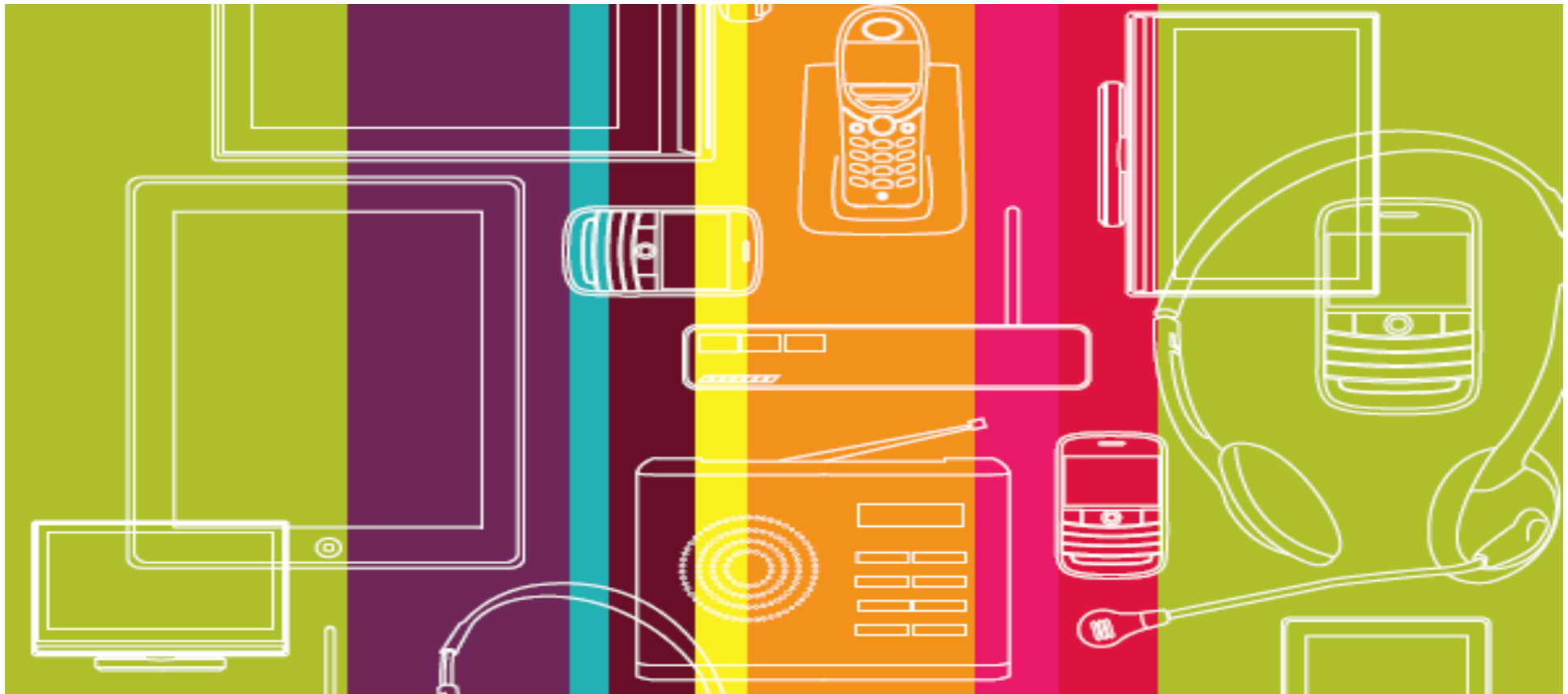


# The UK PSB Landscape in 2010

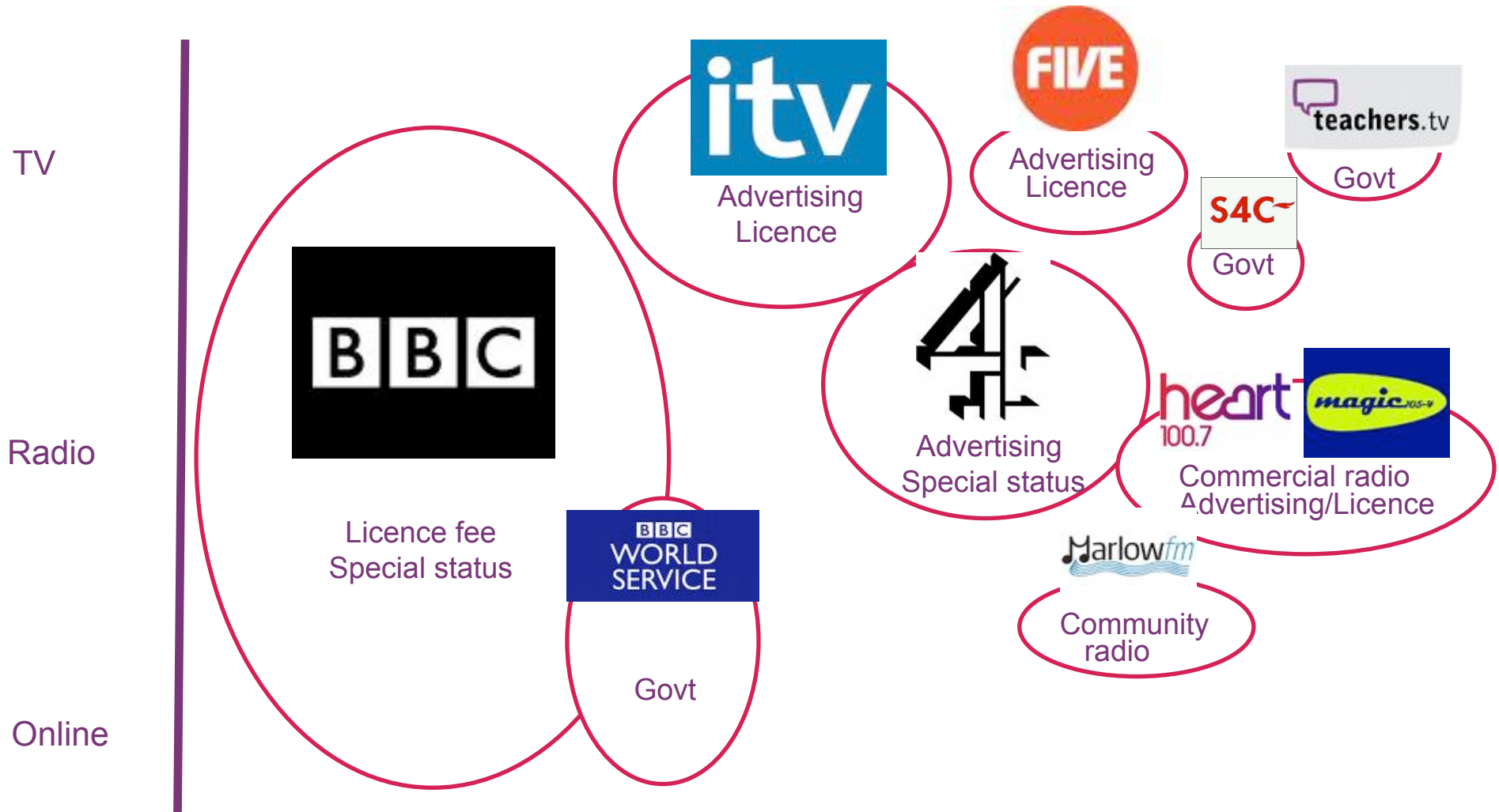
James Thickett, Director of Research and Market Intelligence



