



**EDINBURGH
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Back from the Brink: Reimagining the Future of TV

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A cited transcript of Ros Atkins opening speech

Abstract

In the early 2020s, the UK television industry was celebrated as a cornerstone of the nation's vibrant media sector. With annual TV revenues exceeding £6 billion and employing over 90,000 people, the industry appeared to be enjoying a "golden age." However, warnings emerged that fortunes might change. By 2023, the UK industry faced a perfect storm of declining broadcast audiences, a sharp downturn in ad revenue, and a crisis in production activity, exacerbated by global economic challenges, shifts in viewing habits, and the tech revolution.

This opening debate explores the seismic shifts reshaping the industry. The shift in TV and video consumption, the globalisation of content, advertising's digital transformation and the centrality of technology.

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Hello, great to be with you. Thanks for joining us for this session: 'Back from the Brink: Reimagining The Future of Television'.

Now, as you may know, my job at BBC News is to explain complex subjects - often in short periods of time. And to start us off, the festival has set me a task. To explain the situation in which the UK TV industry finds itself.

In 13 minutes.

To a room full of people who know the subject inside out.

Followed by a panel of industry heavyweights...

I've had easier commissions. But for what it's worth - here are a few thoughts from me - as someone on the outside looking in.

I want to start in the early 2020s - a time when the TV industry was being heralded.

The head of the British Film Commission declared: "We have embarked on a new golden age for film and TV".¹ And the industry did appear in rude health.

It employed over 90,000 people.²

Producer revenues reached 6.8 billion.³

Up 36% in a decade.⁴

Not just that, TV viewing was helping to make the UK's entertainment and media market the fourth largest in the world.⁵

It *looked* like a golden age. But there were warnings.

John Landgraf, is the Chairman of FX Networks. A man, by his own admission, not shy of making predictions.

"2022 will be the high watermark,"⁶ he told us. "We've reached the peak of the Peak TV era".⁷

In other words, it couldn't go on like this. And it didn't.

¹ Adrian Wootton, chief executive of the British Film Commission and Film London.
13/12/2021 <https://www.bbc.co.uk/news/entertainment-arts-59615036>

² <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/14580workersbyemploymenttypeintvandfilmindustry2021>

³ <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/uk-tv-production-sector/understanding-uks-tv-production-sector.pdf?v=330061>

⁴ 5 billion pounds in 2011, 6.8 in 2021 <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/uk-tv-production-sector/understanding-uks-tv-production-sector.pdf?v=330061>

⁵ <https://www.consultancy.uk/news/34735/uk-becomes-europes-leading-entertainment-and-media-market#:~:text=The%20UK%20has%20officially%20overtaken,%2C%20China%2C%20and%20the%20US.>

⁶ <https://www.imdb.com/news/ni63711714/>

⁷ 2022 Summer Television Critics Association Press Tour (August 2nd, 2022)

<https://www.thewrap.com/fx-john-landgraf-streaming-peak-tv-narrow-competition/>



In 2023, the UK saw the steepest annual decline in broadcast TV audiences since records began.⁸

ITV declared the worst downturn in ad revenue in 15 years.⁹

The union Bectu declared a state of “emergency” in the industry.¹⁰

Commissions slowed. Work dried up.

This didn’t look like a golden age.

And we were offered a lot of reasons why this had happened.

- A post-pandemic drop in viewing.
- The writers and actors strike in the US.
- Rising costs - affecting production and consumer spending.
- A UK economy that was struggling to grow.

No doubt these were significant factors, and the industry was keen to offer reassurance.

The CEO of marketing body Thinkbox predicted: “Once the economic pressures start to ease, TV will bounce back very quickly”.¹¹

This year - Julian Bellamy of ITV Studios promised: “The ad market will come back, there’s always a cyclical nature to it.”¹²

Ad markets are - sometimes - cyclical. Ad revenue has picked up this year.¹³ But, the digital revolution we’re living through has issued the media with plenty of one-way tickets. Not everything comes back to where it was.

I’ve tried to understand this moment for UK television and I keep coming back to four major shifts. All of them interconnecting. All of them taking TV somewhere new.

The first is the shift in TV and video consumption.

What people watch, and where they watch, are fundamentally changing.

