MANAGEMENT
CONSULTANTS

PACT

Analysis of Out of London Quotas 12th January 2018

CIL
30 King Street
London
EC2V 8EH

T. +44 (0)20 3829 2700
W. cilconsultants.com

Approach

- The CIL approach consists of analysis of:
  - the PSB Made Out of London (MOL) titles database published annually by Ofcom since 2010; and in particular the data since 2013 when Ofcom started to include details of production companies;
  - PSB annual submissions to Ofcom on percentage of spend on and hours of first run original production across the regions;
  - BBC data on percentage spend of first run original production by region.
- This MOL titles database has been augmented with information on the genres of the titles and data on the ownership and size (by revenues) of the contributing production companies.
- This database is flawed as how programmes are recorded varies:
  - a title can be a single episode or a series;
  - the approach is not always consistent either within or between broadcasters.
- As a result a “title” does not correspond to value or hours.
- However, assuming consistency in how data is submitted between years, it does allow for trend analysis both between and within regions of suppliers and genres.
- In addition, the database allows CIL to look at the number, genre, size and ownership of production companies supplying MOL titles by region and PSB over time.

Executive Summary (1)

Context

- The Made Out of London (MOL) quotas imposed upon the Public Service Broadcasters (PSBs) i.e. the BBC, ITV, Channel 4 and Channel 5, serve to ensure investment in regional television production, to offset the London-centric nature of the industry.
- These quotas apply across the eight regions identified by Ofcom, although both the BBC and Channel 4 have, in addition, specific quotas for the Nations. Quotas for the BBC and Channel 4 have risen in the last three years.
- Programmes have to meet two of three criteria to classify as MOL:
  - (i) a substantive production base in the region;
  - ii) 70% of spend outside the M25
  - iii) 50% plus of crew employed (or resident if freelance) outside the M25

Overview – core quotas

- Typically over 90% of programmes meet two of the three criteria and over 80% meet all three. However only 56% of drama and 71% of comedy titles meet location criteria, suggesting that these types of production are less likely to be a permanent stimulus to regional production growth.
- Since 2010 all the PSBs have met or exceeded their MOL quotas:
  - the BBC and Channel 4 have grown their percentage of hours outside London (and to a lesser extent regional spend);
  - ITV's performance has been broadly flat; and
  - Channel 5 has reduced MOL activity to its quota minimum.

Overview – titles

- The number of titles produced annually has declined from a high of 1,270 in 2014 to 740 in 2016. However, it is difficult to extrapolate meaningful trend data as annual titles vary with commissioning schedules and sporting events.
- The BBC is the largest commissioner of MOL titles accounting for approximately three quarters of all titles since 2013; meanwhile
  - Channel 4 accounts for 10 and 15% of MOL titles,
  - ITV typically accounts for less than 7% (although its hours and spend are augmented by the importance of Coronation Street and Emmerdale).

Executive Summary (2)

Overview – titles (cont'd)

- Factual is, unsurprisingly, the largest genre in the MOL titles database, accounting for 53% of titles in 2016, with sports and kids second and third.
  - The BBC has the most diverse MOL titles with factual only 47% in 2016 and with strong sports (21%) and kids (15%), much from in-house in Salford;
  - ITV MOL titles are 59% factual with 21% entertainment and 12% drama, the last two reflecting strong in-house production.
  - Channels 4 and 5 are strongly skewed towards factual (76% and 72% respectively); although Channel 5 also has a large portion (20%) of kids.
- Approximately 50% of titles are produced in-house by the BBC with ITV in-house production accounting for between 3% and 5% of all MOL titles.
  - In-house accounts for two thirds of titles for the BBC and ITV; while Channels 4 and 5 have no in-house titles.
- Of the indie titles 72% were produced by qualifying indies[1] in 2016; this has declined from 88% in 2013 with indie consolidation; just over half of titles are produced by stand-alone indie labels, (i.e. not owned by a larger group) with titles are fairly evenly split by size of indie, with large (>£20m) and medium (£5-£20m) indies accounting for just over half of all titles.

Overview – independent producers

- The number of independent producers used to deliver MOL has declined by 8% from a high of 174 in 2013 to 137 in 2016.
  - The BBC has the most diverse supply base commissioning from 80 producers in 2016, down 11% from 111 in 2013.
  - Channel 4 also has a diverse base using 65 producers in 2016 down 4% from 77% in 2013.
  - ITV and Channel 5 have much smaller supply bases: with ITV commissioning from only 14 MOL producers in 2013 (this has held broadly flat over the last four years) and Channel 5 using 15 (down from a high of 24 in 2013).
- The commissions are broadly spread across genres with small (£1m-£5m) and micro (<£1m) accounting for 48% of indies used by the BBC between 2013-16, versus 41% for ITV and Channel 5 and 41% for Channel 4.
- Analysis of the number of titles produced by the 275 producers supplying MOL to PSBs over the past four years show that:
  - Over one third have been commissioned for only one title during that period; suggesting that MOL production for these has not yet translated into a sustainable business model.
  - Just under 30 independent producers are delivering more than 15 titles each (some of which may be multiple episodes of a particular programme).

Note: Qualifying Indies are producer who are not owned by a parent company with a UK broadcasting licence and therefore "qualify" as independent for the purpose of meeting the PSBs indie quotas.

Executive Summary (3)

Regions - spend

- The North, the South and Scotland are the largest three regions accounting for approximately 75% of MOL spend by the BBC (who is the only player to break out spend by region) and over 80% of MOL titles across all the PSBs.

Regions – core quotas

- Analysis of the productions meeting the three regional criteria by region shows broadly high performance across all geographies and criteria.
  - However, it is noticeable that one in four productions in Northern Ireland fails to meet spend criteria.
  - There is also a slight skew in the regions closest to London (the South and the Midlands) which have a slightly higher incidence of not meeting location criteria, suggesting more of these productions are from companies based in London.

Regions - titles

- The North, has by far the largest in-house presence of all the regions, with BBC in-house production (primarily in Salford) accounted for 67% of titles in 2016 (down from 72% in 2013); while ITV (in Leeds and Manchester) accounted for 11% (up from 7%); independents only account for 24% of titles
- By comparison in all the other regions independents account for more than 50% of titles; and in the Midlands in-house production declined to just 12% of titles in 2016 (vs 27% in 2013).
- Stimulated by BBC and ITV in-house production, the North also has the most diverse range of genres in 2016:
  - Factual accounted for just 27% of titles, with sports 35% and kids 18%; a mix that has not changed significantly since 2013
- All the other regions (except "Other") are dominated by factual; which accounted for 80% of titles in the South in 2016, 73% in Northern Ireland and 69% in the Midlands. However, factual's share of titles has declined slightly since 2013 in all regions except the South.
- "Other", which covers MOL titles that are multi-regional is skewed towards location-based drama titles (44%) and comedies (17%).

Note: Qualifying Indies are producer who are not owned by a parent company with a UK broadcasting licence and therefore "qualify" as independent for the purpose of meeting the PSBs indie quotas.

Executive Summary (4)

Regions – independent producers

- The South, North and Scotland have the biggest independent production bases; together accounting for nearly three quarters of all producers across genres in the MOL database since 2013.
    - The South has the largest producer list, possibly benefitting from proximity to London; the vast majority are, however, small factual producers.
    - The North appears to benefit from the catalyst of in-house production at BBC and ITV; and has producers representing a wide range of genres.
    - Scotland also has critical mass (and again strong in-house production) and has the most balanced mix of genres of all the regions.
    - Northern Ireland performs strongly in drama, stimulated by tax credits; but the presence of BBC drama in Wales has had limited impact on independent drama companies in the region.
    - Like the South, the Midlands is highly dependent on small factual producers.
- The spread of sizes of independent producer by region shows that large producers are over-represented in the Midlands and East of England; while Northern Ireland, the South and Wales have a disproportionately large numbers of micro producers; it is not clear what drives this mix as there seems to be no correlation to size of market or proximity to London.
- The number of independent producers being used by the PSBs is declining across all regions at an average of 7% between 2010-2016:
    - The lowest decline has been in the Midlands and East of England (which has a relatively small base) with the highest decline in “Other”.
- 81% of the independent producers identified over the last four years only produce in one region; suggesting that their operations are truly rooted in that one region; another 13% produce in two regions.
    - The producers producing in three or more regions are typically large or medium sized labels and are normally part of a bigger group.

PSB regional production spend and hours are regulated by Ofcom with different PSBs having different quotas.

- Analysis of the Made out of London (MOL) production needs to be done in the context of the regulatory environment.
- Targets are set by Ofcom across all PSBs; these include:
  - specific requirements for ITV and BBC on regional and nations news and current affairs (not covered in this report);
  - quotas for all PSBs in both hours and spend of qualifying network programming (first run programmes excluding news).
- For ITV and Channel 4 MOL quotas are not region specific, Channel 4 has a specific quota for Scotland, Wales and Northern Ireland combined, while from 2018 the BBC will have specific quotas for each region.
- BBC quotas were previously governed by the BBC Trust and from 2017 have formed part of the licence governed by Ofcom. Ofcom has raised the BBC's overall MOL quota from 30% to 50% from 2018.

Overview of Made Out of London quotas

	Geography	Area	Current Quota	Description
BBC	MOL	Hours	35%-50% (from 2018)	Specific quotas for qualifying network production. Broader Ofcom guidance for nations spend and hours to be pro-rata to population. Additional specific quotas for regional and national news and current affairs (excluded from CIL analysis)
	England (MOL)	Spend	28% -30% (by 2020)	
		Hours	30%	
	Scotland	Spend	8%	
		Hours	8%	
	Wales	Spend	5%	
		Hours	4% - 5% (by 2022)	
	N Ireland	Spend	3%	
		Hours	2% - 3% (by 2022)	
ITV	MOL	Hours / Spend	50% - 35% (in 2009)	Qualifying network production. ITV has additional specific quotas for regional news
	Nations		0%	
C4	MOL	Hours / Spend	35%	
	Nations		3% - 9% (by 2020)	
C5	MOL	Hours / Spend	10%	
	Nations		0%	

Source: Ofcom, CIL analysis

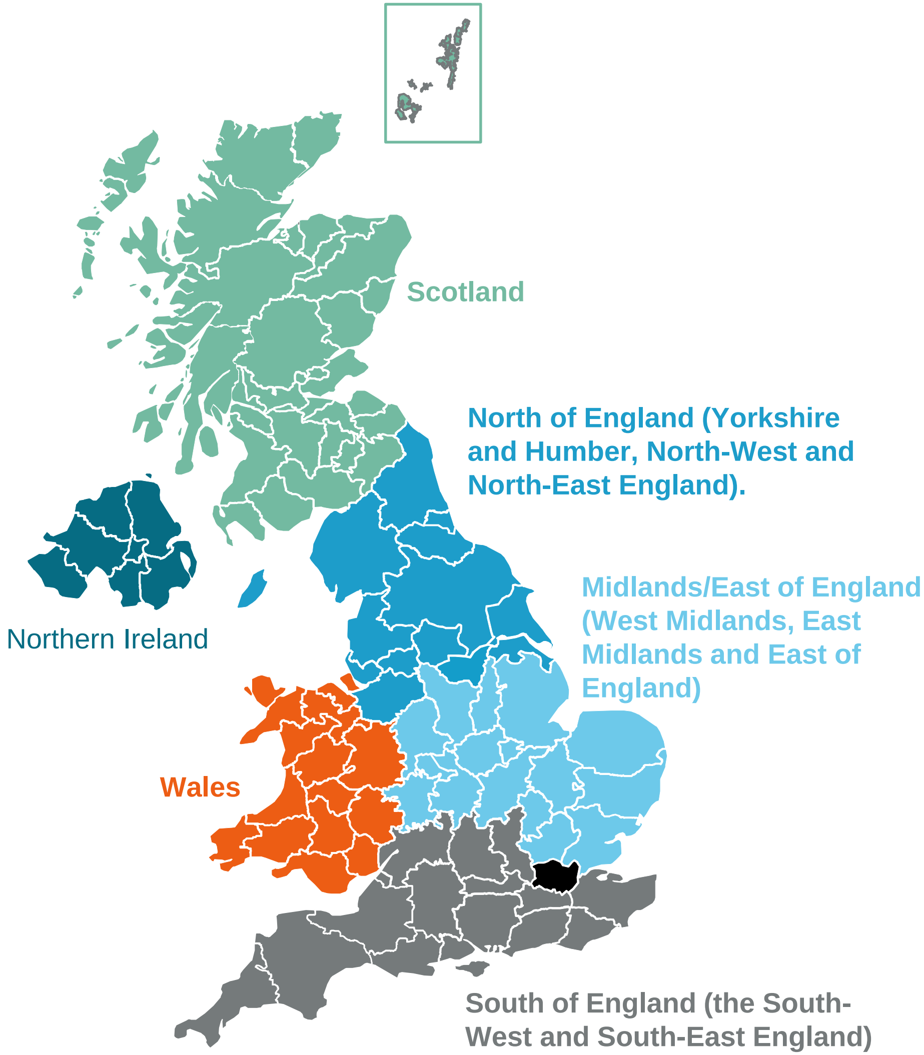
Programmes are Made Out of London (MOL) if they meet two out of three criteria and are allocated to six macro regions.

To qualify as MOL a programme must meet two of the following three criteria:

- **Location:** The production company must have a substantive business and production base in the UK outside the M25. i.e. be the usual place of employment of executives managing the regional business, of senior personnel involved in the production in question, and of senior personnel involved in seeking programme commissions.
- **Spend**: At least 70% of the production budget (excluding the cost of on-screen talent, archive material, sports rights, competition prize-money and copyright costs) must be spent in the UK outside the M25
- **Crew:** At least 50% of the production talent (i.e. not on-screen talent) by cost must have their usual place of employment (or residence if freelance) in the UK outside the M25.

There are six macro regions to which a MOL programme can be allocated:

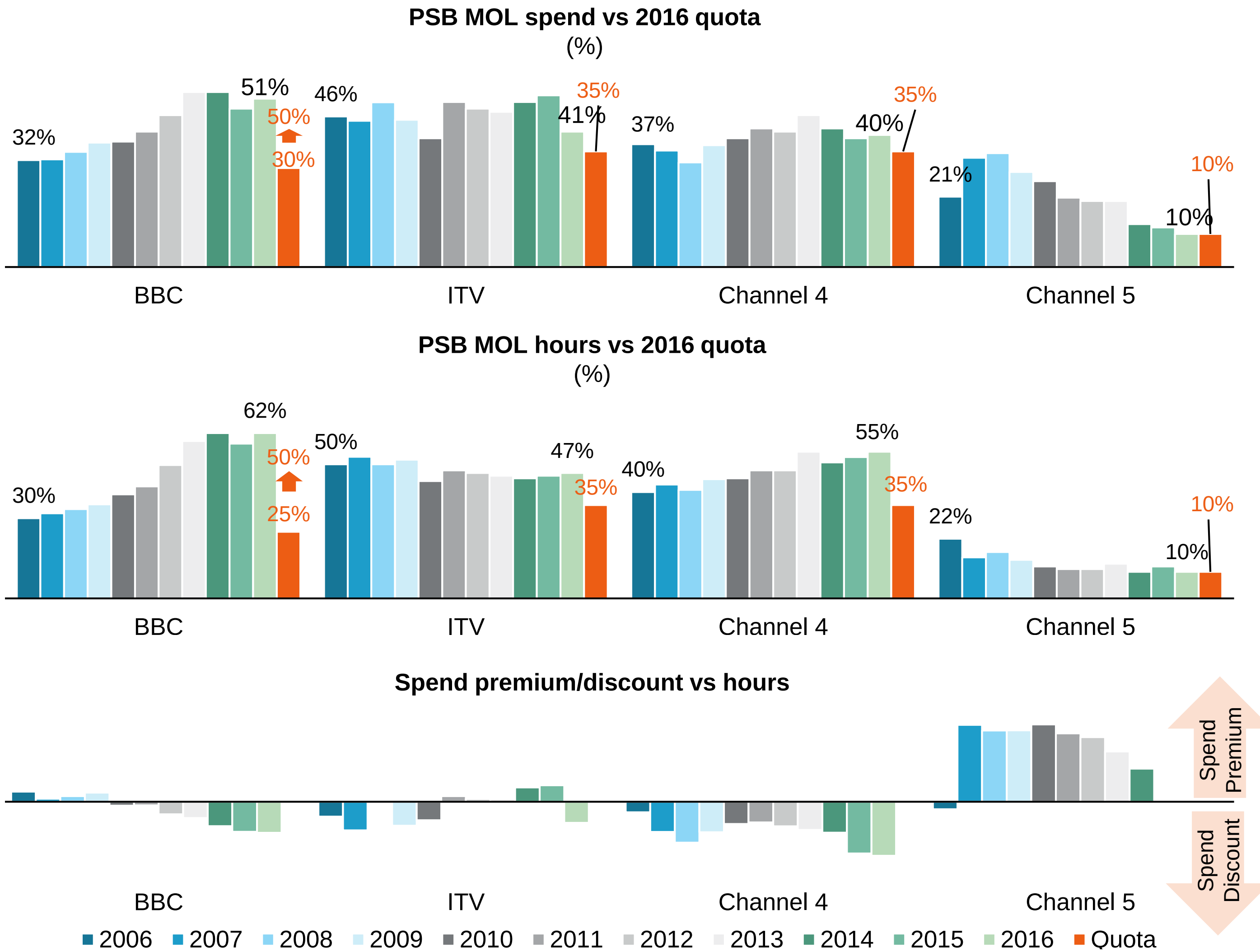
- **Scotland, Wales, Northern Ireland, South of England, Midlands/ East of England, North of England**
- **Other:** In addition in 2011 regional productions from London producers which did not deliver 70% of spend and 50% of talent in any one particular Macro Region can now meet MOL quotas as “other”



Source: Ofcom, CIL analysis.

All the PSBs meet or exceed their MOL quotas with the BBC and C4 growing hours and, to a lesser extent, spend; while ITV is broadly flat and C5 has reduced MOL activity.

- The BBC has increased MOL spend and hours broadly consistently since 2006 – and always in excess of quotas. They already exceed the 50% quota that will apply from 2018.
- ITV hours have held broadly flat; spend peaked in 2015 but declined in 2016. ITV exceeds current quotas which were revised down in 2009 from 50% (which ITV was failing to deliver).
- Channel 4 spend has grown slightly since 2006, while hours have grown broadly constantly.
- Channel 5 spend has declined consistently since 2008, so that they now just fulfil their hours and spend quotas.
- With the exception of Channel 5 all the PSBs have regional spend that is lower than their average spend per hour; and appears to be declining.
- Channel 5's regional production was historically at a premium to London production; but this has reduced over the last three years and is now on a par with London spend per hour.