## The UK PSB landscape in 2010

- Background
- Media consumption habits are changing rapidly
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- The commercial PSBs face significant long term challenges
- Reducing their ability to invest in new, original programming
- But consumers still value public service broadcasting
- A new government with new priorities

# The ecology of Public Service Broadcasting in the UK



# The 2003 Communications Act and the creation of Ofcom



- Fixed production quotas for UK PSBs
  - Original content
  - Out of London content
  - Independent productions
  - News, current affairs and regional content
- Other programme genres regulated voluntarily
- Ofcom to monitor overall delivery of PSB
- Fixed reviews every 5 years

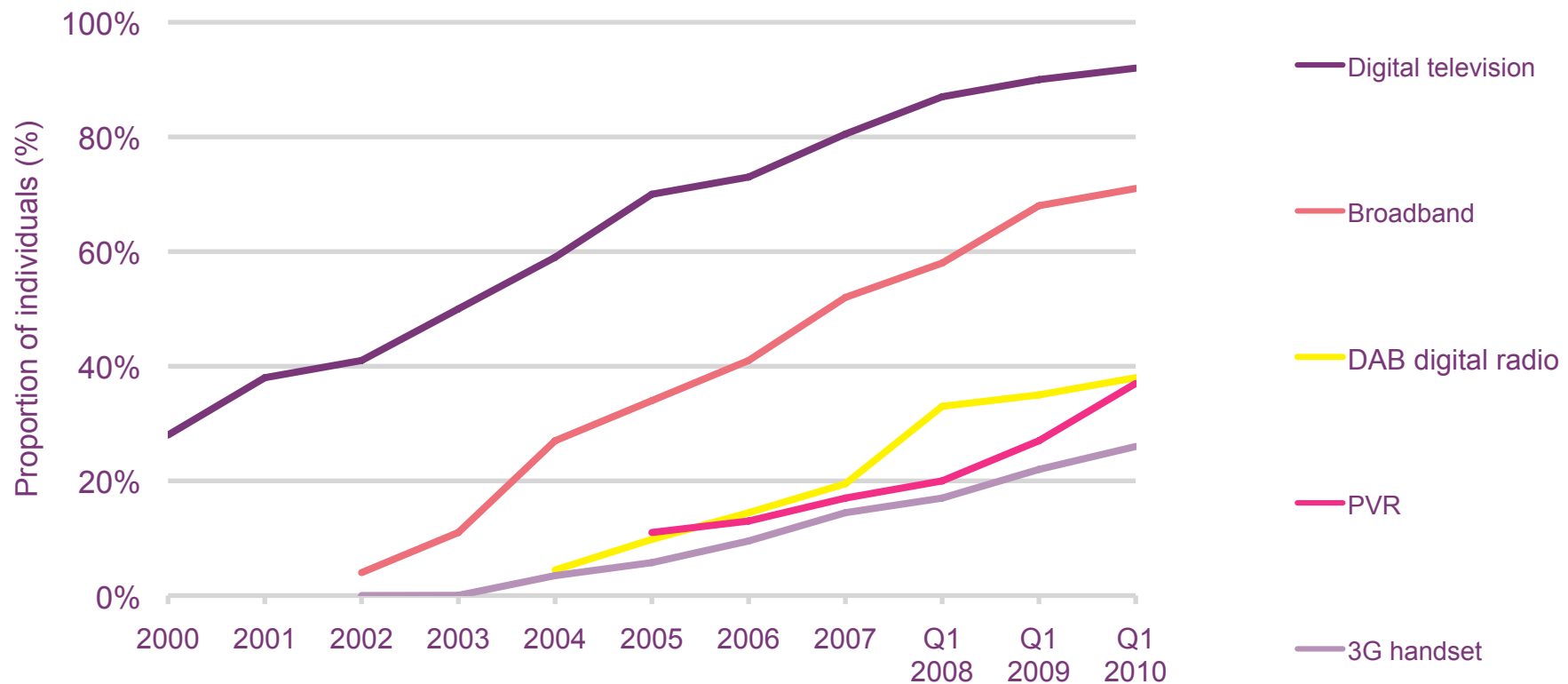


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# Take-up of main digital devices continues

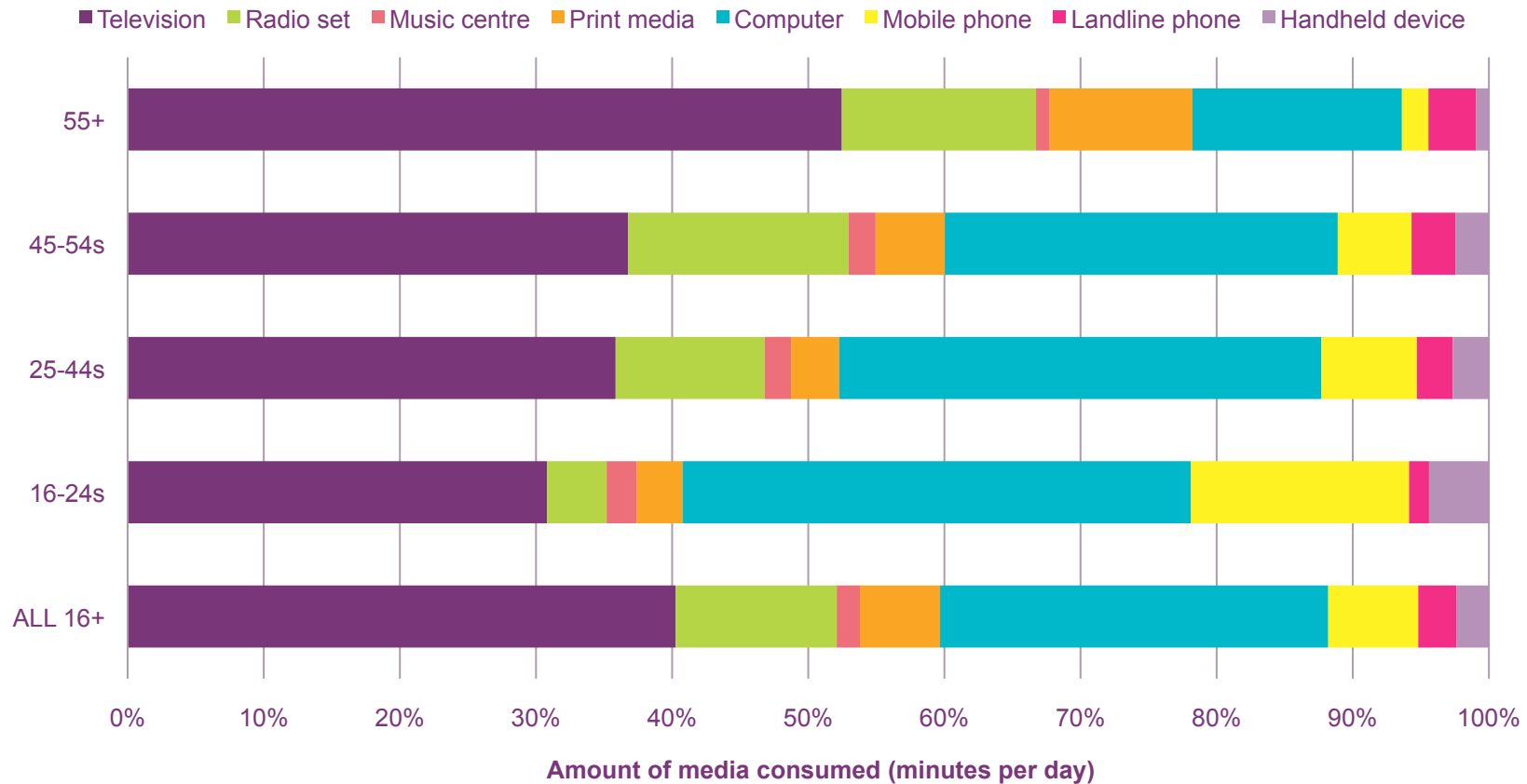
Take-up of a range of communications devices and services