⁸ Ofcom Media Nations 2023: Latest UK viewing and listening trends revealed <https://www.ofcom.org.uk/media-use-and-attitudes/media-habits-adults/media-nations-2023-latest-uk-viewing-and-listening-trends-revealed/>

⁹ ITV CEO Carolyn McCall <https://the-media-leader.com/itv-ceo-tv-ad-market-in-worst-recession-in-15-years/#:~:text=%E2%80%9CThis%20is%20the%20worst%20advertising,digit%20drop%20in%20ad%20revenue.>

¹⁰ <https://bectu.org.uk/news/bectu-calls-for-urgent-action-as-television-freelancers-report-unprecedented-lack-of-work>

¹¹ Lindsey Clay <https://rts.org.uk/article/where-next-tv-ad-revenue>

¹² Bellamy at the Creative Cities Convention <https://www.broadcastnow.co.uk/itv-studios/julian-bellamy-there-are-grounds-for-optimism/5192700.article>

¹³ 2024 year-on-year % change in TV = +1.2% <https://adassoc.org.uk/credos/uk-advertising-spend-reached-9-2bn-in-q1-2024/>



Last year, broadcast TV channels accounted for 62% of long-form programmes. That's projected to be 28% by 2035.¹⁴

The BBC's Tim Davie acknowledges: "A switch-off of broadcast will and should happen over time."¹⁵ And already two types of platform are taking its place.

Video on demand - streaming services and video sharing platforms like YouTube and TikTok.

Together, they make up at least 30% of viewing minutes across all devices in the UK.¹⁶ That is certain to go up.¹⁷ Though not everything is growing at the same speed.

In 2023, UK viewing hours for Netflix were flat.¹⁸

YouTube was up 32%.¹⁹

It's closing in on Netflix - helped by greater access to YouTube via TVs.

Former Disney exec Kevin Mayer describes YouTube as "the 800-pound gorilla in this space."²⁰

In part, because it's a rival platform for programmes, but also because YouTube is part of a surge in content creators and a surge in short-form video.

The analyst Omar Oakes argues: "all media is being threatened by the ubiquity of short-form."²¹

Others point to opportunities for TV in short form and on YouTube.

The broader point here is that the internet hasn't just transformed the distribution of TV and video, it has transformed what we watch and who is making it. For me that's the starting point to understand what's happening in this industry.

That shift in consumption connects directly to a second shift - the globalisation of TV.

As streaming and video sharing take more of the market, more content and distribution is controlled by a small number of international businesses.

¹⁴ viewing of scheduled TV channels through DTT and satellite is forecast to drop from 62% of viewing of total long form programmes¹⁰ in 2023 to 28% by 2035

<https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-1-10-weeks/269636-call-for-evidence-future-of-tv-distribution/future-of-tv-distribution-report-to-government.pdf?v=344045>

¹⁵ <https://www.bbc.com/mediacentre/speeches/2022/tim-davie-director-general-royal-television-society>

¹⁶ VSP 17%, SVOD AVOD 14% <https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-1-10-weeks/269636-call-for-evidence-future-of-tv-distribution/future-of-tv-distribution-report-to-government.pdf?v=344045>

¹⁷ Short-form video will continue to displace long-form as video-first apps (e.g. YouTube, Twitch, TikTok) gain further popularity <https://www.endersanalysis.com/reports/video-viewing-forecasts-broadcasters-under-half-viewing-2028>

¹⁸ <https://www.essencemediacom.com/news/youtube-vs-netflix-the-battle-for-connected-tv-viewers>

¹⁹ <https://www.essencemediacom.com/news/youtube-vs-netflix-the-battle-for-connected-tv-viewers>

²⁰ <https://www.cnbc.com/2024/06/26/youtube-streaming-dominance-media-strategy.html>

²¹ <https://the-media-leader.com/broadcast-doesnt-have-a-fragmentation-problem-it-has-a-tiktok-problem/>



Amazon, Netflix, Disney, Apple, Google - based in America and TikTok, which has a Chinese parent company.²²

Of course, globalisation has significant upsides. Many more places for producers to pitch. The largest of stages for British content. Investment too.

In 2022, 86% of all investment into film and high-end TV production came from overseas - primarily from the US.²³²⁴

Netflix says it invested close to 6 billion dollars in the UK between 2020 and 2023.²⁵

But some see risks that come with globalisation. Of a marginalisation of British stories. Of British ideas becoming someone else's IP. Of British media losing market share.

The merits of globalisation are debated but what's certain is that it's happened, and to understand the consequences of this, and of the shift in consumption, I factored in a third shift...advertising's digital transformation.

