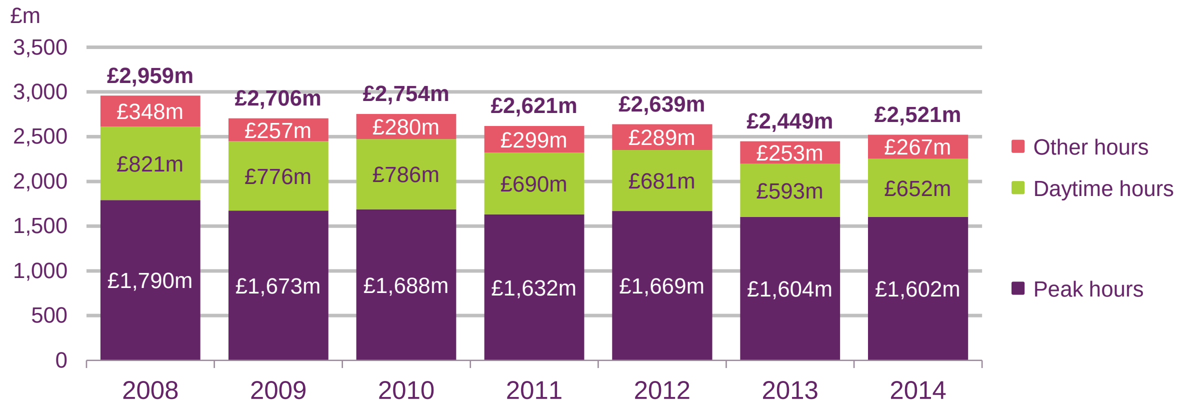
2.7 In addition, we are beginning to see investment in original content by new internet companies, such as Amazon and Netflix. In general, their investments so far have been for globally-appealing content (e.g. House of Cards), however they have made some investment in new UK programming (e.g. Amazon Prime commissioning *Ripper Street* season 3 and Netflix commissioning *The Crown*).

Spend on new UK programmes by the PSB channels

2.8 Reductions in real-terms investment in new UK-originated first-run programmes by the PSB channels have occurred at all times of day. However, the most significant cuts to investment have occurred in daytime and at night-time, which were down 21% and 23% respectively in real terms.

[1] The PSB channels spent £2.05bn on non-sport first run original programmes in 2013 (in real terms at 2014 prices)

Figure 3: PSB spend on first-run UK originations (real terms, 2014 prices), by daypart: 2008-2014

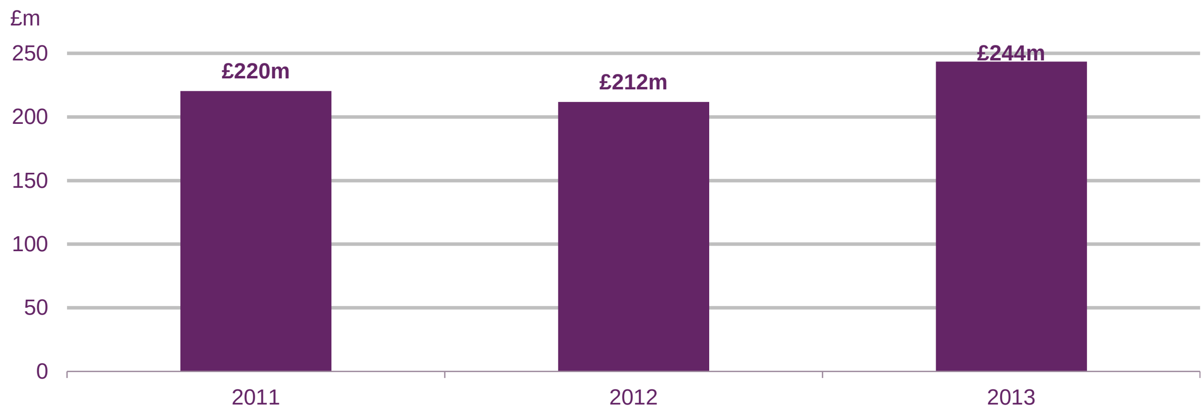


Source: Ofcom / broadcasters
Notes: figures are expressed in 2014 prices; figures include PSB services: BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV, ITV Breakfast, Channel 4 and Channel 5; the analysis does not include S4C, BBC Alba or BBC HD; figures exclude nations / regions programming; peak hours are between 6pm and 10.30pm; daytime hours are between 6am and 6pm; other hours are between 10.30pm and 6am.

2.9 Peak-time investment was down by £188m in real terms from 2008 to 2014, which was a fall of 10%. This reduction in peak time was lower than the overall 15% fall. This therefore shows how the PSBs have increasingly focused resources on the evening peak time of 6pm to 10:30pm when there are the largest audiences, and where most of the commercial return is for the advertising funded PSBs.

2.10 We note that third parties have increased investment in PSB programmes, to a small degree offsetting the decline in investment by the PSBs. This funding includes co-production investment, usually from overseas broadcasters, and distributor advances and producer deficit finance, invested upfront in the cost of making a programme. This is where the producer and distributor of the programme expect to make a return on selling the finished programme overseas, licensing the format, or via other secondary licensing revenue streams.

Figure 4: Third party contribution to first-run UK originations on PSB network channels (real terms, 2014 prices): 2011-2013

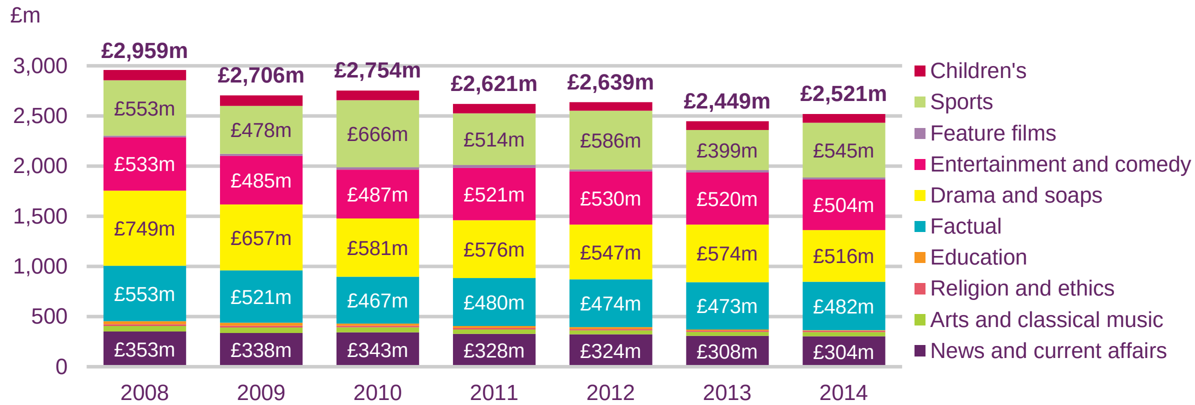


Source: Ofcom / broadcasters, PSB Review Consultation
Notes: figures are expressed in 2014 prices; BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament; the analysis does not include S4C, BBC Alba or BBC HD; figures exclude nations / regions programming.

2.11 From 2008 to 2014, the PSBs reduced real-terms first-run original investment in all genres apart from feature films. The biggest decline has been seen in drama and soaps, which were down by 31% overall (-18% since 1998)[2].

2.12 There were also significant reductions in real-terms in first-run investment in other smaller genres. Between 2008 and 2014, spend on new UK children's programmes was down 15% (-31% since 1998), arts and classical music programmes down 25% (-32% since 1998), religion and ethics down 26% (-58% since 1998) and education down 77% (-70% since 1998).

Figure 5: PSB spend on first-run UK originations (real terms 2014 prices), all hours, by genre: 2008-2014



Source: Ofcom / broadcasters
Notes: figures are expressed in 2014 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.

[2] PSB drama investment, excluding soaps, declined 44% in real terms over the period – this analysis is set out later in the section

2.13 These same genres have also seen the most significant reductions in spend on all hours over the same period.

Figure 6: PSB spend on all output and first-run originations (real terms 2014 prices), all hours, by genre: 2008-2014

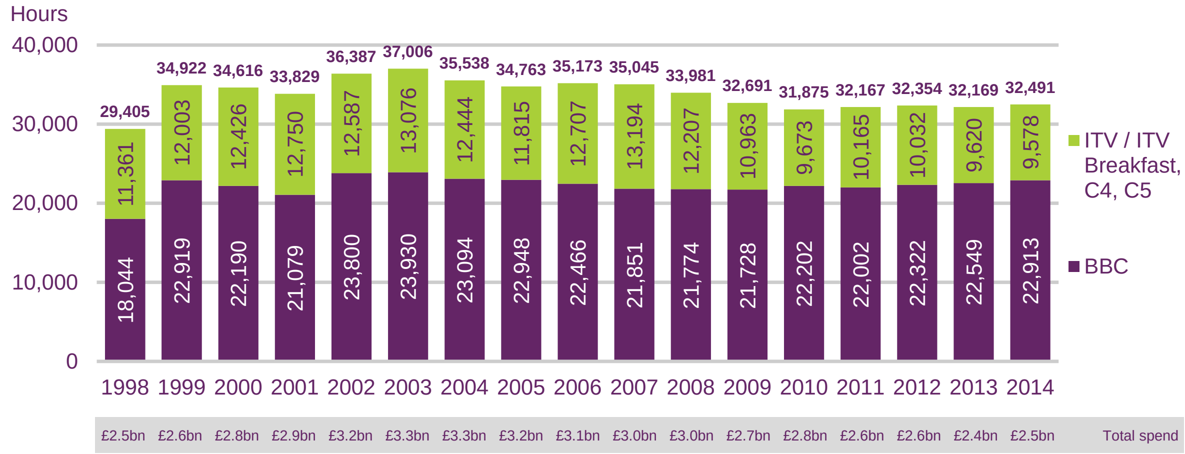
	Spend on all hours of output							Spend on first-run originated output							First run spend as a % of all spend		
	2008	2013	2014	£ change		% change		2008	2013	2014	£ change		% change		2008	2013	2014
				6yr	1yr	6yr	1yr				6yr	1yr	6yr	1yr			
News & current affairs	£353m	£308m	£304m	-£49m	-£4m	-14%	-1%	£353m	£308m	£304m	-£49m	-£4m	-14%	-1%	100%	100%	100%
Arts & classical music	£57m	£41m	£43m	-£14m	£2m	-24%	5%	£55m	£39m	£41m	-£14m	£3m	-25%	7%	97%	94%	96%
Religion & ethics	£18m	£15m	£13m	-£5m	-£2m	-27%	-11%	£17m	£15m	£13m	-£4m	-£2m	-26%	-12%	97%	100%	99%
Education	£30m	£11m	£7m	-£23m	-£4m	-77%	-34%	£30m	£10m	£7m	-£23m	-£3m	-77%	-33%	100%	97%	99%
Factual	£569m	£488m	£498m	-£71m	£10m	-12%	2%	£553m	£473m	£482m	-£71m	£9m	-13%	2%	97%	97%	97%
Drama & soaps	£971m	£672m	£590m	-£381m	-£83m	-39%	-12%	£749m	£574m	£516m	-£233m	-£57m	-31%	-10%	77%	85%	88%
Entertainment & comedy	£599m	£597m	£601m	£2m	£5m	0%	1%	£533m	£520m	£504m	-£29m	-£16m	-5%	-3%	89%	87%	84%
Feature films	£235m	£158m	£150m	-£85m	-£9m	-36%	-6%	£13m	£23m	£20m	£7m	-£3m	54%	-12%	6%	15%	14%
Sports	£601m	£401m	£547m	-£54m	£146m	-9%	36%	£553m	£399m	£545m	-£8m	£146m	-2%	36%	92%	99%	100%
Children's	£123m	£100m	£99m	-£24m	-£1m	-20%	-1%	£103m	£88m	£88m	-£15m	£0m	-15%	-1%	84%	89%	89%
Total	**£3,555m**	**£2,791m**	**£2,851m**	**-£703m**	**£61m**	**-20%**	**2%**	**£2,959m**	**£2,449m**	**£2,521m**	**-£439m**	**£72m**	**-15%**	**3%**	**83%**	**88%**	**88%**

Source: Ofcom / broadcasters
Notes: figures are expressed in 2014 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.

Overview of output hours by PSB channels

2.14 Overall, between 2008 and 2014, there has been a decline of 4% in new hours of first-run UK originations shown on PSB channels. This relatively modest decline in output hours of new UK originations contrasts to the 15% overall reduction in spend on new UK originations set out in the previous section. Since 2008, the BBC has actually increased the number of new first-run hours of programmes it broadcasts by 5%, despite a real-terms reduction in its income and investment in first-run programmes. However, the commercial PSBs have collectively reduced the number of new first-run hours by 22% between 2008 and 2014.

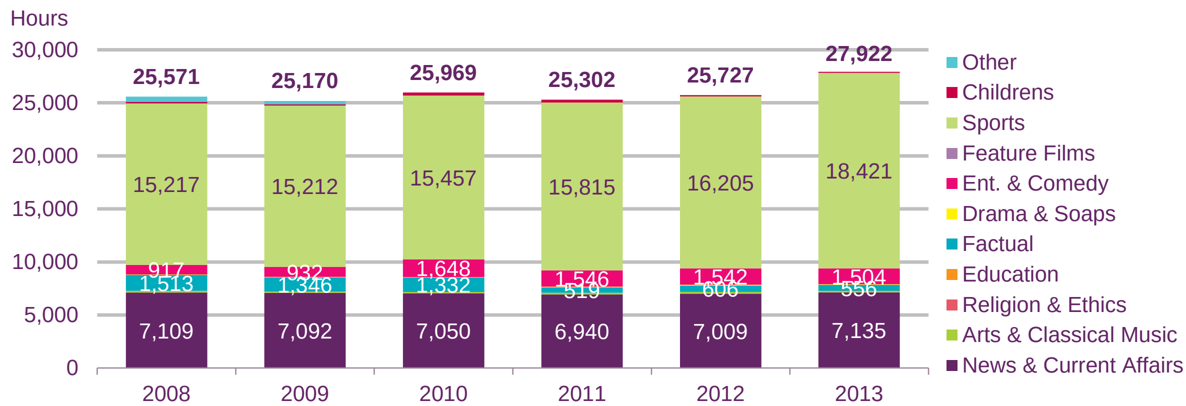
Figure 7: PSB network output of first-run UK originations, total hours: 1998-2014



Source: Ofcom / broadcasters. PSB Annual Report 2015
Notes: 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.

2.15 A sample of non-PSB channels surveyed by Ofcom for the review showed an increase in the number of first-run UK-originated hours broadcast. This has mainly been driven by an increase of over 3,000 hours in the number of sports programmes broadcast from 2008 to 2013; sport accounts for two-thirds of all new output by the sample of the multichannel sector. However, there has been a significant shift in the multichannel sector out of factual programmes, and into entertainment and comedy.

Figure 8: Non-PSB channel output of first-run UK originations, by genre: 2008-2013

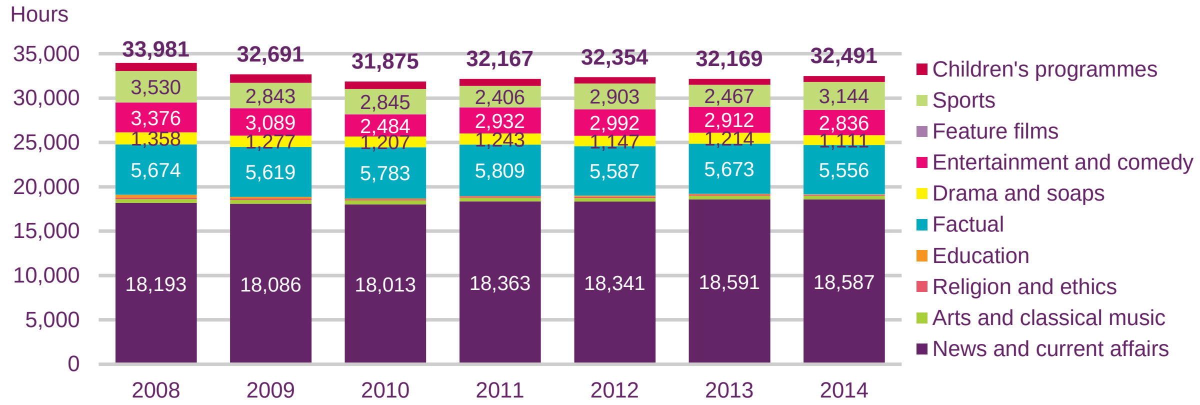


Source: Ofcom / broadcasters, Ofcom PSB Review Consultation
Notes: 2014 data is unavailable; the commercial PSB portfolio channels are CITV, ITV2, ITV3, ITV4, 4seven, E4, Film4, More4, 5USA and 5; the multichannel sector sample consists of returns from Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and Baby TV and were chosen based on their collective audience share in the UK; output hours are based on running time.*

Output of new UK programmes on PSB channels by genre

2.16 In terms of programme genres, between 2008 and 2014 the biggest percentage reductions in hours of new first-run UK originated programmes by the PSB channels have been in education, religion and ethics, drama and soaps, entertainment and comedy, and children's programmes.

Figure 9: PSB output of first-run originations, all hours, by genre: 2008-2014



Source: Ofcom / broadcasters
Notes: 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.

2.17 These same genres have also seen the most significant reductions in all hours of output over the same period, except entertainment and comedy which has experienced increased hours but reduced first-run hours as a proportion of all output.

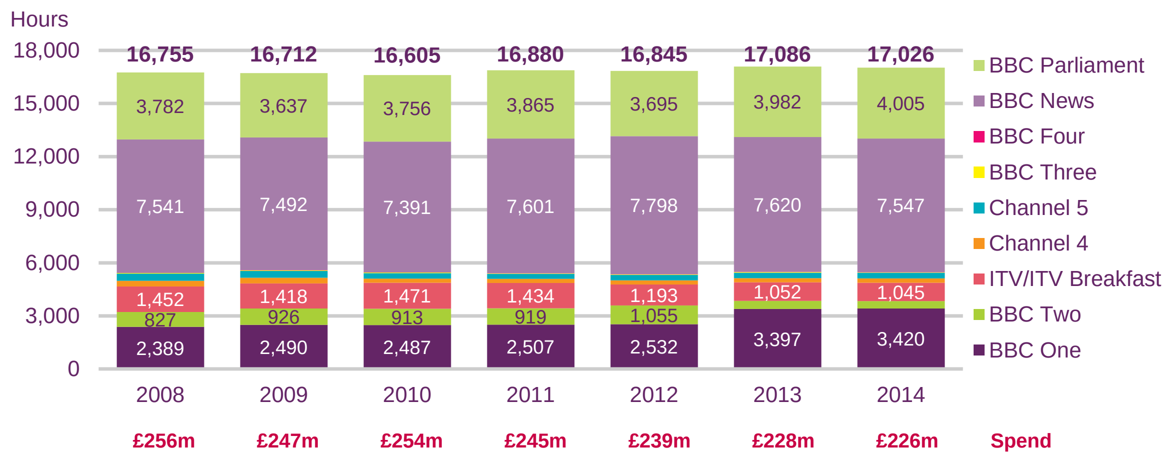
Figure 10: PSB output of all output and first-run originations, all hours, by genre: 2008-2014

	All hours of output							Hours of first-run originated output							First run hours as a % of all output		
				hours change		% change					hours change		% change				
	2008	2013	2014	6yr	1yr	6yr	1yr	2008	2013	2014	6yr	1yr	6yr	1yr	2008	2013	2014
News & current affairs	24,556	24,840	24,826	270	-14	1%	0%	18,193	18,591	18,587	394	-4	2%	0%	74%	75%	75%
Arts & classical music	1,619	1,733	1,535	-84	-198	-5%	-11%	429	391	391	-38	0	-9%	0%	26%	23%	25%
Religion & ethics	285	254	219	-66	-35	-23%	-14%	159	144	119	-40	-25	-25%	-17%	56%	57%	54%
Education	1,602	628	593	-1,009	-35	-63%	-6%	319	71	52	-267	-19	-84%	-27%	20%	11%	9%
Factual	12,646	14,666	15,812	3,166	1,146	25%	8%	5,674	5,673	5,556	-118	-117	-2%	-2%	45%	39%	35%
Drama & soaps	6,615	4,627	3,984	-2,631	-643	-40%	-14%	1,358	1,214	1,111	-247	-103	-18%	-8%	21%	26%	28%
Entertainment & comedy	7,148	8,523	8,677	1,529	154	21%	2%	3,376	2,912	2,836	-540	-76	-16%	-3%	47%	34%	33%
Feature films	4,689	4,317	3,918	-771	-399	-16%	-9%	24	40	23	-1	-17	-4%	-43%	1%	1%	1%
Sports	4,228	2,874	3,561	-667	687	-16%	24%	3,530	2,467	3,144	-386	677	-11%	27%	83%	86%	88%
Children's	12,473	10,538	10,291	-2,182	-247	-17%	-2%	919	666	672	-247	6	-27%	1%	7%	6%	7%
Total	**75,861**	**73,000**	**73,416**	**-2,445**	**416**	**-3%**	**1%**	**33,981**	**32,169**	**32,491**	**-1,490**	**322**	**-4%**	**1%**	**45%**	**44%**	**44%**

Source: Ofcom / broadcasters
Notes: the analysis does not include S4C, BBC Alba or BBC HD; figures exclude nations / regions programming; output hours are based on slot times; a small number of 'unallocated' hours are not included in the total hours column.