Source: Ofcom research.

# 16-24s now spending more time on computer than TV or radio

## Proportion of time spent using different devices

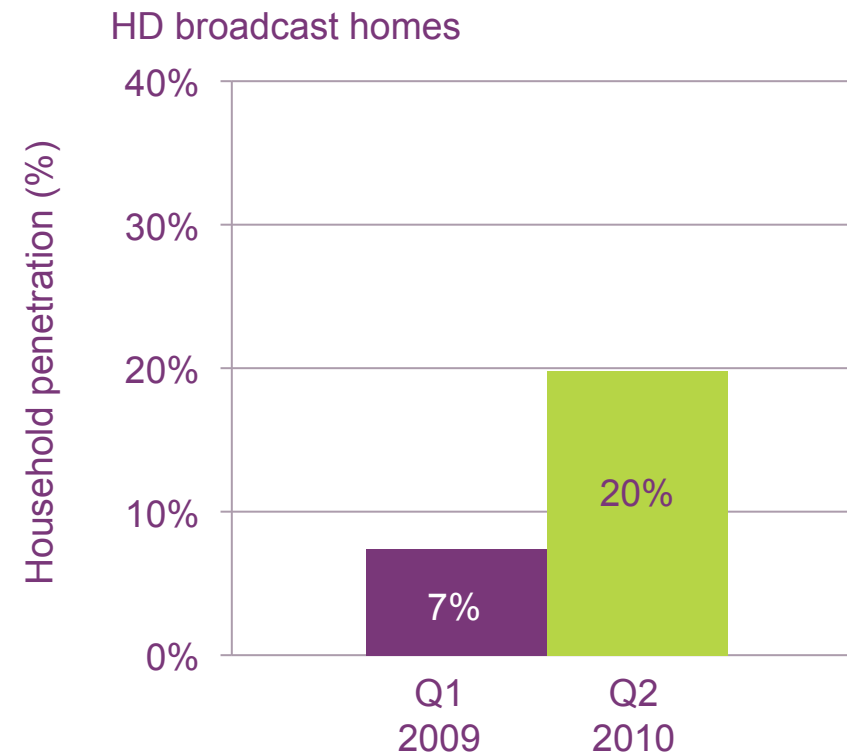
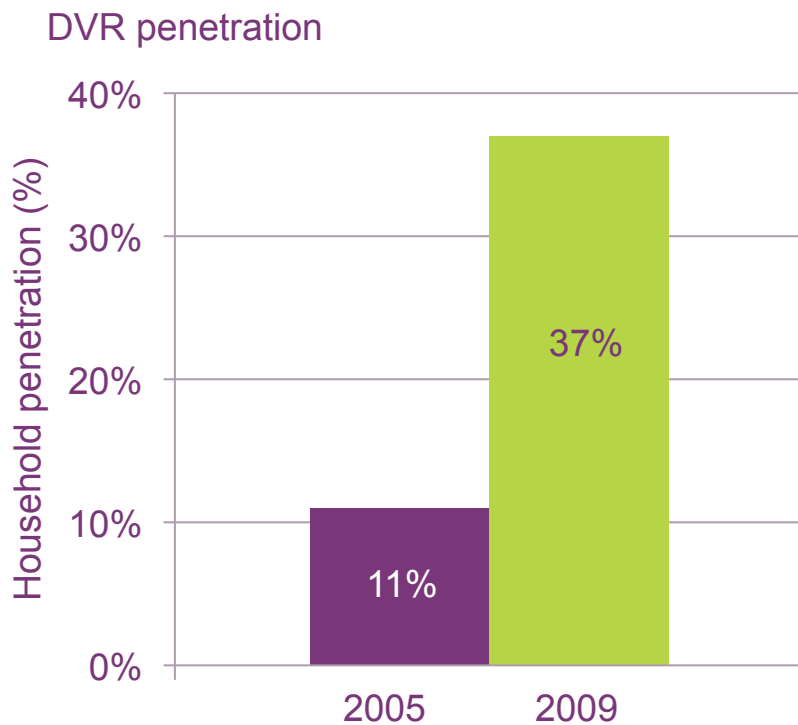