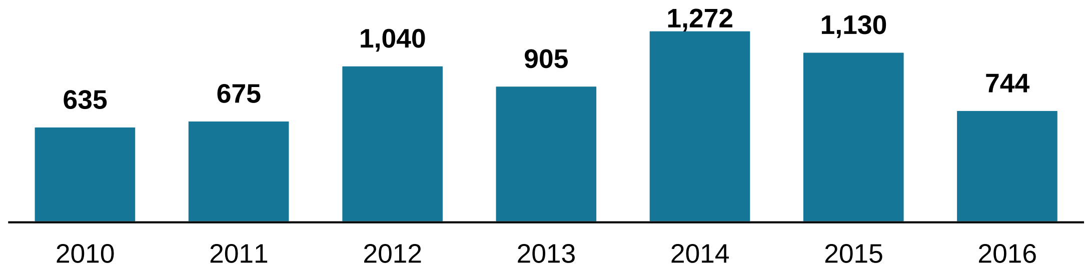


Note: 1) Minimum required spend outside of London.
Source: Ofcom CMR (2016), Ofcom MOL 2010 -2016

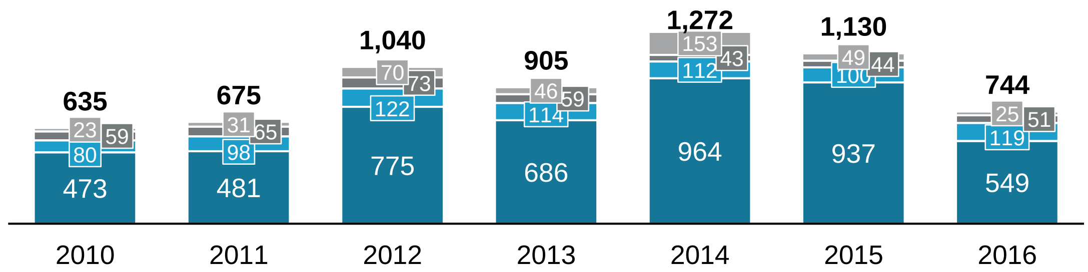
Analysis by CIL of MOL titles shows significant variation annually (influenced by sporting events and scheduling); with the BBC accounting for nearly three quarter of titles.

- Analysis of the MOL title lists shows that the number of titles varies by year.
- This is predominantly driven by changes in the number of sports titles and production scheduling (see next slide).
- The relative share of titles by broadcaster has not changed materially.

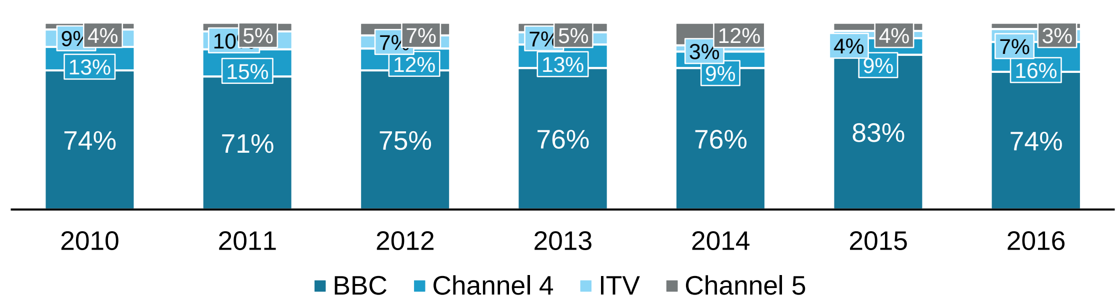
MOL titles (2010-16)



MOL titles by broadcaster (2010-16)



% MOL titles by broadcaster (2010-16)

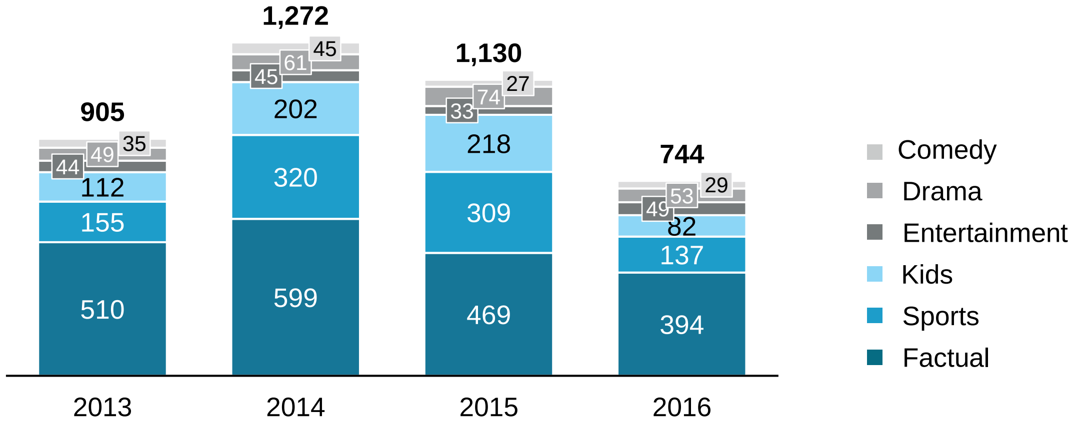


Note: A title can refer to a one-off programme or a series. The register does not include every episode of every programme. Eg 'Match of The Day' appears only once as it is always produced under the same criteria. 'Match of The Day 2' and 'MOTD Live' also appear as they are stand-alone programmes that could qualify under varying criteria.
Source: Ofcom MOL 2010 - 2016

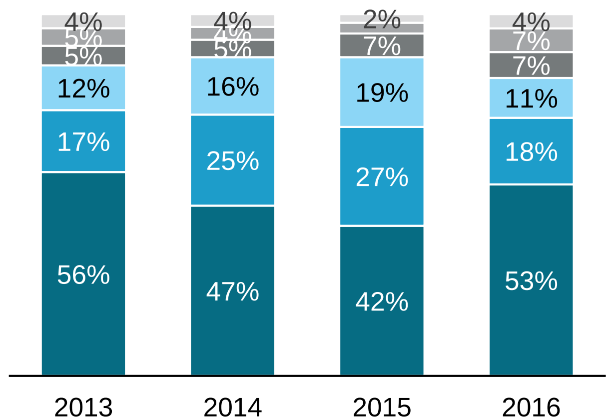
Factual is, unsurprisingly, the largest genre in terms of titles, with sports and kids the second and third largest genres.

- The primary driver in changes in the number of titles are:
  - Sporting events: eg the BBC stopping F1 coverage in 2015, big Athletics events in 2015 and Commonwealth Games in 2014
  - Production Scheduling: eg 2016 saw a reduction in Kids titles at the BBC and Channel 5
- The BBC has the widest spread of titles by genres; with factual accounting for less than half of titles.
- However ITV has proportionately the highest spend in the regions on high cost drama and entertainment.

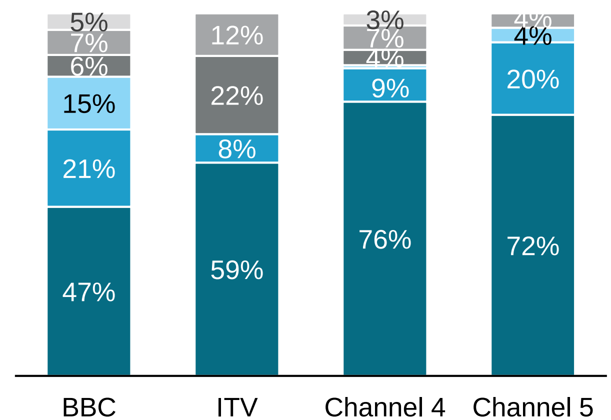
MOL titles by genres
2013-16



MOL titles by genres (%)



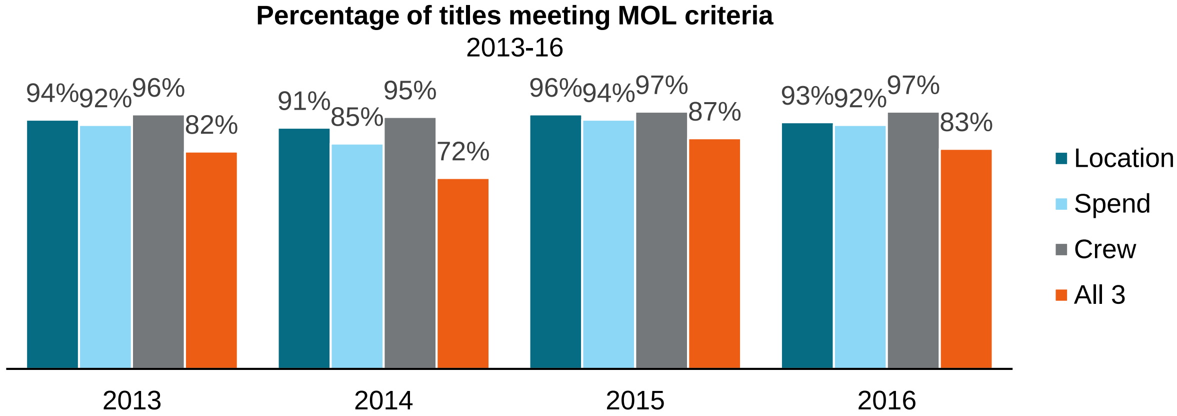
MOL titles by genres by PSB (2016)

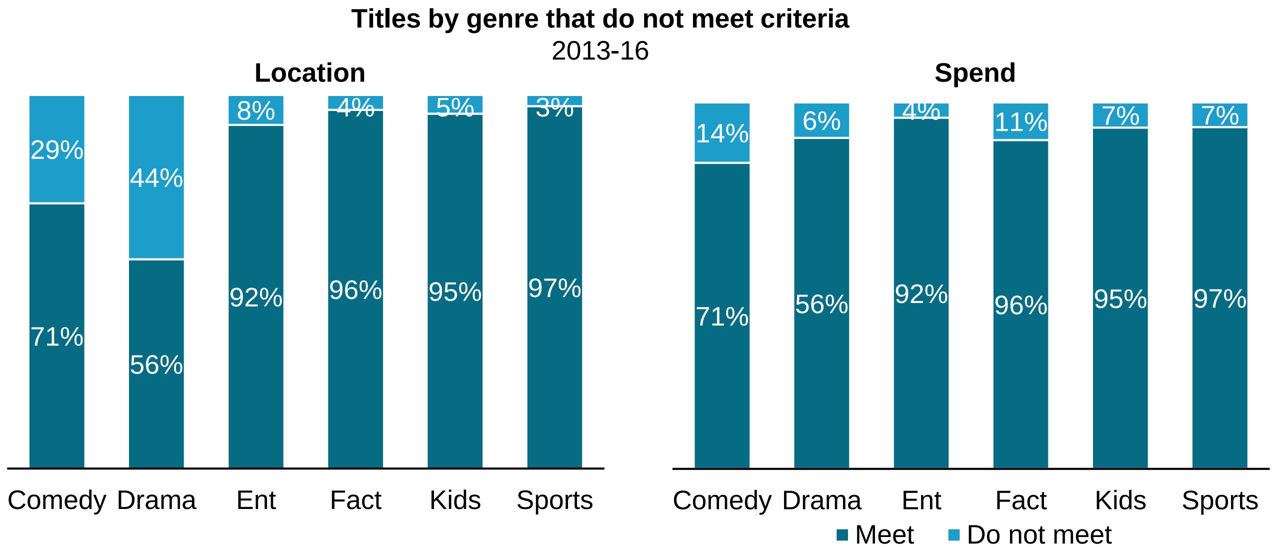


Note: A title can refer to a one-off programme or a series. The register does not include every episode of every programme. Eg 'Match of The Day' appears only once as it is always produced under the same criteria. 'Match of The Day 2' and 'MOTD Live' also appear as they are stand-alone programmes that could qualify under varying criteria.
Source: Ofcom MOL 2010 - 2016

The vast majority of titles meet all three MOL criteria; however drama and comedy, disproportionately to not meet location criteria.

- Over the last four years vast majority of titles (typically 80% plus) meet all three MOL criteria: i.e. have in the area:
  - substantive production base;
  - 70% of spend,
  - 50% plus of crew employed (or resident if freelance)
- Over the last four years there has been no significant trend upwards of downwards.
- It is worth noting that high value drama and comedy are much more likely not to meet location criteria ie to move into an area to produce a particular production rather than have a permanent base there. This obviously has an impact on their ability to act as a long term catalyst to that region.



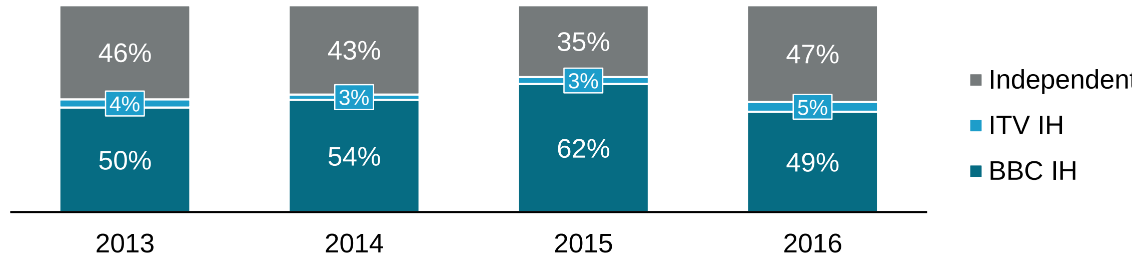


Note: A title can refer to a one-off programme or a series. The register does not include every episode of every programme. Eg 'Match of The Day' appears only once as it is always produced under the same criteria. 'Match of The Day 2' and 'MOTD Live' also appear as they are stand-alone programmes that could qualify under varying criteria.
Source: Ofcom MOL 2010 - 2016

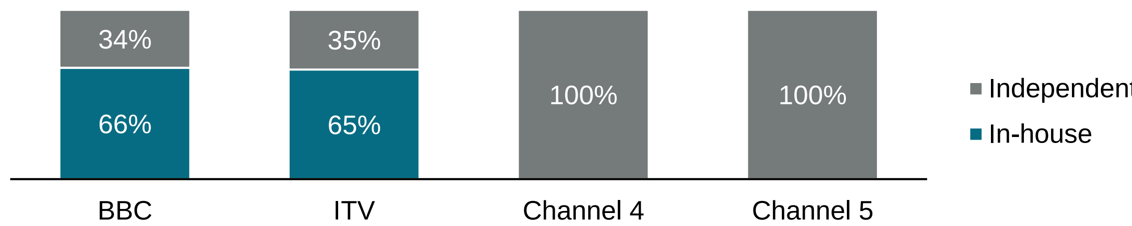
Titles split 50:50 in-house and indie (the BBC and ITV produce two thirds of their MOL titles in-house); medium and large labels account for 60% of independent titles.

- The share of titles going to independent producers has stayed broadly constant (with a peak for in-house in 2015).
- The key driver of this is the BBC which accounts for nearly 75% of total titles (in 2016) of which two thirds are produced in-house.
- While in terms of number of titles, ITV's in-house share is small; in practice these include their two big soaps (Coronation St in Manchester and Emmerdale in Leeds) which together account for a high number of hours and spend.
- The number of titles produced by independent labels is spread relatively evenly across size of label, with medium and larger labels accounting for 60% of titles.

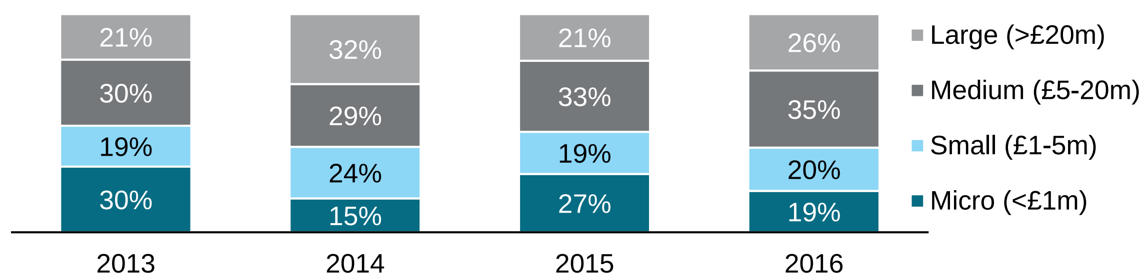
MOL titles, independent vs in-house[1]
2013-16



MOL tiles, independent vs in-house by PSB[1]
2016



Independent MOL titles by size of label
2013-16

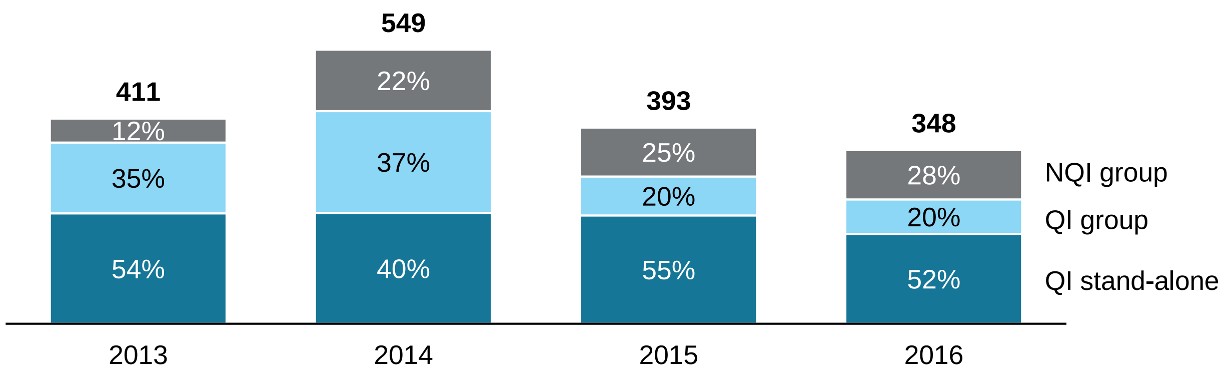


Note: 1) ITV portfolio companies producing for broadcasters other than ITV are treated as independent producers.
Source: Ofcom MOL 2013-2016, CIL analysis.

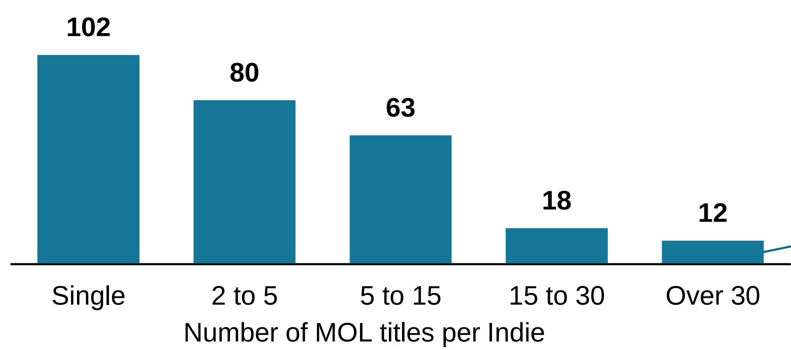
The majority of independent titles are produced by Qualifying Indies.

- Approximately three quarters of independent titles are produced by qualifying independents.
- However, only about half of titles are produced by stand-alone labels (i.e. labels that are not owned by a larger group).
- Analysis of the number of titles produced by the 275 producers supplying MOL to PSBs over the past four years show that:
  - Over one third (102) have been commissioned for only one title during that period; suggesting that MOL production for these has not yet translated into a sustainable business model.
  - Just under 30 independent producers are delivering more than 15 titles
  - Only 11 indies are producing more than 30 titles (some of which may be multiple episodes of a particular programme (eg as is the case for Filmnova).