2.18 Overall levels of output of national news have remained fairly steady. The BBC has increased the number of news hours it broadcasts, but has increasingly focused output on BBC One and away from BBC Two. ITV has reduced hours of output of news by 28% since 2008. Investment in national news has fallen by £30m in real terms at 2014 prices, which equates to 12% since 2008.

Figure 11: PSB output of UK / national news, all day: 2008-2014

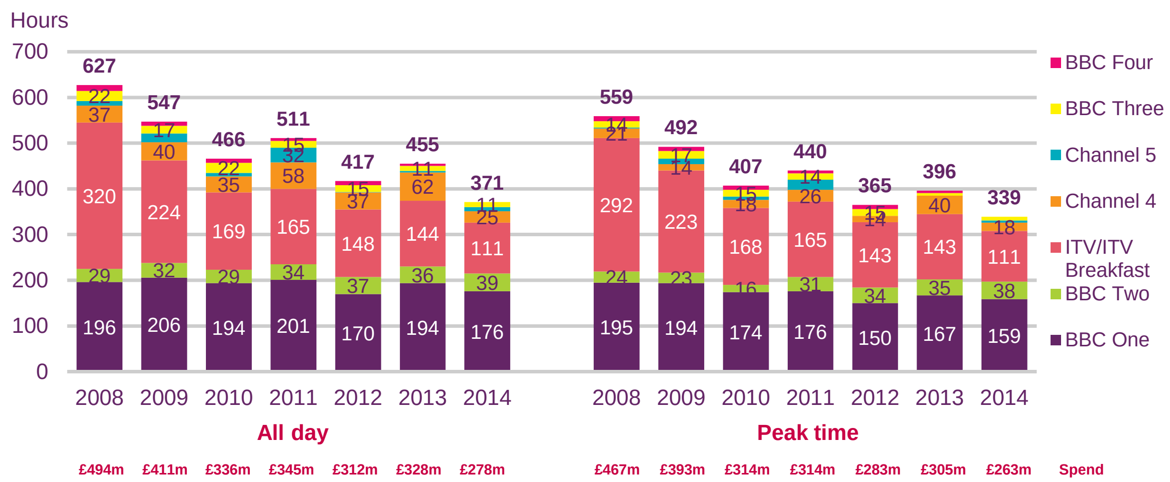


Source: Ofcom / broadcasters
Notes: figures are for first-run UK originated news content only (i.e. not including repeats); UK / national news refers to network news and excludes non-network news; spend is given in 2014 prices; output hours are based on slot times.

2.19 Most new UK drama programmes are shown in the evening peak when most viewers are watching. The major investors in drama are the BBC and ITV. Channel 4 continues to consistently invest in new UK drama but its level of output varies year-to-year and remains small by comparison with the BBC and ITV. Overall, PSB drama output has fallen from 627 new hours in 2008 to 371 hours in 2014.

2.20 The BBC has reduced its drama output by 13% since 2008, but the Channel 3 licensees have reduced the number of hours of drama by 209 hours, or 65%, from 2008 to 2014. The Channel 3 licensees still produce more than two new hours of first-run drama each week. Overall PSB Spend on drama (excluding soaps) has fallen 44% from 2008 to 2014 in real terms.

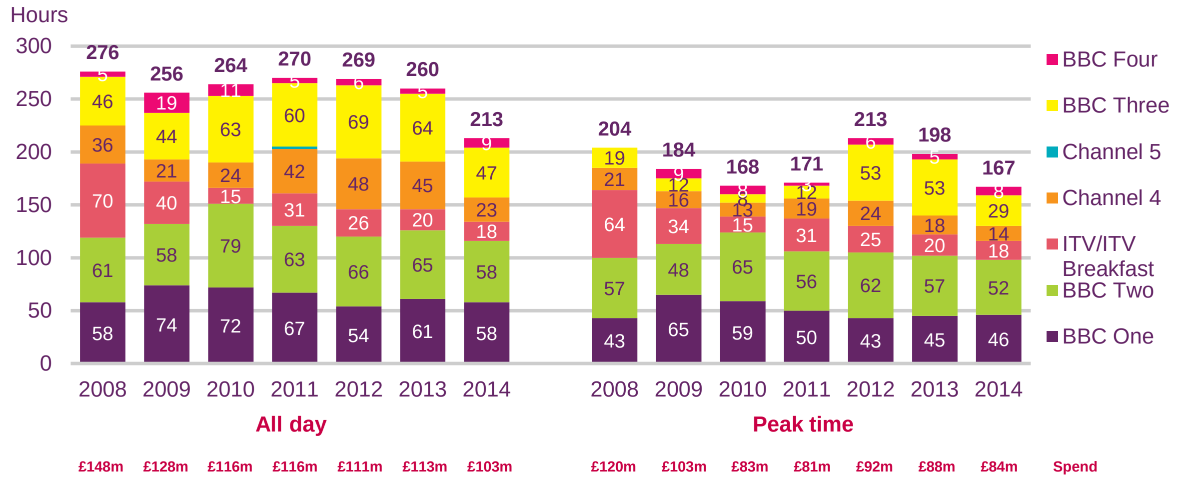
Figure 12: Output of first-run UK originations, drama, all day and peak: 2008-2014



Source: Ofcom / broadcasters
Notes: spend is given in 2014 prices; output hours are based on slot times.

2.21 Levels of output of UK comedy have also fallen by 23% since 2008. In 2014, the PSBs showed 213 hours of new comedy, down from 276 in 2008. Most of this reduction over the period was due to a decline in comedy output by the Channel 3 licensees, which reduced comedy output by 83%, to 18 new hours in 2014. Spend on new UK comedy has fallen 30% in real terms since 2008 to £103m, driven predominantly by a large reduction between 2013 and 2014.

Figure 13: Output of first-run UK originations, comedy, all day and peak: 2008-2014

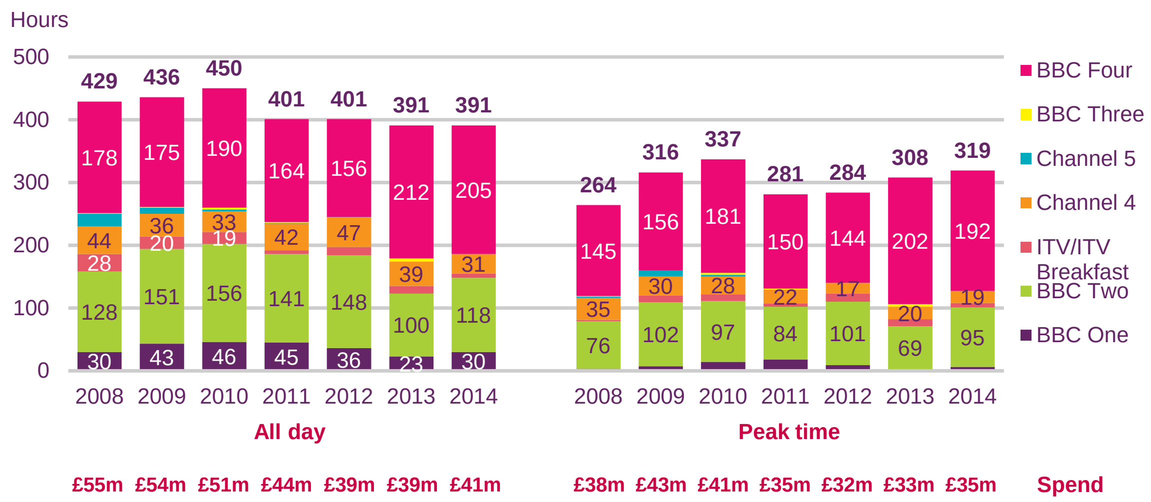


Source: Ofcom / broadcasters
Notes: spend is given in 2014 prices; output hours are based on slot times.

2.22 Following the removal of specific quotas in 2003, PSB provision is relatively low in arts and classical music (£41m first run UK originated spend in 2014, down 25% on 2008), although there continues to be strong classical music provision on BBC radio. Hours of output of first-run UK-originated arts and classical music programmes have declined by 9% from 2008 to 2014, a reduction of 38 hours[3]. Investment in first-run UK originations across these genres has also fallen in real terms by 25%. However, levels of provision in peak time have increased, mainly as a result of increased output by the BBC, especially on BBC Four and BBC Two.

[3] Following the removal of specific quotas by the Communications Act in 2003, PSB provision in arts and classical music, religion and ethics, and formal education has significantly reduced.

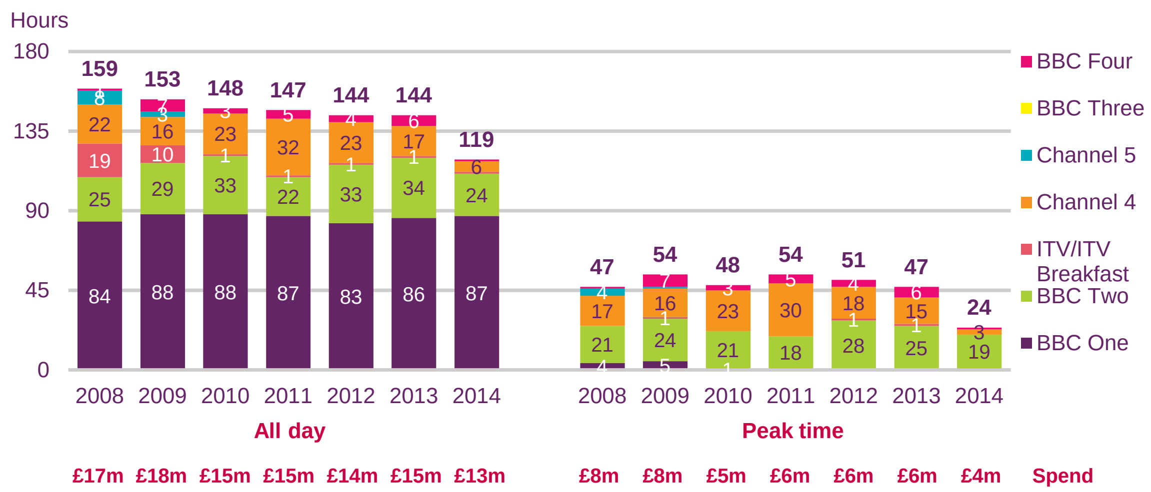
Figure 14: PSB output of first-run UK originations, arts and classical music, all day and peak time: 2008-2014



Source: Ofcom / broadcasters
Notes: spend is given in 2014 prices; output hours are based on slot times.

2.23 Provision of religion and ethics has all but ceased (£13m invested in 2014, down 26% since 2008). Just £4m was spent on this type of output in peak time in 2014. The BBC is now the only significant investor in programmes which specifically focus on religious and ethical content, with 80% of such original programming scheduled outside peak time.

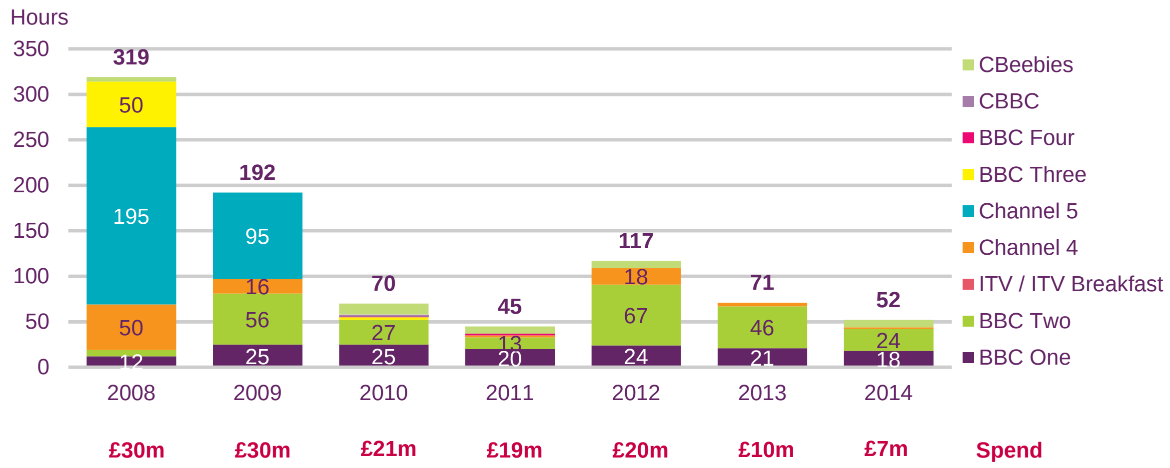
Figure 15: PSB output of first-run UK originations, religion / ethics, all day and peak time: 2008-2014



Source: Ofcom / broadcasters
Notes: spend is given in 2014 prices; output hours are based on slot times.

2.24 There has been a significant reduction in the amount of formal education programmes broadcast. Original output has declined by 84% since 2008, to 52 hours in 2014. This is principally driven by a virtually-complete withdrawal from the genre by Channel 4, Channel 5 and BBC Three. Spend on first-run UK-originated formal education programming is also down by 77% since 2008, to £7m in 2014.[4]

Figure 16: PSB output of first-run UK originations, education, all day: 2008-2014



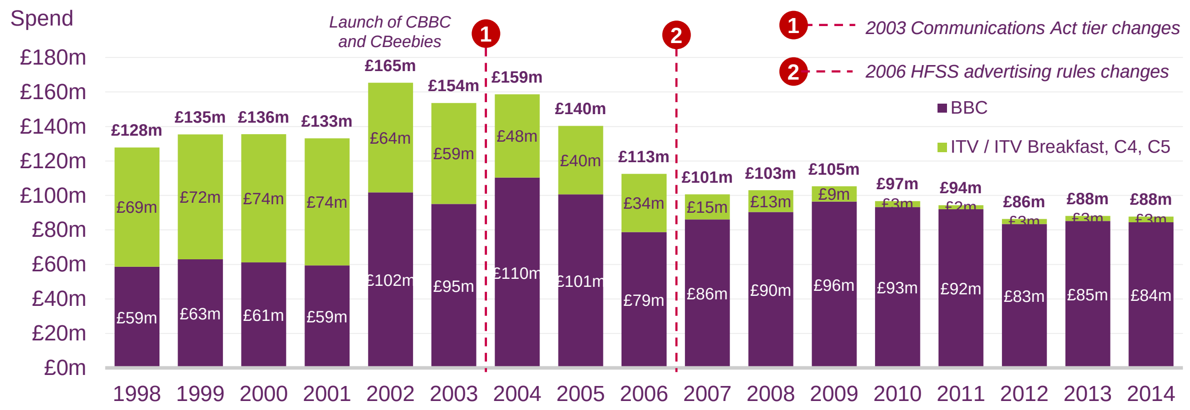
Source: Ofcom / broadcasters
Notes: Formal Education programmes include Schools and the BBC Learning Zone; other programmes from all broadcasters across a variety of genres include Learning Support materials; spend is given in 2014 prices; output hours are based on slot times.

2.25 The BBC is now virtually the sole investor in new UK non-animation children's programmes. In 1998, £128m (in 2014 prices) was spent by the PSB channels on new UK-originated programmes for children, of which £59m was by the BBC, and £69m by ITV, Channel 4 and Channel 5 combined.

2.26 Since 2008, total PSB spend on first-run UK-originated children's programming has fallen in real terms, from £103m to £88m, predominantly as a result of a large decline in provision by the commercial PSBs. Spend by ITV, Channel 4 and Channel 5 dropped 77% overall, to just £3m in 2014. The BBC spent £84m in 2014 and now accounts for nearly 97% of total PSB spend in the genre.

[4] Other content that might be considered educational in nature is not captured under 'formal education'

Figure 17: PSB spend on first-run UK originations (real terms, 2014 prices), children's: 1998-2014

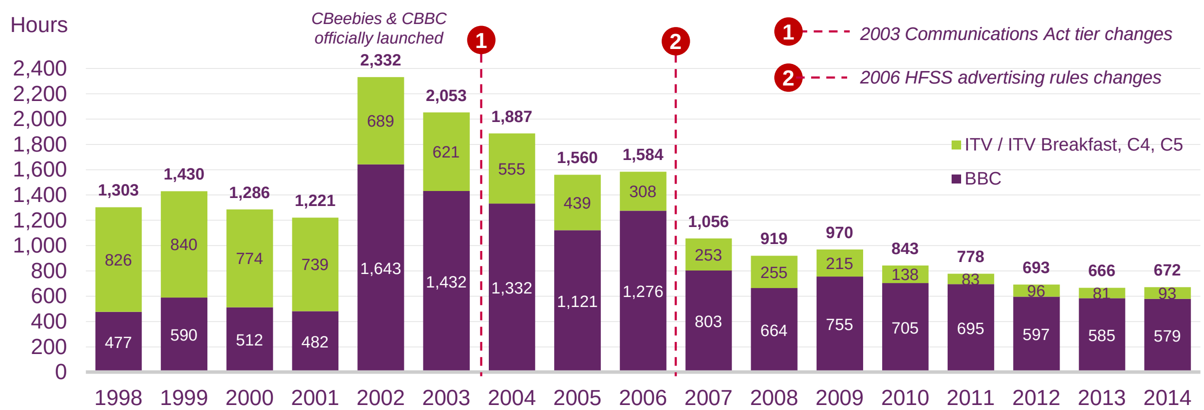


Source: Ofcom / broadcasters, PSB Review Consultation
Notes: figures are expressed in 2014 prices; ITV includes ITV Breakfast; BBC channels do not include BBC HD; CITV is excluded; the Communications Act 2003 moved children's programming from tier 2 (the set of programmes genres to which Ofcom can apply quotas) to tier 3, removing the quotas which were previously in place, since when output has fallen significantly; in November 2006 Ofcom announced a ban on the scheduling of advertising for products that are high in fat, salt or sugar (HFSS) during children's airtime and around programmes with a disproportionately high audience of children in order to protect Children, given evidence of a modest, but direct link between advertising and food preference.

