

A Short Guide to the

BBC





About this guide and contacts

This Short Guide summarises what the BBC does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.



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The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £734 million in 2016.

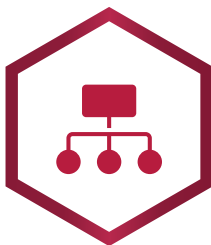
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Overview



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Key facts



The BBC is the UK's largest public service broadcaster. It runs nine pan-UK television services and 10 UK-wide radio networks.



The BBC surveys its audiences on how they rate individual programmes. In 2016-17 these surveys gave BBC Television and BBC Radio overall scores of 80.3 and 81.0 respectively out of 100. In 2016, the survey for BBC Online gave a score of 76 out of 100.



The BBC World Service provides services in 28 languages with 11 more announced in 2016. It reached a total weekly audience of 269 million people in 2016-17.



The BBC has a commercial group which is not licence-fee funded. It generated £1,194 million of income in 2016-17.



The BBC is established by Royal Charter. The current Charter came into force on 1 January 2017 and will expire on 31 December 2027.



On 1 April 2017 the BBC incorporated its in-house production division as a commercial entity. BBC Studios competes for commissions from the BBC and other broadcasters. The largest of the BBC's subsidiaries is BBC Worldwide, which exists to generate commercial returns from BBC programmes and other BBC content.



The BBC is funded by the licence fee. A full colour TV licence costs £147.00 and will rise in line with inflation every April, until 2022.



From 2017, all users of the BBC's iPlayer service on web and mobile applications have to log in with a personal account. These changes are part of the BBC's efforts to make its services more personalised for its users.



In March 2017, 47% of the BBC's public service broadcasting staff were employed in London, 34% in the English regions, 8% in Wales, 7% in Scotland and 4% in Northern Ireland.



The new Charter requires the BBC to appoint the Comptroller and Auditor General to audit the BBC's accounts and brings the BBC's commercial operations into the scope of his value-for-money access rights.

About the BBC

The BBC is a public service broadcaster established by Royal Charter and funded by the television licence fee. Its mission is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.

Public purposes

The Royal Charter sets out the BBC's five public purposes which support its mission:

- to provide impartial news and information to help people understand and engage with the world around them;
- to support learning for people of all ages;
- to show the most creative, highest quality and distinctive output and services;
- to reflect, represent and serve the diverse communities of all the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom; and
- to reflect the United Kingdom, its culture and values to the world.

Strategic challenges

The media sector is changing rapidly because of technological developments, new competition and shifting consumer behaviour. While most of the BBC's audiences use programmes and services in a traditional broadcast schedule, many are increasingly accessing content through mobile and other devices connected to the internet, at a time and place of their choosing.

The BBC has referred publicly to the need to "ride two horses": to serve both those who are watching and listening on traditional channels, and also those who have adopted the internet as their primary medium. The BBC is therefore seeking to be an 'internet-fit' broadcaster, with an aim to reinvent the BBC for younger audiences, where these changes are happening most quickly.

The BBC needs to deliver its strategy in a tightening financial context. While the TV licence fee is now linked to inflation, following a period where it was frozen, the BBC will take on responsibility for funding free TV licences for those aged 75 and over. It has stated that it must save an additional £800 million annually by 2021-22.

About the BBC *continued*

On 3 July 2017 the BBC published its [Annual Plan](#) for 2017-18. The plan sets out 12 pan-BBC priorities for achieving its overarching aim to reinvent the BBC for a new generation (see below).

Our mission:

To inform, educate and entertain all audiences, to deliver our public purposes



Our aim:

To reinvent the BBC for a new generation



We'll do this through...

Our ambitions:

Making sure
everyone gets
value from
the BBC

World-class
creativity

Global reach

Financial
stability

Making the
BBC an
even greater
place to work

We'll support these ambitions through our content plan



We also need...

12 pan-BBC priorities:

Grow
iPlayer
and Live

Reach
20m
members

Review
of brands

Younger
audiences

Reinvent
and grow
audio

Newstream
and slow
news

Revitalise
our
education
mission

Reflect the
diversity of
the UK

Britain's
creative
partner

Grow
Studios

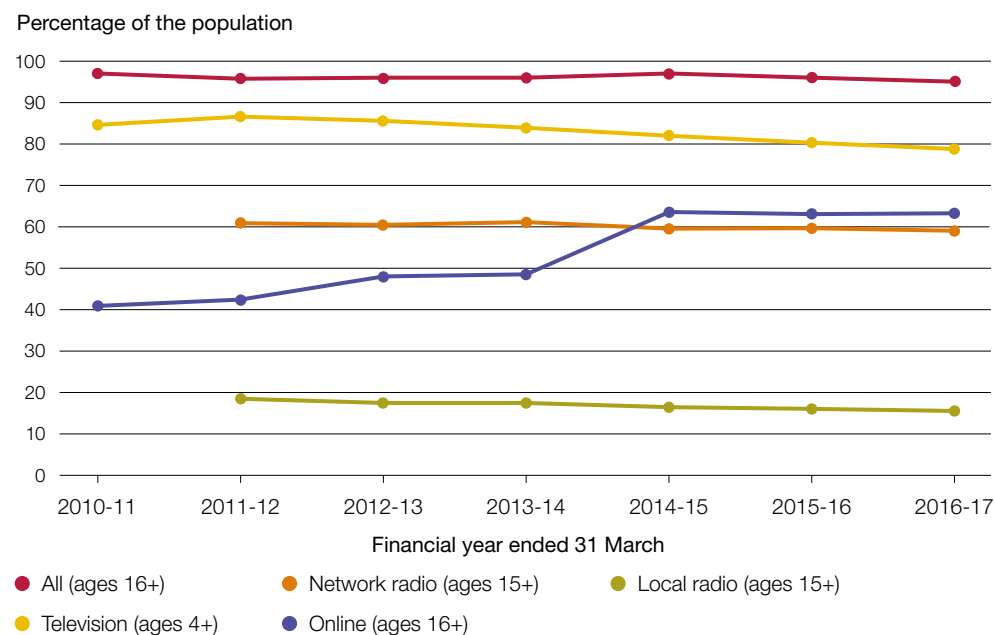
Grow
Worldwide

Grow the
World
Service

Key trends

Audience reach is one of the BBC's key performance indicators published in its Annual Report. It is defined as the percentage of people in the United Kingdom who use BBC television, radio or online each week. The BBC is operating in a context of increased competition and technological change, and its strategy is to create an 'internet-fit BBC'.