Indie produced[1] MOL titles, NQI vs QI, stand-alone label vs group
2013-16



Indie labels with multiple MOL titles
2013-16



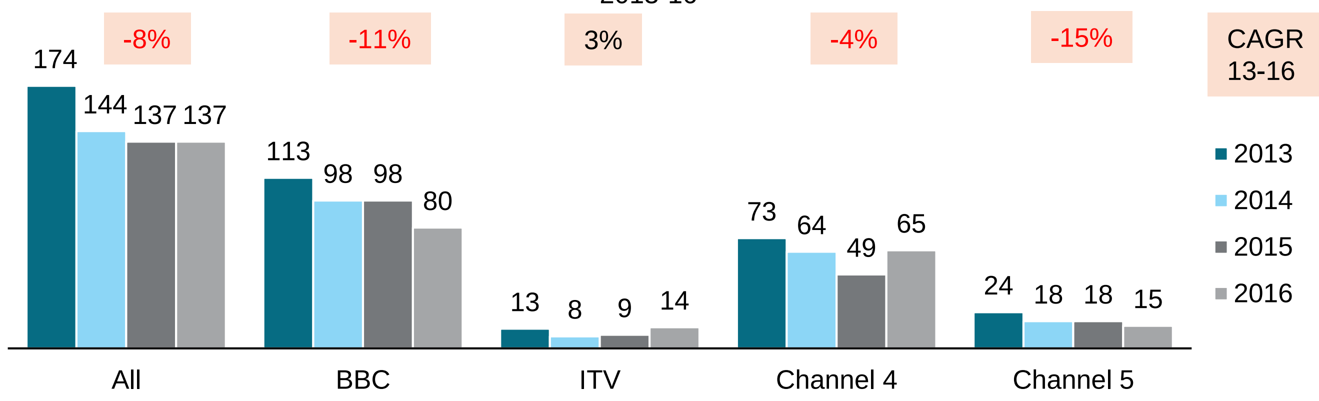
Subsequently part of ITV studios

Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard, ITV Studios) for other public service broadcasters are treated as independent.
Source: Ofcom MOL 2013-2016, CIL analysis.

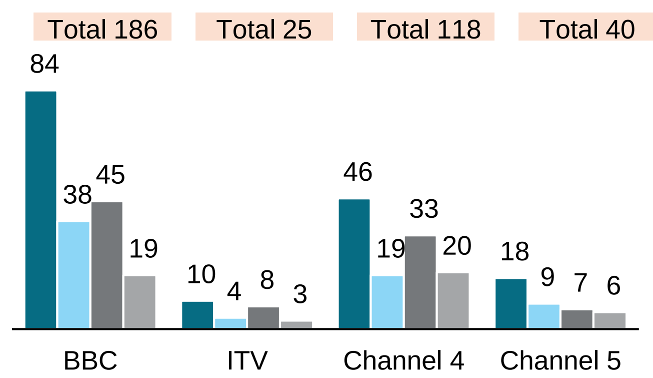
The number of regional independents used is declining; with the BBC supporting the largest number and Channel 4 a strong second; but ITV's regional supply base is small.

- The BBC and Channel 4 have large diverse regional supplier bases, with titles spread across a mix of different sized labels.
- ITV has a relatively small supplier base, with 3 large independents (RDF, Red Production and Two Four (prior to acquisition)) accounting for 35% of independent titles over the last four years
- With the exception of ITV all the other PSBS have reduced the number of regional labels they have used over the last four years; in the case of Channel 5 significantly.

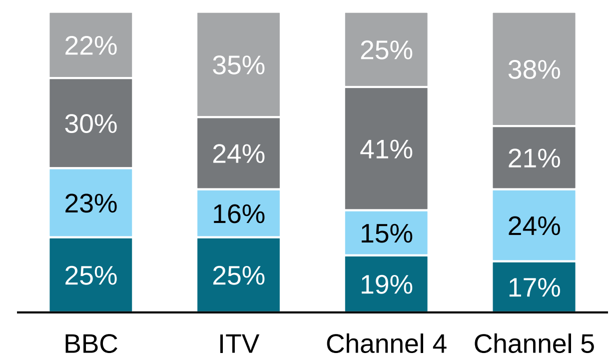
Number of Independent labels used by PSBs over time
2013-16



Indie labels used by PSBs, number used by size
2013-16



Indie MOL titles by PSB, share by size of label
2013-16

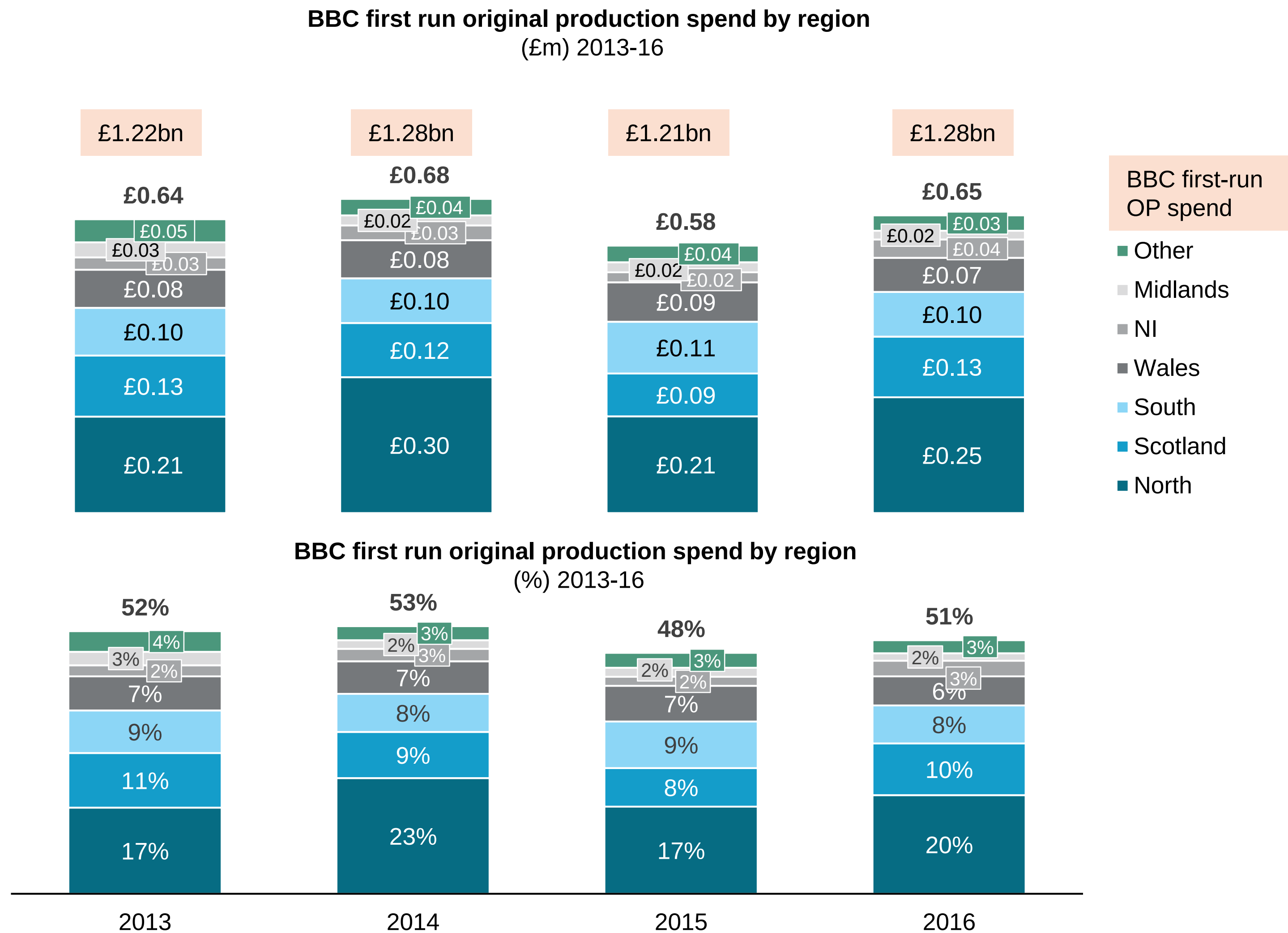


Large (£20m+ turnover) Medium (£5-20m turnover) Small (£1-5m turnover) Micro (<£1m turnover)

Note: 1) ITV portfolio companies producing for broadcasters other than ITV are treated as independent producers.
Source: Ofcom MOL 2013-2016, CIL analysis.

Data from the BBC shows that its regional production investment is dominated by spend in the North, South and Scotland.

- The BBC is the only broadcaster to releases data on spend by region.
- The data shows a rising share of spend in the three core regions of the North, Scotland and the South; together these account for spend of just under £500m.

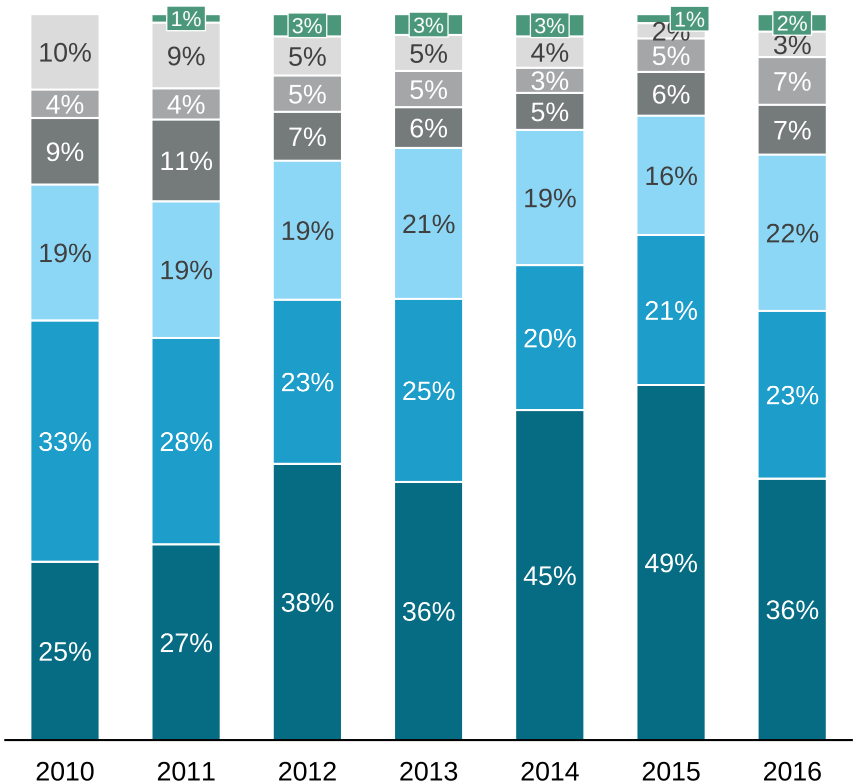


Source: BBC annual report, Ofcom PSB Annual Report 2017.

Over 80% of titles are accounted for by three regions: the North; the South and Scotland.

- Ofcom's MOL data shows that the North is the largest region leveraging BBC and ITV's strong as well as a critical mass indie sector
- It is the North, Scotland and Northern Ireland that have seen the largest growth, while the Midlands and the South are in decline.
- Arguably Wales, Northern Ireland and the Midlands lack a critical mass of titles.

MOL titles produced by region
2010-16

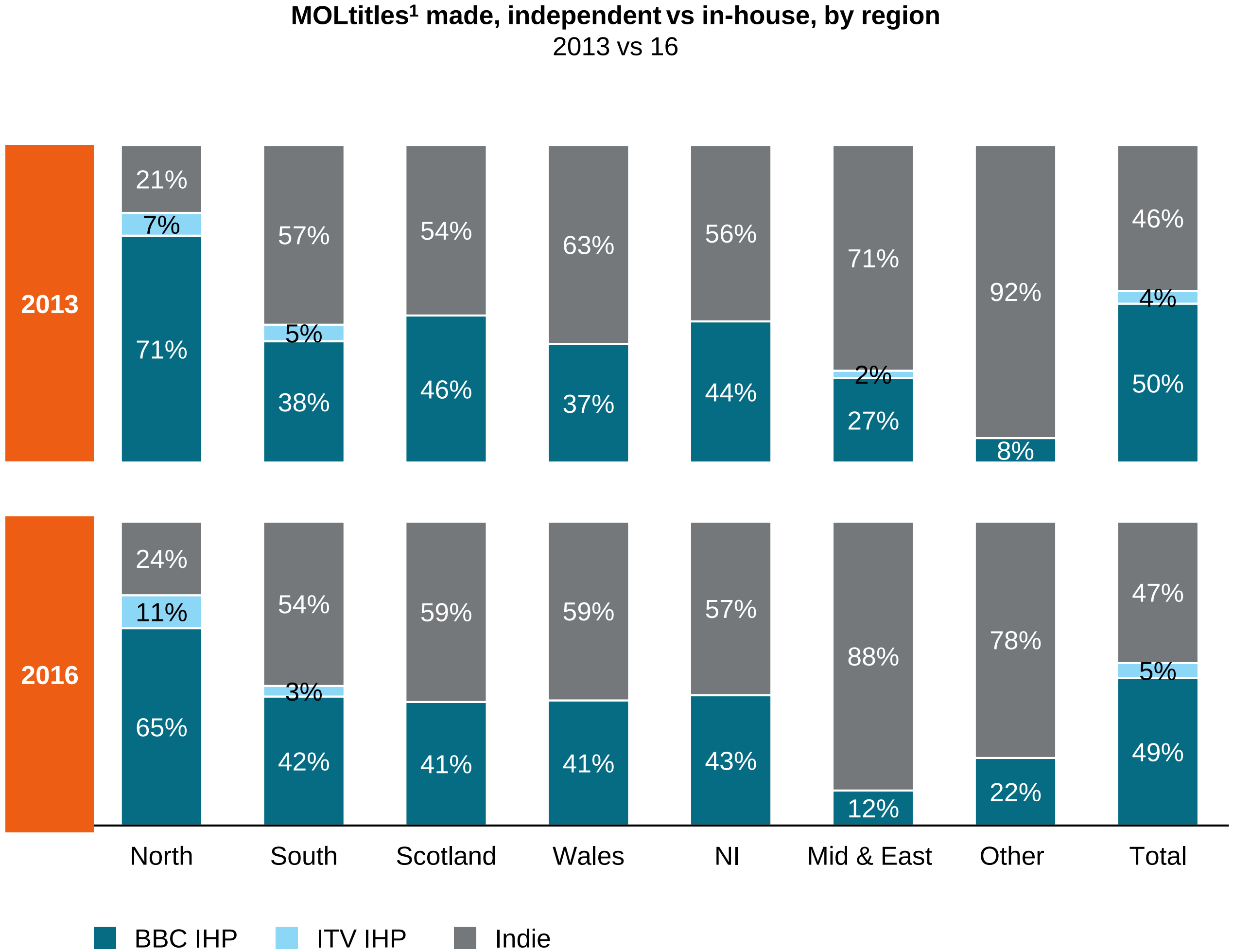


% change	2010-16
Other[1]	2%
Mids & East	(7%)
NI	3%
Wales	(2%)
Scotland	3%
South	(10%)
North	11%

Note: 1) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

In-house accounts for a disproportionate share of titles in the North.

- The North where BBC and ITV have significant operations, accounts for a disproportionate share of titles; although this has declined since 2013
- Conversely the Midlands and the East of England has a very small (and declining) share of in-house titles.
- Wales and the South of England have seen a small rise in the number of titles produced in-house by the BBC.

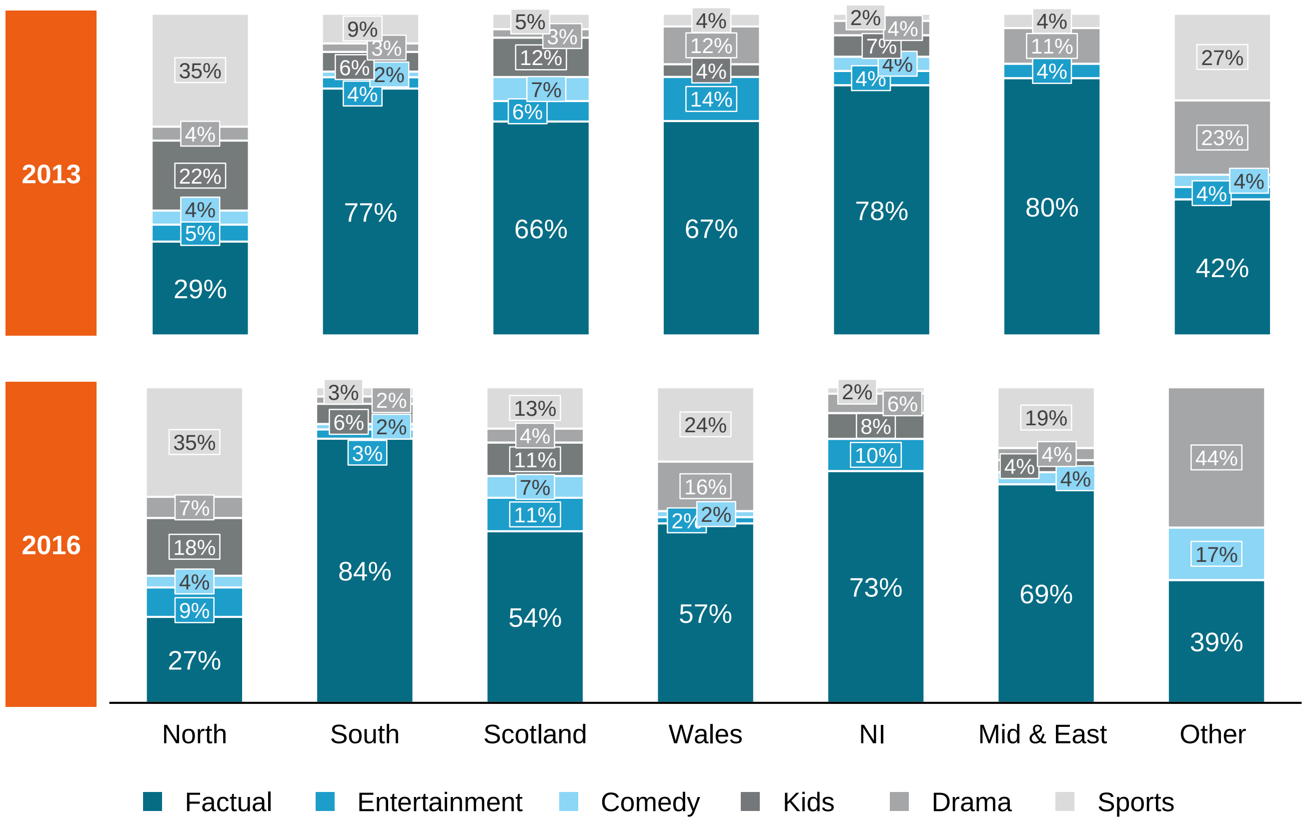


Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 2) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

Factual titles are dominant across most regions.