2.27 There has also been a significant reduction in the overall output of new hours of UK-originated children's programmes broadcast. The commercial PSBs combined reduced output of new UK-originated children's programmes from 826 hours in 1998, to 255 hours in 2008 and then 93 hours in 2014.

2.28 The BBC, increased output significantly when it launched its dedicated children's channels in 2002. However, it has since reduced its overall output of new hours to focus on fewer, better-funded commissions. Since 2008, the BBC has reduced its annual output of new children's programmes by 85 hours, or 13%.

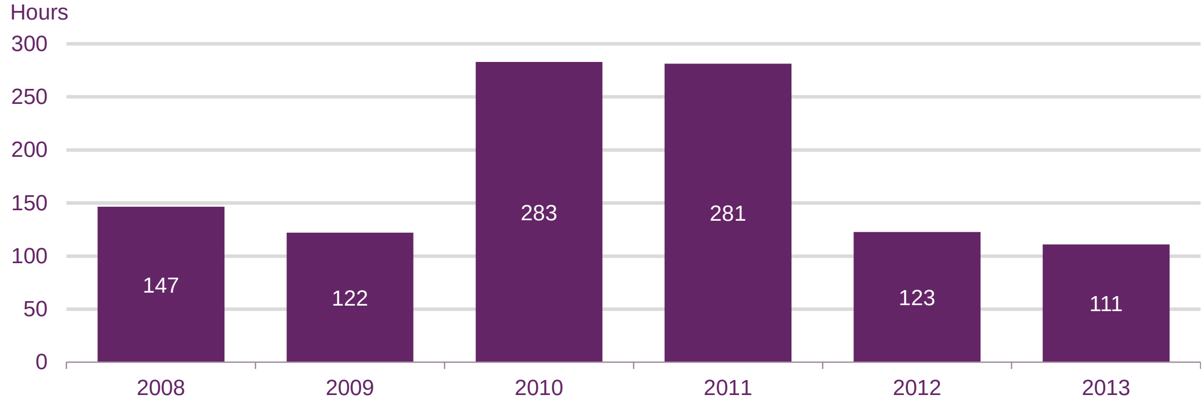
Figure 18: PSB output of first-run UK originations, children's: 1998-2014



Source: Ofcom / broadcasters, PSB Review Consultation
Notes: output on the CITV channel is excluded; based on slot time; see Figure 17 above for notes on the 2003 Communications Act tier changes and the 2006 HFSS advertising rules changes.

2.29 We note that the sample of multichannel broadcasters surveyed for the PSB review do broadcast some new first-run UK children's hours. In 2013, these broadcasters showed a combined 111 hours of new UK children's programmes.

Figure 19: Commercial children's channels' output of first-run UK originations: 2008-2013



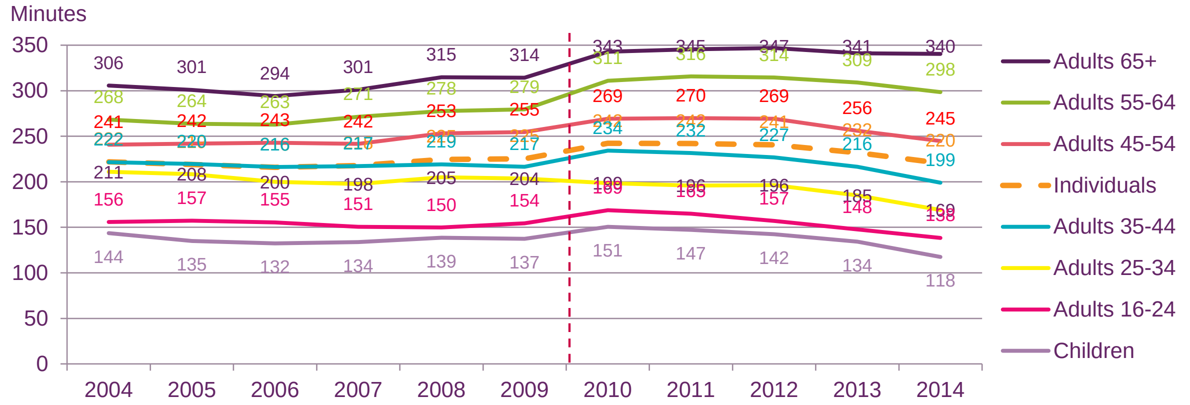
Source: Ofcom / broadcasters
Notes: broadcasters include ITV, Viacom, Turner, Disney, CSC and Baby TV; output hours are based on running time.

Viewing of PSB channels and to key PSB genres

2.30 Overall levels of measured TV viewing have fallen in the last two years, from a daily average of 241 minutes in 2012, to 220 minutes per person in 2014. We explore this further in Section 4 of this annex. Although younger adults are still regularly watching PSB channels[5] there are a number of significant changes to young people's consumption of TV content. Overall, among adults, TV viewing has declined most significantly with those aged 16-24, who now watch 138 minutes of total TV per day, down 17.9% from 2010, double the 9% decrease seen across all individuals[6]. This is because of the wide variety of media, including social media, which they interact with.

[5] 92% of 16-24s and 87% of 25-34s watch the five main PSB channels regularly (compared to 92% of all adults), and more 16-24 years olds are more likely to regularly watch PSB portfolio channels than any other age group (Source: Ipsos Mori 2014 PSB Review, November 2014, Page 30
[6] Source: BARB

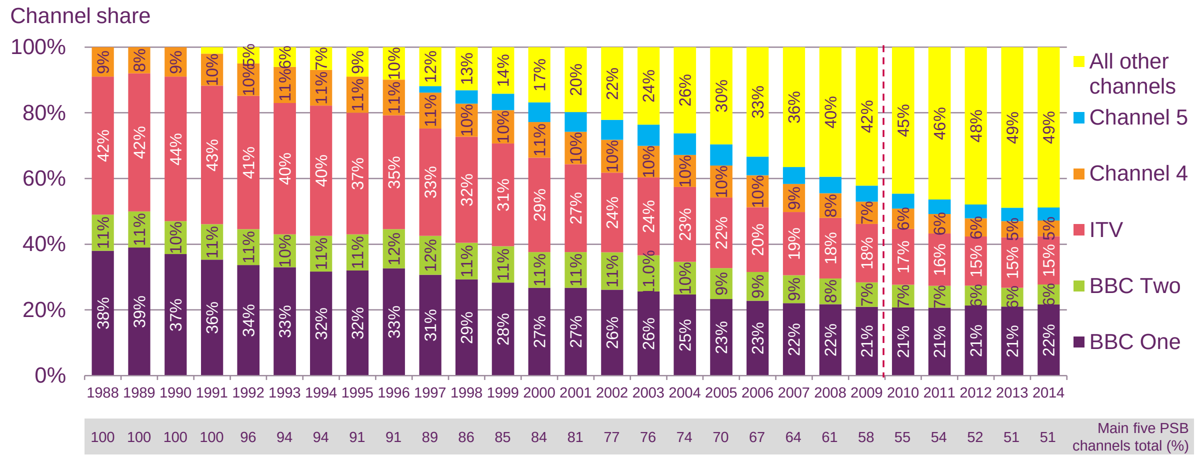
Figure 20: Average minutes of television viewing per day, all people aged 4+, by age group: 2004-2014



Source: Ofcom Communications Market Report 2015, BARB, Network, all individuals (4+)
Notes: a new BARB panel was introduced in 2010; as a result, pre- and post-panel change data must be compared with caution.

2.31 The main five PSB channels have seen viewing share fall steadily since the establishment and growth of cable and satellite TV in the early 1990s, and especially since digital terrestrial TV launched in 1998, significantly expanding channel choice. However, the main five PSB channels still accounted for over half of all UK measured television viewing in 2014. The rate of decline has also slowed significantly since digital switch-over was completed in 2012.

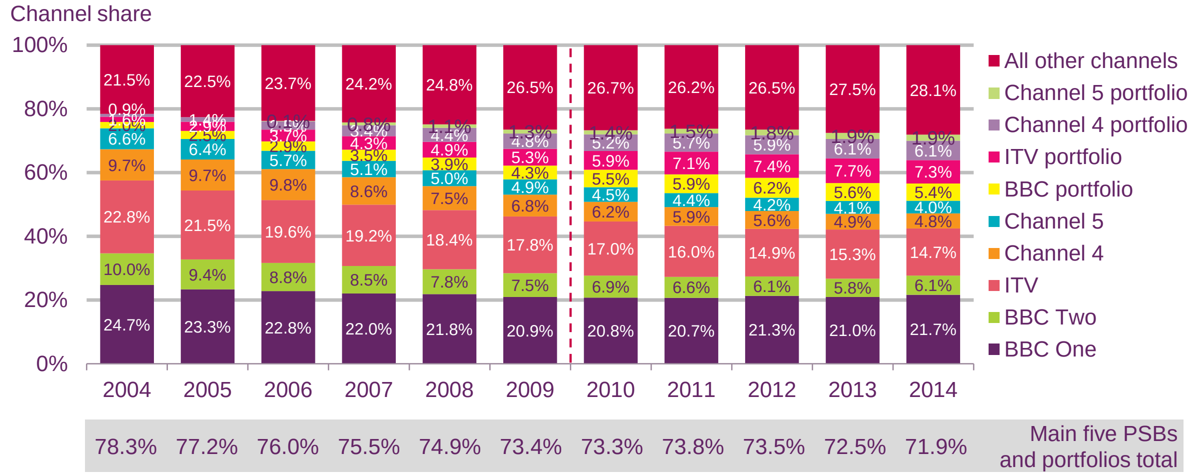
Figure 21: Share of TV viewing, all people aged 4+, by channel: 1998-2014



Source: BARB, TAM JICTAR and Ofcom estimates. All Individuals (4+)
Notes: a new BARB panel was introduced in 2010; as a result, pre- and post-panel change data must be compared with caution (see dotted line); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure, in and prior to 2009, but not from 2010 onwards; S4C share in 2014 was 0.1% (all homes); the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

2.32 As the share of the main PSB channels has declined, their portfolio channels have enjoyed an increase in share. In 2008, they represented 14% of all viewing. This had risen to 21% in 2014. When the BBC portfolio and commercial PSB portfolio channels offered by ITV, C4C and Channel 5 are taken into account, the total share of viewing to the PSBs and their portfolio channels in 2014 was 72%, down only marginally from 75% in 2008.

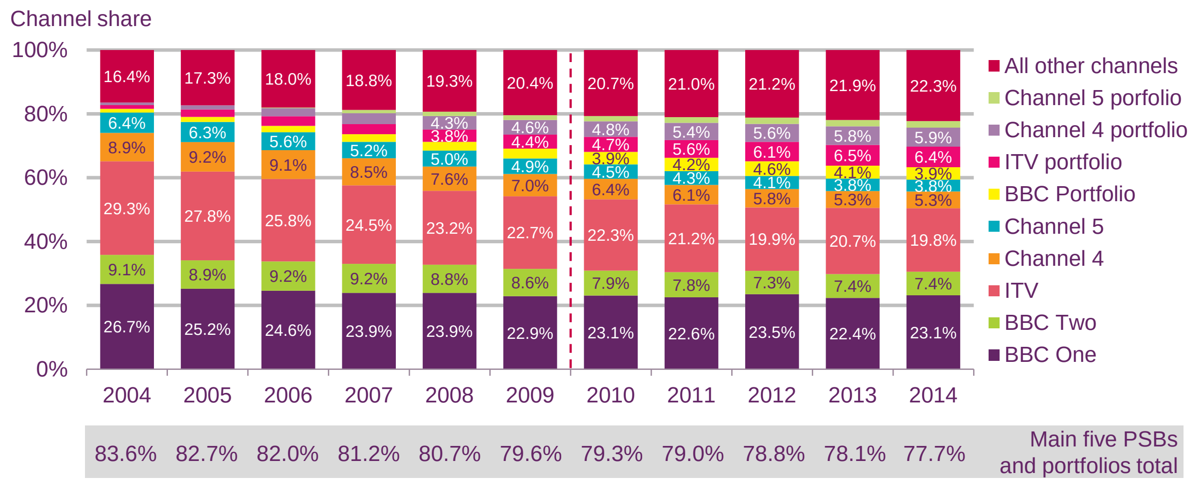
Figure 22: PSB and portfolio share of TV viewing, all individuals, by channel: 2004-2014



Source: BARB, all individuals (4+)
Notes: a new BARB panel was introduced in 2010; as a result, pre- and post-panel change data must be compared with caution (see dotted line); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure in and prior to 2009 but not from 2010 onwards; S4C 2014 channel share = 0.1%; the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

2.33 The five main PSB channels, with the exception of Channel 5, all command a higher share of viewing in peak hours. Even though the BBC and commercial PSB portfolio channels generally have a lower share in peak than in all hours, in 2014 the main five PSBs and portfolios combined still have a higher share in peak (77.7%) compared to all hours (71.9%).

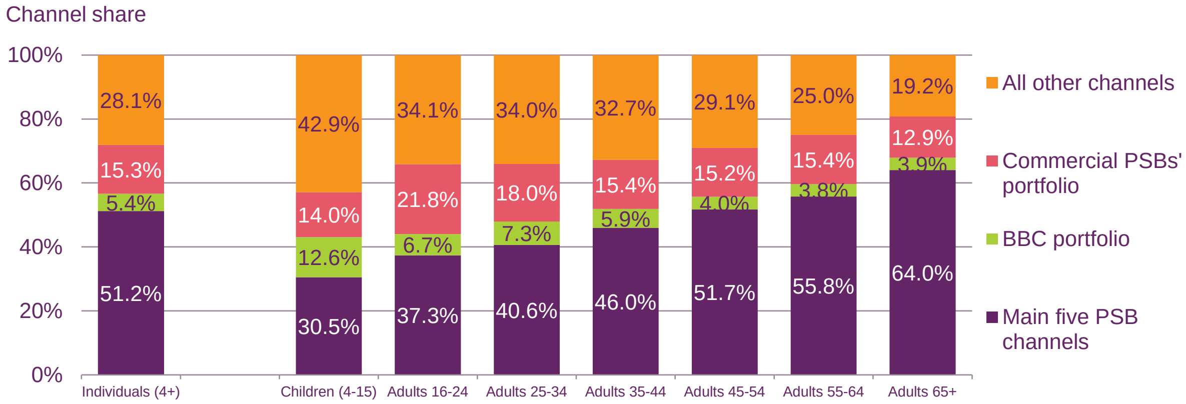
Figure 23: PSB and portfolio share of TV viewing, peak hours, all individuals, by channel: 2004-2014



Source: BARB, all individuals (4+), Peak time 6pm-10:30pm
Notes: a new BARB panel was introduced in 2010, as a result, pre- and post-panel change data must be compared with caution (see dotted line); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure in and prior to 2009 but not from 2010 onwards; S4C 2014 channel share = 0.1%; the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

2.34 However, high levels of viewing to PSB channels and PSB-owned portfolio channels are driven by older audiences. Just over half of all viewing by children is to the PSB channels and the PSB-owned portfolio channels, while over 80% of all viewing by the over-65s is to PSB channels and their portfolios. The over-65s still rely on the main five PSB channels – 64% of their viewing was to these five channels even though all TV homes now have access to multichannel TV, at least in the form of DTT.

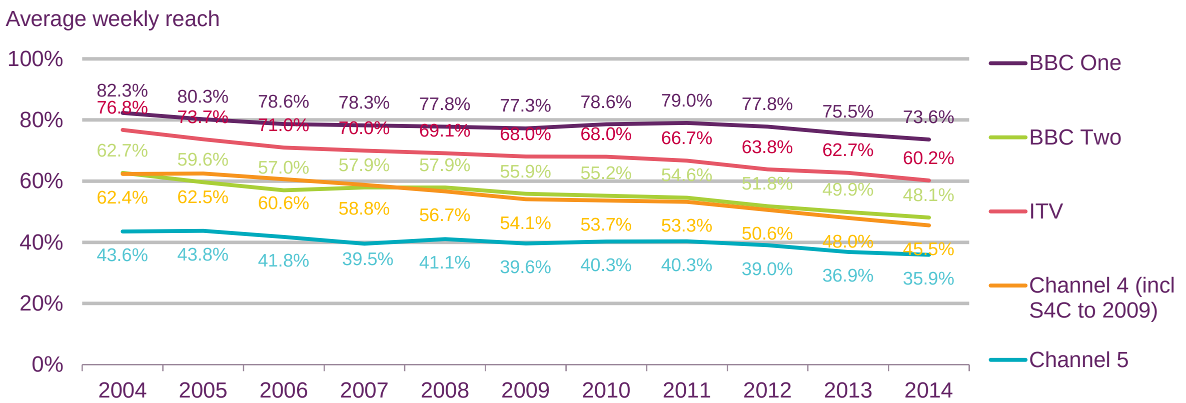
Figure 24: Share of TV viewing, all people aged 4+, by channel type: 2014



Source: BARB, all individuals (4+). Network

2.35 The weekly reach of each of the main five PSBs channels has also been steadily falling. BBC One reached 74% of UK individuals in 2014, down from 78% in 2008. ITV's reach also fell from 69% to 60%. BBC Two, Channel 4 and Channel 5 have also seen their reach fall.

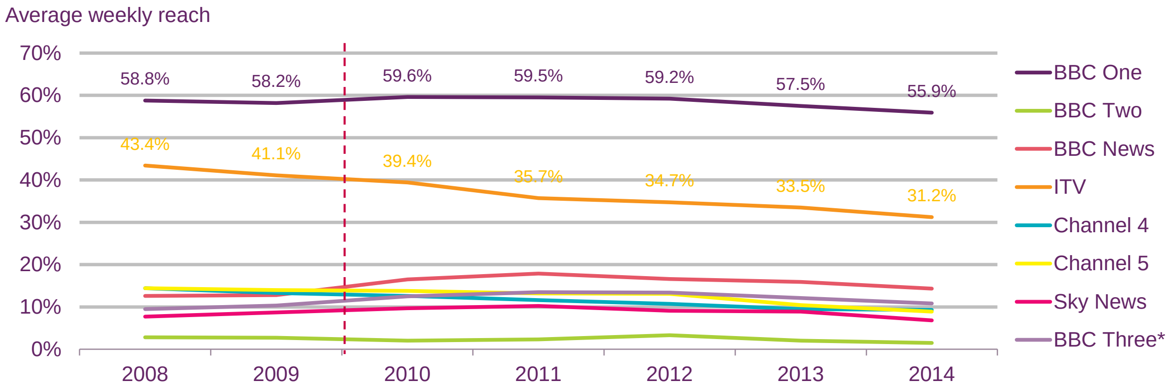
Figure 25: PSB average weekly reach, all people aged 4+, by channel: 2004-2014



Source: BARB. all individuals (4+), Network
Notes: 15 minute consecutive weekly reach; a new BARB panel was introduced in 2010; as a result, pre- and post-panel change data must be compared with caution (see dotted line); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure in and prior to 2009, but not from 2010 onwards; S4C weekly reach in 2014 was 0.5% (all homes); the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

2.36 The PSBs have all seen the reach of their national and international news content fall since 2008, with the exception of the BBC News channel. BBC One's news reach has proved particularly resilient, reaching marginally more UK individuals in 2013 than it did in 2008, but the channel experienced a 2 percentage point decline in the reach of its news programmes in 2014 alone.

