

The Sound of Success

A Manifesto for the UK independent podcast, radio and audiobook industry 2024



Four policies to grow UK audio production

- 1 Audio Production Tax Relief (APTR)
- 2 Funding for skills and training in audio
- 3 A Global Audio IP Fund and revised UK Audio Content Fund
- 4 Further creative competition in BBC radio/audio

The independent audio production sector consists of 200+ diverse independent creative companies, based all around the UK, making high-quality podcasts, radio, audiobooks and more. They employ over 2,000 people and contribute to the work of the other creative industries - audio is everywhere, in film, TV, theatre, video gaming and arts.

Podcasting has seen a huge boom over the last 5-10 years, with the UK in a strong position, thanks to its excellent audio heritage, to capitalise on the increasing popularity of this content.

The UK audiobook sector is worth over £100m a year, and radio remains strong, with around 89% of the public still listening live.

All of this means that there is a big opportunity for the UK to grow its creative audio production sector. However while the UK audio production sector is in a strong position to supply the growing demand for content, as podcasting has taken off around the globe, we see an increase in competition to make podcast content for

domestic and international audiences.

The UK Government has taken many positive steps to ensure the UK's creative production industries remain strong, however currently audio is the only industry not being supported.

That is why we are calling on political parties to adopt these key policies, which together will grow the podcast, radio and audiobook production sector in the UK.

The reach of the audio production sector



Audio Production Tax Relief (APTR)

The rise of podcasting has seen a big new opportunity for UK audio production to grow at pace. As the chart shows, UK podcast advertising is projected to increase from £46m in 2021 to £80m by 2026.

Edison Research's Infinite Dial 2021 UK Survey, the first of its kind in this country, showed that the UK was on a level with the US for monthly podcast consumption and industry estimates show this will continue to grow.

In order to encourage further investment, the UK needs to be highly attractive to international brands, platforms, and broadcasters which are seeking to invest in high-quality audio content.

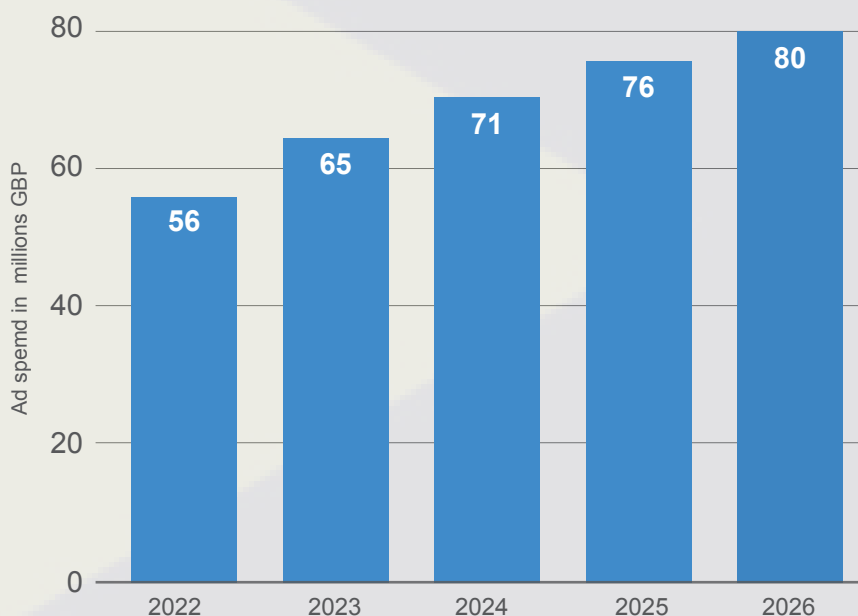
Young audiences contribute to nearly 40 per cent of the UK's podcast listeners.

Currently there are creative industry tax reliefs for High-End TV, Film, Video Games, Animation and many other types of creative production. All of them have delivered at least 300% returns in terms of GVA, with many much higher.

A British Film Institute report revealed that an estimated £1.02 billion in tax relief for film, High End TV, animation and children's seeded £5.11 billion in direct production spend in 2019, a 61% increase on 2016, and led to an additional £6.43 billion in GVA for the UK economy.

Podcast advertising expenditure in the UK from 2017 to 2026

(in millions GBP)



UK-made productions generated £13.48 billion in overall GVA, a 23.7% increase between 2017 and 2019.

Our detailed report, produced with Communications Chambers, shows that an APTR could similarly stimulate investment and deliver a net gain to HM Treasury.

Production companies have increasing opportunities to exploit successful IP created for a podcast programme or format. TV and / or book adaptations, live tours and merchandise are just some of the potential ways of creating greater value from podcast IP. Increasingly companies are looking to develop unique IP which they can use to create greater value for their company.