Source: Ofcom research

# New technology is changing the way we engage with television



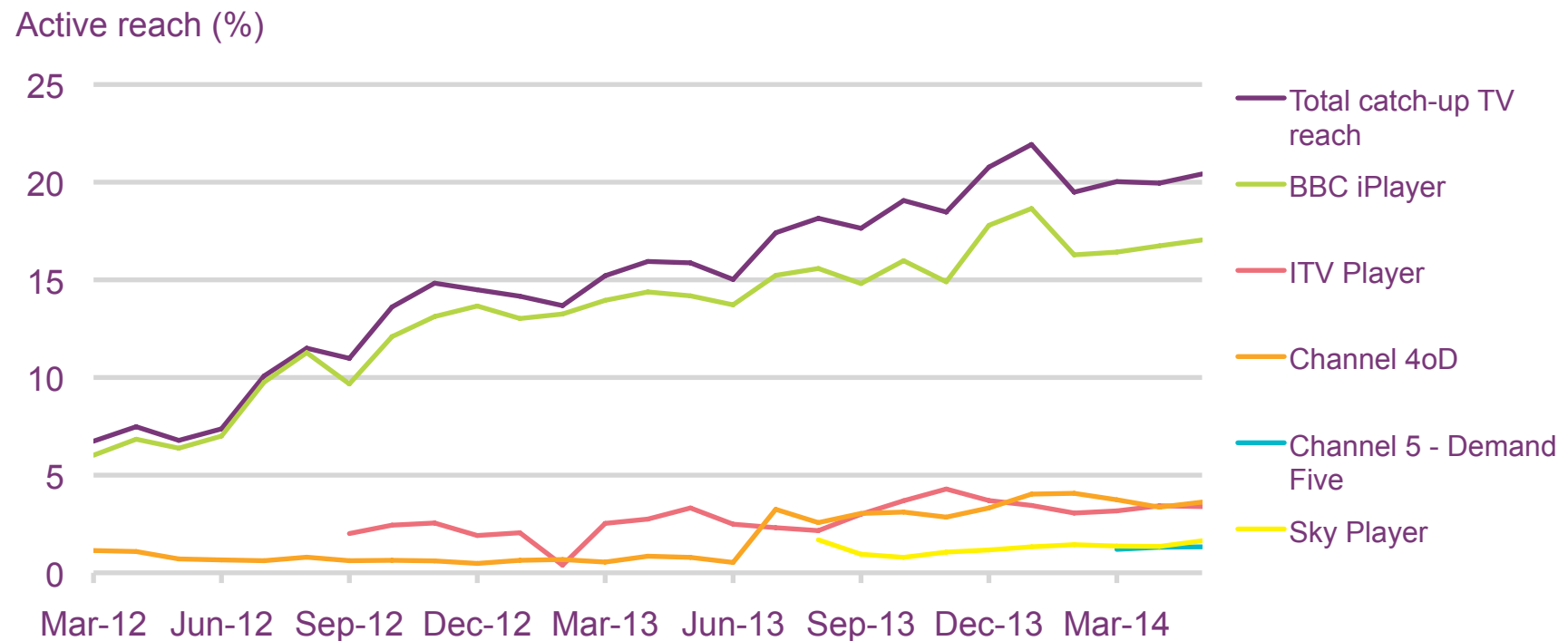
Over 5 million HDTV homes and over 24 million HD-ready sets sold



Source: Ofcom research/industry data

# One in five regularly use TV catch-up services online

## Active reach of major online catch-up TV services

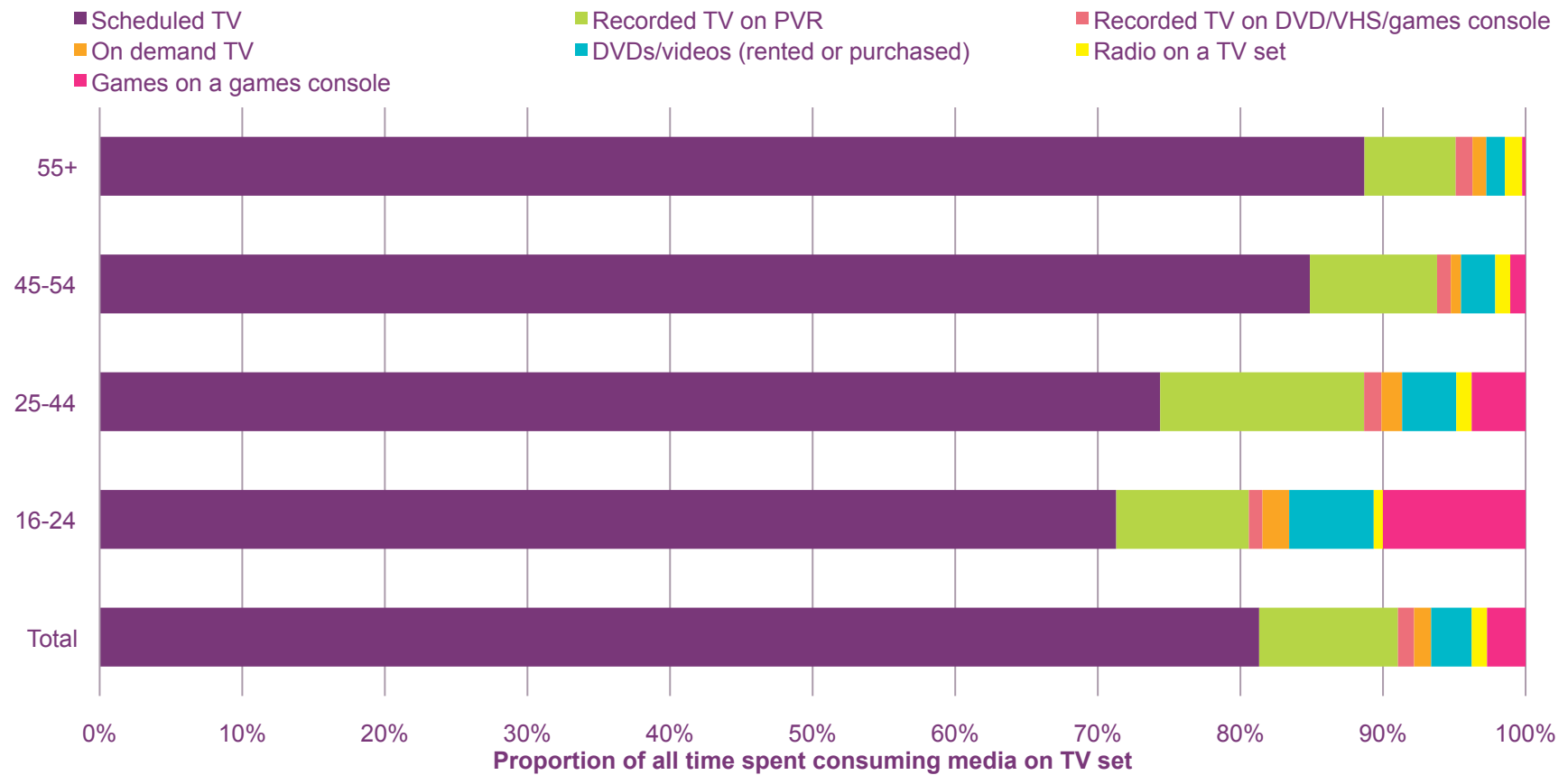


Source: UKOM/Nielsen, home and work panel.