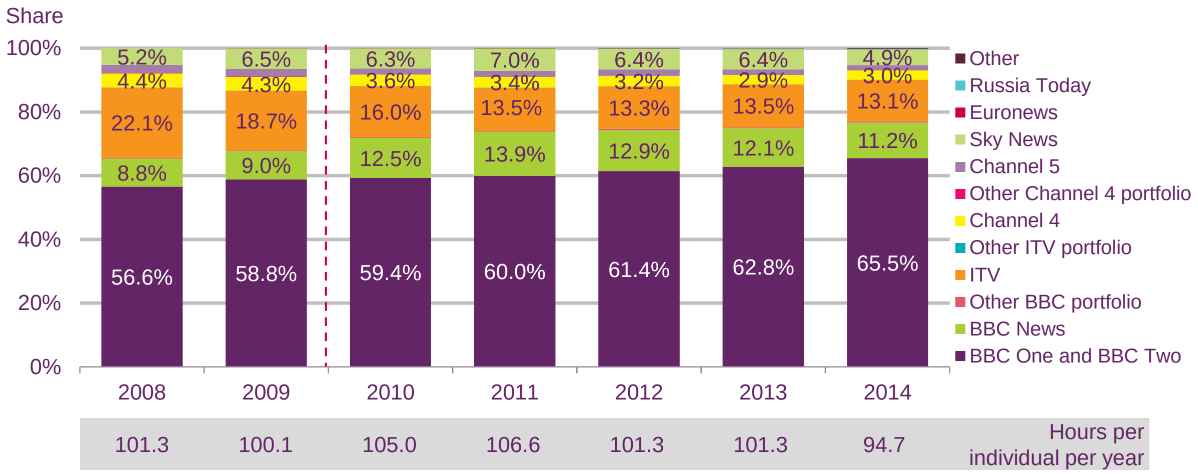
Figure 26: Average weekly reach, all people aged 4+, national and international news, by channel: 2004-2014



Source: BARB, all individuals (4+)
Notes: National / International News genre; Network Plus to 2009 and Network post 2010; network programming based on 4+ area filter; reach criteria = 3 consecutive minutes for all channels except BBC Three whose reach criterion is 1 minute as BBC Three's news bulletin is only 1 minute long, BBC Three figures are therefore not directly comparable; S4C and ITV News channel excluded from this analysis; channels include viewing to their HD channel variants but exclude viewing to their +1 channels; from 6 September 2010, following the re-brand of GMTV to the strands of Daybreak (0600-0900) and Lorraine (0900-0925) there was a change to the genre coding of these two distinct programme segments in BARB; from the re-brand, Daybreak was coded as current affairs: magazine (which is included within the current affairs: other category in Ofcom's analysis) while Lorraine was coded as entertainment; prior to 6th September 2010, distinct programming elements within GMTV as a whole were coded up separately; the effect of this is that news and other programming strands which were previously reported separately under GMTV became captured under a single BARB genre category of current affairs: magazine (which forms part of current affairs: other in Ofcom's analysis) from the third quarter of 2010 and across 2011-2014 a new BARB panel was introduced in 2010; as a result, pre- and post-panel change data must be compared with caution.

2.37 Between 2008 and 2013, the level of viewing to TV national and international news has remained broadly steady. However, there has been a 7% drop in 2014 from 101.3 hours per person per year, to 94.7 hours. The BBC's channels account for the vast majority of all viewing of news on television in the UK. In combination, their channels accounted for 77% of all national and international news viewing in 2014, up from 66% in 2008. All other news services appear to have lost audience share to the BBC. Overall, PSBs still account for around 95% of TV news viewing.

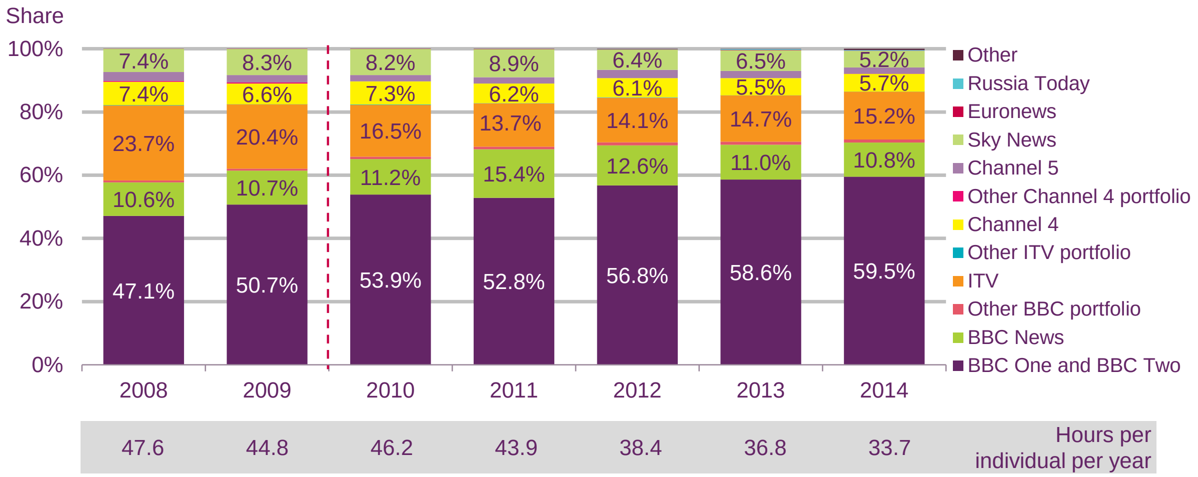
Figure 27: Share of viewing, all people aged 4+, national and international news, by channel group: 2008-2014



Source: BARB. all Individuals (4+)
Notes: 2008-2009: Network Plus / 2010+: Network; Network programming based on 4+ area filter; shares are based on total minutes of viewing to National / International News; BBC One and Two, ITV, Channel 4 and Channel 5 include HD variants and +1 channels where applicable; a step-change in the proportion of news viewing attributed to ITV between 2010 and 2011 may be partly explained by the ITV Breakfast re-brand from GMTV to Daybreak, in terms of the coding of programming; please see Figure 26 for information on programme genre classification changes.

2.38 The pattern of national and international news viewing by younger adult audiences (under 35 years old) broadly mirrors that of all audiences. Overall viewing to BBC News services has increased in terms of share. Channel 4 has a significantly higher share of the total news audience among the under-35s than it does among all people aged 4+, shown above.

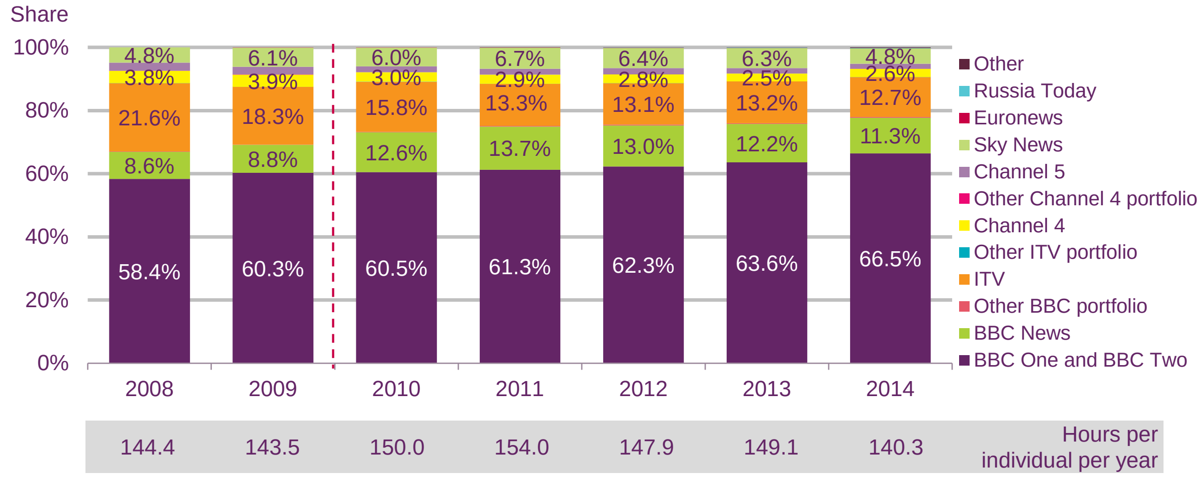
Figure 28: Share of viewing, adults 16-34, national and international news, by channel group: 2008-2014



Source: BARB. Adults 16-34
Notes: 2009 Network Plus / 2010+ Network; Network programming based on 4+ area filter; shares are based on total minutes of viewing to National / International News genre; BBC One and Two, ITV, Channel 4 and Channel 5 include HD variants and +1 channels where applicable; please see Figure 26 for information on programme genre classification changes.

2.39 However, younger audiences are watching less news than they were: 29% less national and international news per year in 2014 than they did in 2008. The average person under 35 now watches 34 hours of news per year. In contrast, audiences older than 35 watch a lot more news (140 hours per year in 2014), and their time spent viewing national and international news has declined by just 3% since 2008.

Figure 29: Share of viewing, adults 35+, national and international news, by channel group: 2008-2014



Source: BARB. Adults 35+
Notes: 2009 Network Plus / 2010+ Network; Network programming based on 4+ area filter; shares are based on total minutes of viewing to National / International News genre; BBC One and Two, ITV, Channel 4 and Channel 5 include HD variants and +1 channels where applicable; please see Figure 26 for information on programme genre classification changes.

2.40 Ofcom's consumer research shows that television remains the most important way that consumers and citizens find news about the UK and also the rest of the world. Over half of all adults state that TV is their most important source of news about the UK and the world, but levels have dropped since 2007. For young audiences under 35 years old, there has been a larger drop in the proportion of people citing TV as their most important source of UK news and news about the world.

2.41 It is clear that the internet is becoming an increasingly important source of news which is affecting audiences' views on whether TV channels are the most important source of news, especially among younger audiences.[7] Nearly a third of all adults stated that the internet is the single most important source of both UK and world news in 2014, up by one quarter of people since 2007. Whereas around half of 16-34s thought this was case, an increase of four out of ten people since 2007.

[7] Ofcom's PSB research (2014) showed that 44% of adults used the internet as a source of news about the world, up from 16% in 2007. Similarly, 41% of adults cited the internet as a source of news about the UK in 2014, compared to 15% in 2007.

Figure 30: Importance of news sources: 2007-2014

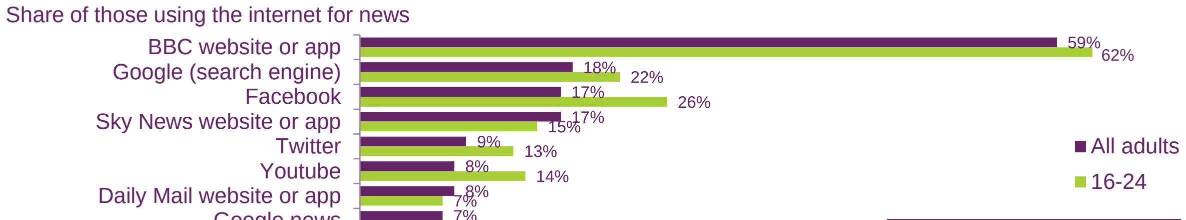
All adults	% choosing TV as main / most important source 2007	2014	Change	% choosing internet as main / most important source 2007	2014	Change
Finding our news about what's happening in the UK	67%	53%	-14%	4%	28%	+24%
Finding out news about what's happening round the world	68%	52%	-16%	6%	30%	+24%
Adults 16-34						
Finding our news about what's happening in the UK	61%	38%	-23%	5%	45%	+40%
Finding out news about what's happening round the world	61%	35%	-26%	8%	50%	+42%

Source: PSB research, 2014
Notes: 2,026 interviews with UK adults aged 16+, August 2014; 2,260 interviews with UK adults aged 16+, October – December 2007; Q: Which of these is your most important source for this content (2014) / Which of these is your main source for this content (2007)?

2.42 Ofcom research shows that the BBC is a popular source of internet news, with three out of five (59%) adults who use the internet for news using the BBC website or app. However, the online news services of the commercial PSBs and Sky News have low levels of online and app use in comparison with the BBC and other online news providers; 17% use the Sky News website/app, 5% use ITV's or ITN's and 1% use Channel 4's website/app.

2.43 If the BBC continues to grow its share of total news viewing, internal plurality may become more important – between its programmes and services as well as within its programmes and services.

Figure 31: Reach of websites and apps for news consumption: 2014, ranked on all adults



	2014	2013
Aggregators	15%	25%
Social media	20%	23%
Search engines	19%	16%

Source: Ofcom news report 2014
Notes: Q5e) Thinking specifically about the internet, which of the following do you use for news nowadays? Base: All who use internet for news (1029), 16-24s (219); only sources with an incidence of over 3% are shown; 'Aggregators' includes Google News, MSN News, Yahoo News, AOL News, Feedly, Flipboard, plus any other sites nominated by respondents; 'Social media' includes Facebook and Twitter; 'Search engines' include Google and any other search engine nominated by respondents; Google reader ceased in 2013. Channel 5's website/app use was less than 1%.

Audience satisfaction with PSB

2.44 The results below are drawn from Ofcom's PSB tracker research. Respondents were asked on a scale of 1-10 the importance of the individual PSB purposes and characteristics. They were then asked how they feel the PSBs deliver each of these elements. These questions were asked for each of the PSB channels they regularly view and about all the PSB channels as a whole.

2.45 The analysis of importance and delivery of PSB purposes and characteristics shows the proportion of UK adults who score each statement 7/8/9/10 out of 10 (described below as 'high') on importance and on delivery, for all the PSB channels as a whole. Significant differences referenced below are between 2013 and 2014 or 2008 and 2014 measured at 99% difference level.

2.46 Our annual survey shows that the importance placed on many of the PSB purposes by consumers and citizens has increased between 2008 and 2014 (e.g. trustworthy news, nations/regions news and portrayal, showing different kinds of cultures in the UK, and high quality dramas and soaps). News provision remains the most important aspect of PSB provision to audiences.

Figure 32: Importance and delivery of PSB purposes: 2008-2014

Purpose	Metric	2008	2009	2010	2011	2012	2013	2014	
Its news programmes are trustworthy	*Importance*	82%	82%	84%	81%	85%	87%	86%	↑
	Delivery	64%	62%	65%	62%	64%	65%	66%	
Its programmes help me understand what's going on in the world today	*Importance*	81%	78%	81%	78%	80%	79%	80%	
	Delivery	67%	66%	67%	61%	58%	63%	66%	
Its regional news programmes provide a wide range of good quality news about my area	*Importance*	75%	74%	76%	76%	78%	81%	79%	↑
	Delivery	53%	51%	50%	58%	60%	64%	66%	↑
It shows interesting programmes about history, sciences or the arts	*Importance*	68%	66%	70%	65%	68%	69%	67%	
	Delivery	48%	49%	52%	46%	47%	52%	53%	↑
It portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK	*Importance*	58%	59%	60%	63%	66%	68%	66%	↑
	Delivery	34%	34%	33%	43%	40%	44%	46%	↑
Its programmes show different kinds of cultures within the UK	*Importance*	64%	63%	66%	58%	65%	65%	66%	
	Delivery	47%	46%	48%	43%	43%	46%	51%	↑↑
It shows high quality soaps or dramas made in the UK	*Importance*	50%	52%	54%	53%	57%	58%	60%	↑
	Delivery	49%	50%	52%	47%	47%	51%	53%	↑
It provides a wide range of high quality and UK made programmes for children	*Importance*	88%	84%	87%	81%	80%	85%	81%	
	Delivery	59%	60%	60%	60%	61%	68%	70%	
It shows high quality comedy made in the UK*	*Importance*			*Not asked*				65%	
	Delivery							50%	
It shows different parts of the UK including England, NI, Scotland and Wales*	*Importance*			*Not asked*				65%	
	Delivery							49%	

↑ Significantly higher than 2013 ↑ Significantly higher than 2008
↓ Significantly lower than 2013 ↓ Significantly lower than 2008

Source: PSB Tracker, 2008-2014, UK adults aged 16+
*Notes: base = all watching at least one channel asked about, regularly or occasionally; 2008 n=976, 2009 n=998, 2010 n=987, 2011 n=459, 2012 n=454, 2013 n =452, 2014 n= 462; for children's question, base = all whose children regularly watch any of the PSB channels: BBC One, Channel 5, CBeebies, CBBC; slightly amended wording of some statements since 2011: previous wording: 'Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI'; 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK'; *new statement added in 2014.*

2.47 The survey shows a varied picture for importance placed on the PSB characteristics by consumers and citizens. Importance placed on 'new programmes made in the UK' has increased significantly between 2008 and 2014, while that placed on 'programmes that make me stop and think' has decreased in the same period.

2.48 Satisfaction with the delivery of characteristics, such as 'well-made high quality programmes', 'new programmes made in the UK' and 'new programmes with new ideas and different approaches' have all increased significantly between 2008-2014.

Figure 33: Importance and delivery of PSB characteristics: 2008-2014

Purpose	Metric	2008	2009	2010	2011	2012	2013	2014	
It shows well made high quality programmes	*Importance*	81%	82%	84%	78%	82%	83%	82%	
	Delivery	58%	57%	62%	59%	59%	65%	67%	↑
It shows programmes I want to watch	*Importance*	78%	78%	79%	77%	78%	78%	na	
	Delivery	50%	49%	52%	52%	51%	56%		
It shows programmes that make me stop and think	*Importance*	74%	71%	76%	67%	70%	76%	70%	↓
	Delivery	49%	48%	50%	43%	44%	49%	na	
It shows new programmes made in the UK	*Importance*	68%	70%	73%	67%	68%	73%	74%	↑
	Delivery	41%	42%	45%	47%	46%	53%	53%	↑
It shows programmes with new ideas and different approaches	*Importance*	71%	69%	73%	65%	70%	72%	73%	
	Delivery	45%	44%	48%	44%	44%	47%	52%	↑↑
The style of programmes is different to what I'd expect to see on other channels*	*Importance*	*Not asked*						67%	
	Delivery							49%	

↑ Significantly higher than 2013 ↑ Significantly higher than 2008
↓ Significantly lower than 2013 ↓ Significantly lower than 2008

Source: PSB Tracker, 2008-2014, UK adults aged 16+
*Notes: base = all watching at least one channel asked about, regularly or occasionally; slightly amended wording of some statements since 2011: previous wording: 'It shows enough new programmes, made in the UK'; 2008 n=976, 2009 n=998, 2010 n=987, 2011 n=459, 2012 n=454, 2013 n =452, 2014 n= 462; *new statement added in 2014.*

2.49 Satisfaction with delivery of these purposes and characteristics as a whole has risen from 69% of respondents in 2008 to 79% in 2014. The sense of satisfaction is reinforced by the continuing high levels of viewing to PSB channels and services.

2.50 Attitudes towards the PSB channels vary by age group, as shown by the research Ofcom commissioned from Ipsos MORI[8] and published with the PSB Review consultation document in December 2014.

Representation and portrayal of different groups

2.51 The PSBs together have a statutory responsibility to reflect the diversity of the UK in their output. Doing so ensures that they reflect the UK's cultural identity and represent alternative viewpoints. In the second phase of our work, we commissioned audience research to improve our understanding of how people view the representation and portrayal of different audience groups on television. We asked both the general UK population and different audience groups themselves about their representation and portrayal by the main five PSB channels. This is an extremely

[8] http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/psb-review/psb3/psb-review-ipsos-mori.PDF

complicated topic to research and this is Ofcom's first step in using research to consider these issues.

2.52 **Ethnicity**– The figure below shows that over half (55%) of people from black ethnic groups (e.g. African or Caribbean) felt under-represented on television. Around one-third (34%) of people from Asian groups (e.g. Pakistani, Indian, Bangladeshi, Chinese or Japanese) felt under-represented, while over half of people from other ethnic groups felt under-represented[9]. These views on under-representation are higher in each case than those held by UK sample as a whole about each ethnic minority group.