- The North has by far the most diverse range of genres being produced by a mix of in-house and indie producers.
- As is to be expected with BBC Sports and Kids being based at Salford it is a major contributor to these genres.
- Scotland also delivers a wide share of genres
- The importance of the BBC's in-house drama accounts for the strong (and growing) drama share in Wales.

Distribution of MOL titles[1] by genre, by region
2013 vs 16

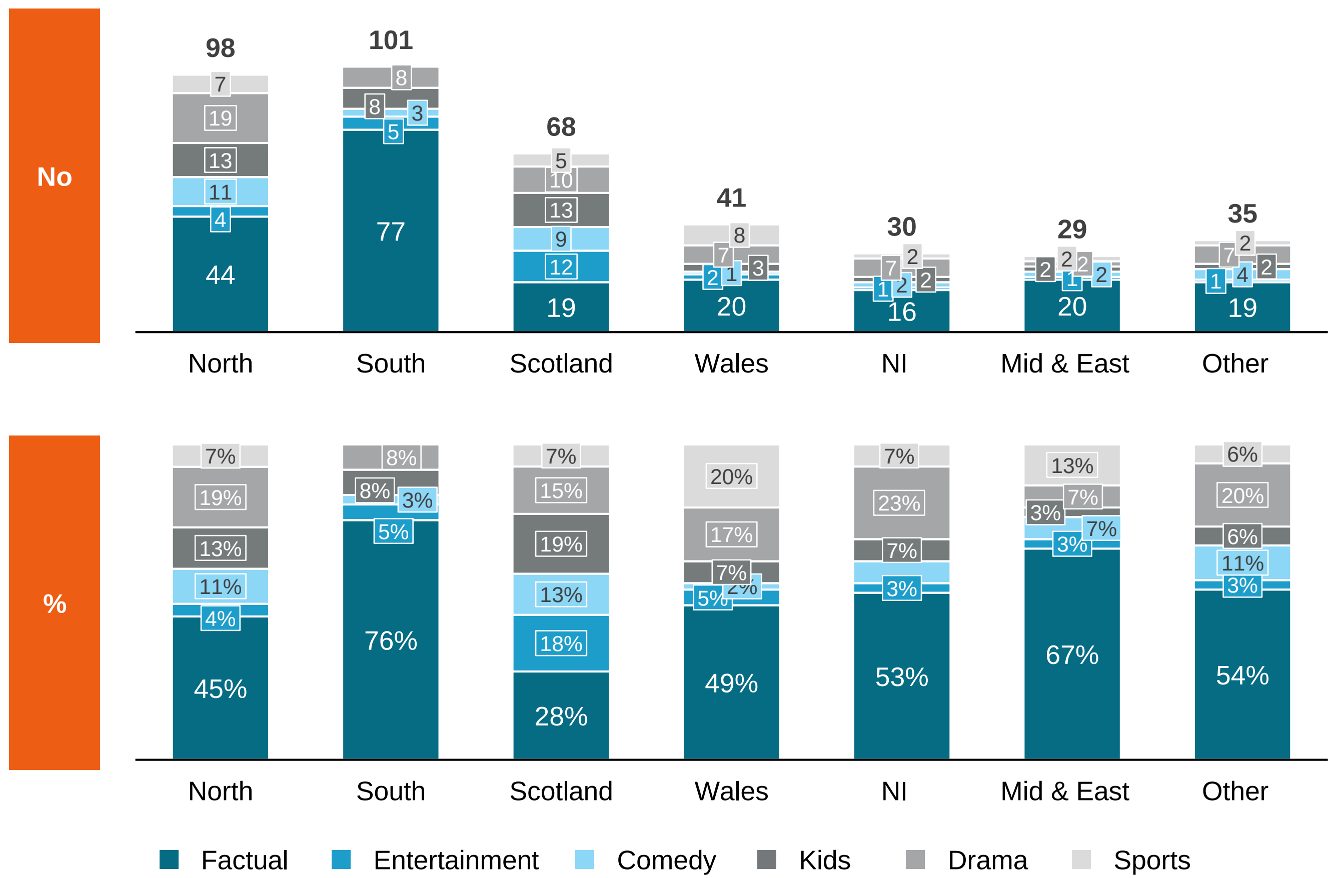


Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 2) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

The South, North and Scotland have the biggest production bases; together accounting for nearly three quarters of the producers across genres.

- The South has the largest number of independent producers, possibly benefitting from proximity to London; but, the vast majority are small factual producers.
- The North also appears to benefit from the catalyst of in-house production at both the BBC and ITV; and has producers representing a wide range of genres.
- Scotland also has critical mass (and again strong in-house production) and has the most balanced mix of genres of all the regions.
- Northern Ireland performs strongly in drama, stimulated by tax credits; interestingly the presence of BBC drama in Wales only seems to have had limited beneficial impact on independent drama companies in the region.
- The Midlands is highly dependent on small factual producers.

No of independent producers, by genre by region
2013-16

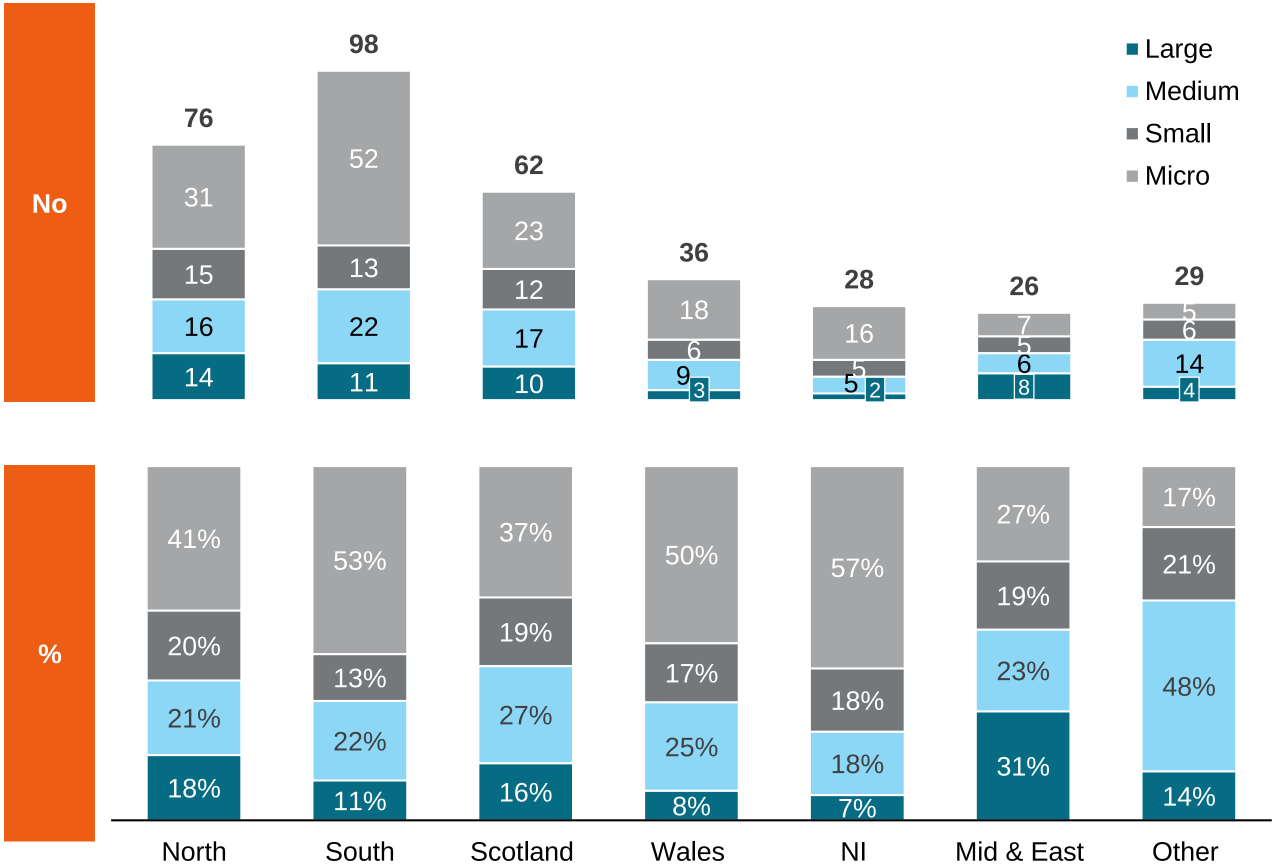


Note: 1) Some production houses produce in multiple genres and so will appear in multiple categories; excludes in-house production 2) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 3) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

Large producers are over-represented in the Midlands and East of England.

- The spread of sizes of independent producer by region shows that large producers are over-represented in the Midlands.
- In addition, NI, the South and Wales have disproportionately large numbers of micro producers

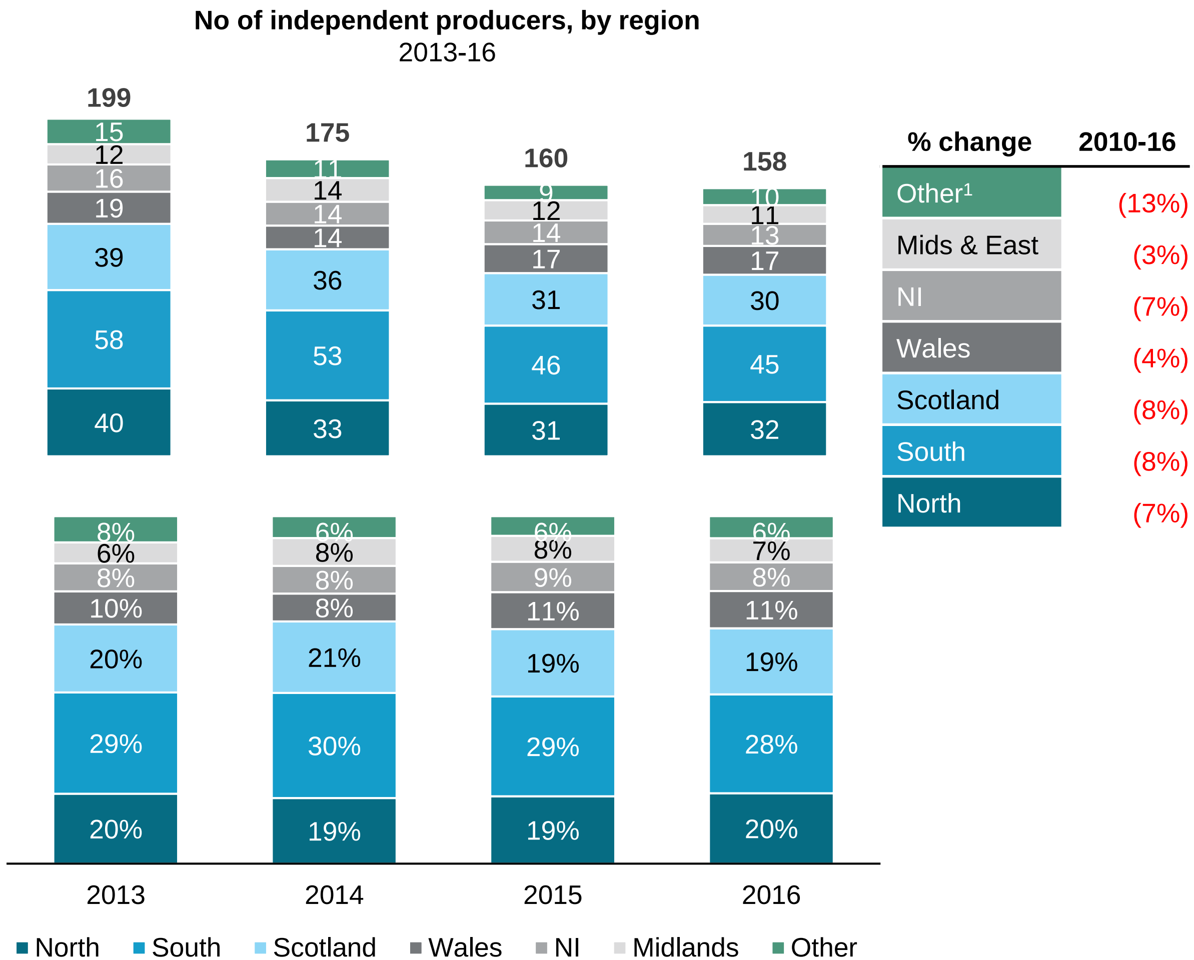
Independent producers, by size by region
2013-16



Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 2) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

The number of independent producers used is declining across all regions.

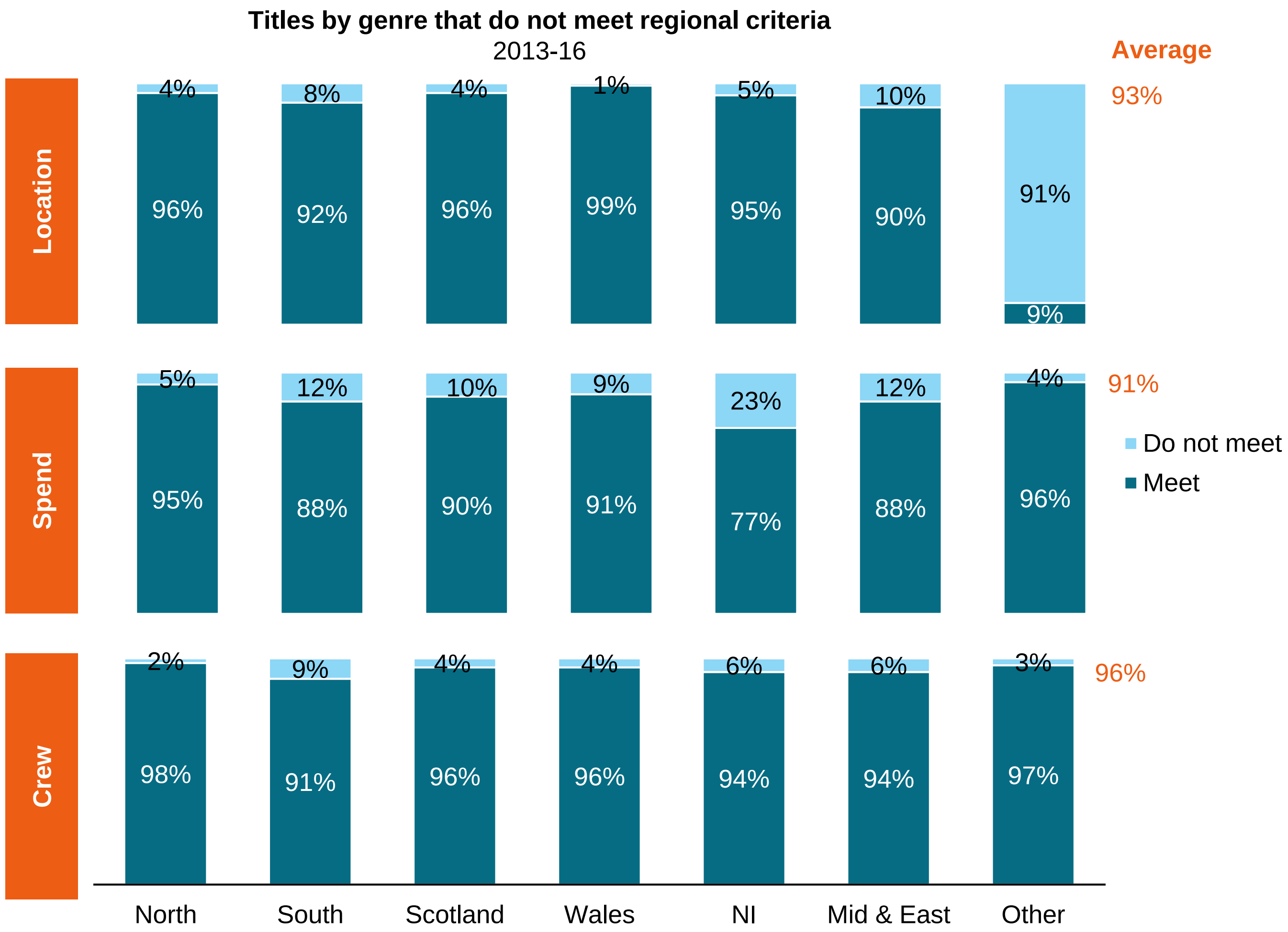
- The number of independent producers being used by the PSBs is declining across all regions at an average of 7%.
- The lowest decline has been in the Midlands and East of England (which has a relatively small base) with the highest decline amongst the other category.



Note: 1) Some production houses produce in multiple regions and so will appear in multiple categories; excludes in-house production 2) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 3) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

One in four productions in Northern Ireland fails to meet spend criteria, while regions closest to London are less likely to meet location criteria.

- Analysis of the productions meeting regional criteria by region shows broadly high performance across all geographies and criteria.
- However, it is noticeable that one in four productions in Ireland fails to meet spend criteria.
- There is also a slight skew in the regions closest to London which have a slightly higher incidence of not meeting location criteria (one in ten in the Midlands and one in 12 in the South), suggesting more of these productions are from companies based in London.

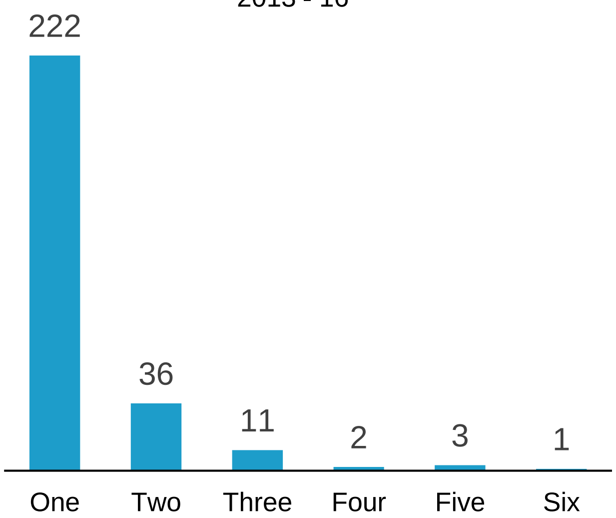


Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 2) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis.

The vast majority of independent producers only produce in one region.

- 81% of the independent producers identified over the last four years only produce in one region; suggesting that their operations are truly rooted in that one region.
- Another 13% produce in two regions.
- The producers producing in three or more regions are typically large or medium sized labels and are normally part of a bigger group.