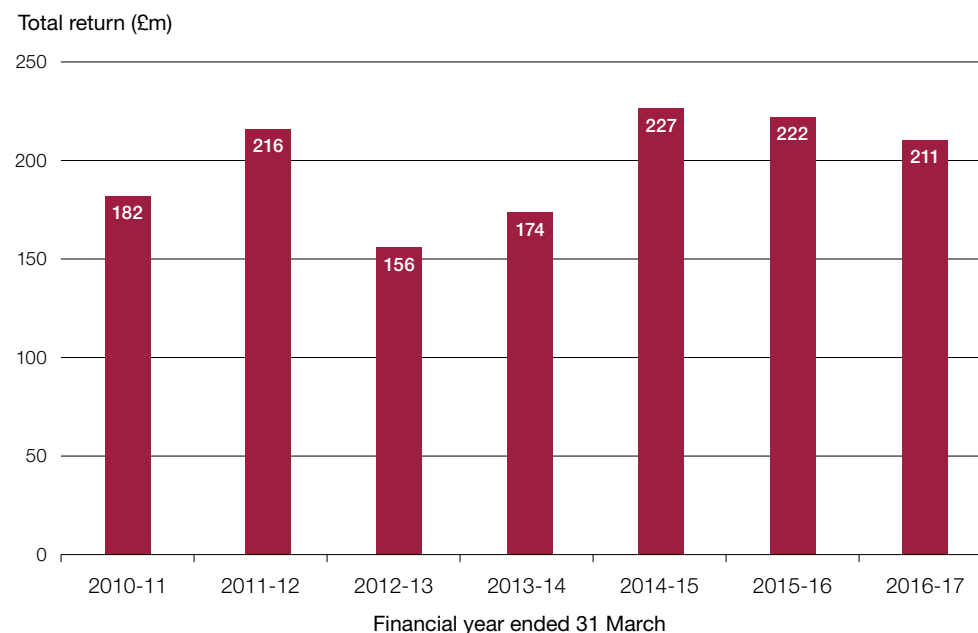
The BBC's audience reach in the UK



Source: BBC Annual Report and Accounts, 2010-11 to 2016-17

BBC Worldwide's return to the BBC comprises programme investments, dividends and other rights payments. The Director General has stated that, "maximising our commercial revenue is imperative" and the BBC Board has set a target for BBC Worldwide to provide £1.2 billion in the first five years of the new Royal Charter.

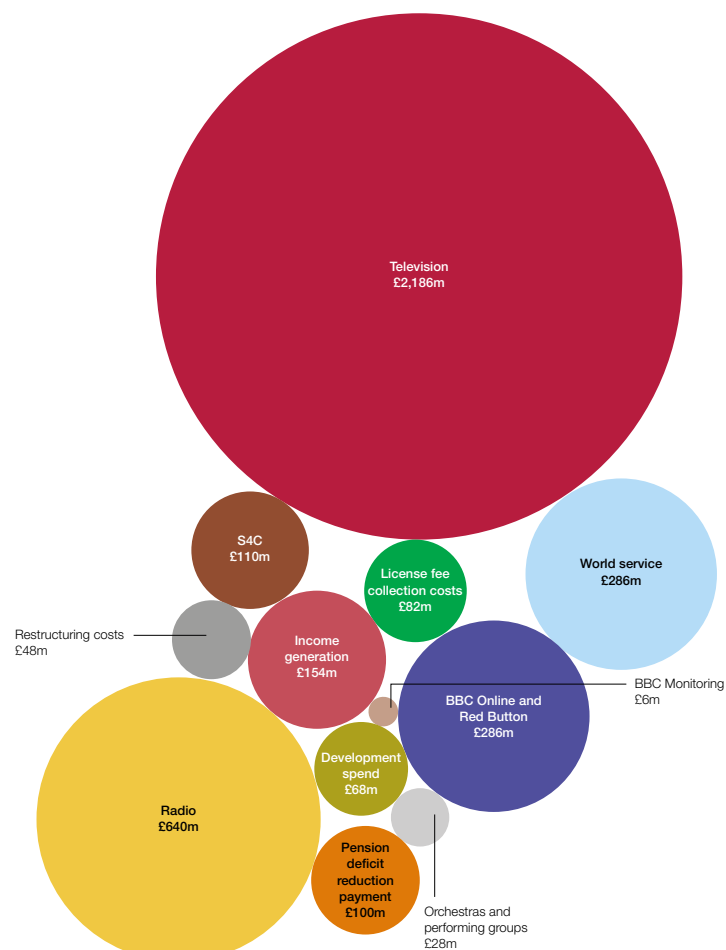
BBC Worldwide's total return to the BBC



Source: BBC Annual Report and Accounts, 2010-11 to 2016-17

Where the BBC spends its money

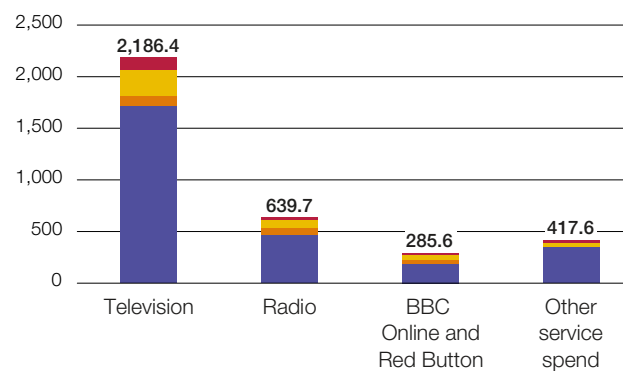
BBC Public Service Broadcasting Group expenditure by service in 2016-17