# 16-24s spend the least time watching scheduled TV



## Proportion of time spent consuming media on TV set



Source: Ofcom research

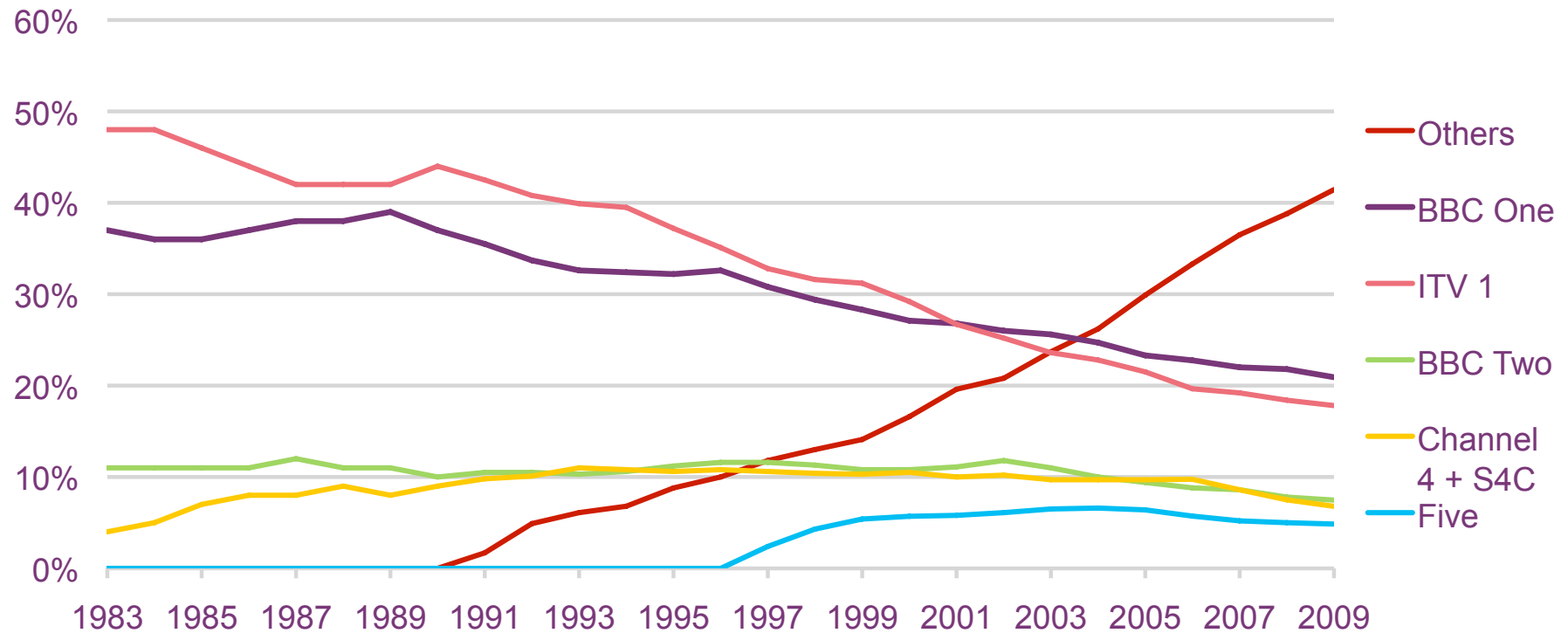
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# Main PSB channels have continued to decline

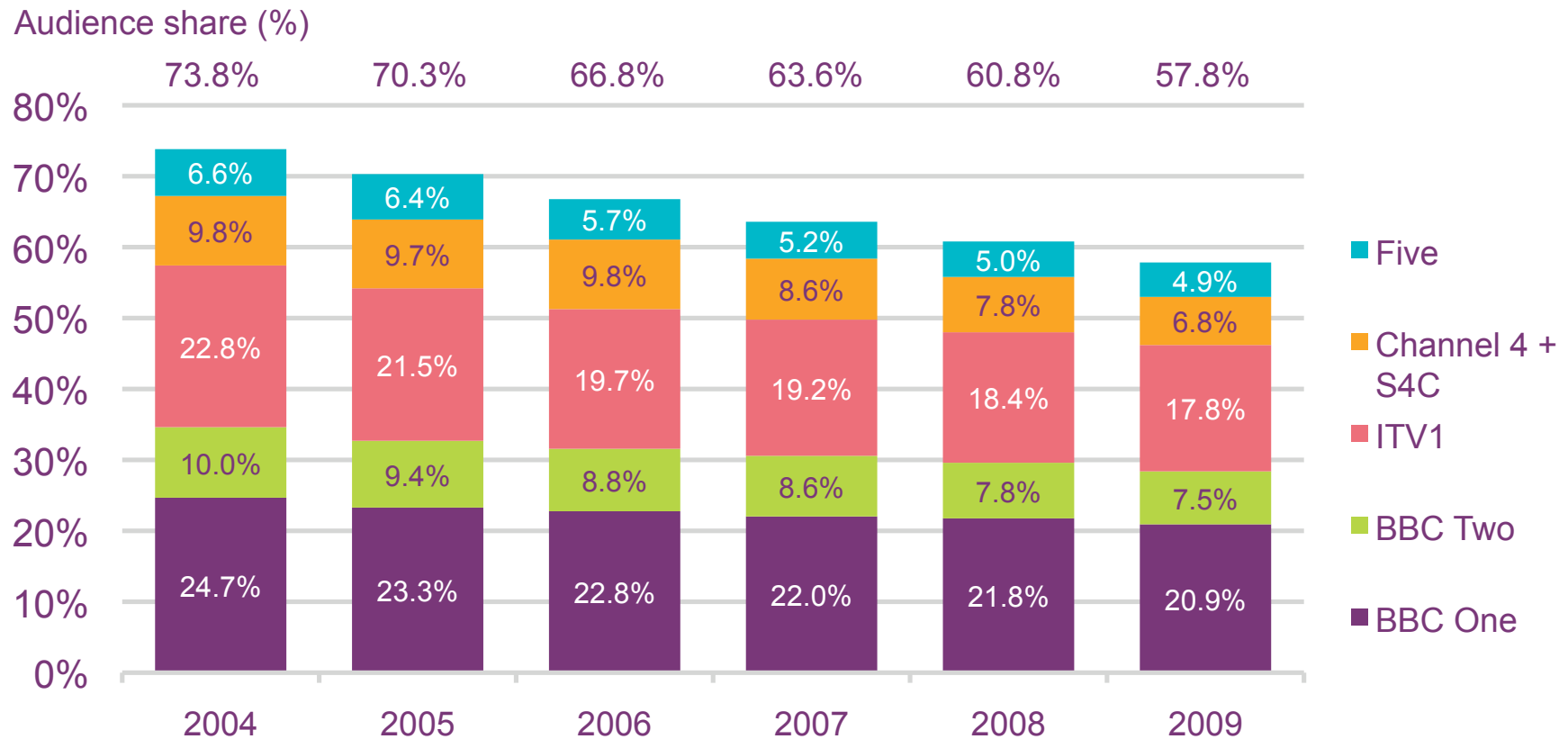
Channel share in all homes 1982 - 2009

Audience share, all homes (%)