Number of Indies operating in multiple regions
2013 - 16



Independent producers producing in three or more regions

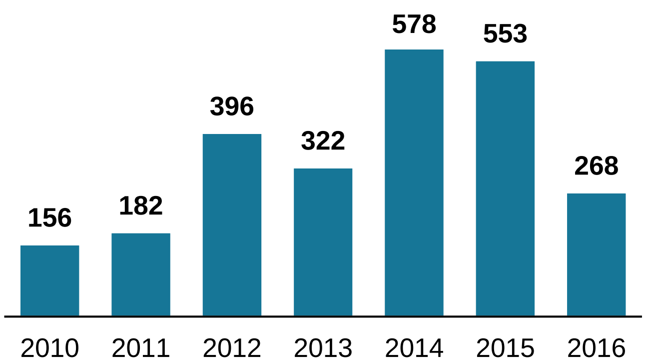
	No	Regions	Genres	Group / Solo	QI/NQI	Size
Filmnova	6	North, South, Scot, Wales, NI, Other	Sport / Fact	Group	QI	Small
Dragonfly	5	North, South, Wales, Midlands, Other	Fact / Comedy	Group	NQI	Med
Real Life Media	5	North, South, Scot, Wales, NI, Other	Fact	Solo	QI	Micro
Tiger Aspect	5	North, South, Scot, Wales, NI	Com/ Drama/ Fact	Group	NQI	Large
Sunset & Vine	4	South, Scot, Wales, Midlands	Sport	Group	QI	Large
World Productions	4	North, Scotland, NI, Other	Drama	Group	QI	Med
Company	3	North, South, Other	Drama	Group	NQI	Large
Fremantle	3	North, South, Scotland	Drama / Ent / Fact	Group	QI	Large
Keo Films	3	South, Scot, Other	Fact	Solo	QI	Med
Love Productions	3	South, Scot, Midlands	Fact	Group	NQI	Med
Mammoth	3	North, NI, Other	Drama	Group	NQI	Large
Mentorn Media	3	North, Scot, Other	Fact	Group	QI	Med
North One	3	North, NI, Midlands	Fact / Sport	Group	NQI	Large
Objective	3	North, Scot, Other	Fact / Ent / Kids	Group	NQI	Med
The Foundation	3	South, Scot, NI	Kids	Group	QI	Med
The Garden	3	North, South, Other	Fact	Group	NQI	Med
True Vision	3	North, South, Scot	Fact / Kids	Solo	QI	Small

Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. 2) Other was introduced to account for regional productions from London which did not meet both 70% of spend and 50% of talent in any one particular macro region.
Source: Ofcom MOL 2013-2016, CIL analysis., companies house.

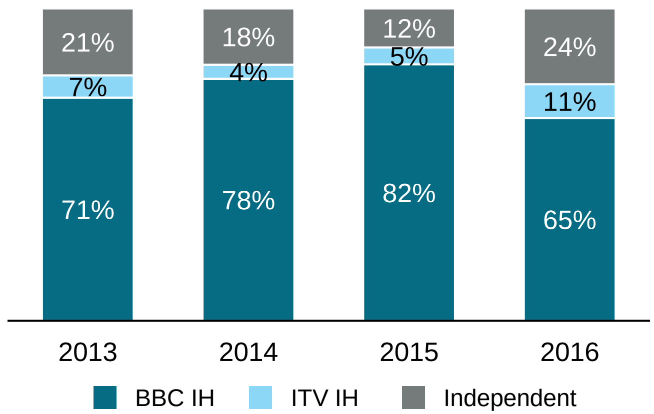
Chapter

North of England Overview (1)

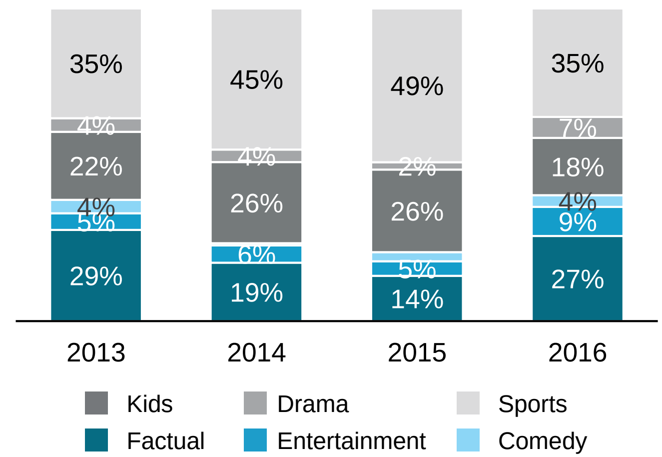
MOL titles
2010-16



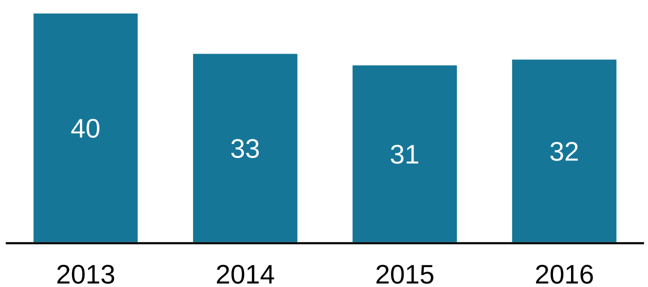
MOL titles, independent vs in-house
2013-16



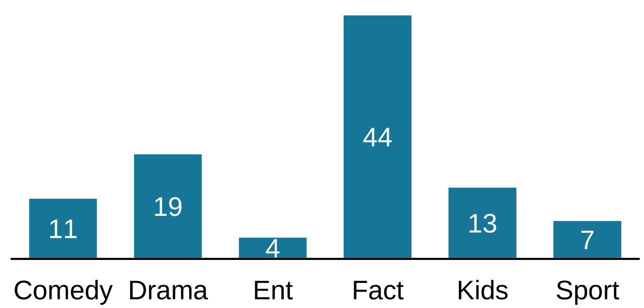
MOL titles by genre
2013-16



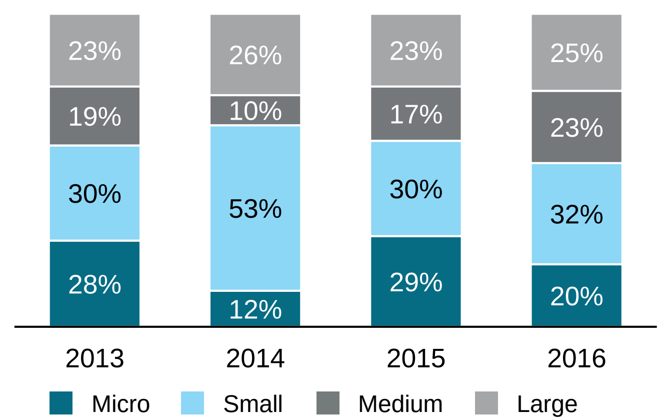
No of Independent Producers
2013-16



No of Independent Producers by genre
2013-16



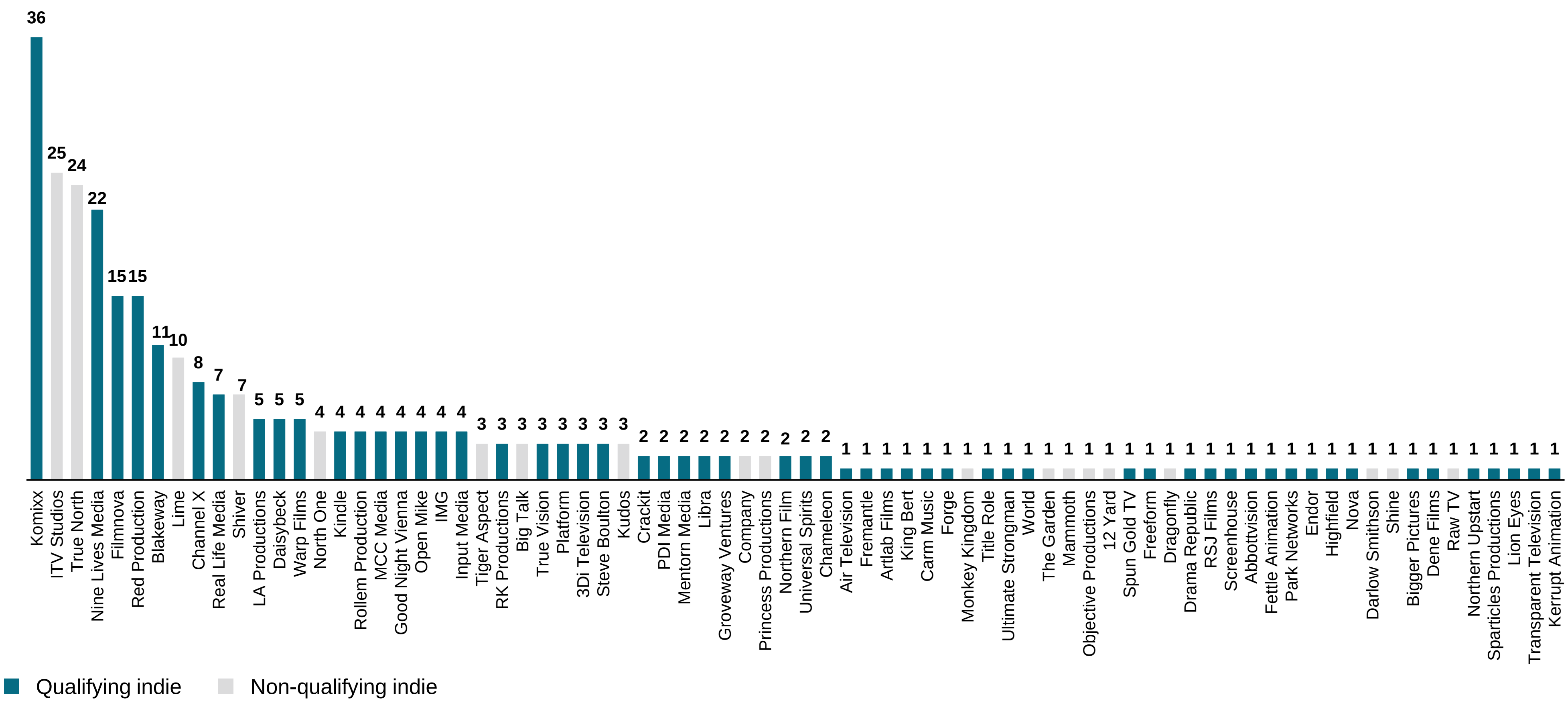
Independent producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis.

North of England Overview (2)

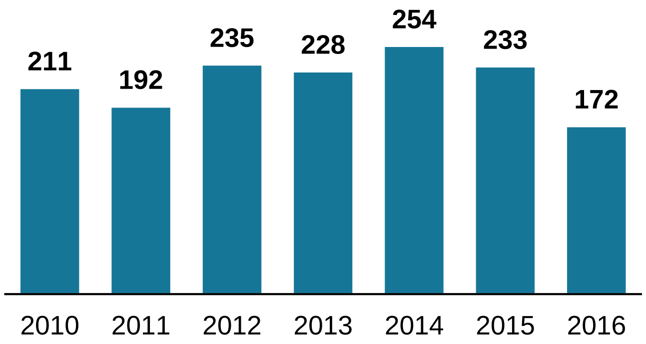
Independent labels by total number of titles produced in North England
2013-16



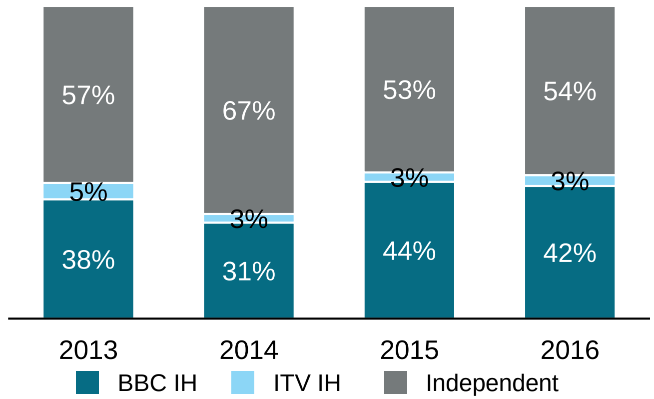
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

South of England Overview (1)

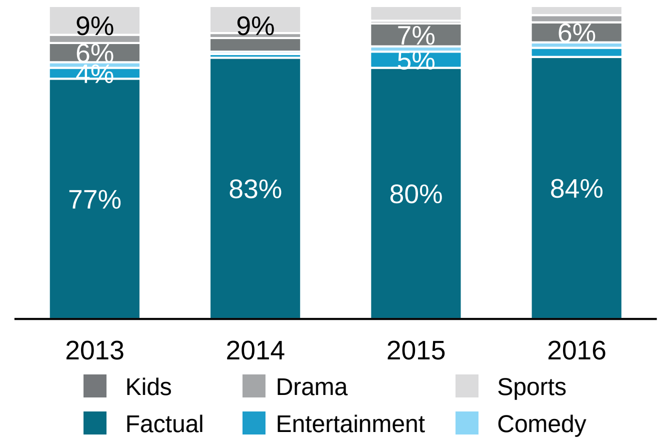
MOL titles
2010-16



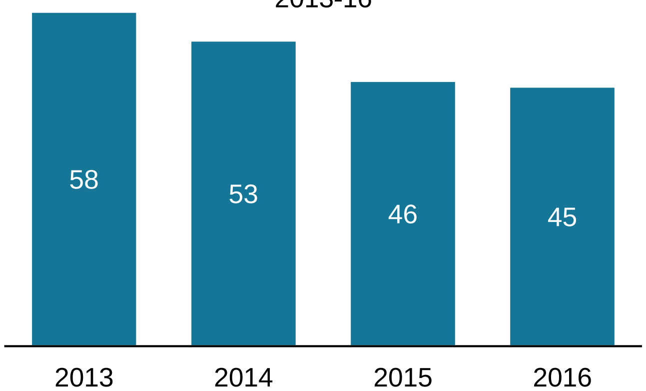
MOL titles, independent vs in-house
2013-16



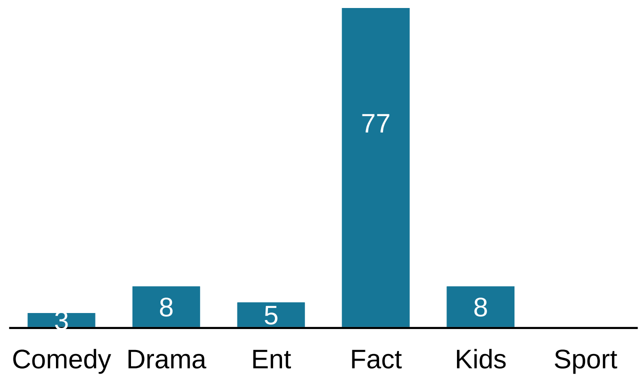
MOL titles by genre
2013-16



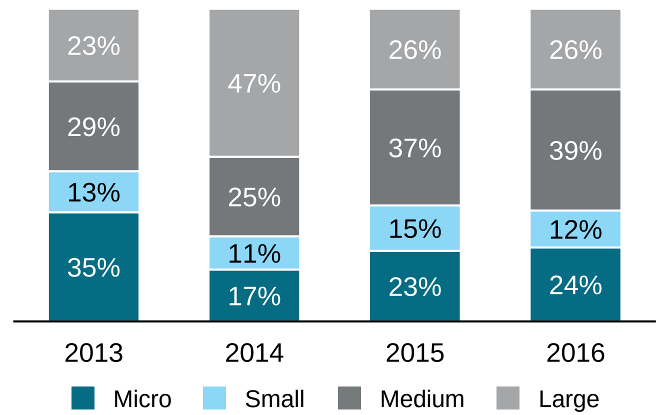
No of independent producers
2013-16



No of independent producers by genre
2013-16



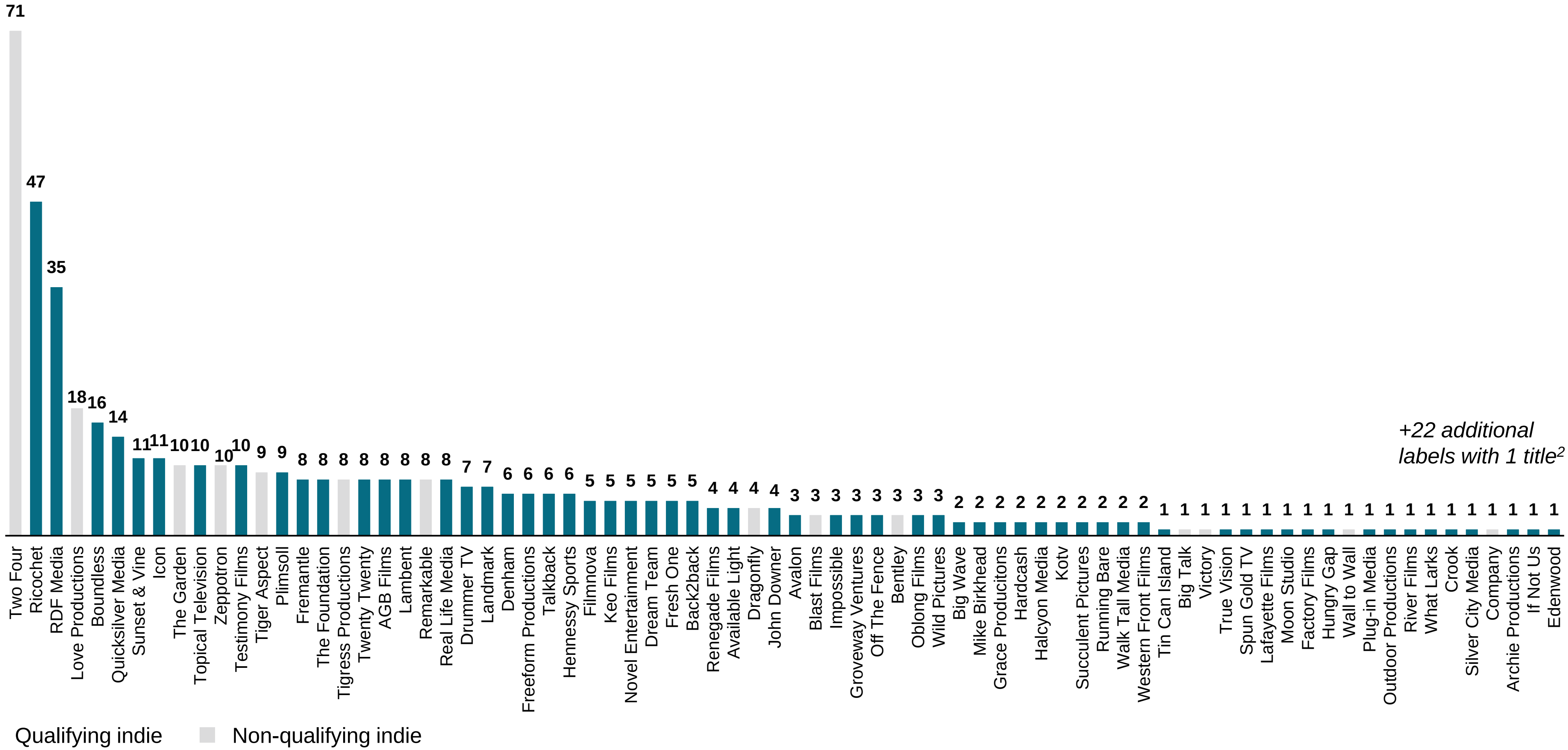
Independent producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

South of England Overview (2)

Independent labels by total number of titles produced in South England
2013-16

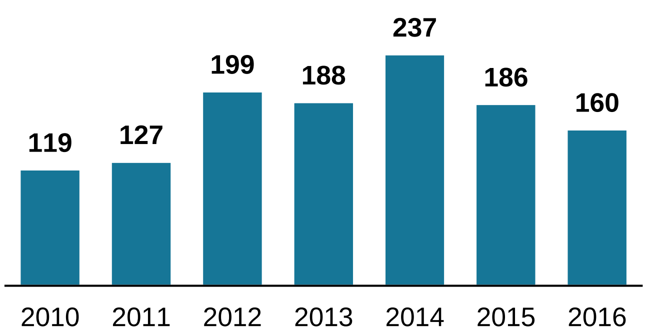


Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs. 2) Aardman Animations, Adam Wishart, Nova. The Whispering Bob, Clover Films, Windfall, Tinderbox Films, Quickfire Media, Calliope Media, My Pockets, Humble Bee, Buffalo Pictures, Rook Films, Zeitgeist Television, Art Omnivores , Spudnick, Maztec, Wildfire Television, Interesting Films, Nfts, Electric Sky, Image Impact.