Source: BBC Annual Report and Accounts, 2016-17

BBC Public Service Broadcasting Group service licence spending by service, 2016-17

Spending (£m)



- Content
- Distribution
- Content and distribution support
- General support

Source: BBC Annual Report and Accounts, 2010-11 to 2016-17

BBC spending over time

In October 2010 the Secretary of State made important changes to the BBC's funding. Key features included:

- freezing the cost of a colour television licence fee, which had previously risen with inflation, at £145.50 until 2016-17;
- requiring the BBC to pay for the BBC World Service, which was previously funded by the Foreign & Commonwealth Office; and
- requiring the BBC to support the roll-out of local television.

In response to these changes, the BBC developed Delivering Quality First (DQF), a programme that aimed to make annual savings of £700 million by 2016-17 compared to 2011-12.

In 2016-17, the BBC reported total annual savings of £722 million over the course of DQF, exceeding its target by £22 million.

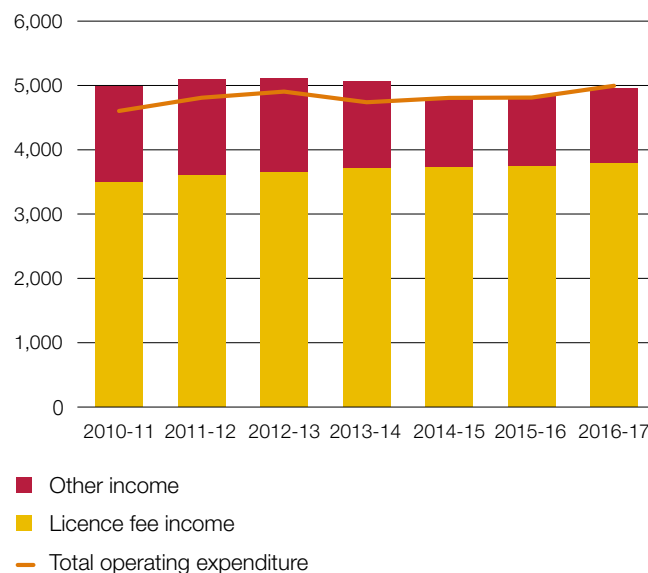
Under the latest funding settlement, the cost of a full colour television licence will increase each year, from 2017 to 2022, in line with inflation. As of April 2017, a full colour television licence costs £147.00.

This increase in funding must be set against the fact that the BBC will become responsible for funding free licences for the over-75s, at an estimated annual cost of £725 million by 2020-21.

Under this settlement, the BBC has stated that it must save an additional £800 million annually by 2021-22 and has set targets for 1.5% reductions every year for the next five years.

BBC income and expenditure in the last five years

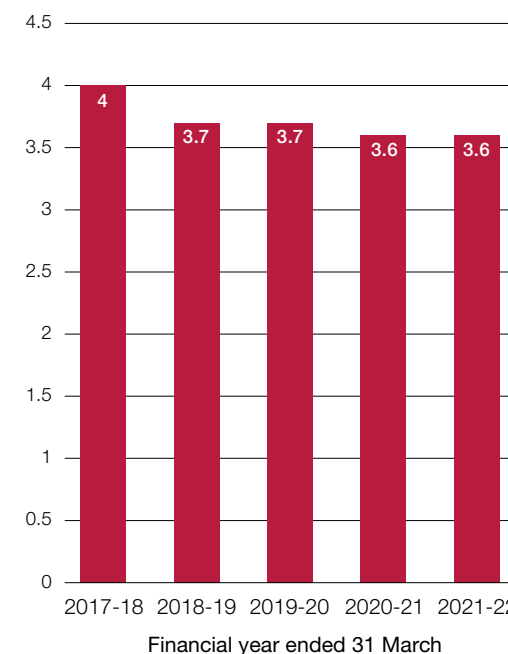
Income/expenditure (£m)



Source: BBC Annual Report and Accounts, 2010-11 to 2016-17

Forecast BBC public sector current expenditure for the next five years

Forecast expenditure (£bn)



Source: HM Treasury Spring Budget, 2017

Major recent developments

1. Renewal of the BBC's Royal Charter

BBC Charter renewal

The [Royal Charter](#) is the BBC's governing document, setting out its public purposes, and outlining its regulatory and governance arrangements.

The first Charter was granted in 1927 and has been renewed eight times, most recently on 1 January 2017. Charter renewal followed a wide-ranging public consultation and review commissioned by the Secretary of State. For the first time the devolved legislatures had a formal role in the Charter renewal process.

The Charter is supported by a [Framework Agreement](#) between the BBC and the Secretary of State. This agreement provides further details of the BBC's role, funding and duties.

Key features of the new Royal Charter:

- reforming the BBC's mission and public purposes to enhance the distinctiveness of BBC content;
- reforming the governance and regulation of the BBC, through a new unitary board and a new regulatory role for Ofcom, as recommended in an independent review for the government by Sir David Clementi;
- prioritising the independence of the BBC, with the BBC appointing a majority of members of the new unitary board;
- maintaining the licence fee as the BBC's key source of funding;
- ensuring the BBC's market impact is proportionate;
- ensuring the BBC serves the nations and regions in the UK;
- greater openness and transparency in the BBC, including over the salaries of its employees and talent earning £150,000 or more; and
- appointing the Comptroller and Auditor General as the auditor of the BBC's accounts and increasing the scope of his value-for-money evaluations across all of the BBC's activities.

A timeline of the BBC's Charter renewal

The Charter renewal process took around 18 months in total, including a significant role for the Culture, Media and Sport Select Committee.