Last summer Channel 4's Ian Katz wrote to production companies about a slowdown in commissions. He told them the current situation was "cyclical" and that "normal service will resume soon."²⁶

This week, Ian Katz told Broadcast that in the first half of this year "spending on original programmes is in line with pre-covid levels".²⁷ But commissioning, of course, connects to revenue and with advertising, there are long-term trends that pose challenges for broadcasters.

Here's the amount of money spent by advertisers in the UK in 2023: over £36 billion.²⁸

Of that total online advertising is over three-quarters of it. The highest percentage it's ever been.²⁹

TV advertising is 13% - down nearly 9 percentage points in 12 months.³⁰ And we've seen this movie before.

²² <https://www.bbc.co.uk/news/world-asia-china-68681786>

²³ <https://www.bfi.org.uk/news/official-2022-statistics>

²⁴ £6.27bn spent on productions last year coming from mostly Hollywood studios and streamers, according to the British Film Institute. <https://www.theguardian.com/media/2023/sep/15/britain-tv-and-film-industry-decline>

²⁵ between 2020 and 2023 we will, in fact, have invested almost US\$6bn creating Netflix series and films here <https://www.c21media.net/news/netflix-unveils-new-originals-as-part-of-1-5bn-annual-investment-in-uk/>

²⁶ <https://www.televisual.com/news/c4s-ian-katz-normal-service-will-resume-soon/#:~:text=C4's%20Ian%20Katz%3A%20Normal%20service%20will%20resume%20soon%20%2D%20Televisual&text=Channel%204's%20Chief%20Content%20Officer,normal%20service%20will%20resume%20soon.%E2%80%9D>

²⁷ <https://www.broadcastnow.co.uk/broadcast-magazine/ian-katz-c4s-future-is-bright-as-spend-returns-to-pre-covid-levels/5196356.article>

²⁸ <https://adassoc.org.uk/our-work/uk-advertising-reports-36-6bn-spend-in-2023/>

²⁹ "online formats now account for over three-quarters of all UK ad spend for the first time" <https://adassoc.org.uk/our-work/uk-advertising-reports-36-6bn-spend-in-2023/>

³⁰ 2023 Year on Year Change – 8.9% <https://advanced-television.com/2024/04/25/report-online-ads-account-for-over-78-of-uk-ad-spend/>



As Group M's Kate Scott-Dawkins puts it: "Advertising revenue has shifted to digital platforms from a range of media businesses. Now it's TV's turn."

On what can be done Kate Scott Dawkins manages expectations. She says: "TV companies may need to accept that their ad revenues from streaming, while being significant, won't match what linear once offered, at least in the near term." Adding: "That era may be over..."

As broadcasters go in search of new revenue - who should be waiting for them? "Google and Amazon to LG and Samsung...(are all) competing for streaming ad revenue."³¹

Across the media, the biggest beasts of the tech world - with their sophisticated ad technology - are taking the bulk of the ad market. That's the context as business models in the TV industry are reshaped.

In advertising's move to digital, in TV's globalisation, in the shift in consumption, we see a fourth major shift. The centrality of technology.

Of course, technology has always mattered but now it's a dominant factor across the industry from streaming platforms, to production, to ads, to just about everything - and that requires investment.

This year, the BBC is spending £71 million on online & TV development. That's 90 million dollars.³²

For comparison... Netflix has spent 1.4 billion dollars on technology in the first half of this year.³³

UK streamers can point to rising user numbers, rising viewing hours, to new and improved products but a truth remains. The need for ever more complex technology is increasing exponentially, not least because of AI. The biggest global companies - with their vast resources - inevitably have a clear advantage.

Shifts of this scale would be a lot for any industry to navigate. They ask fundamental questions about how the UK TV industry works and what it wants to be.

Right in the middle of those calculations is public service broadcasting.

One senior executive said to me recently 'do we just want to be an adjunct to big tech?' We can see the answer to that.

ITV has invested millions in ITVX. Channel 4 has a new strategy to speed its shift to streaming.