Figure 34: On-screen ethnic representation, by ethnic group: 2014

Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), Black ethnic groups (N=73), Asian ethnic groups (N=117), any other minority ethnic groups (N=30); please note low base size, indicative data only; Question: Q3B. 'In your opinion do you think that there are too few, enough or too many people from these ethnic groups on television nowadays?'

2.53 Over half of people from black ethnic groups felt they were negatively portrayed. People from Asian and from other ethnic minority groups were less likely to feel negatively portrayed by comparison.

[9] Note: Small sample 30 respondents interviewed

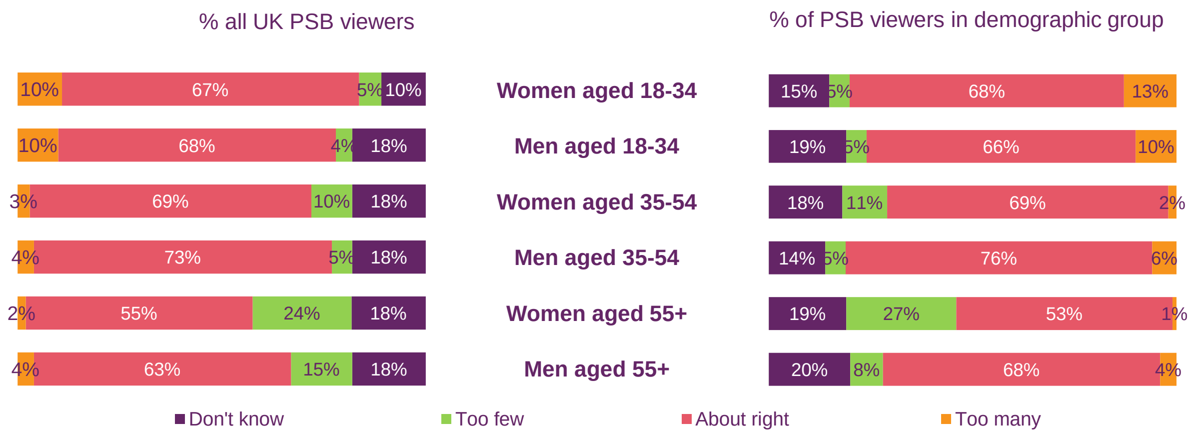
Figure 35: On-screen ethnic portrayal, by ethnic group: 2014

Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), Black ethnic groups (N=73), Asian ethnic groups (N=117), any other minority ethnic groups (N=30); please note low base size, indicative data only; Question: Q4B. 'And which of the following statements is most applicable for people from each of these groups?'

2.54 **Age and gender groups** – Our research showed that around two thirds of the UK sample thought that the representation of younger age groups (aged 18-34) was thought to be 'about right'. A similar proportion of younger men and women thought this was the case.

2.55 However, just over one quarter (27%) of women aged 55+ felt under-represented on television, and a similar proportion of the overall UK sample (24%) agreed. These results were higher than for other age/gender groups.

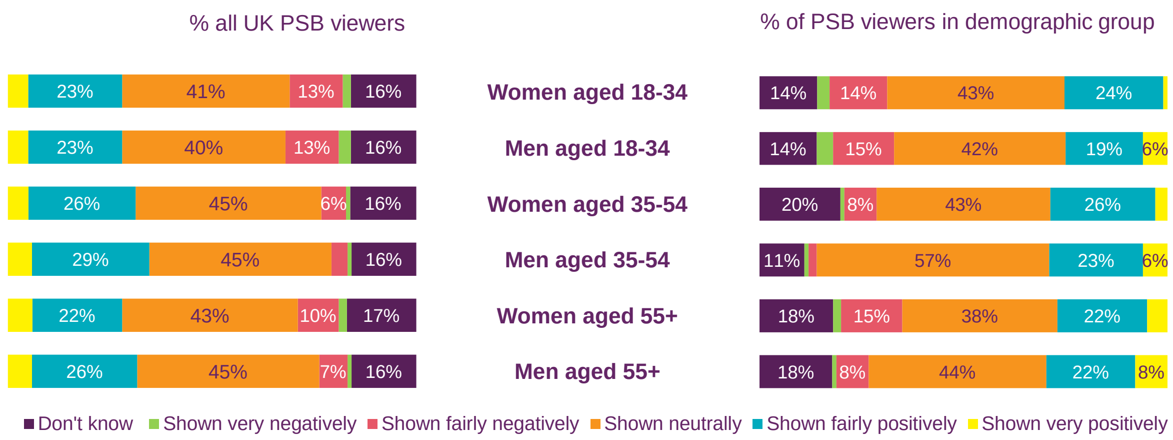
Figure 36: On-screen age / gender representation, by demographic group: 2014



Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), Women 55+ (N=375), Men 55+ (N=404), Women 35-54 (N=307), Men 35-54 (N=256), Women 18-34 (N=305), Men 18-34 (N=238); Question: Q3A. 'In your opinion do you think that there are too few, enough or too many people from these age groups on television nowadays?'

2.56 A greater proportion of older women aged 55+ (17%) than older men of the same age (9%) felt that they were negatively portrayed on television. When it comes to younger audiences, 19% of younger men and 17% of younger women felt negatively portrayed. This was also the case among the overall UK sample – 15% felt younger men were negatively portrayed, and 16% felt younger women were negatively portrayed.

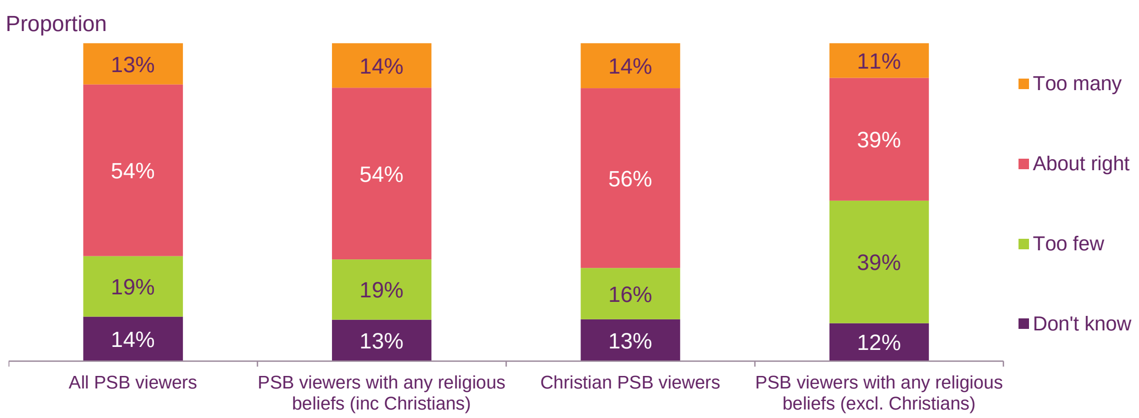
Figure 37: On-screen age / gender portrayal, by demographic group: 2014



Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), Women 55+ (N=375), Men 55+ (N=404), Women 35-54 (N=307), Men 35-54 (N=256), Women 18-34 (N=305), Men 18-34 (N=238); Question: Q4A. 'And which of the following statements is most applicable for people from each of these age groups?'

2.57 **Religious groups** – around one in five (19%) of all PSB viewers felt that people with religious beliefs were under-represented on television. While around 16% of Christians felt this way, a far higher proportion (39%) of those with beliefs other than Christianity felt this to be the case.

Figure 38: On-screen religious representation, by religious group: 2014

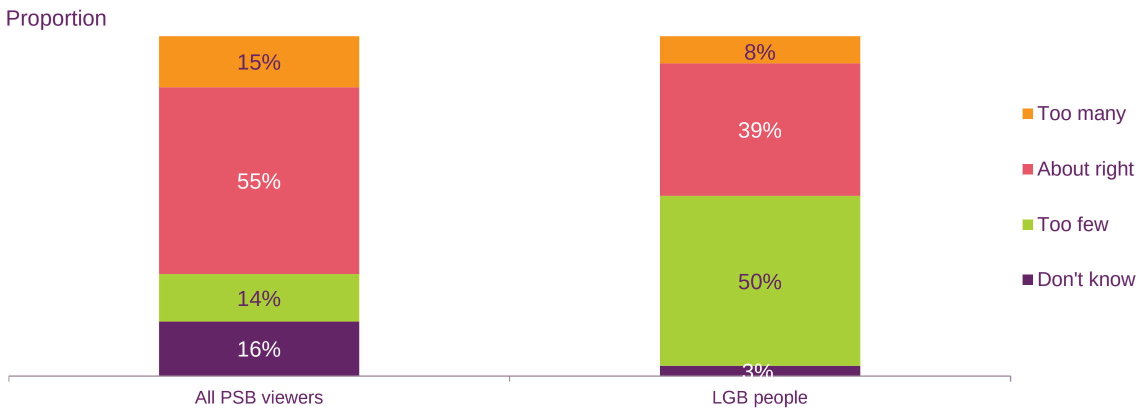


Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), all with any religious beliefs excluding Christian who ever watch PSB channels (N=170); Question: Q3D. 'In your opinion do you think that there are too few, enough or too many people with different religions and religious beliefs such as those who are Muslim, Sikh, Hindu, Buddhist, Jews and any other religions on television nowadays?'

2.58 Also, 23% of PSB viewers felt 'people with different religious beliefs' were portrayed negatively on television. The results were similar among people of the Christian faith, and among people with religious beliefs other than Christianity.

2.59 **Lesbian, gay and bisexual groups (LGB)**[10] – half of LGB people interviewed thought that LGB people were under-represented on television nowadays. This compared to 14% of the UK sample saying LGB people were under-represented on television.

Figure 39: On-screen LGB representation: 2014



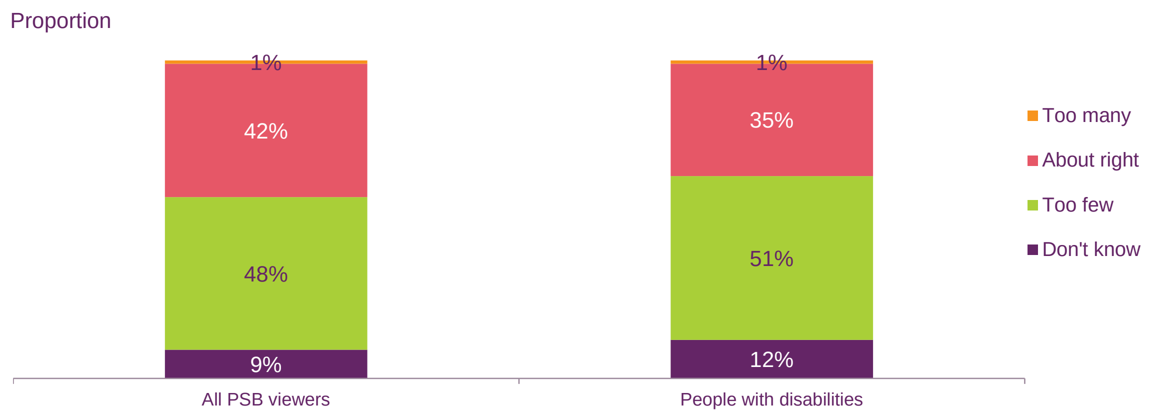
Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels including boost wave of LGB people (N=1,945), All adults in the UK who ever watch PSB channels and are LGB (N=51); please note low base size, indicative data only; Question: Q3E. 'In your opinion do you think that there are too few, enough or too many lesbian, gay and bisexual people on television nowadays?'

2.60 Sixteen per cent of LGB people felt they were negatively portrayed. This compares to 9% of the UK sample saying LGB people were portrayed negatively on television.

2.61 **Disability groups** – around half of people with disabilities interviewed thought that people with disabilities were under-represented on television. A similar proportion of the UK sample (48%) felt the same.

[10] Note: Small sample 51 LGB respondents interviewed

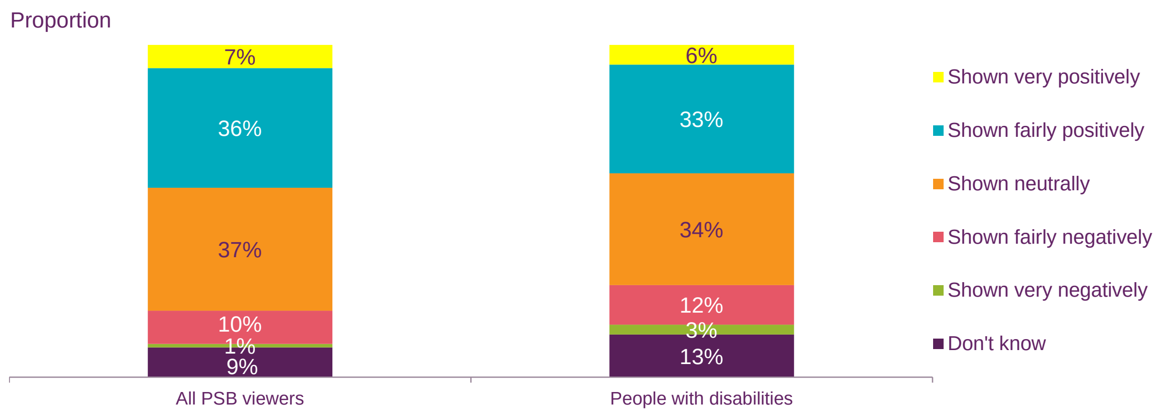
Figure 40: On-screen disability representation: 2014



Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), all adults in the UK who ever watch PSB channels and have any long-term illness, health problems or disability (N=421); Question: Q3F. 'In your opinion do you think that there are too few, enough or too many people with disabilities on television nowadays?'

2.62 Fifteen per cent of people with disabilities thought that disabled people were portrayed negatively on television. This compares to around 11% among the UK sample.

Figure 41: On-screen disability portrayal: 2014



Source: Kantar Media Omnibus
Notes: all adults in the UK who ever watch PSB channels (N=1,921), all adults in the UK who ever watch PSB channels and have any long-term illness, health problems or disability (N=421); Question: Q3F. 'In your opinion do you think that there are too few, enough or too many people with disabilities on television nowadays?'

2.63 Results highlight the difficulty faced by broadcasters in ensuring that audiences feel represented on screen, and fairly portrayed. In almost all instances, respondents as a whole felt that specific audience groups were better represented and more fairly portrayed than people within those specific groups felt about representation and portrayal of themselves.

Section 3

The performance of PSB in the nations and regions

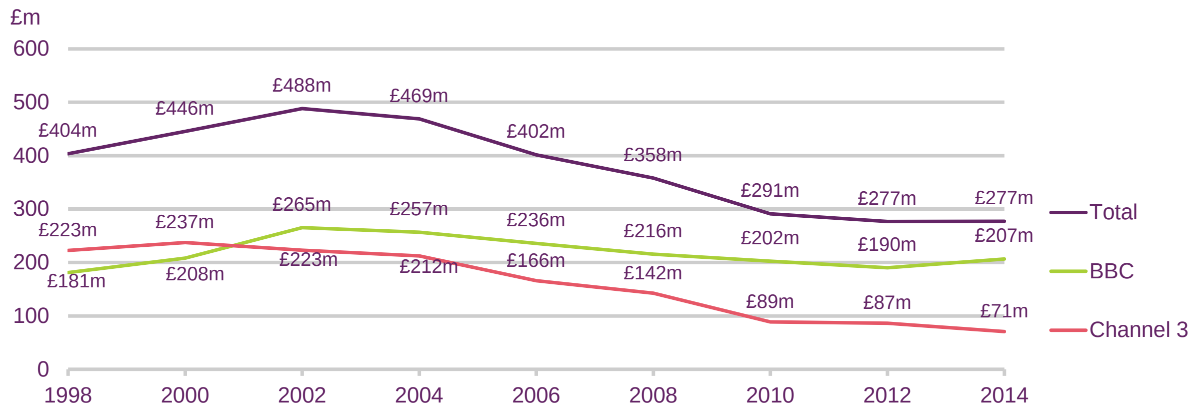
Introduction

3.1 This section sets out data relating to the performance of the PSBs in the nations of the UK and the regions of England. It sets out data relating to investment in programmes made specifically for audiences in each nation and for each English region, the overall levels of network investment in each nation and region as well as viewing trends and audience opinion specific to each nation.

Investment in and output of PSB programmes for the nations

3.2 Overall investment in programmes made specifically for audiences in England, Northern Ireland, Scotland and Wales has fallen over the review period. Spend on first-run programming specifically for each nation or region (including news and current affairs) has fallen from £404m in 1998, to £358m in 2008, and £277m in 2014. This is a 31% reduction compared to a 23% reduction in all PSB main network spend on first-run UK originations (see Figure 1)

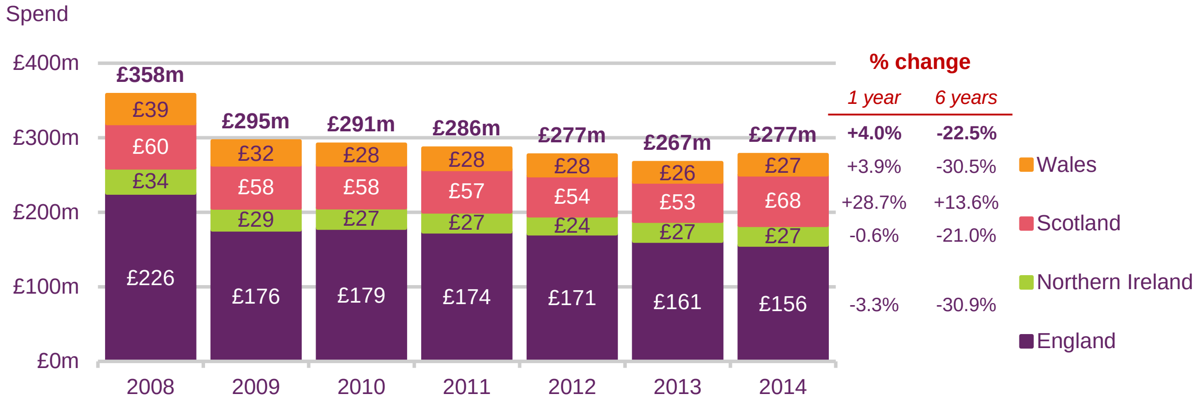
Figure 42: PSB spend on first-run UK originations (real terms, 2014 prices), nations and regions programming: 1998-2014



Source: Ofcom / broadcasters
Notes: all figures expressed in 2014 prices; first-run originations only; Channel 3 figures consist of spend by ITV, STV and UTV. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC; this does not account for total spend on BBC Alba or BBC spend on S4C output.

3.3 Wales and the English regions particularly have seen the steepest real terms declines in spend on first-run originations over the period, at 30% and 31% respectively.

Figure 43: PSB spend on first-run UK originations (real terms, 2014 prices), nations and regions programming, by nation: 1998-2014



Source: Ofcom / broadcasters
Notes: all figures are expressed in 2014 prices; spend data for first-run originations only by BBC/ITV/STV/UTV; spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC; this does not account for total spend on BBC Alba or BBC spend on S4C output.

3.4 There has been a mixed picture in terms of investment in programmes for each of the nations by genre. Investment in regional news in England has declined by 27% since 2008, but only by 3% in Northern Ireland, 1% in Scotland and 10% in Wales. Spend on current affairs programmes for each of the nations has declined by 36% in England, but has risen in Northern Ireland, Scotland and Wales. Total PSB spend on first-run originated output in news and current affairs fell by 14% from 2008 to 2014.