16 July 2015	The Secretary of State published the green paper BBC Charter Review , starting a 12-week consultation period.
8 October 2015	The consultation period finished, with more than 190,000 responses. These include the BBC's response, British Bold Creative: the BBC's submission to the Department for Culture, Media and Sport's Charter Review public consultation .
10 February 2016	The House of Commons Culture, Media and Sport Select Committee published its report on BBC Charter Review following an inquiry on the renewal of the BBC Charter.
24 February 2016	The House of Lords Select Committee on Communications published its report, BBC Charter Review: Reith not revolution following an inquiry on the renewal of the BBC Charter.
12 May 2016	The Secretary of State published the white paper A BBC for the future: a broadcaster of distinction .
1 August 2016	The House of Commons Culture, Media and Sport Select Committee published its report on the BBC White Paper and related issues .
15 September 2016	The Secretary of State published a draft Royal Charter and Framework Agreement and made an Oral Statement to the House of Commons.
27 September 2016 to 18 October 2016	The draft Charter and Framework Agreement were debated in the UK Parliament and the devolved legislatures. This was the first time that the devolved institutions had a formal role in Charter renewal.
15 December 2016	Finalised copies of the Charter and Framework Agreement were laid in the House of Commons.
1 January 2017	The new Charter and Framework Agreement came into force with transitional arrangements which expired on 2 April 2017.

Source: National Audit Office

Major recent developments *continued*

2. Introduction of a new funding settlement

The television licence

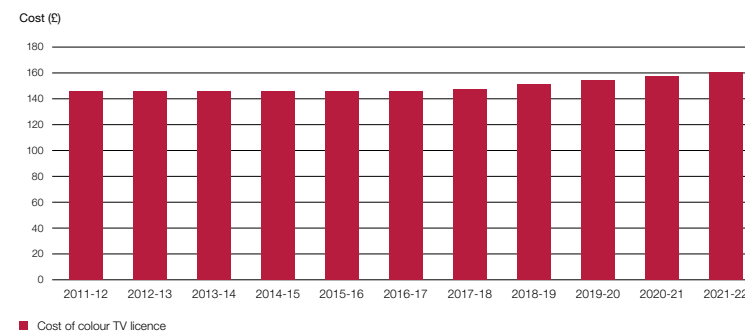
The TV licence fee is the main component of the BBC's funding. It represented £3.79 billion (76%) of the BBC's overall income in 2016-17.

The level of the licence fee is set by the Secretary of State in the BBC's funding settlement. The current funding settlement covers the period from 1 April 2017 to 31 March 2022.

Key features of the new funding settlement

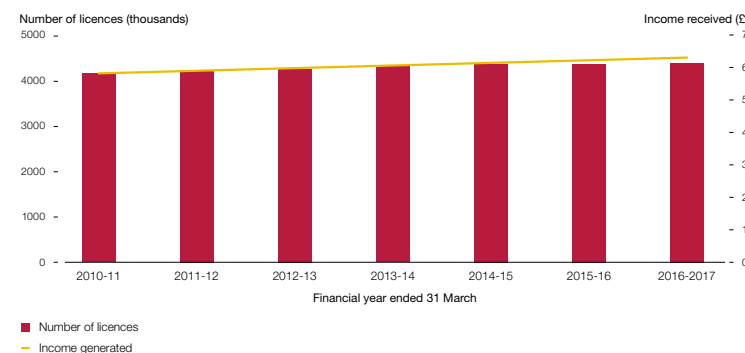
- The cost of a television licence was frozen from 2010 to 2016 at £145.50. From 1 April 2017 the cost of a television licence will rise with inflation each year. The cost of a full colour TV licence is now £147.00. In May 2016 the government estimated that this would rise to £160.50 by 2022.
- The Communications (Television Licensing) (Amendment) Regulations 2016 came into force on 1 September 2016. This introduced a requirement to have a television licence in order to receive 'on-demand programme services' provided by the BBC.
- These services are only accessible through BBC iPlayer so this requirement is commonly referred to as 'closing the iPlayer loophole'. The BBC predicted that this would result in £12 million additional income in 2016-17 rising to £41 million in 2021-22.
- In 2016-17, the BBC received £630.4 million in respect of households with someone aged 75 or over. TV licences are free for such households and so this funding was provided by the Department for Work & Pensions. In future, the BBC will take on responsibility over the next three years. The BBC estimates that this will cost £725 million by 2020-21.
- Those aged 75 and over will be enabled to make voluntary payments. The BBC has estimated that between 0.5% and 6% of those aged 75 and over will make voluntary payments, which may take the form of partial donations rather than paying the licence fee in full.

The cost of a colour TV licence, 2011-12 to 2021-22



Source: BBC Annual Report and Accounts, 2010-11 to 2016-17; Future projections are from Department for Culture, Media & Sport, A BBC for the future, 2016

The number of, and income received from, TV licences for those aged 75 and over



Source: BBC Annual Report and Accounts, 2010-11 to 2016-17

Major recent developments *continued*

3. Establishment of BBC Studios as a commercial subsidiary

In February 2015, the BBC decided to transform its in-house production arm, BBC Studios, into a wholly owned commercial subsidiary. This decision was a response to significant changes in the independent production market, including the emergence of online distributors, increasing competition for content and the emergence of new revenue streams for rights holders.

The BBC argues that, as a commercial body, BBC Studios Ltd will be able to return a stable supply of content to the BBC, as well as providing a long-term source of intellectual property that could be exploited commercially and reinvested in content and services for licence fee payers.