Podcasts can tell stories and promote locations in the UK as well as showcasing talent in the UK performing arts, thus leading to a potential increase in tourism. It is important for the UK's audio sector to support this by gaining as big a foothold in the international podcast and radio markets as possible.

This could increase the sustainable production and skills base in the UK to help grow the UK economy.

We would like to see an Audio Production Tax Relief (APTR) introduced within the next 12 months in order to fully catch the rising growth in podcast investment.

You can read our full report on an Audio Production Tax Relief here: bit.ly/4bbRW85

A new Global Audio IP Fund and revived UK Audio Content Fund

A new Global Audio IP Fund

The UK Global Screen Fund currently exists to boost international development, production, distribution, and promotional opportunities for the UK's independent screen sector, including film, TV, documentary, animation and interactive narrative games content.

We want to see a similar fund for audio. International audio opportunities continue to increase, with the global podcast ad market expected to grow annually at 7.76%, resulting in a projected market volume of US\$5.03bn by 2027. This growth is attributed to the increasing audience, which is projected to reach 616.5m users by 2027. This does not include additional income from monetisation models such as subscription services, and sponsorships.

Audio is a highly cost-effective method for creating IP that can then be monetised via TV, films, live tours, books and more. It is an important creative export for the UK (hence we have been working with the Creative Industry Council IP Working Group and are looking to join the full Council). This fund would aim to help fund the development, production, distribution and marketing of this content.

Introduction over the next 12 months of a UK Global Audio Fund, alongside our



Award-winning company Reduced Listening was one of 91 different suppliers which worked with the Audio Content Fund

proposed Audio Production Tax Relief, would allow the UK to take full advantage of its audio production expertise and entrepreneurship to fully compete internationally.

Re-investing in the Audio Content Fund

In terms of investment to grow audio domestically, the **Audio Content Fund** contestable fund pilot scheme ran between 2019 and 2023.

It commissioned 165 diverse projects from 91 different suppliers, broadcast on 350 commercial and community stations. It produced around 650


hours of unique programming, including drama, comedy and documentary. The fund created up to 40 full-time and 200 part-time jobs, as well as 9,842 freelancer days, with the independent evaluation being highly positive, stating it had performed well against all criteria. More than 300 audio professionals, academics and others signed an open letter calling for its reinstatement.

The reintroduction of the Audio Content Fund, possibly with a podcast element, would be a highly cost-effective way to grow audio production partnerships and better serve UK audiences with PSB content.

Funding for skills and training in audio

AudioUK's Audiotrain programme began in 2014, initially backed by Creative Skillset using BEIS funding, providing the financial stability to fund training courses and workshops. However, skills support in creative content production is now focused on screen-based content production industries, using funding from sources such as the BFI. With the new opportunities available, the audio sector also needs funding to build capacity at the required pace.

The Government's 2021 Digital Radio and Audio Review therefore recommended that *"The government to work with industry to review skills funding for the audio sector in order to*



IP and Me


Online Session - 1 March 2023, 1pm – 2pm

Bernard P Achampong (Unedited) demystifies Intellectual Property for audio creators. By the end of this hour you will have learnt some basic IP definitions, heard why IP matters and discovered what you need to know about IP as an audio creator. He will be joined by Will Doherty (Albright IP) and there will be time for questions at the end.

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help develop and deliver high quality audio skills training for a new generation of talent." We are currently discussing this action with DCMS but fundamentally it requires government commitment to ensure the funding gap is filled

in order to avoid the UK losing out on opportunities to grow the sector further.

We would like to see all political parties commit to skills funding for the audio industry.

Further creative competition in BBC radio/audio

After 2016 the BBC's TV production was moved to its commercial arm, BBC Studios, enabling it to compete against independent TV producers to make content for other broadcasters. To recognise the impact on the wider production market, the Government in return required the BBC to open 100% of all its non-news TV commissioning to competition from external producers.

The BBC is now planning to move a significant amount of its in-house speech radio and audio speech production capacity into BBC Studios, by April 2024. This means that the BBC would compete to make programmes for commercial audio providers like Amazon Music, Audible or Wondery. In order to counterbalance the effects of this move on competition in the wider market,

external audio producers should be able to compete for 100% of non-news BBC speech productions.

We would like the commitment to be made now that a move to 100% competition for non-news BBC audio and radio commissioning will be introduced before or at the time of the next BBC Charter.

About AudioUK

We are the trade association for the audio-led production sector, providing business advice and growth for people who make podcasts, radio and audiobooks. We have around 140 member companies based across the whole of the UK, representing in the region of 95% of sector turnover.

More at www.audiouk.org.uk
To discuss, contact: tim.wilson@audiouk.org.uk / www.audiouk.org.uk / [@weareaudioUK](https://twitter.com/weareaudioUK)