Source: BARB, TAM JICTAR and Ofcom estimates

# Five main PSB channels now command less than 60% audience share



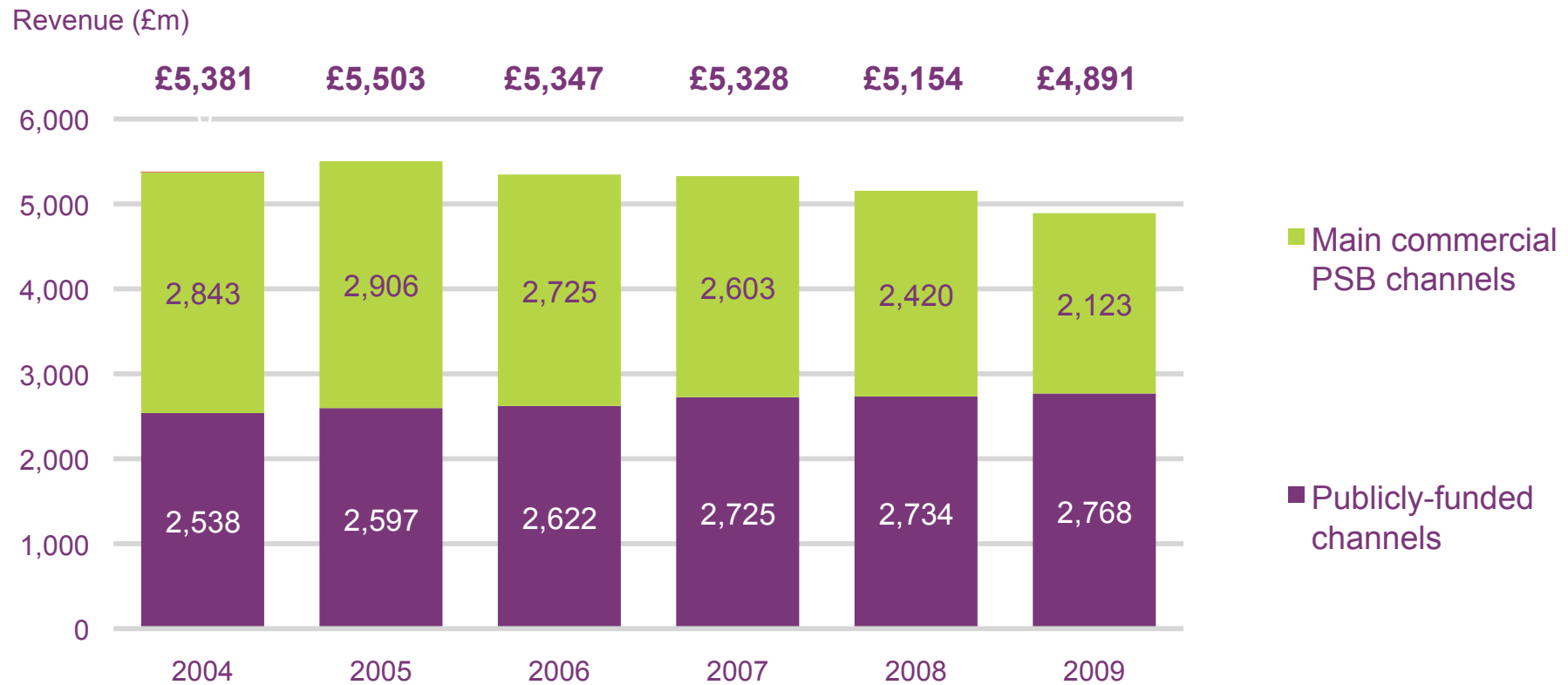
Source: BARB

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# Even before the downturn, PSB revenues were flat or in decline