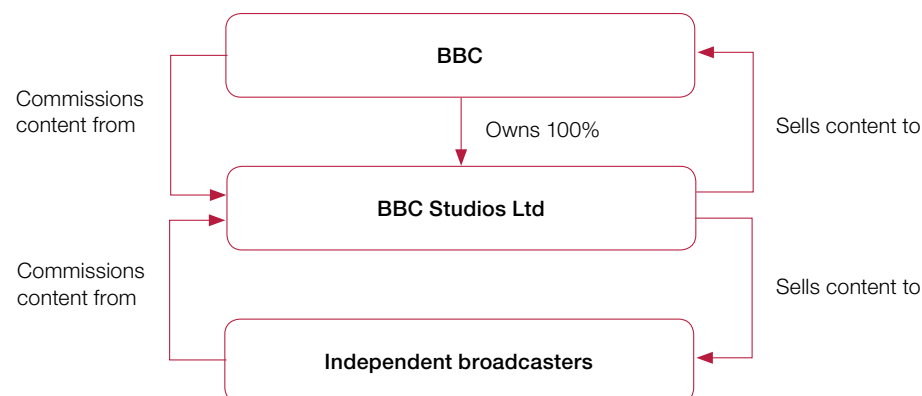
The government's white paper on Charter renewal supported the proposal, subject to consultation with the wider industry, regulatory approval from the BBC Trust and the adoption of full competition for all BBC content, excluding news and news-related current affairs, by the end of the new Charter. The BBC Trust, then the regulator of the BBC, approved the proposals in December 2016.

On 1 April 2017, BBC Studios Ltd was established as a commercial subsidiary wholly owned by the BBC. It is now able to compete for commissions from other broadcasters, as well as for commissions from the BBC, in factual drama, comedy and entertainment. Production of news, current affairs, sport and children's programming will remain within the BBC.

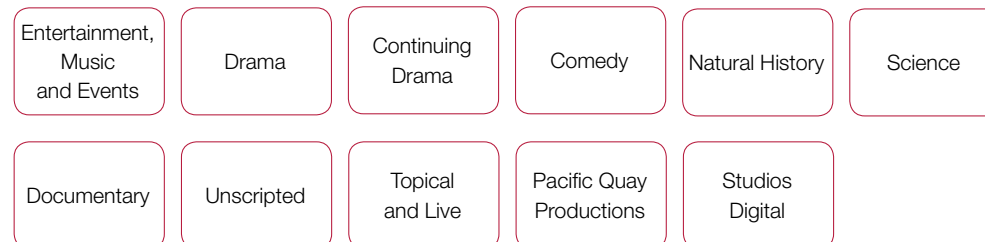
As a commercial undertaking, the Royal Charter requires that BBC Studios Ltd is not funded by licence fee revenue. Furthermore, the BBC must ensure that it does not, as a result of its relationship with the UK public services, non-service activities or trading activities, distort the market or gain an unfair competitive advantage.

Ofcom is required, within two years of the establishment of BBC Studios, to consider whether to carry out a review on whether BBC Studios meets the requirements of the trading and separation rules that apply to the BBC's commercial activities.

BBC Studios is BBC Worldwide's largest supplier of content, and BBC Worldwide is the largest commercial investor in BBC Studios' slate. The BBC's Director General has stated that a thriving strategic partnership between BBC Studios and BBC Worldwide will be essential to the BBC's future success as a programme-maker.



BBC Studios Ltd has 11 divisions



Key themes from NAO reports

1. Project management

The media sector is changing rapidly because of technological developments, new competition and shifting consumer behaviour. Projects and programmes are an important part of the BBC's strategic response to these changes.

In his April 2016 report [Management of the BBC's critical projects](#), the Comptroller and Auditor General examined eight of the BBC's critical projects.

Previous reports highlighted some successes, but also some shortcomings in the oversight and delivery of projects. The most serious problems were associated with the BBC's Digital Media Initiative. The BBC cancelled this project in May 2013 after concluding that £98.4 million of the £126 million spent had been wasted.

The 2016 report found that the BBC had strengthened its oversight arrangements in response to the lessons learned from the failure of the Digital Media Initiative.

In particular, it increased the remit and capability of its central project management office, increased the frequency of reporting on project performance from quarterly to monthly and reduced the time taken to get performance information to the Board. This helped the Board to recognise and respond to problems more quickly than before.

However, there was still scope for improvement in project management. In particular, the report found that the BBC could focus greater attention on the extent to which the portfolio as a whole supported progress towards delivering its vision. Although the then-managing director of Finance and Operations reviewed the composition of the portfolio on behalf of the Executive Board, there was scope for Board members to take a more active role in reviewing which projects were the most critical to achieving the BBC's strategy.

Furthermore, while the BBC managed interdependencies between projects in terms of their impact on timetables, it had paid less attention to whether the portfolio as a whole would deliver those benefits crucial to the delivery of the overall BBC vision.

The BBC's critical projects at March 2015

End-to-end digital	Enabling digital production, archiving and playout of BBC content to move from videotape to digital.
W12	The relocation of staff from parts of the BBC's estate in West London to other locations, including Salford and Birmingham, and selling or subletting vacated space.
Wales Broadcasting House	The design and build of a new BBC broadcasting and production centre in Cardiff for BBC Wales, co-located with S4C.
Newsroom Computer System	Replacement of an existing newsroom system to maintain quality, keep pace with industry change and improve efficiency.
MyBBC	Creating nine capabilities for use by BBC online services to allow the BBC to collect more accurate data on audiences and provide programmes that reflect their preferences.
E20	Replacing the external film set and core infrastructure for EastEnders at BBC Elstree.
Smart	Replacing and integrating business systems and software used by finance, procurement, human resources and the BBC Academy.
Aurora	Procuring and integrating IT services across the BBC to move from a single-supplier to a multi-supplier model for IT services.

Source: National Audit Office, *Management of the BBC's critical projects*, 2016

Key themes from NAO reports *continued*

2. Revenue collection contract management

As described elsewhere in this guide, the TV licence fee is the main component of the BBC's funding. It represented £3.79 billion (76%) of the BBC's overall income in 2016-17.

Although the BBC is responsible for issuing TV licences and collecting the licence fee, it holds contracts with various providers for activities related to collection. The two largest contracts are with Capita and Proximity. Capita provides customer services, processes payments, collects arrears and enforces collection. Proximity provides marketing and printing services.