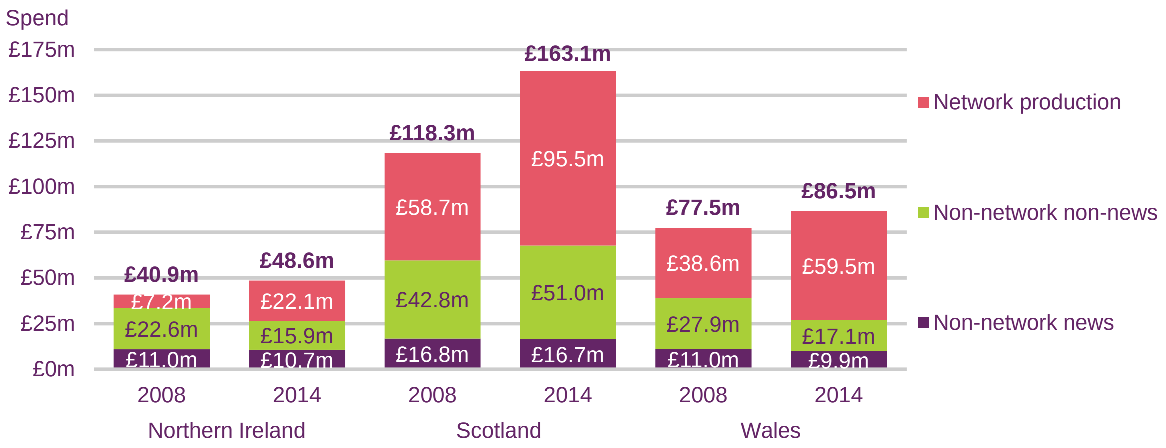
Figure 44: Change in PSB spend on first-run UK originations, nations and regions programming, by genre and nation: 2008-2014

	UK		England		Northern Ireland		Scotland		Wales	
	1yr	*6yr*	*1yr*	*6yr*	*1yr*	*6yr*	*1yr*	*6yr*	*1yr*	*6yr*
Current affairs	+21%	-10%	+8%	-36%	+26%	+42%	+47%	+47%	+15%	+7%
News	-1%	-23%	-4%	-27%	+7%	-3%	+22%	-1%	+13%	-10%
Non news / non current affairs	+11%	-26%	-4%	-82%	-13%	-40%	+28%	+15%	-4%	-45%
Total spend 2014	**£277m**		**£156m**		**£27m**		**£68m**		**£27m**	
	+4%	**-23%**	**-3%**	**-31%**	**-1%**	**-21%**	**+29%**	**+14%**	**+4%**	**-30%**

Source: Ofcom / broadcasters
Notes: spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC; this does not account for total spend on BBC Alba or BBC spend on S4C output.

3.5 There has also been an across the board increase in PSB network production produced in each of Northern Ireland, Scotland and Wales since 2008. Network spend in Northern Ireland has trebled, although from a low base of just £7m in 2008. Network spend has increased by more than 50% in both Scotland and Wales.

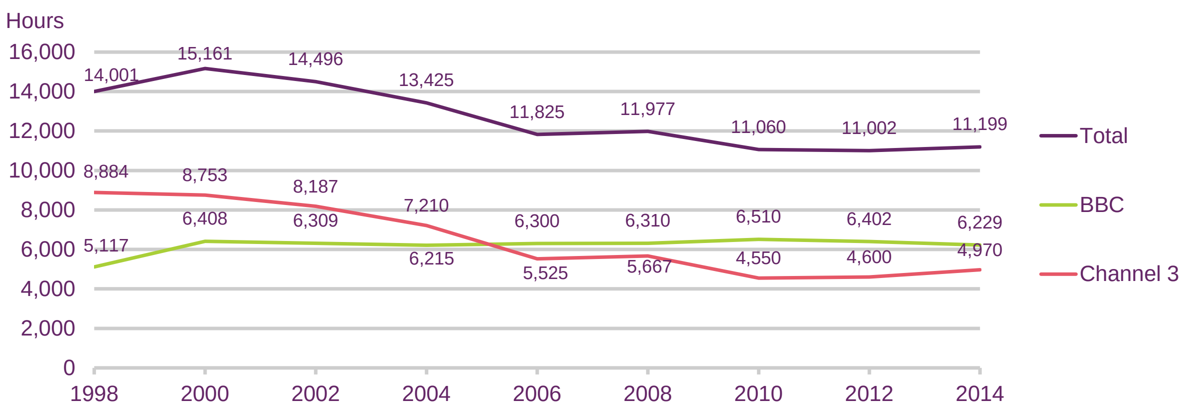
Figure 45: Spend on network / non-network first-run originations, by nation: 2008-2014



Source: Ofcom / broadcasters
Notes: spend data for first-run originations only; non-network spend excludes BBC Alba and S4C programming but includes some spend on Irish language programming by the BBC; network spend is for qualifying programmes only (network news does not qualify) and excludes spend on 'Multi Nation / Region' productions which have been created in the nations / regions by London Producers but do not meet both 70% of spend and 50% of talent in any one particular Macro Region (see http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details).

3.6 Hours of programming specifically for each nation or region have fallen in all UK nations over the period, excluding Scotland, mainly due to a reduction in output by the Channel 3 licensees. Within this, BBC English language hours in Scotland and the English regions have remained broadly stable, but have dropped in Wales and shown more variation in Northern Ireland.

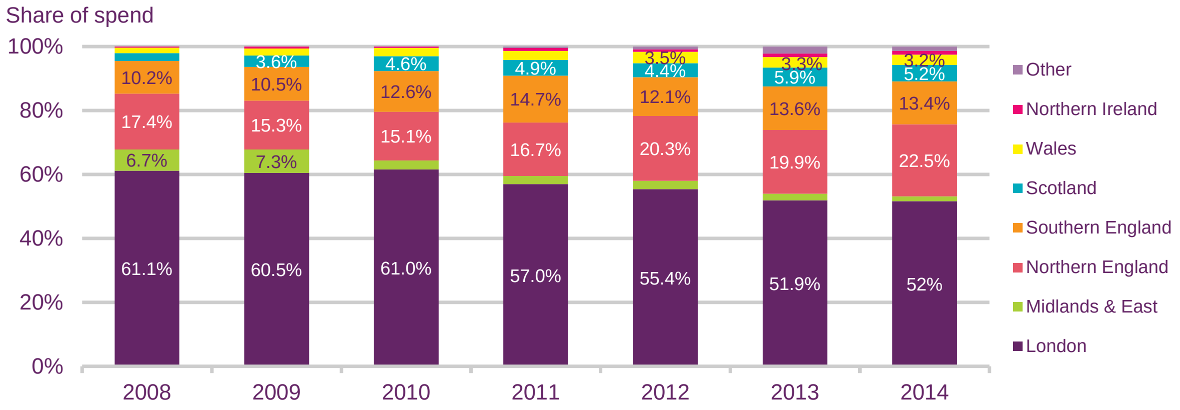
Figure 46: PSB output of first-run UK originations, nations and regions programming: 2008-2014



Source: Broadcasters
Notes: first-run originations only, excluding BBC Alba; Channel 3 figures consist of ITV, STV and UTV.

3.7 Total spend on first-run UK-network programming has decreased in real terms from £3bn in 2008, to £2.5bn in 2014. Slightly under half of this spend is now outside London, although the distribution of this spend is not even around the UK. Spend on UK-network programming has increased markedly in Scotland, more than doubling to 5.2% of total PSB network spend (although it fell by 0.9% from 2013). In Wales, network spend increased to 3.2% from 1.7%, but increased by a lesser extent in Northern Ireland since 2008, where spend has more than tripled to 1.2%, but from a very low base (0.3%).

Figure 47: PSB share of spend on network production, by nation and region: 2008-2014

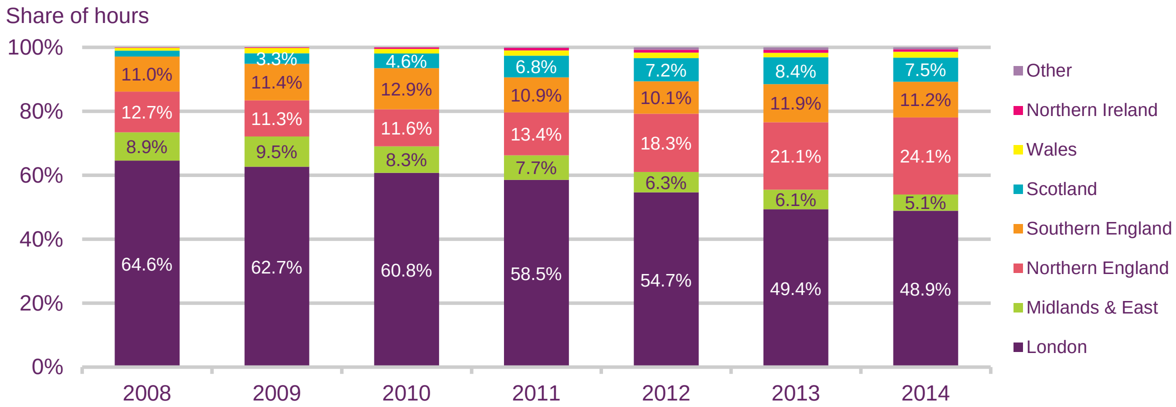


Source: Ofcom / broadcasters
Note: a new category 'Multi Nation / Region production' has been created for Regional Productions from London Producers which do not meet both 70% of spend and 50% of talent in any one particular Macro Region' (see http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details).

3.8 These spend figures do not quite match the proportion of the UK population in each nation, but they are moving closer. There have also been increases in southern and northern England, particularly the North West, to 13.4% and 22.5% respectively. There has been a corresponding fall of nearly 10 percentage points in spend in London but also, notably, in the Midlands and East of England, where spend is less than a third of its 2008 level.

3.9 The share of all network output hours made outside London and the South East is generally slightly lower than the share of network investment. This suggests that the average level of investment per output hour is slightly higher in London and the South East than outside these regions.

Figure 48: PSB share of output hours of network production, by nation and region: 2008-2014

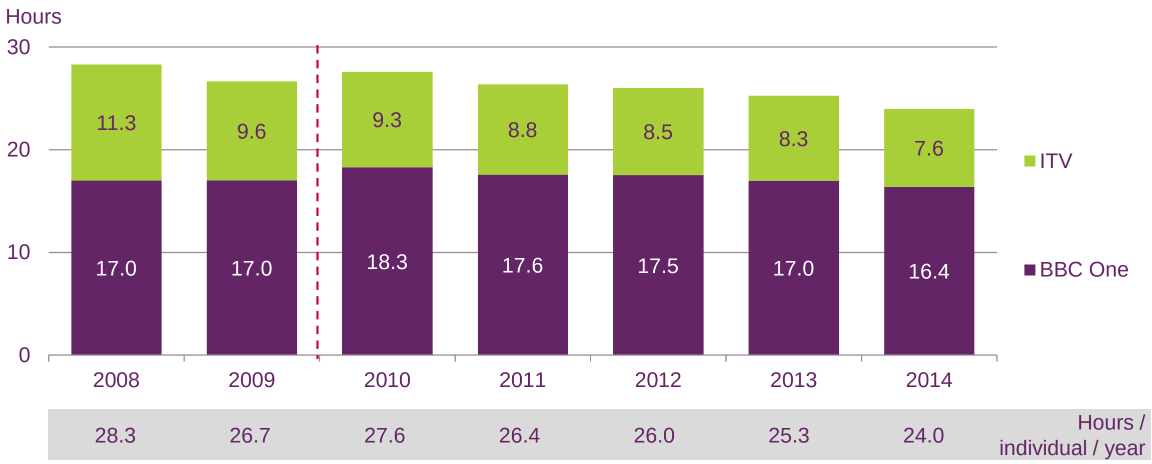


Source: Ofcom / broadcasters
Note: a new category 'Multi Nation / Region production' has been created for Regional Productions from London Producers which do not meet both 70% of spend and 50% of talent in any one particular Macro Region' (see http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details).

Viewing of news made for the UK nations and English regions

3.10 Average levels of viewing to the news made for the UK nations and the regions of England have fallen since 2008. In 2014, the average person in the UK watched 24 hours per year of nations' and regions' news, down from 28 hours in 2008, a 15% reduction. This is largely attributable to the decline of a third in average levels of viewing to nations' and regions' news on Channel 3. Viewing for all UK individuals fell by 2% over the same period.

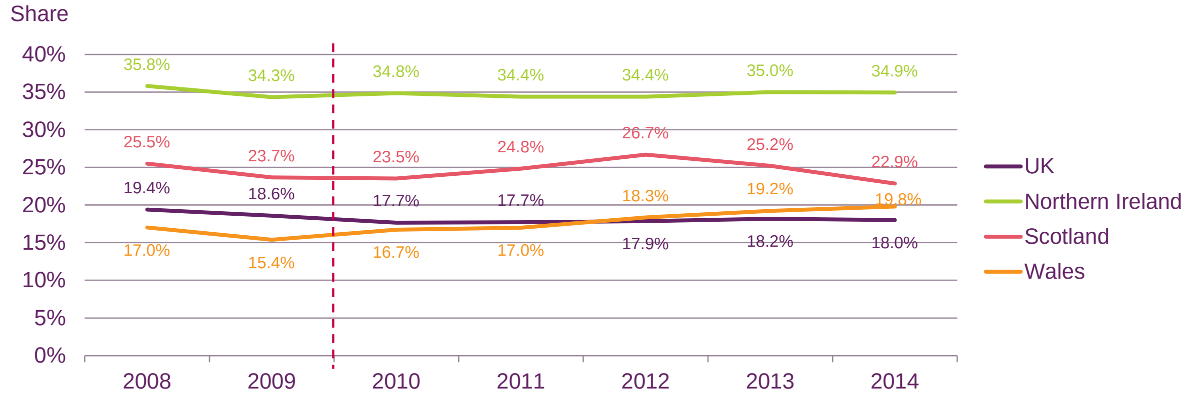
Figure 49: Viewing to PSB nations' and regions' news output, by channel: 2008-2014



Source: BARB, all individuals (4+), Network
Notes: based on total minutes of viewing to the genre across the main five PSB channels only.

3.11 Levels of viewing to Channel 3 nations' and regional news differ significantly in each nation. It is highest in Northern Ireland where it achieves a near 35% audience share. The nations' news in Wales and Scotland also outperforms the channel's average audience share to a lesser extent.

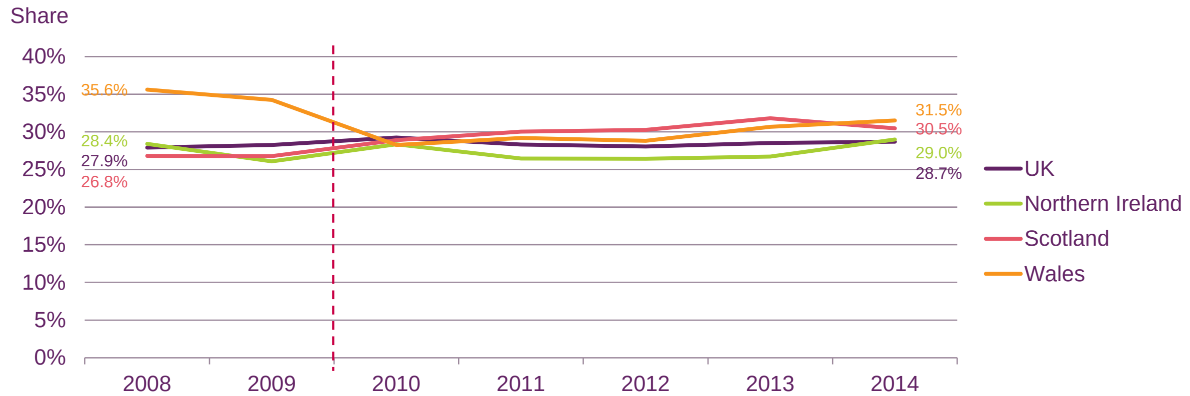
Figure 50: Channel 3 viewing share, nations' and regions' evening news, by nation: 2008-2014



Source: BARB, all Individuals (4+)
Notes: shares refer to data for ITV SD only; based on channel shares for nations' & regions' news programming with a start time of 17:50-18:40 Monday-Friday; UK figures based on dayparts data: Channel 3 Monday-Friday 1800-1830; as part of the 2010 BARB panel change, there was a redefinition of geographic boundaries, which may have had a contributing effect on trend data.

3.12 Viewing of nations' news on BBC One in Scotland and Wales also performs above the channel's average audience share for nations' and regions' news – the audience share of BBC One's Scottish news was 30.5%, and 31.5% in Wales in 2014, compared to a UK average of 28.7%. Other than in Northern Ireland, it performs better than the Channel 3 licensees.

Figure 51: BBC One viewing share, nations' and regions' evening news, by nation: 2008-2014

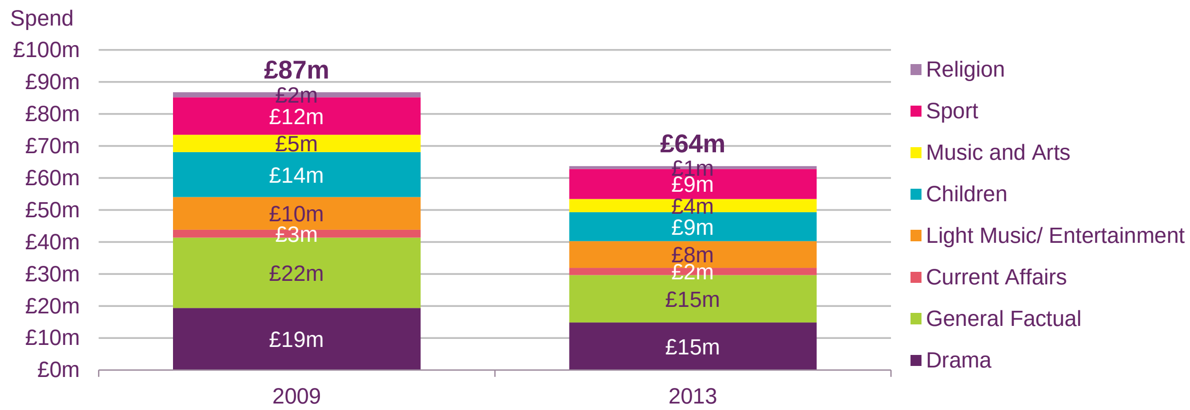


Source: BARB, all individuals (4+).
Notes: based on channel shares for nations' & regions' news programming with a start time of 17:50-18:40 Monday-Friday; UK figures based on dayparts data: BBC One Monday-Friday 1830-1900; ITV regions used for analysis, therefore BBC One share may not exactly correlate with distinct BBC regional news programmes; as part of the 2010 BARB panel change, there was a redefinition of geographic boundaries which may have had a contributing effect on trend data.

Nations language services

3.13 The combined spend of S4C and the BBC on programming for S4C, in real terms, was £92m in 2013. S4C has seen a large real terms decline in first-run spend, which fell by £23m from 2009 to 2013, to £64m.

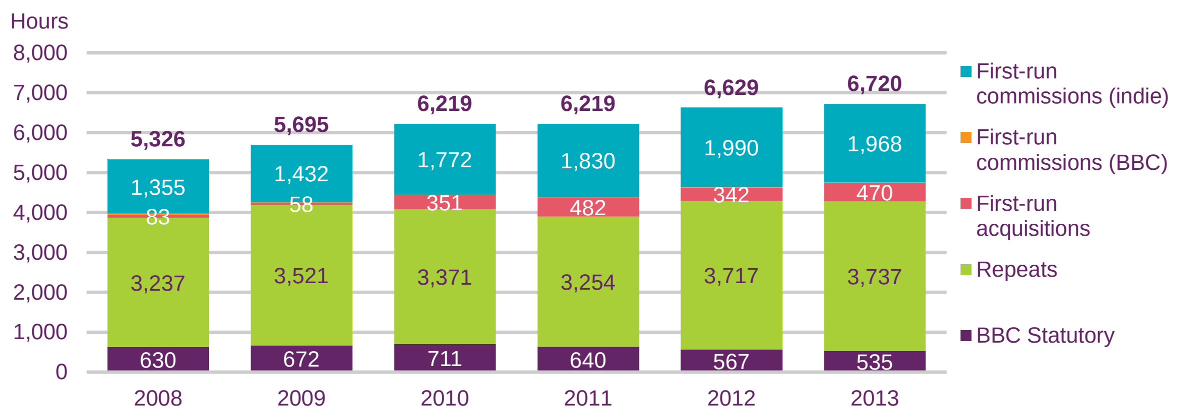
Figure 52: S4C spend on first-run Welsh-language originations (real terms, 2014 prices), by genre: 2009-2013



Source: S4C
Notes: all figures expressed in 2014 prices; BBC statutory hours for S4C are per calendar year; BBC's financial contribution for S4C statutory hours are reported by financial year in BBC accounts but are reported by calendar year in the S4C Annual Report.