Total revenues for main PSB channels



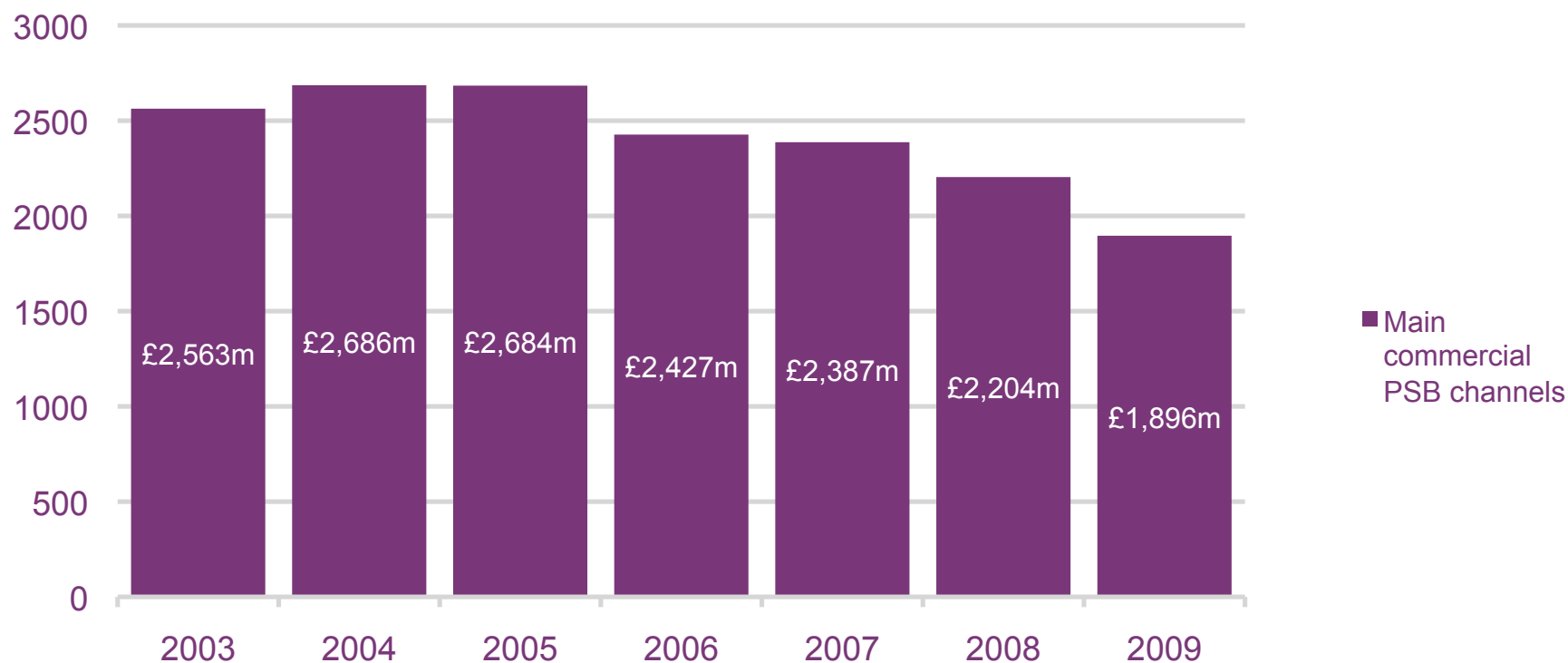
Source: Ofcom/broadcasters

## Driven by falling spend by advertisers



### Net TV advertising revenue

£ million



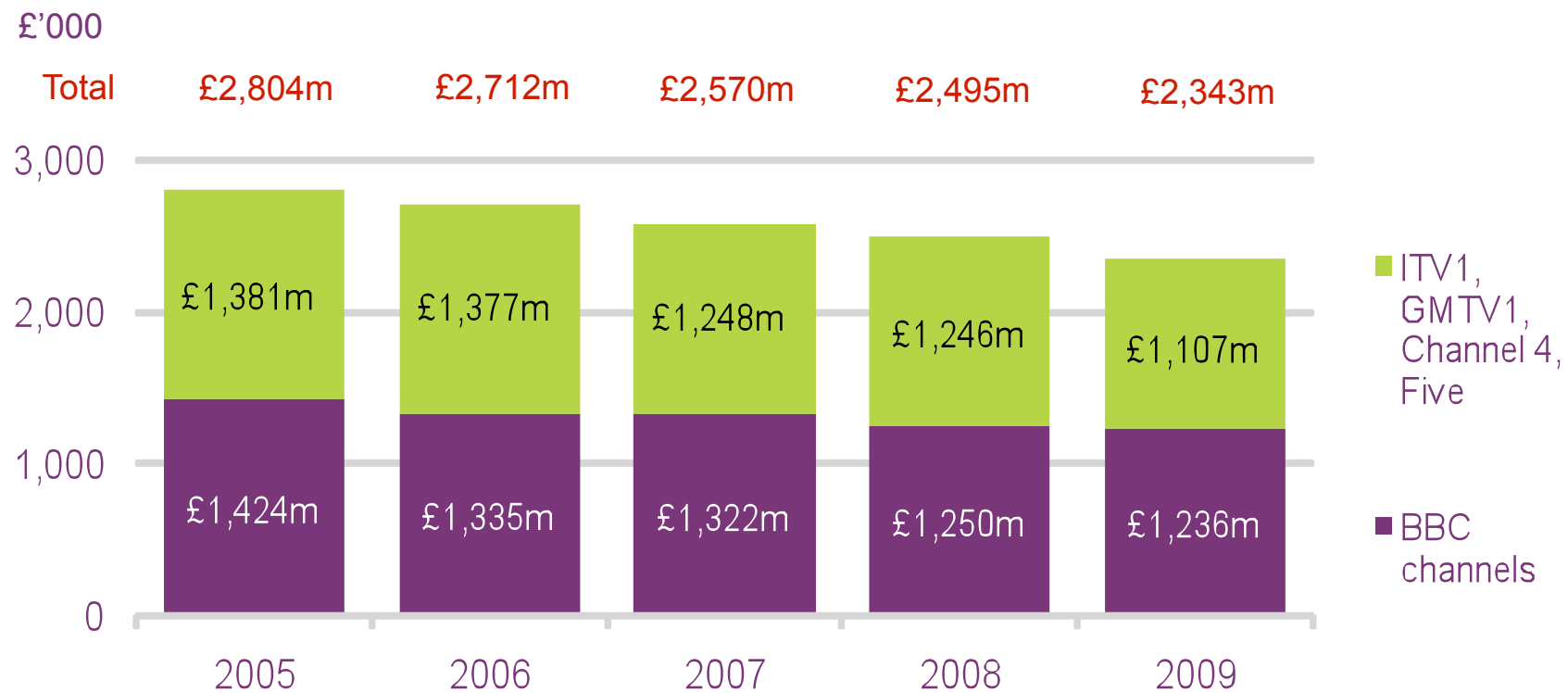
Source: Ofcom/broadcasters.

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# Spend on PSB content has fallen by 16% since 2005

PSB spend on first run originations



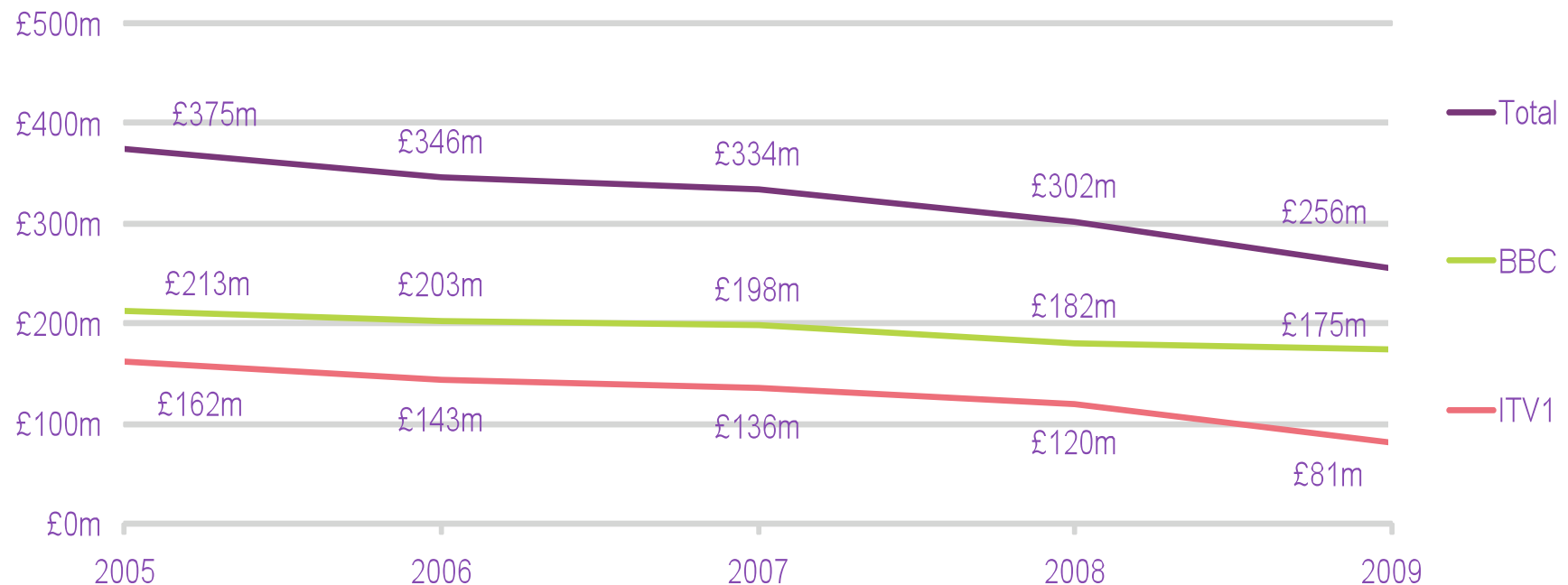
Source: Ofcom/broadcasters – 2009 prices

# Spend on regional programming has been particularly hard hit



## Total investment in nations and regions output by PSBs

Investment (£m, 2009 prices)