In the Comptroller and Auditor General's report [TV licence fee collection](#) he noted that the BBC's arrangements with Capita and Proximity showed a number of elements of good practice. Management of both contracts had benefited from their inclusion in the BBC's strategic contracts portfolio, which provides regular reporting and an annual review process that shares lessons learned and provides various contract benchmarks.

The BBC's overall aim in collecting the licence fee is to increase long-term net revenue in a way that sustains public support for the

TV licence. Maximising net revenue depends on increasing revenue, while reducing evasion and collection costs.

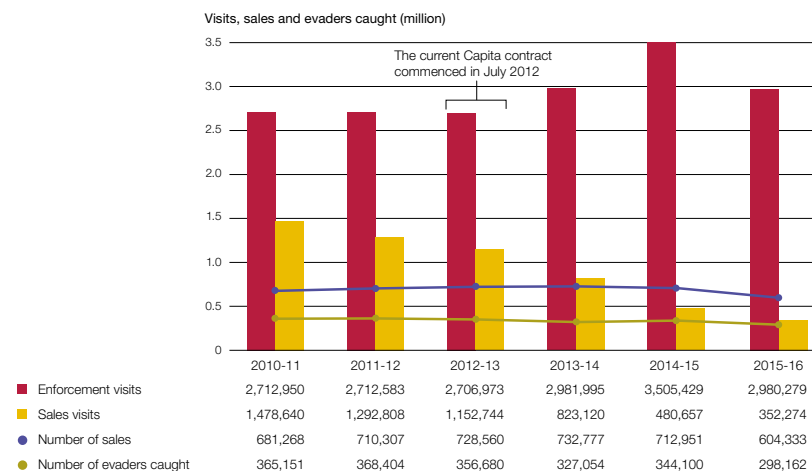
In his report, the Comptroller and Auditor General also noted that the BBC had performed well in increasing revenue, reducing collection costs and maintaining its reputation overall. However, it had performed less well in reducing evasion.

- TV licence fee revenue had increased every year since 2010-11, from £3.51 billion to £3.74 billion in 2015-16;
- the cost of collecting the TV licence fee fell by 25% in real terms between 2010-11 and 2015-16; and
- the BBC's estimated evasion rate – the percentage of premises that should have a TV licence but do not – was between 6.2% and 7.2%, meaning it had not moved towards the level targeted by the BBC and Capita.

Also, while operational performance had largely improved, fewer evaders had been caught on visits to premises between 2010-11 and 2015-16, despite increased numbers of visits (see right).

Capita field activity and outcomes, 2010-11 to 2015-16

Capita has carried out more enforcement visits, 3.0 million in 2015-16 compared with 2.7 million in 2010-11, but the number of evaders it has caught has fallen



Key themes from NAO reports *continued*

3. Workforce management

To deliver services effectively, the BBC needs to have the right people in place, and therefore to be an attractive employer in a competitive media labour market. As a public body, it also needs to fulfil duties to optimise value for money, including in its spending on staff. In his April 2017 report [Managing the BBC's workforce](#), the Comptroller and Auditor General reported on the BBC's management of its workforce in the public service broadcaster.

- From 2010-11 to 2015-16 the BBC reduced the cost of its payroll workforce by 6% in real terms and the size of its payroll workforce by 4%.
- However, in the same period, the BBC had not monitored or reported centrally in a consistent way on the number and cost of all types of freelance and agency workers, meaning it was not possible to assess how its total requirement for people had changed over time.

- From 2010-11 to 2015-16, the BBC had successfully reduced the overall number and cost of senior managers, from 540 to 356, and from £64.1 million to £47.0 million, respectively. However, the number of senior managers earning more than £150,000 was greater in March 2016 (98) than in January 2012 (89) despite a commitment to reduce the number by 20%.
- A smaller proportion of the BBC's staff are now based in London and the Corporation has met some of its diversity targets for 2020 several years early.

The BBC classified workforce matters as a key strategic risk in June 2016, recognising the significant challenge it faces to adapt its workforce to meet future needs. The BBC faces recruitment and retention problems in areas where it competes for specialist skills, such as digital specialists, and has found it difficult to bring such staff onto the payroll, filling vacancies with more expensive freelance and agency workers. In March 2016 the BBC engaged with approximately 2,500 such freelance and agency workers on a full-time equivalent basis.

The BBC's workforce objectives

The BBC's workforce objectives can be summarised as:



Reducing payroll staff costs and numbers, guided by key corporate efficiency programmes.



Redistributing staff outside London and increasing diversity, in order to represent licence fee payers better, both on-air and off-air.



Investing in the BBC's strategic priorities to enhance and grow BBC services, particularly in digital and technology roles, and more recently in the World Service.



Simplifying and standardising organisational design, by reducing management layers and spans of control, streamlining support services to maximise spend on content, and standardising HR policy (such as grading and contractual terms) across divisions.



Reducing the numbers and costs of its senior managers.

Source: National Audit Office, *Managing the BBC's workforce*, 2017

Accountability

The Royal Charter requires the BBC to observe high standards of openness and to seek to maximise transparency and accountability.

Under the Charter, the BBC Board is led by a non-executive chairman. It also comprises nine other non-executive members, including a member for each of the nations of the United Kingdom, and four executive members, including the Director General. The Director General is the editor-in-chief of the BBC, and is accountable to the Board for individual decisions on the BBC's editorial and creative output.

The Board is responsible for the proper, effective and independent exercise of all the functions of the BBC in accordance with the Charter and the Framework Agreement. The Board does this by setting:

- the strategic direction for the BBC;
- the creative remit;
- the budgets for the UK Public Services and World Service;
- a framework to assess the performance of the BBC in delivering its remit and obligations;
- the standards for the BBC's editorial and creative output and services;
- a framework within which the BBC must handle complaints;
- a policy on the distribution of the UK Public Services;
- a plan for compliance with each of the BBC's general duties; and
- a strategy and governance arrangements for the BBC's commercial activities and for assessing the effectiveness of those activities.