3.14 There has been a steady increase in the volume of first-run Welsh language hours output by S4C. First-run indie commissions have increased from 1,355 hours in 2008 to 1968 hours in 2013.

Figure 53: S4C output of first-run Welsh-language originations, by commission type: 2008-2013



Source: S4C

3.15 S4C/BARB data showed that S4C's all hours share of viewing in Wales for 2014 was 1.0% (1.3% in peak time). The proportion of the population in the S4C region who watched Welsh-language programming in an average week (3+ minutes) was reported at 14.1% in 2014.

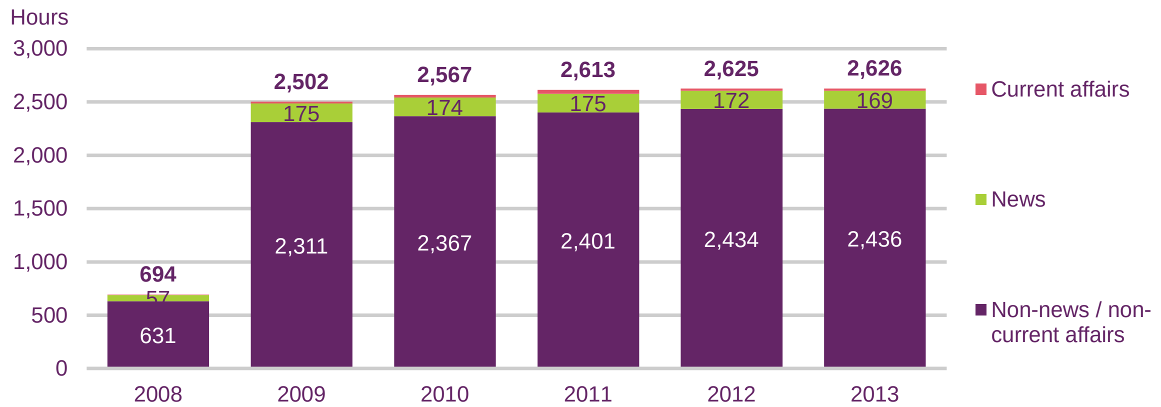
3.16 BBC Alba's real spend has declined from a peak of £20m in 2009, to £12.9m in 2013, although the rate of decline has slowed in recent years in real terms, and 2009 could perhaps be seen as an unusual peak year. In 2013, BBC Alba had a weekly reach (15+ minutes) of 17.6% in Scotland amongst all adults 16+.

Figure 54: BBC Alba spend on first-run originations (real terms, 2014 prices), by genre: 2008-2013

Source: BBC
Notes: total spend by the BBC and MG Alba; spend figures expressed in 2014 prices. BBC Alba launched in September 2008.

3.17 Having launched in 2008, BBC Alba has delivered a very consistent level and mix of first-run originations. There remains very little current affairs output on the channel.

Figure 55: BBC Alba output of first-run originations, by genre: 2008-2013



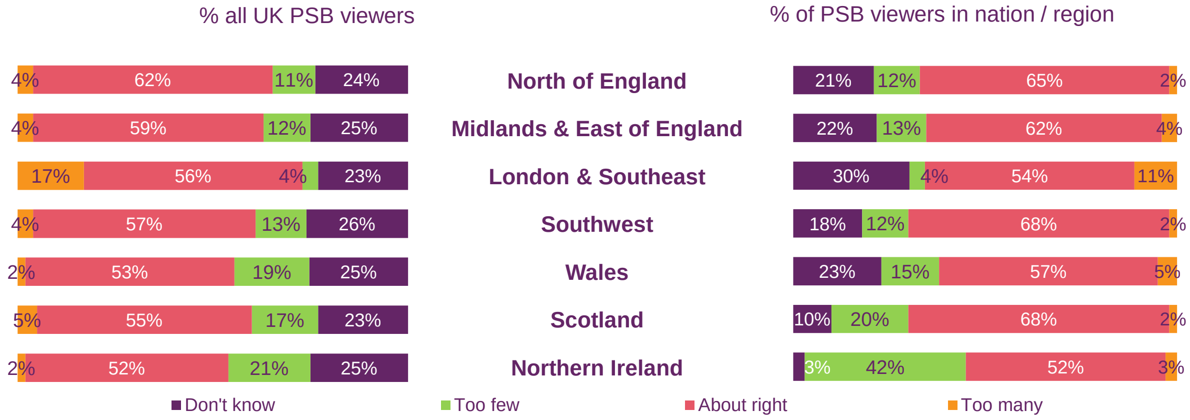
Source: BBC
Notes: total hours by the BBC and MG Alba. BBC Alba launched in September 2008.

On-screen diversity in the nations and English regions

3.18 Ofcom's 2015 research into audience perceptions of representation and portrayal indicated that portrayal of their nation or region is an issue for some audiences, although generally not as stark as protected characteristics, such as ethnicity or disability. The research showed that views on positive and negative portrayal are likely to be more divergent in the devolved nations than the UK average, and respondents in the English regions.

3.19 Audiences in Northern Ireland are the most likely to think that there are too few people from Northern Ireland on the five main PSB channels, at 42%. Of all UK PSB viewers, 21% also consider that there are too few people from Northern Ireland on PSB channels, the largest figure of any nation.

Figure 56: On-screen national representation, by nation and region: 2014

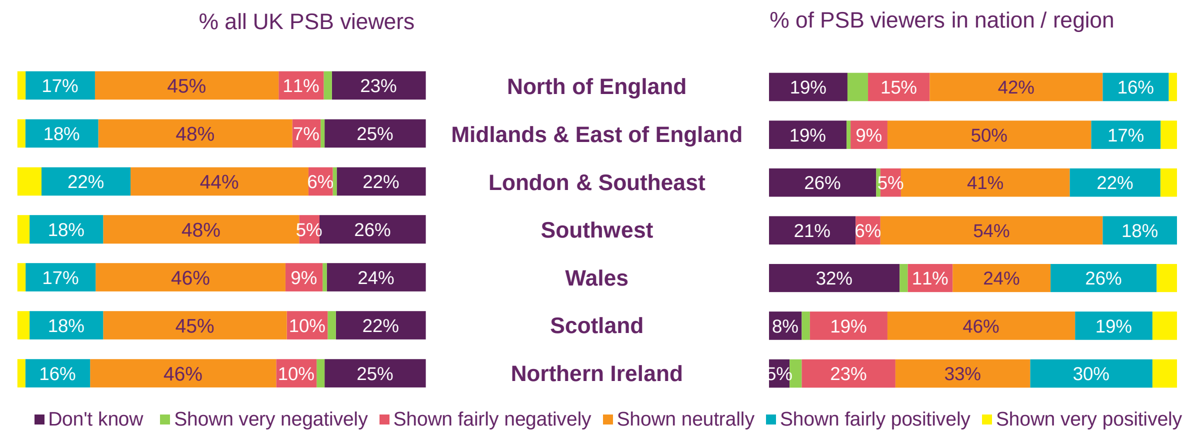


Source: Kantar Media Omnibus
Notes: base: all adults in the UK who ever watch PSB channels including boost wave from Northern Ireland (N=1,946), North of England (N=453), Midlands and East of England (N=473), London and Southeast (N=485), Southwest (N= 163), Wales (N=96), Scotland (N=163), Northern Ireland (N=113); Question: Q3C. 'In your opinion do you think that there are too few, enough or too many people from the nations and English regions on television nowadays?'

3.20 Fewer respondents from Wales and Northern Ireland in particular thought that people from their nation were neutrally portrayed, while in Scotland and Northern Ireland, many more respondents had an opinion on how people from their Nation were portrayed.

3.21 Audiences in Northern Ireland were the most likely to feel negatively portrayed (26% of respondents) compared to respondents in the other Nations and English regions. In Scotland, a higher proportion of audiences (21%) also feel negatively portrayed relative to respondents in most other areas of the UK. A lower proportion of audiences in Wales feel negatively portrayed than in Northern Ireland, Scotland or the North of England.

Figure 57: On-screen national portrayal, by nation and region: 2014



Source: Kantar Media Omnibus
Notes: base: all adults in the UK who ever watch PSB channels including boost wave from Northern Ireland (N=1,946), North of England (N=453), Midlands and East of England (N=473), London and Southeast (N=485), Southwest (N= 163), Wales (N=96), Scotland (N=163), Northern Ireland (N=113); Question: Q4C. 'And which of the following statements is most applicable for each of these groups?'

3.22 In terms of portrayal, Ofcom's research shows that audiences' satisfaction scores have improved between 2008 and 2014 for Scotland and Northern Ireland, but not for Wales. Northern Ireland has improved to 45% of respondents giving the PSBs a score of 7/8/9/10 out of 10 for portraying Northern Ireland fairly to the rest of the UK, the highest level of any nation as well as the largest improvement. Scotland has also seen a significant increase in satisfaction since 2008. However, this is still the PSB purpose where there are the largest gaps between perceived importance and satisfaction with delivery.

Figure 58: Importance and delivery of PSB portrayal purpose, by nation: 2008-2014

It portrays my region / Scotland / Wales / Northern Ireland fairly to the rest of the UK		2008	2009	2010	2011	2012	2013	2014	
Wales	*Importance*	68%	70%	68%	71%	72%	71%	69%	
	Delivery	40%	37%	39%	44%	41%	43%	42%	
Scotland	*Importance*	66%	69%	74%	70%	68%	77%	72%	
	Delivery	31%	29%	29%	38%	39%	49%	43%	↑
Northern Ireland	*Importance*	77%	71%	79%	76%	74%	81%	79%	
	Delivery	32%	33%	36%	44%	42%	46%	45%	↑

↑ Significantly higher than 2013	↑ Significantly higher than 2008
↓ Significantly lower than 2013	↓ Significantly lower than 2008

Source: PSB Tracker, 2008-2014, UK adults aged 16+
Notes: base: all watching at least one channel asked about, regularly or occasionally; 2008 n=975, 2009 n=997, 2010 n=969, 2011 n=474, 2012 n=454 , 2013 n = 454, 2014 n= 457; Slightly amended wording of some statements since 2011: previous wording: 'Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI'; 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK.'

3.23 Our consumer research shows that satisfaction scores with the delivery of nations' and regions' news for all nations have improved between 2008 and 2014.

Figure 59: Importance and delivery of PSB news purpose, by nation: 2008-2014

Its regional news programmes provide a wide range of good quality news about my area		2008	2009	2010	2011	2012	2013	2014	
Wales	*Importance*	78%	73%	76%	82%	82%	82%	80%	
	Delivery	57%	48%	48%	64%	63%	69%	69%	↑
Scotland	*Importance*	73%	68%	80%	78%	79%	84%	81%	↑
	Delivery	46%	42%	44%	57%	61%	66%	66%	↑
Northern Ireland	*Importance*	82%	75%	82%	84%	85%	87%	87%	
	Delivery	56%	54%	55%	72%	71%	74%	77%	↑

↑ Significantly higher than 2013	↑ Significantly higher than 2008
↓ Significantly lower than 2013	↓ Significantly lower than 2008

Source: PSB Tracker, 2008-2014, UK adults aged 16+
*Notes: all watching at least one channel asked about, regularly or occasionally; 2008 n=975, 2009 n=997, 2010 n=969, 2011 n=474, 2012 n=454, 2013 n = 454, 2014 n= 457; **Slightly amended wording of some statements since 2011: previous wording: 'Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI'; 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK.'*

Section 4

How the landscape is changing

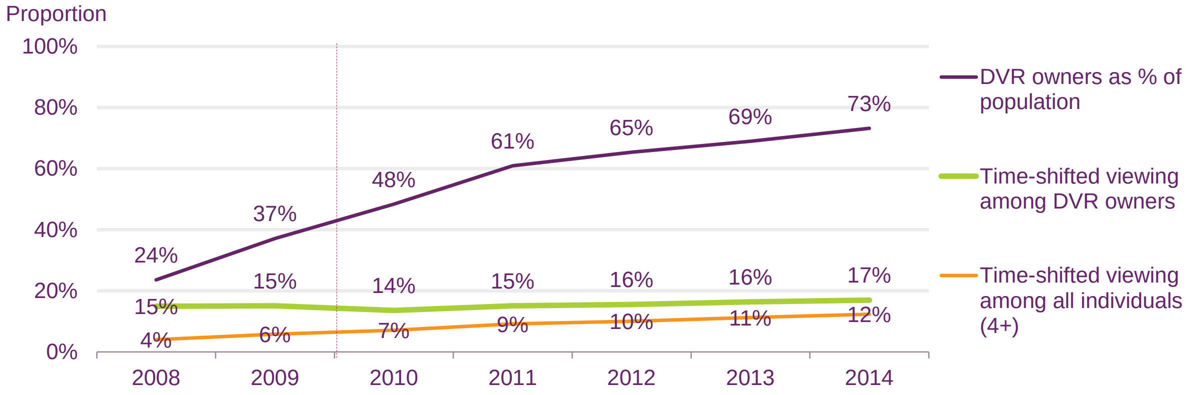
Introduction

4.1 This section sets out evidence and data relating to how the UK TV broadcasting and media landscape is changing. It focuses on the shift of viewing from live/linear channels to various forms of time-shifted viewing, such as recorded on digital video recorders (DVRs), or on-demand via catch-up services and subscription video on-demand services.

The growth of DVR viewing

4.2 Overall, time-shifted viewing by all people accounted for 12% of all BARB-measured TV viewing in 2014, up from 4% in 2008. The overall proportion of TV viewing that was time-shifted using a DVR in the UK has grown slowly and steadily.

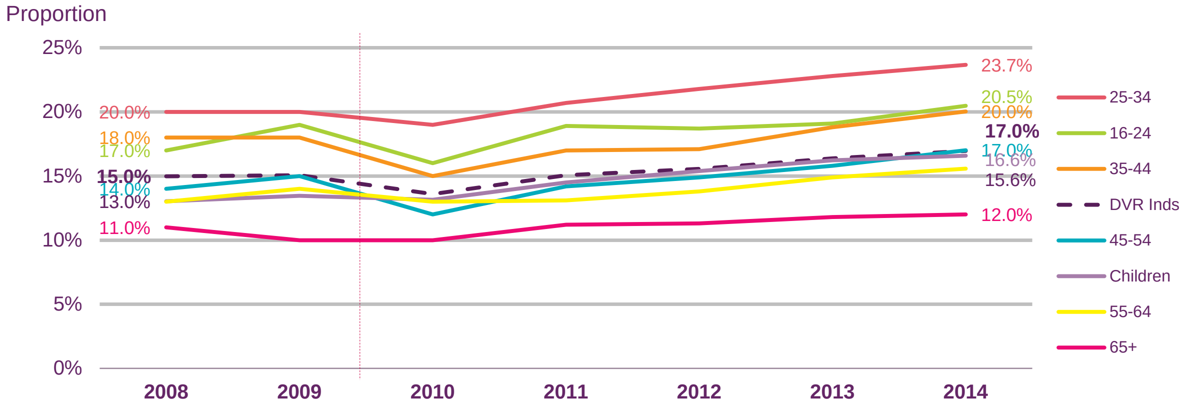
Figure 60: Time-shifting (DVR and catch-up), all TV sets: 2008-2014



Source: BARB, Network, individuals (4+) and DVR owners (% of TV population)
Notes: new BARB panel introduced 1st Jan 2010, As a result, pre- and post-panel change data must be treated with caution (see dotted line); time-shifted viewing is defined as total minutes of viewing on same day as live plus viewing 2-7 days after broadcast; all viewing (via a TV set) of broadcast content viewed within 7 days after broadcast is reported by BARB; this includes viewing to programmes stored on recording devices and content viewed via TV player services such as BBC iPlayer, ITV Player, 4OD etc.

4.3 The amount of TV viewing that is time-shifted is growing slowly in DVR-enabled homes. In 2008, 15% of all TV viewing was of recorded time-shifted programmes in homes that own a DVR, but levels had only grown to 17% of all viewing by 2014.

Figure 61: Proportion of time-shifted viewing, all TV sets, DVR owners, by age group: 2008-2014



Source: Leading Indicators in-house project, BARB, Network
Notes: based on proportion total minutes of time-shifted viewing up to seven days after broadcast; all TV sets in home; new BARB panel introduced in 2010; as a result, pre- and post-panel change data must be compared with caution (see dotted line).

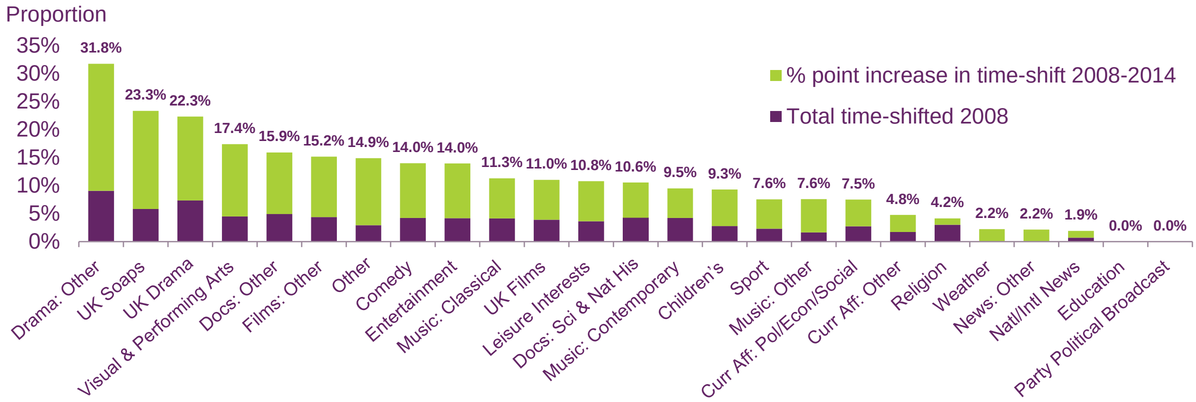
4.4 In 2014, the average number of minutes of time-shifted viewing fell per DVR individual in the UK. In 2013, the average UK individual with a DVR in the home watched 36.5 minutes per day time-shifted content, but this fell to 36.2 minutes in 2014.

Figure 62: Average minutes of viewing per day, all TV, people with DVR: 2006-2014

Source: BARB, Network, all TV sets in home
Notes: some variation in figures due to rounding; new BARB panel introduced 1st Jan 2010; as a result, pre- and post-panel change data must be treated with caution (see dotted line).

4.5 DVRs are used to time-shift programmes to very different degrees by genre. By far and away the highest levels of time-shifting is to drama programming. In 2014, more than 20% of all UK made drama was viewed time-shifted, while more than 30% of viewing to other drama (which includes foreign acquired drama) was time-shifted. In contrast, less than 2% of all TV news viewing was time-shifted on a DVR.