Source: Broadcasters. Note: All figures expressed in 2009 prices

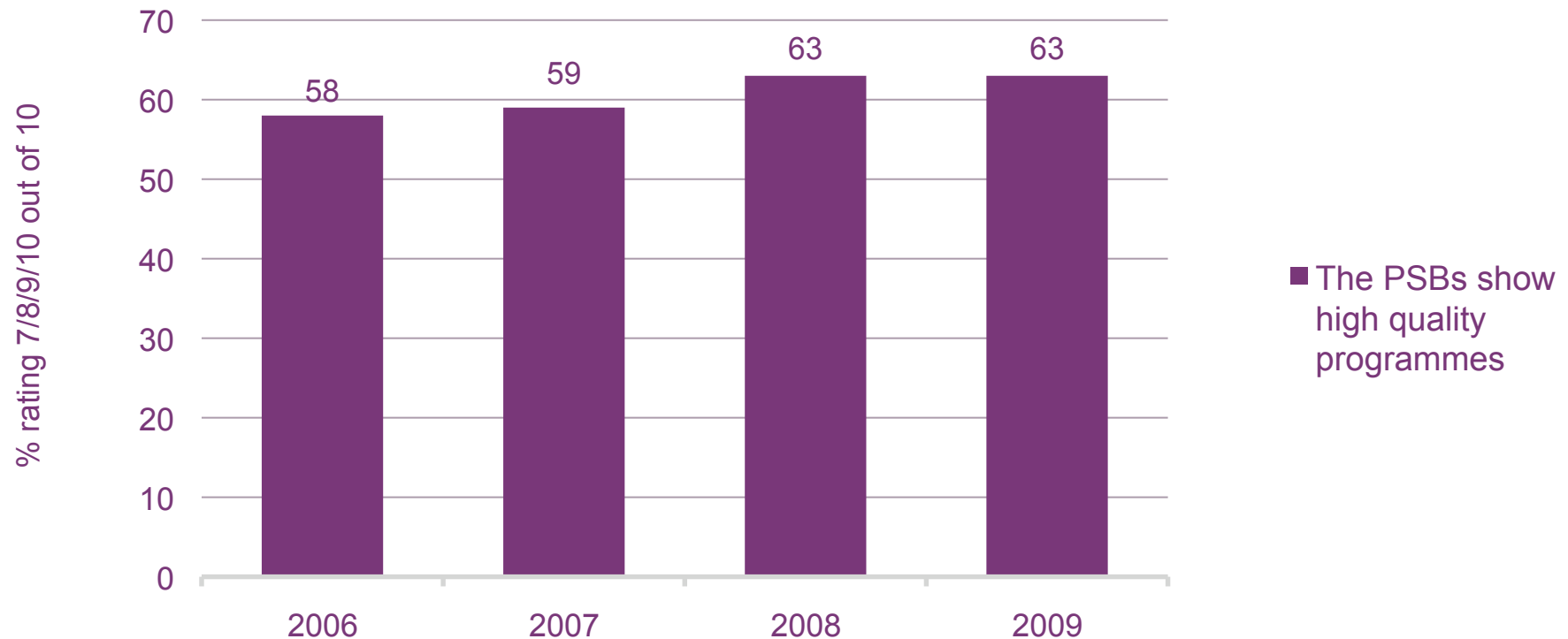
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## Nearly two thirds say the PSBs show high quality programmes



% rating at least 7 out of 10

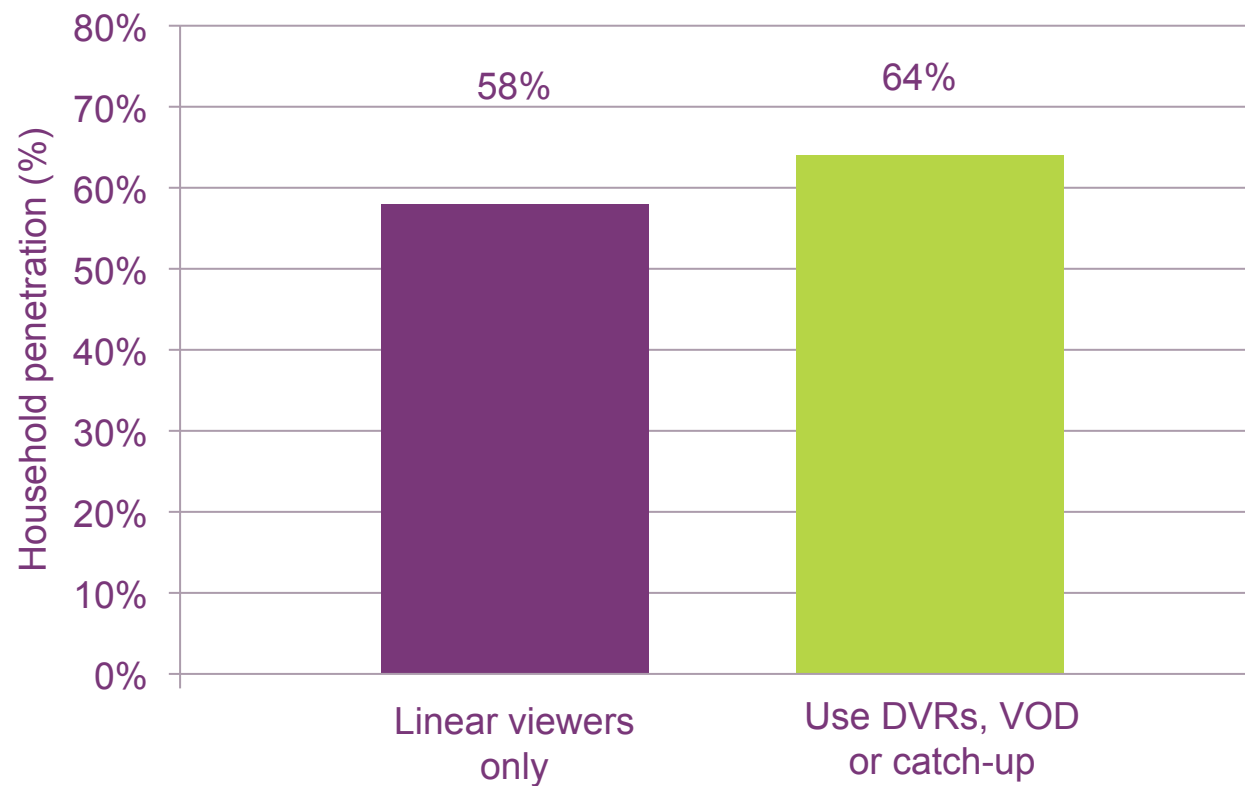


Source: Ofcom

## Audience approval is higher among viewers of DVRs, VOD or catch-up services



% who agree 'It shows well-made, high quality programmes'



Source: Ofcom research/industry data

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## Policy developments over the past year

Ofcom's PSB  
Review  
January 2009



BBC – the cornerstone of  
PSB

Digital Britain  
Report  
June 2009



Rebalance ITV licences

A new model for regional  
news on commercial TV

Digital  
Economy Act  
March 2010



New role and remit for  
Channel 4

Digital radio switchover  
by 2015

## The coalition government's priorities for PSB in the UK



- Create network of city-based local TV stations
- Deregulate commercial TV
- A more transparent and accountable BBC
- Facilitate digital radio switchover



Jeremy Hunt, MP  
Secretary of State for Culture,  
Media and Sport

## Establishing viable commercial local TV service is new government's main priority



- No public funding for IFNCs
- Government examining options for local TV
- Abolition of local media ownership rules



## Deregulation of commercial TV also high on agenda



- ITV regional news obligations
- Product Placement
- Advertising airtime restrictions
- Regulatory monitoring



## A more transparent and accountable BBC



- Financial oversight (NAO)
- Executive and talent remuneration
- Scope of commercial activities
- Level of licence fee



## Facilitating digital radio switchover

- Govt action plan announced July 2010
- 2015 target date for switchover'
- Process should be consumer-led
- Decision to be made when digital is 50% of listening



## Other key developments in the sector



Rollout of superfast broadband



News Corp – Sky takeover



Channel 5 change of ownership



Future role and remit

# The UK PSB Landscape in 2010

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