The BBC Annual Plan is an essential part of the BBC's accountability to licence fee payers. It sets out the BBC's creative plans, its three-year strategy and describes the framework against which the Board will assess the BBC's performance.

New roles for the National Audit Office

The BBC must prepare and publish an annual report and accounts for each financial year. For the first time, in the new Charter period, the Comptroller and Auditor General will be responsible for auditing the BBC's accounts.

The NAO's value-for-money work on the BBC's Public Service Broadcasting used to be carried out by special arrangement, but has now been placed on a statutory footing. The Comptroller and Auditor General will also now carry out examinations of the economy, efficiency and effectiveness of the BBC's commercial activities.

The BBC Board

Non-executive board members		Executive board members
Chairman David Clementi Appointed by government following fair and open competition	Senior Independent Director Simon Burke Appointed by the Board following proposal by the Nominations Committee	Director-General Tony Hall Appointed by the Board following proposal by the Nominations Committee
Member for England Ashley Steel Appointed by government	Member for N. Ireland <i>Position vacant</i> Appointed by government with agreement of the Executive	Deputy Director-General Anne Bulford Appointed by the Board following proposal by the Nominations Committee
Member for Scotland Steve Morrison Appointed by government with agreement of Scottish ministers	Member for Wales Elan Closs Stephens Appointed by government with agreement of Welsh ministers	CEO, BBC Worldwide Tim Davie Appointed by the Board following proposal by the Nominations Committee
Other non-executive Ian Hargreaves Appointed by the Board following proposal by the Nominations Committee	Other non-executive Tanni Grey-Thompson Appointed by the Board following proposal by the Nominations Committee	Director, Nations & Regions Ken MacQuarrie Appointed by the Board following proposal by the Nominations Committee
Other non-executive Tom Ilube Appointed by the Board following proposal by the Nominations Committee	Other non-executive Nicholas Serota Appointed by the Board following proposal by the Nominations Committee	



BBC Television



Overview of BBC Television

The BBC provides nine UK television services; BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament and BBC Alba.

- BBC Television is the most watched broadcaster in the UK, with 79% of individuals in the UK watching each week.
- BBC Television's flagship service is BBC One. The BBC spent £1,115.4 million on BBC One in 2016-17, and the average viewer spent 7 hours and 33 minutes watching the channel each week.
- Audiences rate BBC Four most highly of the BBC Television channels, with an Appreciation Index of 82 out of 100. 13.5% of the UK population use the service each week and the average viewer spends 1 hour and 46 minutes watching it.
- The way that audiences access BBC Television is changing, particularly for younger viewers. 45% of users of BBC iPlayer are aged between 16 and 34.
- The BBC has committed to competitively tender 100% of relevant television programmes (in Drama, Entertainment, Comedy and Factual) by the end of the current Charter period.
- The BBC will also remove the in-house guarantee for Children's, Sport and non-News-related Current Affairs programmes by 31 December 2019.



BBC Television *continued*

BBC Television in the nations and regions, 2016-17

Northern Ireland

- Proportion of eligible network television programming spend in Northern Ireland: 3.1%.
- General impression of the BBC overall: 6/10.
- Weekly reach of BBC television: 78%.
- Weekly reach of dedicated BBC Northern Irish news services on television: 52%.
- Hours of television content commissioned specifically for Northern Ireland audiences: 800
- The BBC will invest £11 million of additional funding in Northern Ireland over the next three years.

Wales

- Proportion of eligible network television programming spend in Wales: 5.8%.
- General impression of the BBC overall: 7/10.
- Weekly reach of BBC television: 82%.
- Weekly reach of dedicated BBC Welsh news services on television: 47%.
- Hours of television content commissioned specifically for Welsh audiences: 663
- The BBC has committed to spending an additional £8.5 million on television output in Wales every year by 2019.



Scotland

- Proportion of eligible network television programming spend in Scotland: 10.3%.
- General impression of the BBC overall: 6/10.
- Weekly reach of BBC television: 80%.
- Weekly reach of dedicated BBC Scottish news services on television: 50%.
- Hours of television content commissioned specifically for Scottish audiences: 927
- The BBC is investing £19 million in a new, dedicated television channel, BBC Scotland and digital services in Scotland.

England

- Proportion of eligible network television programming spend in London: 49.4%.
- Proportion of eligible network television programming spend in English regions: 31.4%.
- General impression of the BBC overall: 7/10.
- Weekly reach of BBC television: 79%.
- Weekly reach of dedicated BBC English news services on television: 43%.



BBC Radio



Overview of BBC Radio

The BBC provides 10 national radio stations; Radio 1, Radio 1Xtra, Radio 2, Radio 3, Radio 4, Radio 4Extra, Radio 5 Live, Radio 5 Live Sports Extra, Radio 6 Music and the Asian Network. It also provides 40 local stations in England and the Channel Islands, and two national radio services each in Northern Ireland, Scotland and Wales.

- Across all its national and regional stations, BBC Radio reached 64.3% of the UK population each week in 2016-17. This compared with 64.7% of the UK population for all commercial radio.
- Radio 2 is the BBC's most listened-to station. 28% of the UK's population tune in each week and the average listener uses the channel for 11 hours and 54 minutes each week.
- Audiences rate BBC 5 Live Sports Extra most highly of the BBC national radio stations, with an Appreciation Index of 85 out of 100. 2.3% of the UK population use the service each week and the average viewer spends 2 hours and 52 minutes listening to it.
- Fewer young people are listening to BBC Radio than at the beginning of the last Charter period. One of the BBC's priorities in its Annual Plan is to reinvent and grow audio. Its long-term ambition is for iPlayer Radio to become the best audio experience in the world.
- In 2016-17, 15% of broadcast hours on BBC Radio were produced by external suppliers. BBC Radio recently finalised a new Commissioning Framework, which will open 60% of eligible hours to competition from the independent sector.