Figure 63: Time-shifted viewing, all TV, by genre: 2008-14

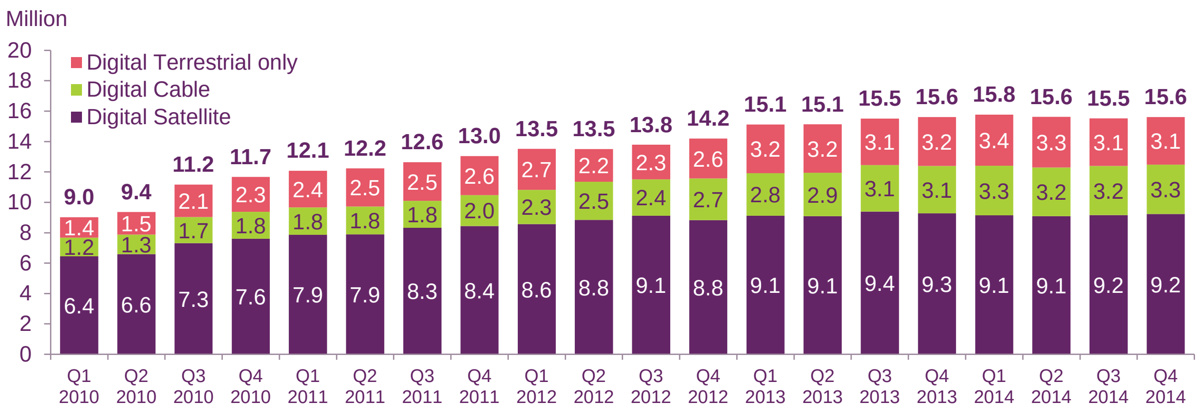


Source: BARB, individuals 4+
Notes: Network Plus 2008, Network 2014; Network programming based on 4+ area filter; ranked on proportion of programme genre watched time-shifted in 2014, descending

Uptake of new connected devices

4.6 A key driver of non-live / non-linear viewing has been the rapid uptake of digital video recorders (DVRs or PVRs) by consumers. Seventy-three per cent of people now have a DVR connected to the main TV set in the home. However, the number of DVRs connected to the main TV set in the home actually declined slightly in 2014. Overall growth in the penetration of DVRs appears to have stalled on each of the three main TV platforms.

Figure 64: Volume of DVRs on main sets, by platform: 2010-2014

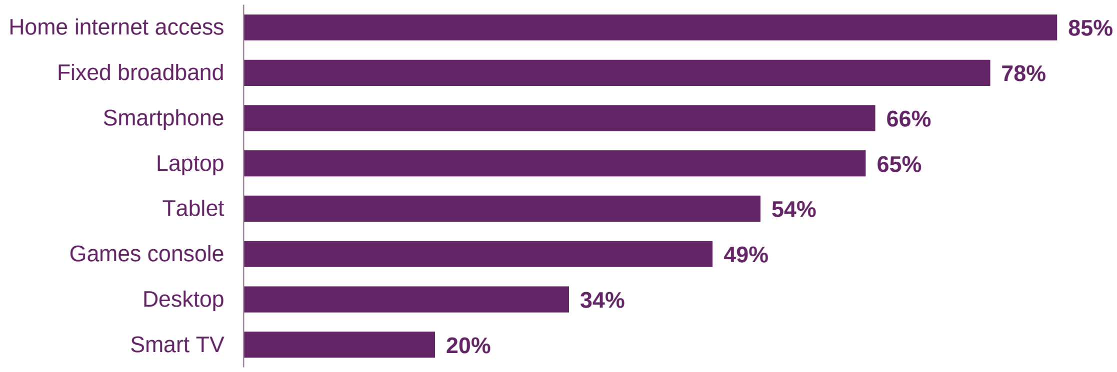


Source: BARB Establishment Survey
Notes: based on sets data: 'Main set' is defined as the set used most often as nominated by respondents; platform represents the platforms available in the household (which is mostly the platform of the main set, but in some rare cases is not).

4.7 Consumers are also using a range of other connected devices to access PSB and other television services. Of particular importance in the review period has been the uptake of smartphones and tablets which are increasingly a key way in which audiences watch television. Critical is internet connectivity, and 85% of UK adults now have access to the internet.

4.8 Smartphones and tablets have already achieved mass-market penetration. Two-thirds of UK adults now have a smartphone, and more than half of all adults already have access to a tablet.

Figure 65: Take-up of communications devices and services, all adults: 2015

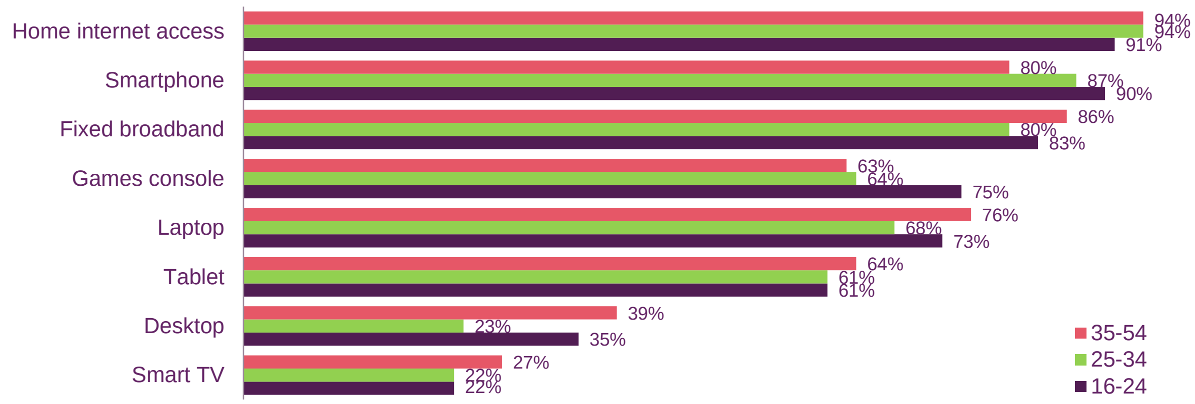


Source: Leading Indicators in-house project, Ofcom Technology Tracker
Notes: base = UK adults 16+; fixed broadband = ADSL through a phone line or cable service – perhaps using a Wi-Fi router; includes superfast broadband services; home internet access = connection to the internet through ordinary phone line; fixed broadband; mobile broadband such as USB stick, dongle or built in connectivity through a SIM card; internet access through mobile phone or smartphone (Wi-Fi or mobile network); tethering or MiFi mobile broadband wireless router (taps into a 3G or 4G mobile network within range of the signal).

4.9 Young people are also much more likely to have access to connected devices on which they can watch video content via a broadband connection. In Q1 2015, 90% of 16-24 year olds had a smartphone, and 61% had access to a tablet.

4.10 Among those aged 25-34, smartphone take-up stood at 87% in Q1 2015, compared to 80% among 25-54s. Sixty-one per cent of 25-34s own a tablet, compared to 64% of 35-54s.

Figure 66: Take-up of communications devices and services, 16-24s, 25-34s, 35-54s: 2015



Source: Leading Indicators in house project, Ofcom Technology Tracker
Notes: base = Adults aged 16-24; fixed broadband = ADSL through a phone line or cable service – perhaps using a Wi-Fi router. Includes superfast broadband services; home internet access = connection to the internet through ordinary phone line; fixed broadband; mobile broadband such as USB stick, dongle or built in connectivity through a SIM card; internet access through mobile phone or smartphone (Wi-Fi or mobile network); tethering or MiFi mobile broadband wireless router (taps into a 3G or 4G mobile network within range of the signal).

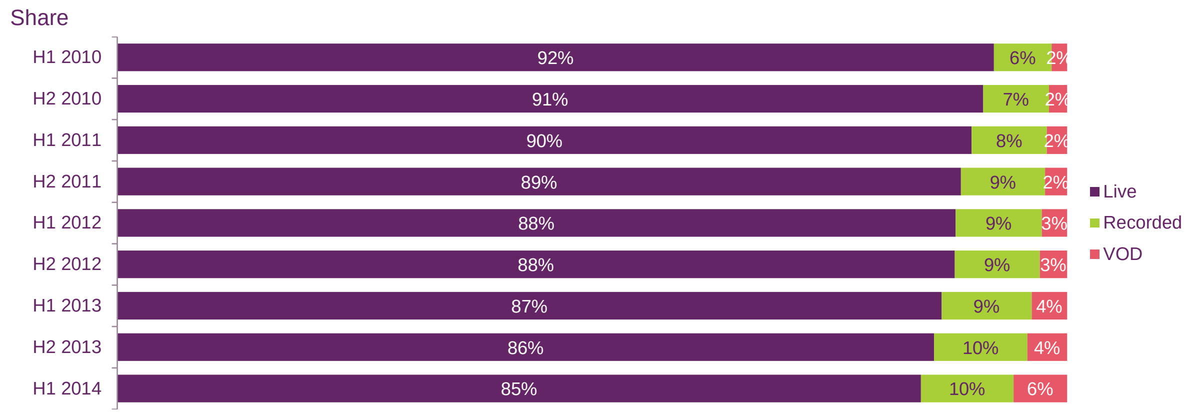
The growth of video-on-demand viewing

4.11 There are currently no comprehensive and accurate ways to measure all on-demand viewing in the UK, especially viewing that does not take place on TV sets. As a result, Ofcom currently relies on estimates from third-party analysts and consumer research when considering likely levels on time-shifted and on-demand viewing, beyond that which is measured by BARB.

4.12 Overall levels of DVR time-shifted and on-demand viewing continue to grow. Estimates suggest that, in the first half of 2014, 85% of all viewing of long-form, legal TV programmes in the UK was to live/linear broadcast channels. A further 10% of viewing was time-shifted via DVRs.

4.13 It is estimated that all on-demand viewing (including catch-up services from the PSBs, as well as all viewing to subscription video on-demand providers, such as Netflix and Amazon) amounted to around 6% of all TV programme viewing in the first half of 2014, up from 2% in the first half of 2010.

Figure 67: Share of AV consumption by viewing window, estimated, all devices: 2010-2014



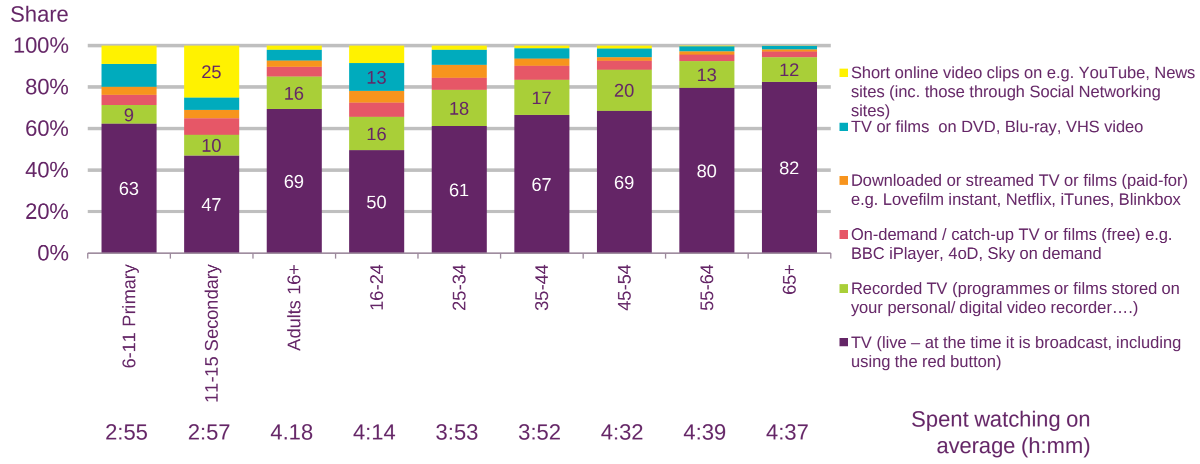
Source: 3 Reasons estimates (including BARB data)
Notes: base: all devices, long form professional AV content; live includes simulcast; excludes physical consumption e.g. DVDs. Data may not sum to 100% due to rounding.

4.14 Despite most viewing still being to live/linear broadcast channels overall, it is clear that younger audiences are increasingly using many other forms of video and many different devices to watch it on.

4.15 Although younger adults are still regularly watching PSB channels there are a number of significant changes to young people's consumption of TV content. Ofcom’s Digital Day research (2014) showed that half of all the audio-visual programming[11] watched by 16-24 years olds is to live TV broadcast via the TV set, compared to 61% for 25-34s, 67% for 35-44s, and 69% for all adults 16+. A small but significant proportion of younger audiences’ viewing is to short-form content. (Note: this research uses different parameters to the 85% figure shown above, that is based on long-form programmes only, and excludes DVDs and short-form.)

[11] This includes recorded, catch up, on-demand services, DVDs and short-form content.

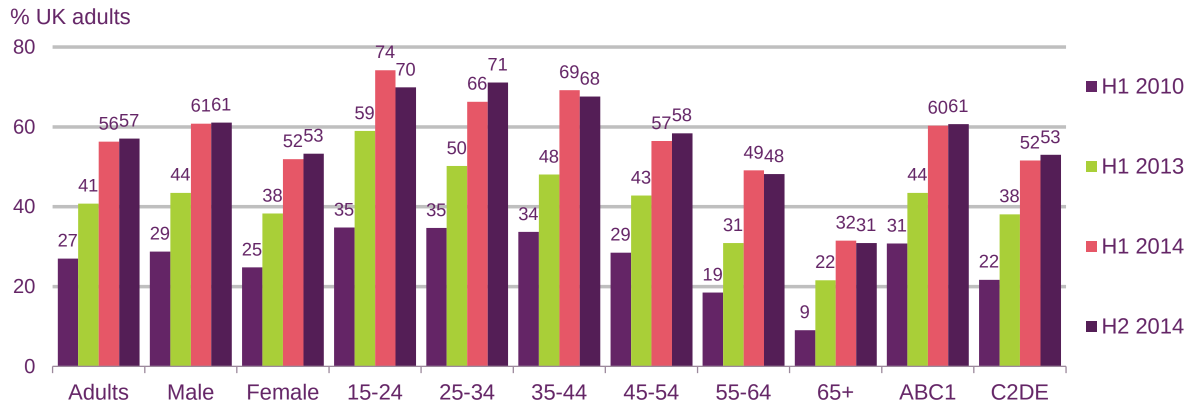
Figure 68: Share of viewing, by watching activities, by age group: 2014



Source: Digital Day 7-day diary (adults) 3 Day Diary (children)
Notes: all watching activity records for adults 16+ (25272), 16-24 (1583), 25-34 (3390), 35-44 (5362), 45-54 (6012), 55-64 (4905), 65+ (4020), primary school-aged 6-11 (1249), secondary school-aged 11-15 (1094).

4.16 There has been a marked rise in the take up and use of video on-demand services. In the second half of 2014, 57% of all UK adults accessed at least one video on-demand service. More than two-thirds of all adults under 45 use video on-demand services.

Figure 69: Reach of any VOD service in the last 12 months, UK adults: 2010-2014

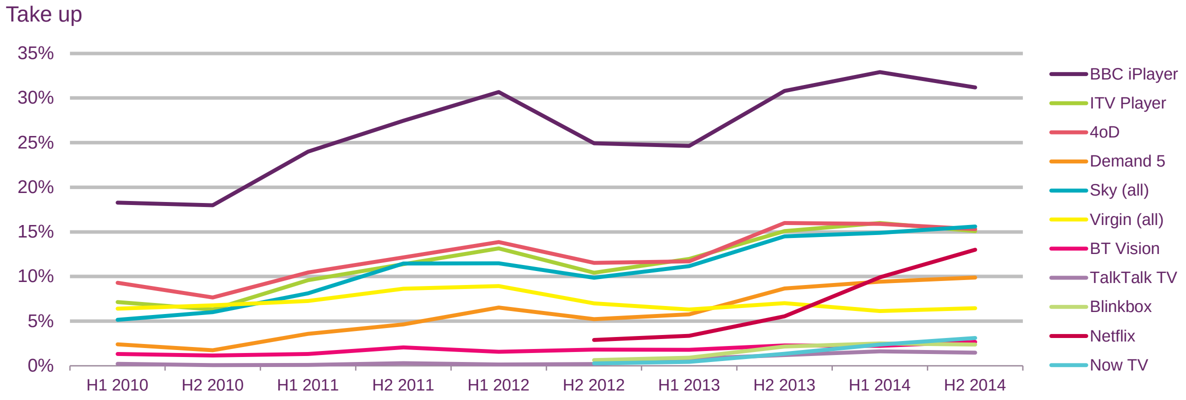


Source: Kantar Media – TGI
Notes: base: UK adults 15+. H1 2010 n=12226, H1 2013 n=11853, H1 2014 n=11657 H2 2014 n= 12849.

4.17 The PSBs continue to increase the number of people that access their video on-demand catch up services. The BBC iPlayer is still by far the UK's most-used video on-demand catch-up service, accessed by more than 30% of adults. However, the catch-up and on-demand services from Channel 4, ITV and Sky reach 15% of adults. Since its launch in 2012, Netflix use is growing fast, and it is now used by nearly as many UK adults as use catch-up services from Channel 4 and ITV.

4.18 The key driver of future non-live growth is likely to come from video on-demand services, accessible across an increasing number of devices.

Figure 70: Take-up of on-demand services, UK adults, 12 month usage: 2010-2014



Source: Kantar Media – TGI
Notes: GB adults 15+, all devices; reach refers to use in previous 12 months; H1 refers to January – June, H2 refers July – December.

Section 5

Definitions

Channel group definitions

Channel Group	Output & spend definition	TV viewing	Audience opinion	Legal definition
PSB Channels	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, ITV/ITV Breakfast, Channel 4, Channel 5, CBBC, CBeebies	BC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, BBC HD (to March 2013) and BBC Olympics channels (2012 only). ITV Network* (inc. ITV Breakfast), Channel 4, Channel 5 and S4C (S4C is added to C4 2008-2009 and excluded from 2010 onwards post-DSO in Wales). HD variants are included where applicable (but not +1s).		All BBC channels (BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBeebies, CBBC, BBC Alba, all BBC HD channels), the Channel 3 services (provided by ITV, STV and UTV), Channel 4, Channel 5, and S4C.
Main five PSB channels	BBC One, BBC Two, ITV/ITV Breakfast, Channel 4, Channel 5	BBC One, BBC Two, ITV Network (inc. ITV Breakfast), Channel 4 (inc. S4C up to and including 2009) , Channel 5. HD variants are included where applicable (but not +1s).	BBC One, BBC Two, ITV/STV/UTV, Channel 4, Channel 5	
Main PSB channels combined			BBC One, BBC Two, BBC Three, BBC Four, BBC News, ITV/STV/UTV, Channel 4, Channel 5, S4C	
Commercial PSB Channels	ITV/ITV Breakfast, Channel 4, Channel 5			
Commercial PSB Portfolio Channels	CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5*, 5USA	ITV+1 Network (inc. ITV Breakfast), ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, ITVBe, ITVBe+1, ITV Encore, ITV Encore+1, (ITV Play, ITV News, Men and Motors and Plus pre 2008) Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 4 Paralympics channels (2012 only), (Film4 Weekly pre 2008), Channel 5+1, 5*, 5*+1, 5USA, 5USA+1, Channel5+24. HD variants are included where applicable.		

Channel Group	Output & spend definition	TV viewing	Audience opinion	Legal definition
BBC/BBC Channels	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies			
BBC Portfolio Channels	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.	BBC Three, BBC Four, BBC News	
BBC family		BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels. BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.		
Multichannel sector	Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC, Baby Network	All other remaining channels, except the main five PSB channels, their portfolio of channels and the regional Channel 3 services.		