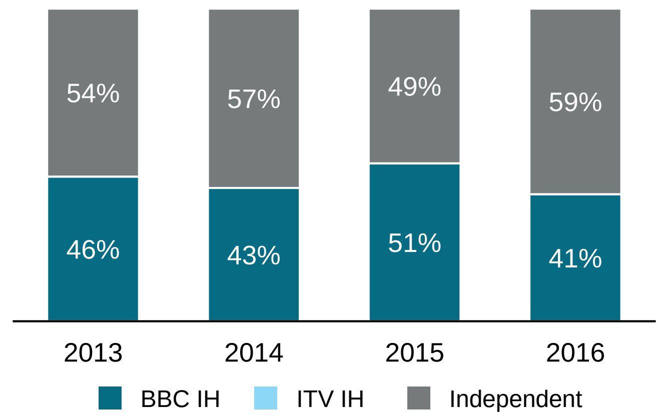
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

Scotland Overview (1)

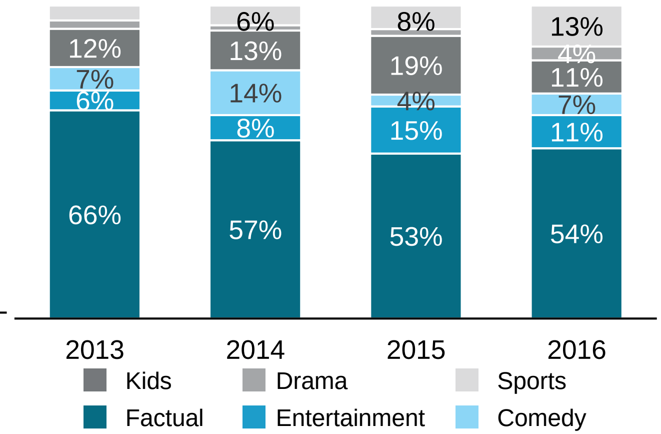
MOL titles
2010-16



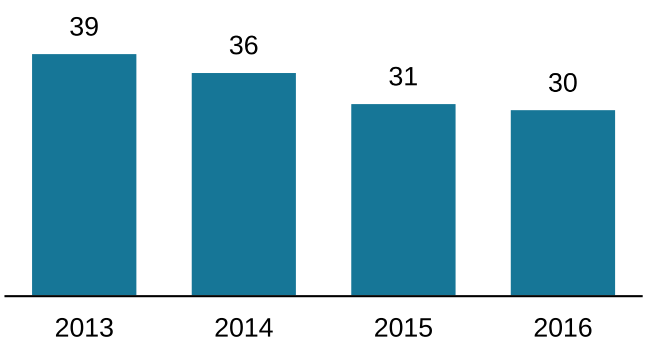
MOL titles, independent vs in-house
2013-16



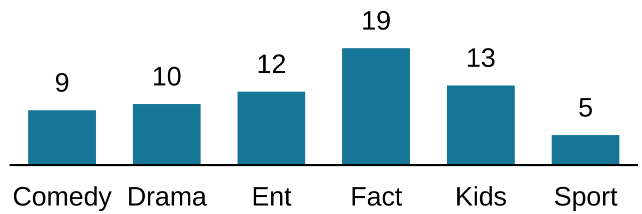
MOL titles by genre
2013-16



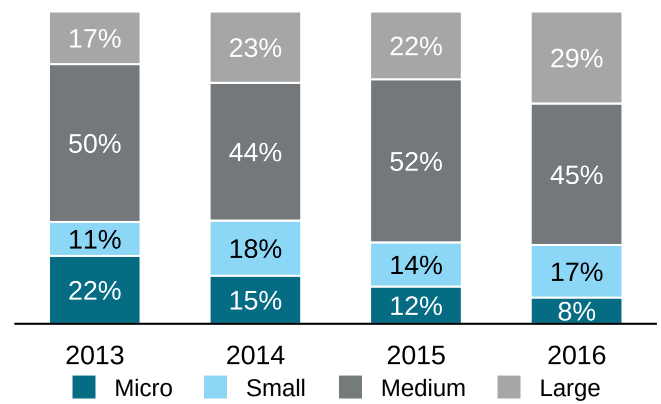
No of independent producers
2013-16



No of independent producers by genre
2013-16



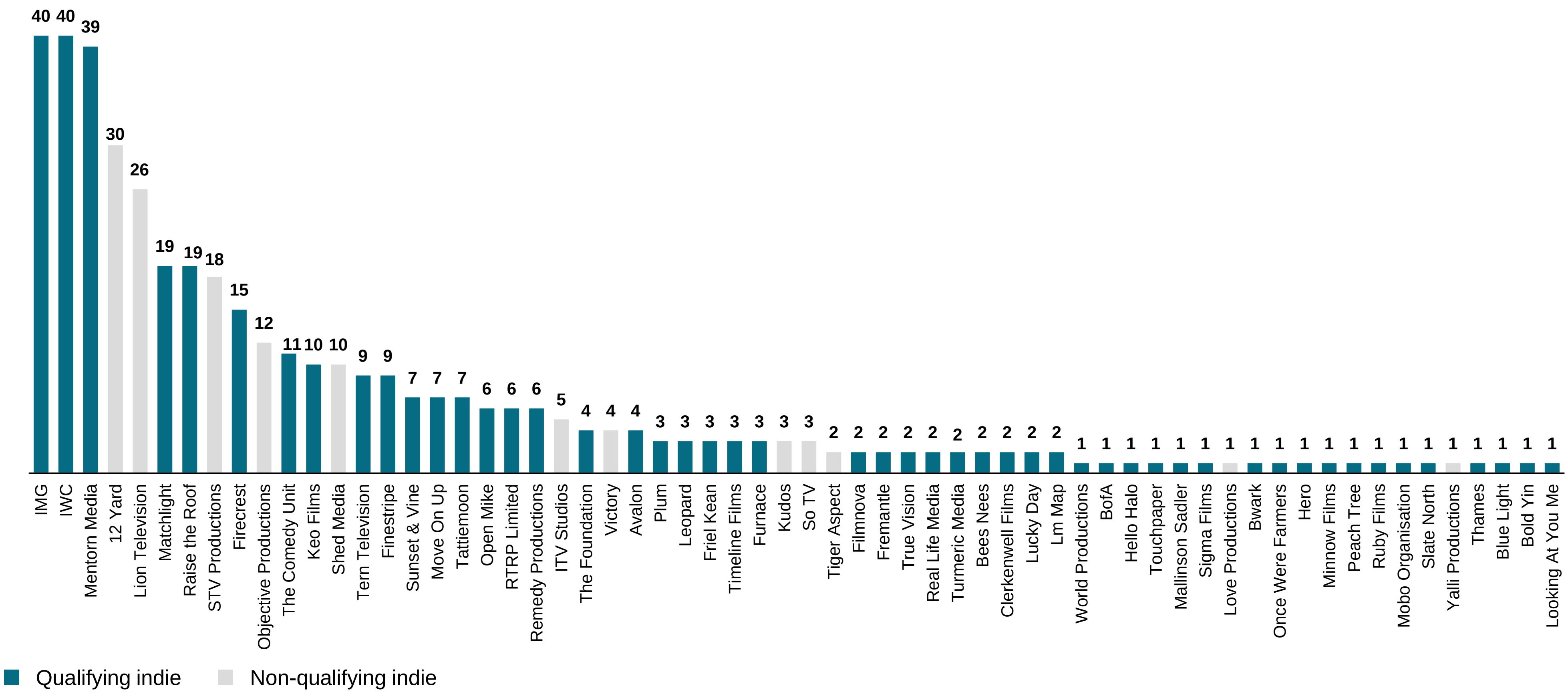
Independent Producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

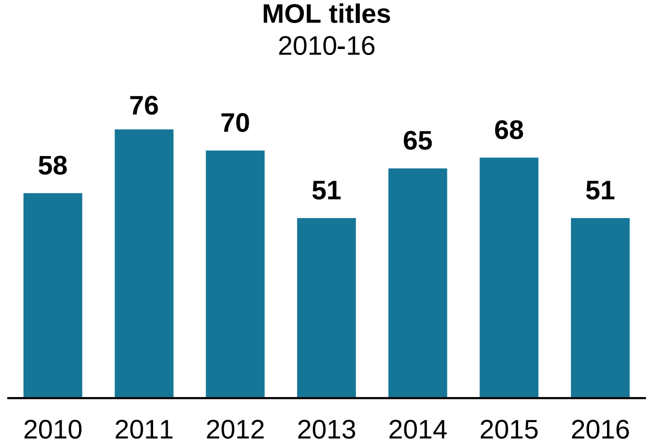
Scotland Overview (2)

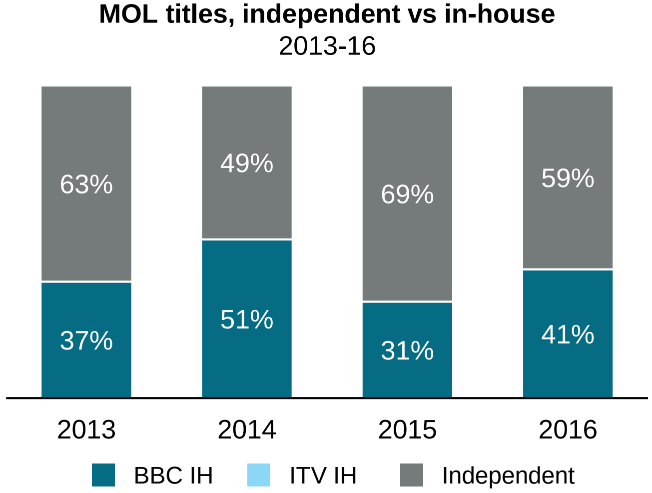
Independent labels by total number of titles produced in Scotland
2013-16

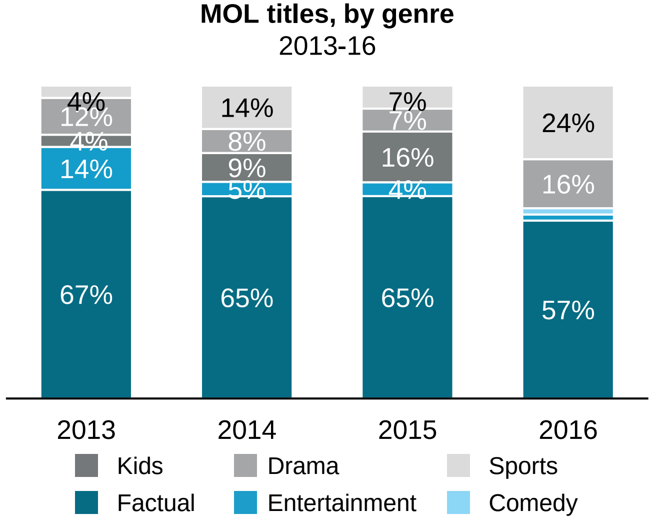


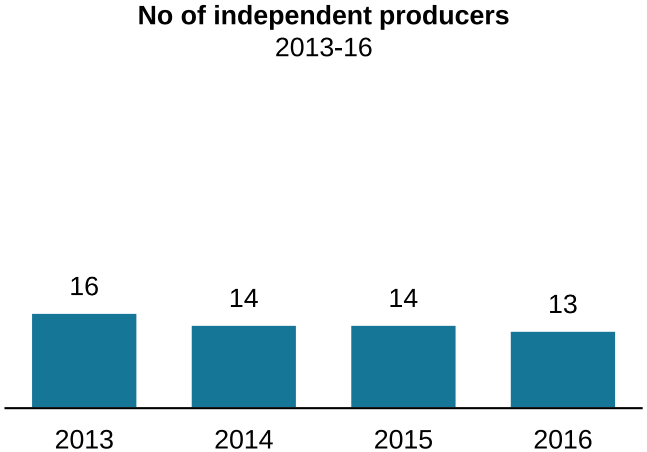
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

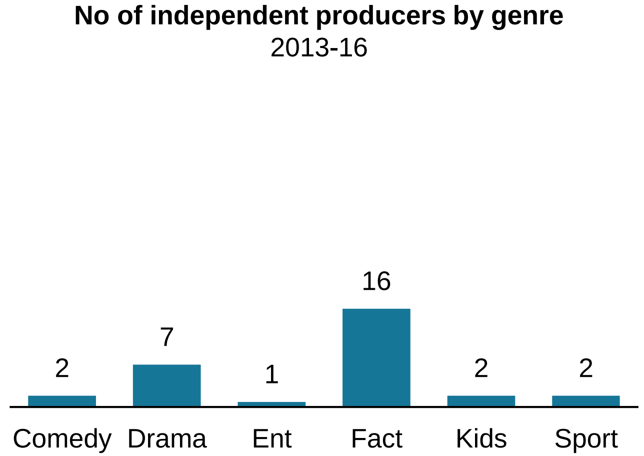
Wales Overview (1)

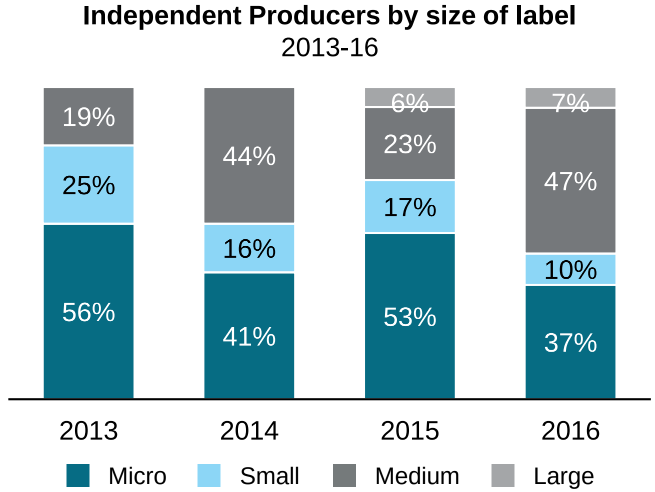








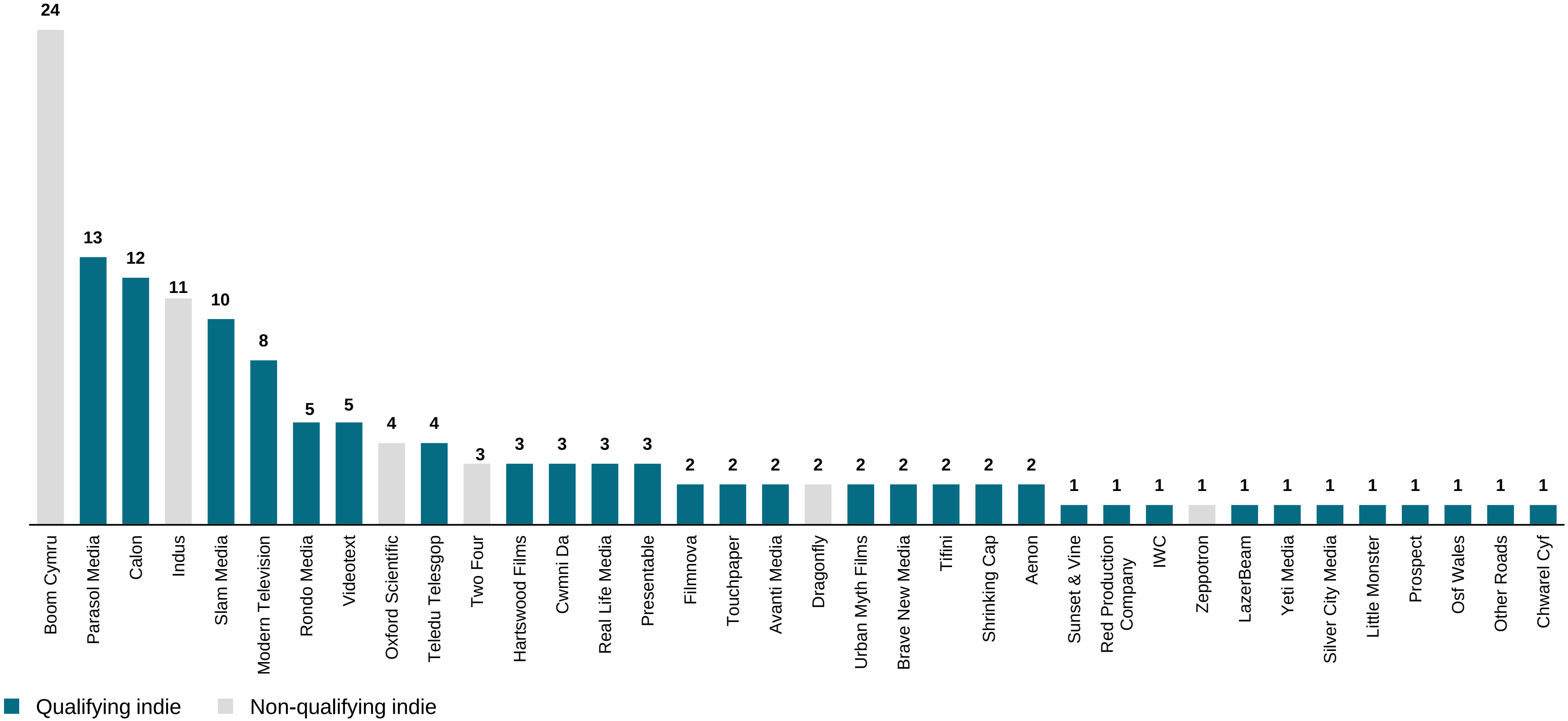




Source: Ofcom MOL 2013-2016, Companies House, CIL analysis.