BBC Radio *continued*

BBC Radio in the nations and regions, 2016-17

Northern Ireland

- Hours of local radio and nations radio hours produced in Northern Ireland: 8,560
- Weekly reach of BBC Radio in Northern Ireland: 59%.
- Weekly reach of BBC Radio Ulster and BBC Radio Foyle combined: 34.3%, with the average listener tuning in for 11 hours and 19 minutes a week
- BBC Radio Ulster and BBC Radio Foyle combined cost per user hour: 5.9p

Wales

- Hours of local radio and nations radio hours produced in Wales: 14,594.
- Weekly reach of BBC Radio in Wales: 71%.
- Weekly reach of BBC Radio Wales: 13.9%, with the average listener tuning in for 8 hours and 19 minutes a week.
- Weekly reach of BBC Radio Cymru: 4.2% with the average listener tuning in for 10 hours and 42 minutes a week.
- BBC Radio Wales cost per user hour: 9.1p
- BBC Radio Cymru cost per user hour: 22.6p



Scotland

- Hours of local radio and nations radio hours produced in Scotland: 11,977.
- Weekly reach of BBC Radio in Scotland: 56%.
- Weekly reach of BBC Radio Scotland: 20.3%, with the average listener tuning in for 7 hours and 18 minutes a week.
- Weekly reach of BBC Radio nan Gaidheal: 68.4% of Gaelic-speaking adults, with the average listener tuning in for 8 hours and 40 minutes a week.
- BBC Radio Scotland cost per user hour: 6.0p
- BBC Radio nan Gaidheal cost per user hour: 15.6p

England

- Hours of local radio and nations radio hours produced in London: 7,977
- Hours of local radio and nations radio hours produced in the English regions: 225,020
- Weekly reach of BBC Radio in England: 65%
- Weekly reach of BBC local radio in England: 14.6%, with the average listener tuning in for 8 hours and 36 minutes a week.
- Local radio cost per user hour in England: 4.0p



BBC Online



Overview of BBC Online

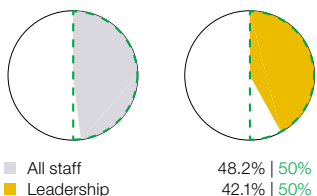
BBC Online comprises the BBC's portfolio of online products, including News, Sport, Weather, Children's Services, Knowledge and Learning, and the iPlayer. BBC Three was the first BBC television channel to go online only, in 2016.

- 63.3% of UK adults use BBC Online (including the BBC Red Button) each week. In a context of increasing competition from rival commercial services, BBC iPlayer is still one of the UK's most-used video-on-demand providers.
- BBC News Online is the UK's most visited online news provider, with more than 14 million adults using the app or the website each week.
- Although the BBC anticipates that most audiences will continue to use traditional radio and television, its strategy is to be 'internet-fit' so that it is well placed for likely future technological changes in the broadcasting sector.
- During 2017 the BBC is asking users of BBC iPlayer and BBC iPlayer Radio on web and mobile applications to sign in to use these services. The BBC wants to grow its active, signed-in user base to 20 million members.
- The BBC plans on collecting and analysing data from its signed-in user base to improve its understanding of users and audiences, allowing it to provide a more personalised service to licence fee payers.
- The BBC has budgeted for £215 million expenditure on BBC Online and digital services in the year ended 31 March 2018.

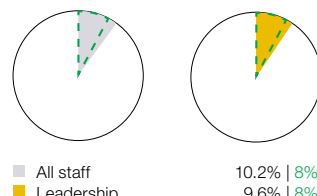
Appendix – BBC staff

Workforce in BBC 2016-17

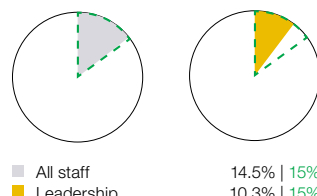
Women employees at the BBC (%)
(2017 actuals)



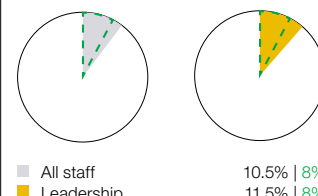
Disabled employees at the BBC (%)
(2017 actuals)



BAME employees at the BBC (%)
(2017 actuals)



LGBT employees at the BBC (%)
(2017 actuals)



Size and cost of the BBC's workforce 2010-11 to 2016-17

Financial year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Staff numbers (total)	22,899	21,940	21,282	20,736	21,404	21,265	21,271
Of which: Public Service Broadcasting Group	19,767	19,054	18,683	18,647	19,333	19,269	19,357
Salaries and wages (£m)	1,021.7	999.9	998.5	937.4	976.5	990.0	1,018.1
Social security (£m)	84.9	91.6	96.5	94.2	98.9	101.5	106.6
Pension costs (£m)	(88.2)	117.8	153.6	176.6	184.3	184.3	212.7
Restructuring costs (£m)	63.3	103.4	43.7	16.5	21.5	21.4	49.6
Staff costs (total £m)	1,081.7	1,312.7	1,292.3	1,224.7	1,281.2	1,297.2	1,387.0
Of which: Public Service Broadcasting Group (£m)	1,080.2	1,096.0	1,057.8	1,005.9	1,161.4	1,198.8	1,259.9

Sources: BBC Annual Report and Accounts, 2010-11 to 2016-17

Talent pay

The BBC paid 43,420 individuals and organisations as talent in 2016-17. Of these, 40,328 were individuals paid less than £40,000 and 96 were individuals paid over £150,000, of which 2 were paid more than £1 million.

Under the new Royal Charter, the BBC is required to publish the names of people who are paid more than £150,000 from licence fee revenue in each financial year, set out in pay bands of £50,000. This is available at: www.bbc.co.uk/aboutthebbc/insidethebbc/howwework/accountability/bbc_talent_pay

The disclosures for 2016-17 include BBC Studios, which was then a division within Public Service Broadcasting. As of 1 April 2017, BBC Studios is operating as a separate commercial subsidiary of the BBC (see page 12). As such, the scope of disclosures may change in future years.