Tim Davie says the BBC will create "algorithms to serve our values".³⁴ And asserts: "We can choose not to rely solely on US and Chinese tech companies that may not have the interests of a shared British culture."³⁵

³¹ Ros Atkins: Edinburgh Opening Debate 2024 Aug 2024

³² Online and TV development: 71m in 2024 <https://www.bbc.co.uk/aboutthebbc/documents/ara-2023-24.pdf>

³³ Technology and development: 1,413,727 m <https://ir.netflix.net/financials/quarterly-earnings/default.aspx>

³⁴ <https://rts.org.uk/article/bbc-director-general-tim-davie-lays-out-blueprint-future-bbc#:~:text=%E2%80%9CWe%20can%20choose%20not%20to,serve%20our%20values%2C%20for%20good.>

³⁵ <https://rts.org.uk/article/bbc-director-general-tim-davie-lays-out-blueprint-future-bbc#:~:text=%E2%80%9CWe%20can%20choose%20not%20to,serve%20our%20values%2C%20for%20good.>



Of course, British culture does feature in programmes on the global platforms but the PSBs see this as their point of difference.

Responding to PSB's recent sharp growth in streaming figures, Alex Mahon of Channel 4 said: "That is a sign of audience demand for particularly British content".³⁶

Maybe it is.

With broadcast included - PSBs still dominate viewing hours overall³⁷ but they're facing significant challenges. For example, with broadcast, the electronic programme guide gives PSBs guaranteed prominence. That's regulated. The same guarantees don't exist in the streaming world and the consumer is making different choices there too.

Here are the share of viewing hours on streaming services for this year.

Netflix: 34%
BBC: 17%
Disney+: 14%
Prime Video: 11%
ITV: 7%
Sky: 5%
Channel 4: 4%
Channel 5: 1%³⁸

Netflix is over twice as big as anyone else. BBC is next, then Disney+ and Amazon Prime.

Let's stop to think what this shows - based on everything we've already considered.

In the streaming market - where we know viewers are heading, where big tech is competing for ad revenue, where expensive tech development is crucial, the PSBs are there, they're growing. But the majority of viewing isn't with them - it's with the global players.

The merits or otherwise of this can be discussed. If that continues, there are a range of commercial and cultural consequences that may follow.

Watching this closely is new Prime Minister Sir Keir Starmer and Culture Secretary Lisa Nandy. They'll know that, already, across Europe some action has been taken.

Since 2020, rules for streamers have insisted "providers should have 30% European works."³⁹

³⁶ <https://deadline.com/2024/06/freely-launch-bbc-itv-channel-4-1235982418/>

³⁷ Live TV 109 mins of 271 mins across all devices <https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/multi-sector/media-nations/2024/media-nations-2024-uk.pdf?v=371192>

³⁸ Barb 2024

³⁹ introducing obligations for video on-demand services to ensure at least a 30% share of European content in their catalogues https://ec.europa.eu/commission/presscorner/detail/el/QANDA_20_1208



The UK is part of this. And there's pressure to go further.

The European Broadcasting Union says regulators should take more action "to ensure global platforms give the public access to diverse content that actually represents them."⁴⁰

As for UK's government, Lisa Nandy says she's a big supporter of the BBC and the whole notion of public service broadcasting. Not long after the election, she visited CBBC and Hacker the Dog, but we don't know if further regulation is planned to protect the PSBs.

While these issues are considered, right now, the UK industry faces an urgent situation. An estimated 51% of those in TV drama are out of work. In unscripted, 57% In commercials, 53%.⁴¹

The personal cost to many is enormous and their situation raises a profoundly difficult question. How big can this industry be?

There's acceptance some traditional roles will go. There's optimism about new digital roles. Unions want more support for retraining and reskilling. Improving ad revenue may increase commissions.

However, it remains far from clear how the industry will provide work for all the people who are looking - and for all the hundreds of production companies.

All of this, everything I've mentioned, is the context in which this industry reimagines its future.

TV continues to entertain, inform, influence and inspire - at scale. The UK remains one of the biggest media markets. TV's global players still want British creativity and British production. This is still a multi-billion pound industry.

A lot has changed in a short space of time. To this outside observer, this looks like a new era.

One in which what we watch and where we watch has changed.

Where new revenue streams are required and where technology is dominant.

Where public service media will have to restate its case and regulators consider their options.

Where the routes to the consumer and the routes to success are changing.

What to do next is keenly debated, as we're about to hear but we can perhaps agree on one thing?

The digital revolution in TV and video isn't coming. For better or worse, it's here.

There's no going back.

Thanks for listening.

⁴⁰ Ros Atkins: Edinburgh Opening Debate 2024 Aug 2024

⁴¹ "The proportion of those out of work is high across all sectors, including film (52%), TV drama (51%), unscripted TV (57%) and commercials (53%)."

<https://bectu.org.uk/news/half-of-uk-screen-industry-workers-remain-out-of-work-bectu-research-finds>