Wales Overview (2)

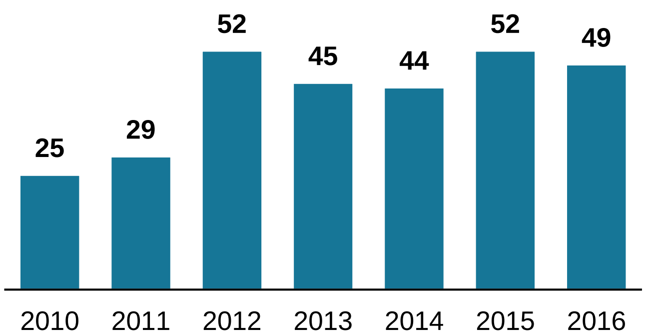
Independent labels by total number of titles produced in Wales
2013-16



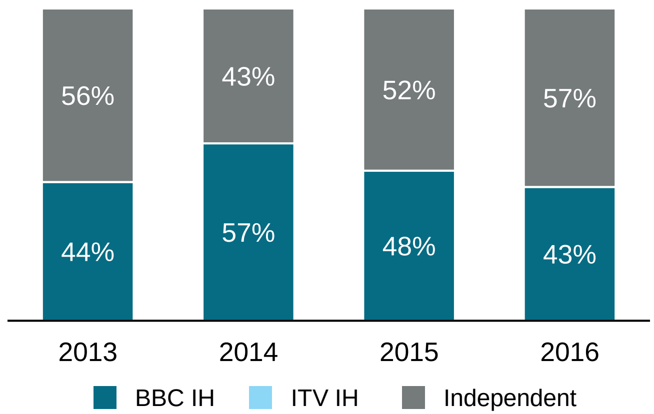
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

Northern Ireland Overview (1)

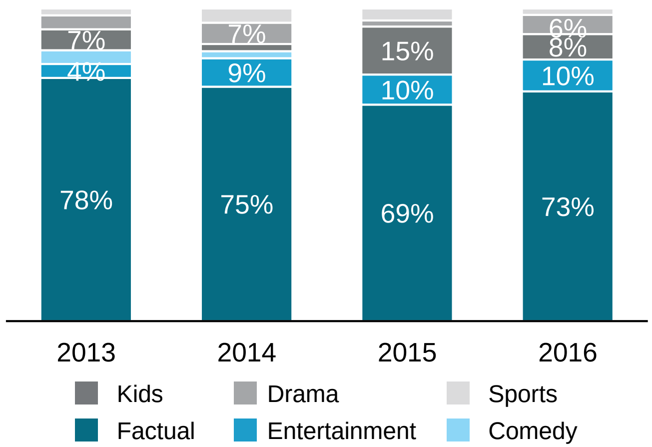
MOL titles
2010-16



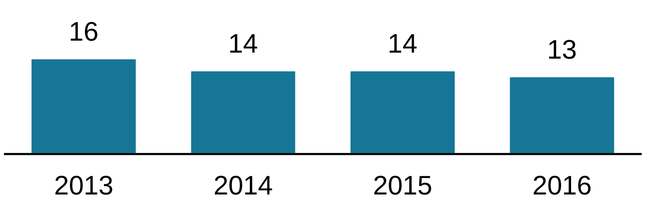
MOL titles, independent vs in-house
2013-16



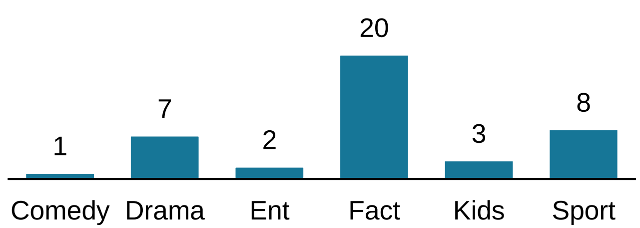
Distribution by genres
2013-16



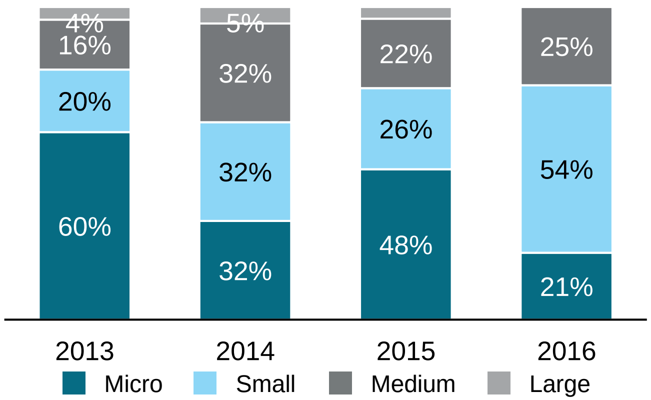
No of independent producers
2013-16



No of independent producers by genre
2013-16

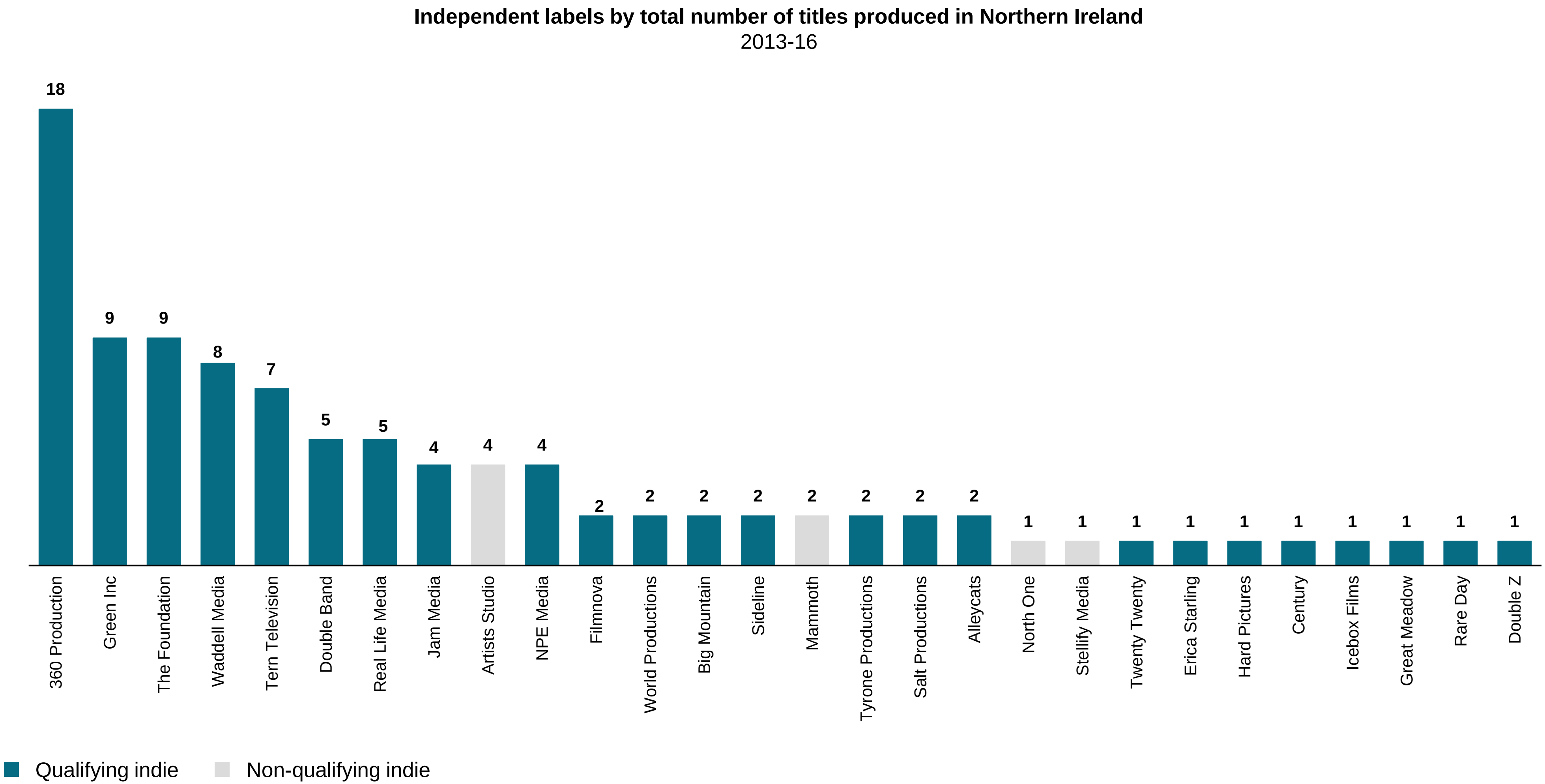


Independent Producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

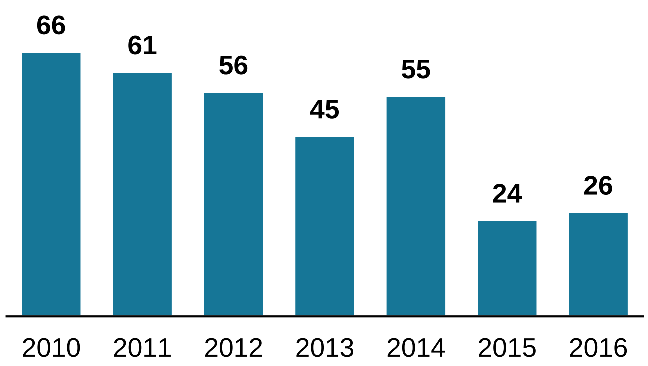
Northern Ireland Overview (2)



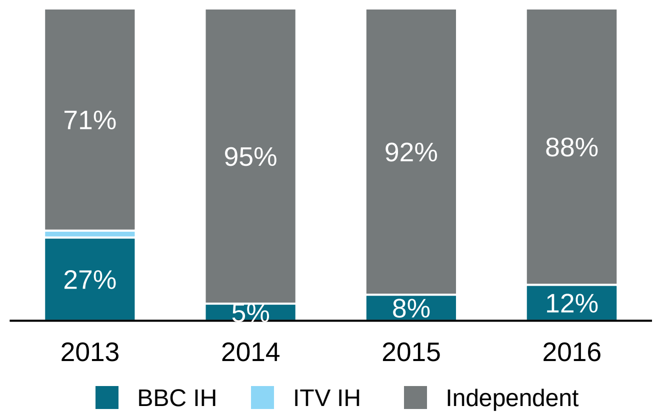
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

Midlands & East of England Overview (1)

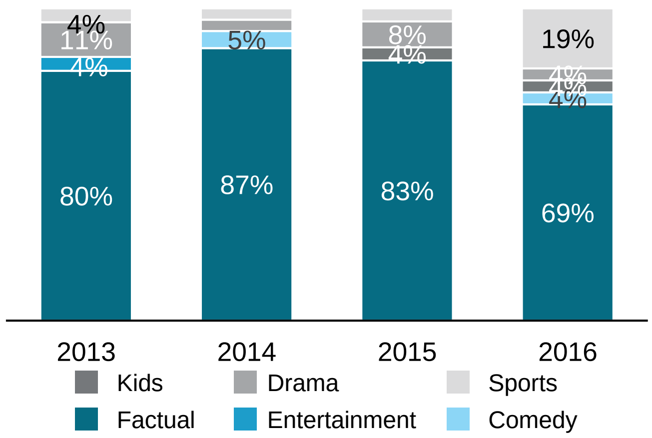
MOL titles
2010-16



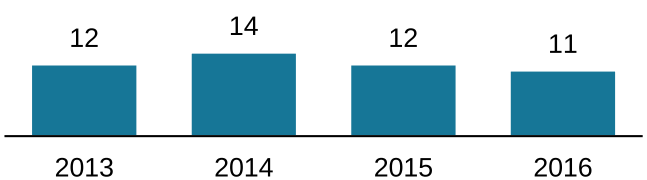
MOL titles, independent vs in-house
2013-16



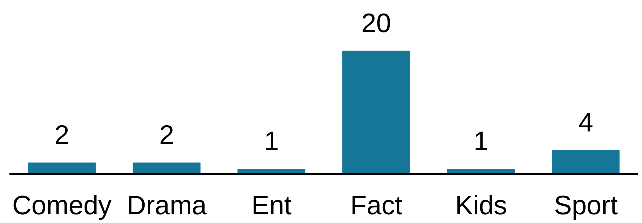
MOL titles, by genre
2013-16



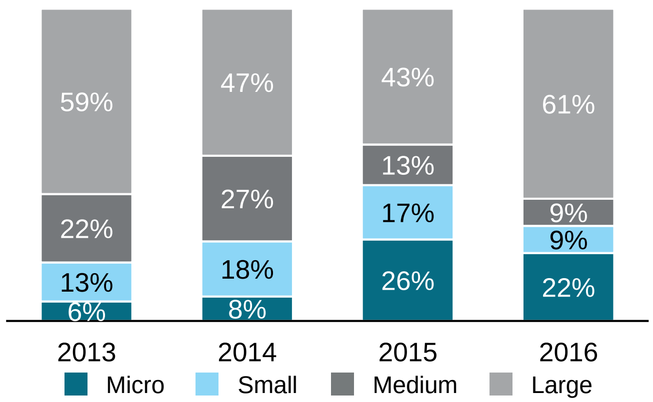
No of independent producers
2013-16



No of independent producers by genre
2013-16



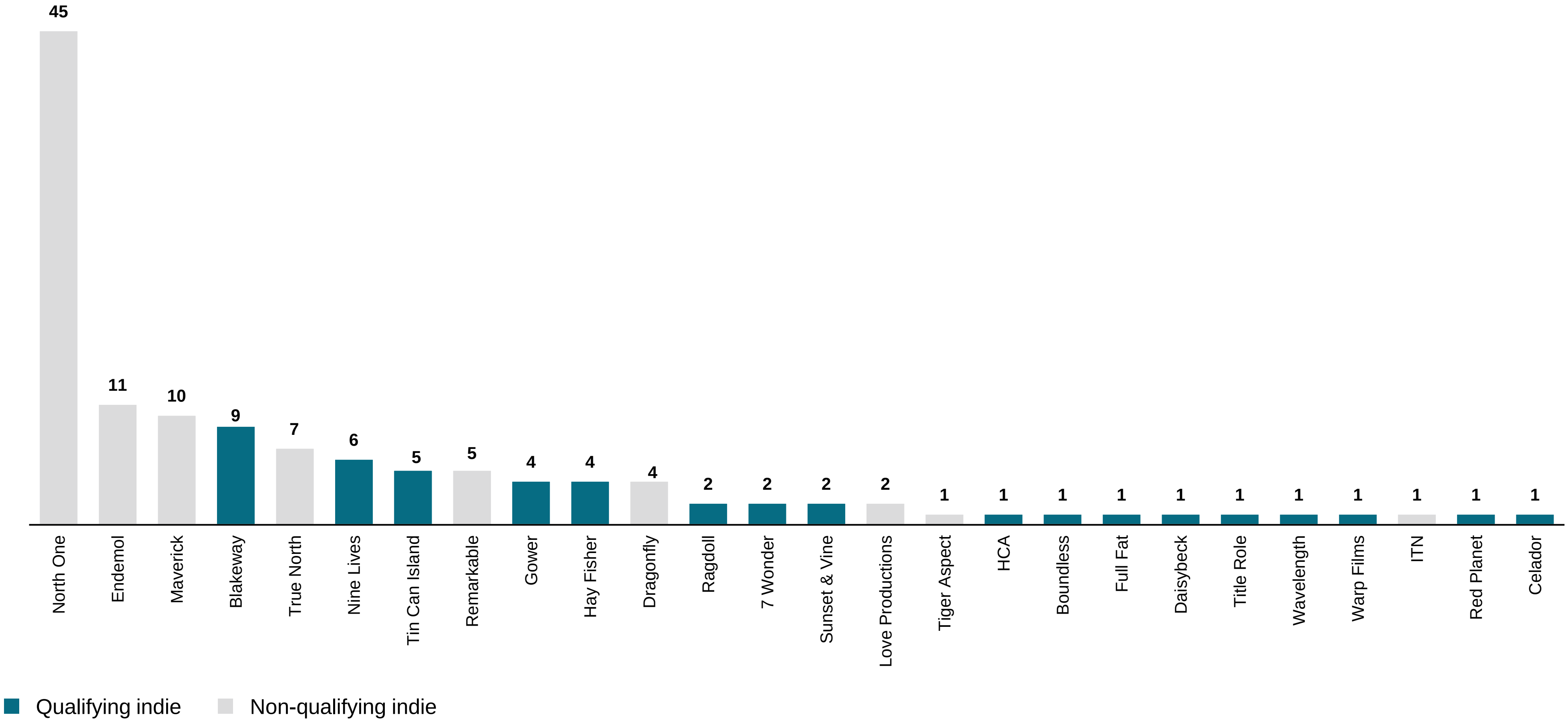
Independent Producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

Midlands & East of England Overview (2)

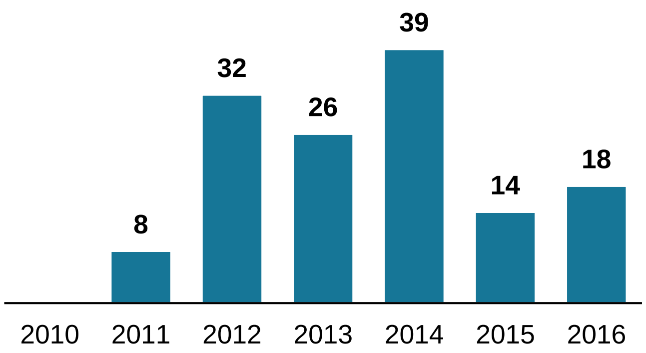
Independent labels by total number of titles produced in Midlands & East
2013-16



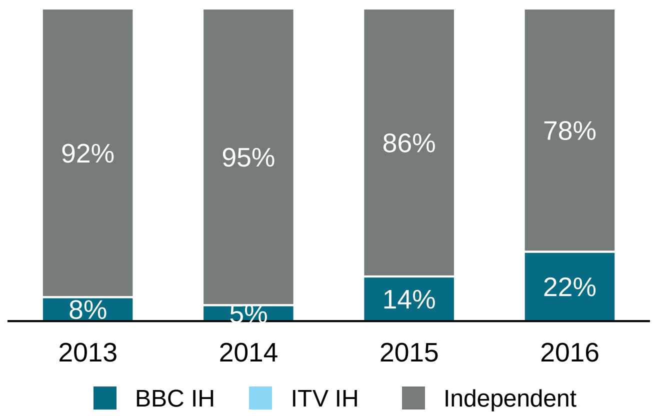
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

Other Overview (1)

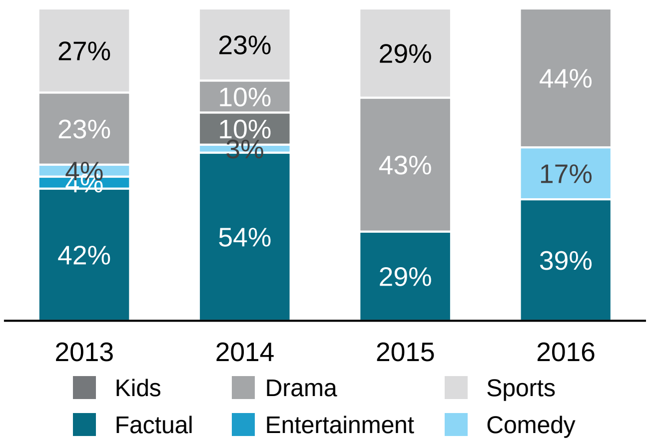
MOL titles
2010-16



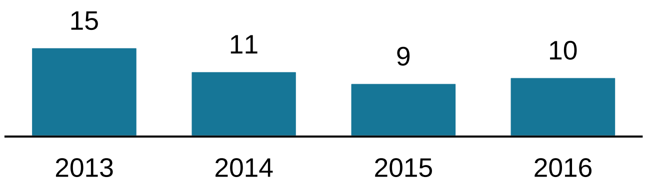
MOL titles, independent vs in-house
2013-16



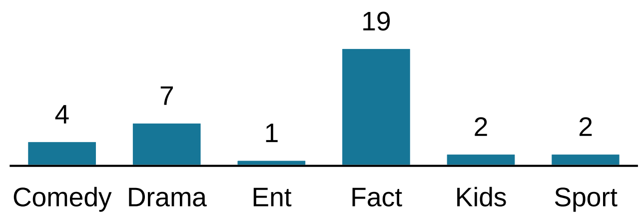
Distribution by genres
2013-16



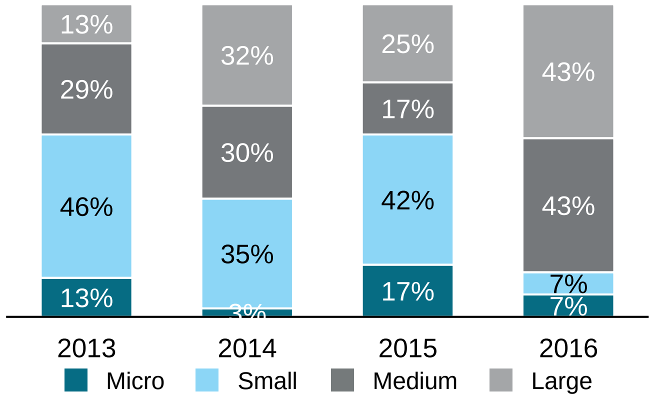
No of independent producers
2013-16



No of independent producers by genre
2013-16

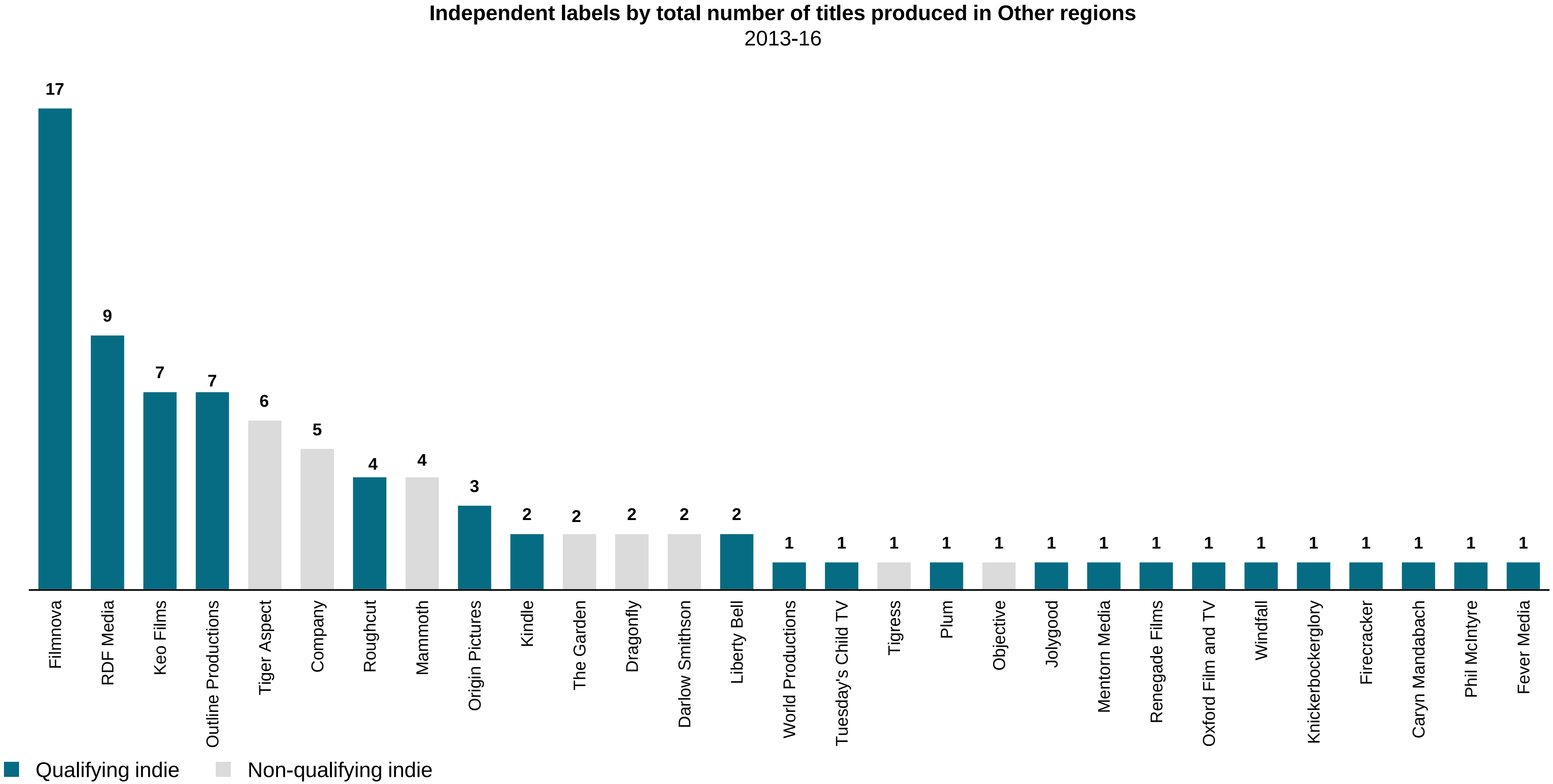


Independent producers by size of label
2013-16



Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

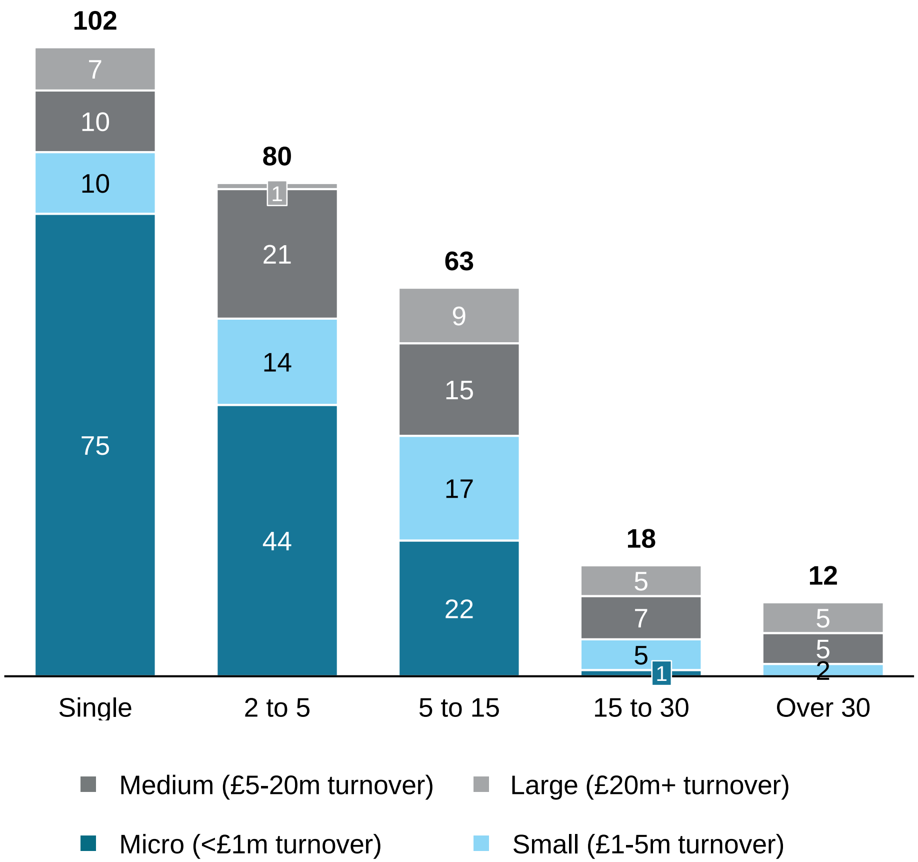
Other Overview (2)



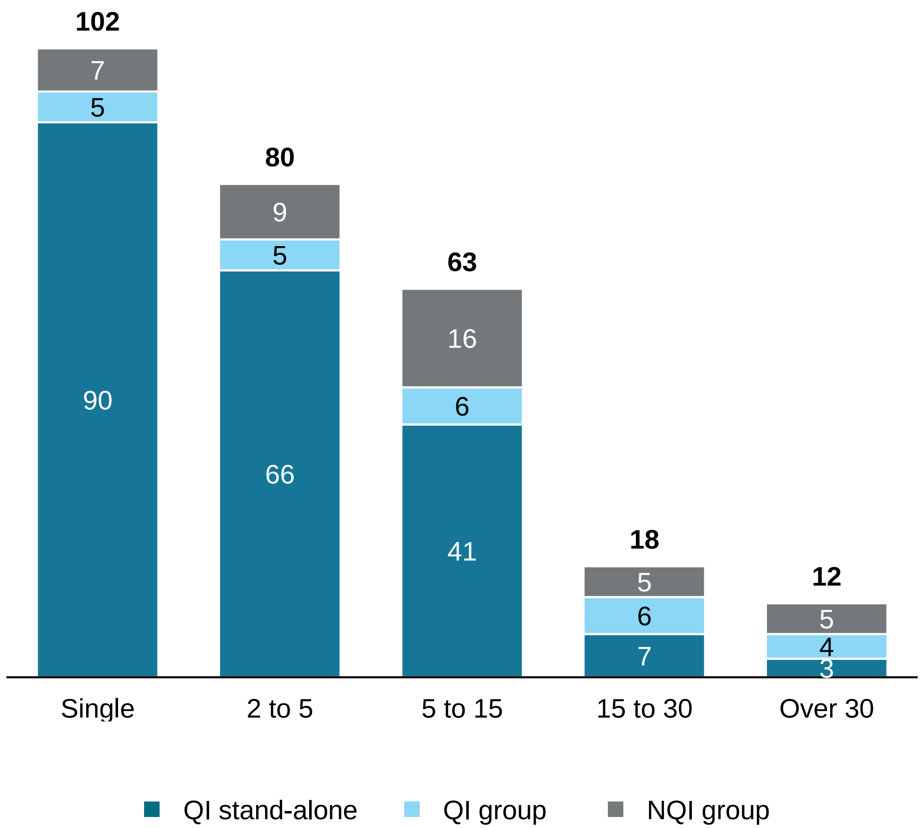
Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent. ITV Studios represents titles produced by ITV for other PSBs.
Source: Ofcom MOL 2013-2016, Companies House, CIL analysis

The majority of one-off titles are produced by micro qualifying indies.

Indie labels[1] by # of MOL titles, by size
2013-16

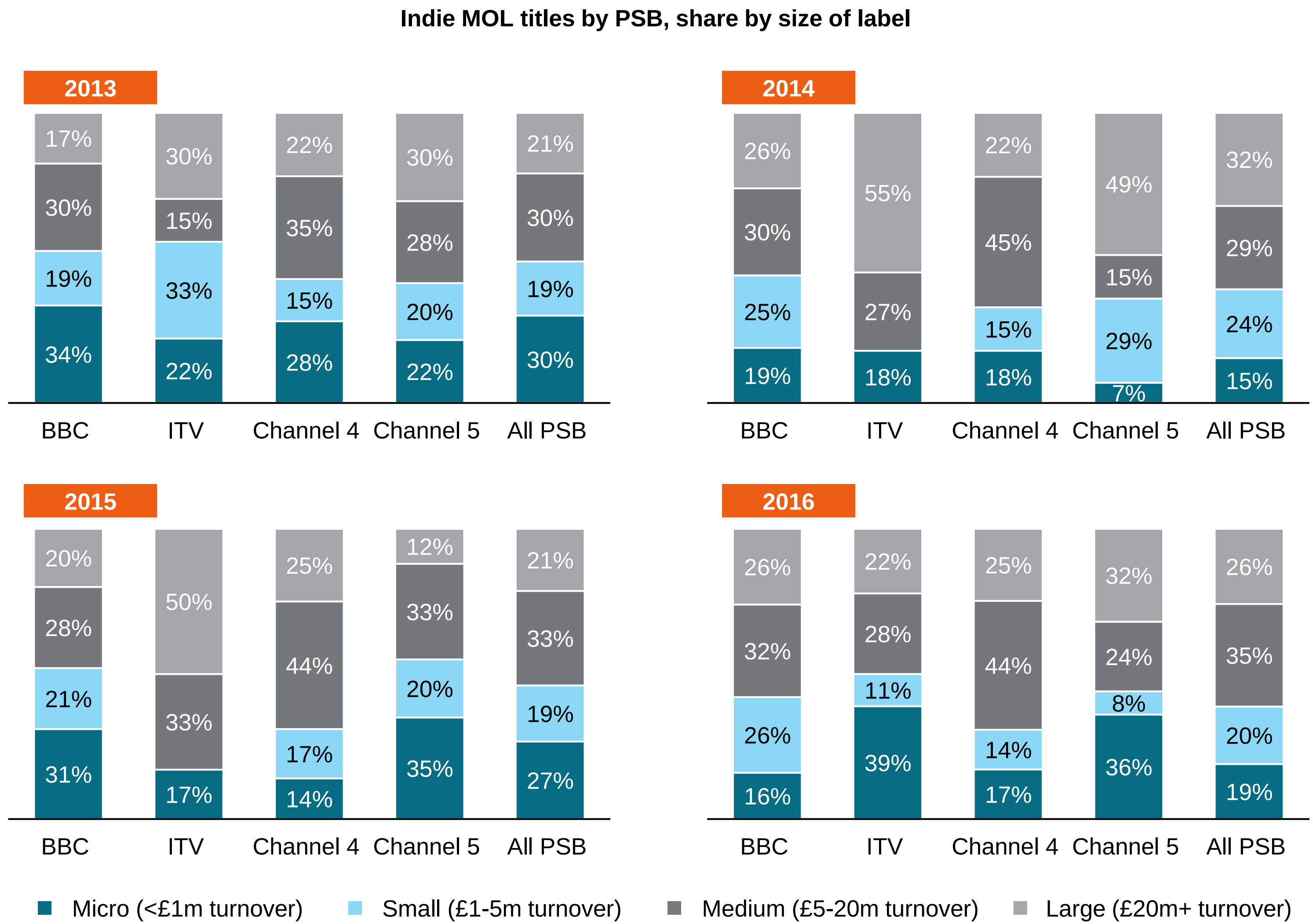


Indie labels[1] by # of MOL titles, NQI vs QI
2013-16



Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard, ITV Studios) for other public service broadcasters are treated as independent.
Source: Ofcom MOL 2013-2016, CIL analysis.

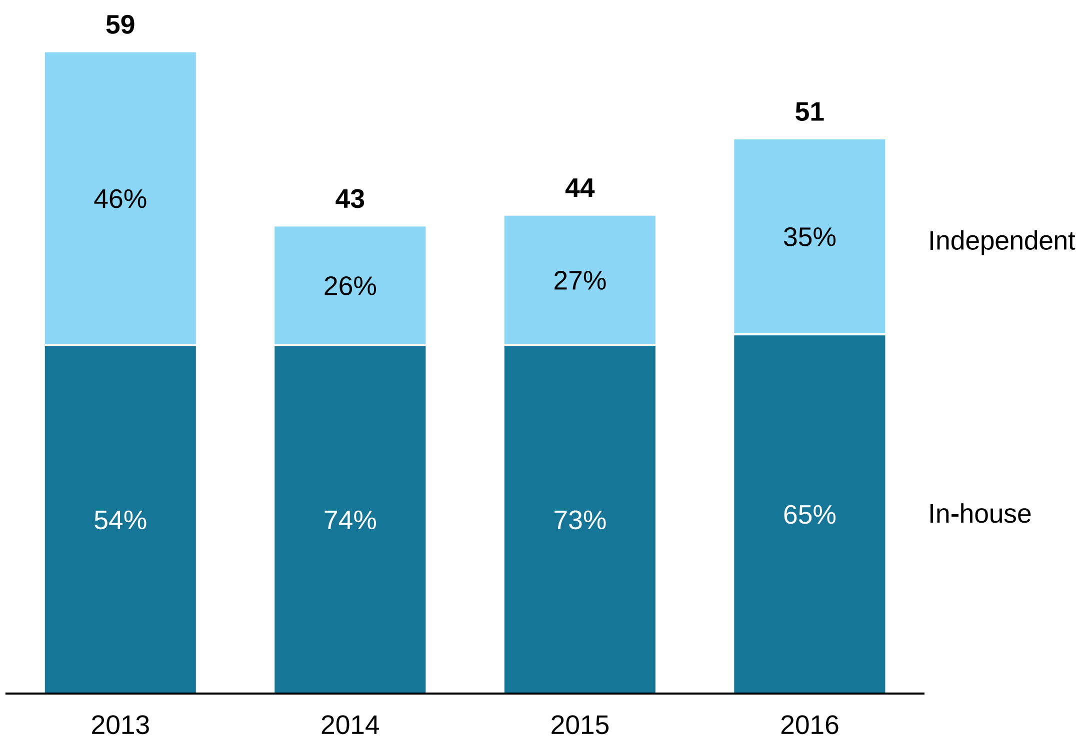
Medium and large labels have taken a greater share of MOL titles.



Source: Ofcom, companies house, CIL analysis.

The majority of ITV MOL titles are produced in-house.

ITV MOL titles, independent[1] vs in-house
2013-16



Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent.
Source: Ofcom MOL 2013-2016, CIL analysis.

ITV produced 18 titles through 14 independents in 2016.

ITV MOL independents[1], 2016

	Indie	NQI vs QI	Type	# titles	Genre	Titles
Large (£20m+)	twofour	NQI	Group	1	Factual	Tom Daley: Diving for gold
	RED Production Company	QI	Group	2	Drama	Paranoid, Scott & Bailey
	rdf television	QI	Group	1	Entertainment	Dickinson's Real Deal (Series 12)
Medium (£5-20m)	WORLD	QI	Group	1	Drama	Dark Angel
	Plimsoll Productions	QI	True indie	3	Factual	Davina McCall, Puppy Secrets, Story of Cats
	crackit productions	QI	True indie	1	Entertainment	The Bargain Shop Wars
Small (£1-5m)	blakeway	QI	Group	1	Factual	1966 A Nation Remembers
	Bigwave Productions	QI	True indie	1	Factual	Operation Whale
Micro (<£1m)	Modern Television	QI	True indie	1	Factual	Griff's Great Britain
	The Outdoor Guide	QI	True indie	1	Factual	Best Walks with Julia Bradbury
	Available Light	QI	True indie	1	Factual	Flying Scotsman with Robson Green
	tin can island.	QI	True indie	2	Factual	Ray Mears Wild France, Wild Australia
	Finestripe Productions	QI	True indie	1	Factual	The Day Hitler Died
	G	QI	True indie	1	Other	ITV Nightscreen

Note: 1) Titles produced by ITV-owned production companies (eg 12 Yard) for other public service broadcasters are treated as independent.
Source: Ofcom MOL 2016.

MANAGEMENT
CONSULTANTS

Tabitha Elwes

telwes@cilconsultants.com

CIL
30 King Street
London
EC2V 8EH

T. +44 (0)20 3829 2700
W. cilconsultants.com