



National Audit Office



REPORT

The BBC's implementation of 'Across the UK'

BBC

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BBC

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

17 November 2023

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Key facts

£700mn

the total additional amount the BBC expects to spend outside London between March 2021 and March 2028. Between March 2021 and March 2023, the BBC had transferred 9.6% of this target against its planned 12.5%

£34mn

the total cost of implementing Across the UK spent by March 2023 against a baseline budget set in October 2021 of £136 million by March 2028

£67.5mn

the expenditure that the BBC had transferred outside London by March 2023 representing 77% of its target of £87.5 million by March 2023

54%

percentage of UK adults in March 2023 who think the BBC is effective at reflecting people like them (22% think it is ineffective). The same percentage of UK adults think the BBC is effective at catering for the part of the UK they live in (20% think it is ineffective)

60%

percentage of the BBC's annual expenditure on commissioning BBC television programmes that it plans to be outside London by December 2027 (compared with 51% in 2019-20). By March 2023, it was spending 58% of its production budget outside London

50%

percentage of the BBC's annual expenditure on commissioning and producing BBC audio programmes that it plans to be outside London by March 2028 (compared with 40% in 2019-20) By March 2023 it was spending 41% outside London

60%

percentage of apprentices supported by the BBC in March 2023 who are based outside London, against a target of 80%. By March 2023, the BBC had 369 apprentices based outside London

£850 million

the additional economic benefit (local gross value added or GVA) that the BBC estimates its implementation of Across the UK will generate by March 2028

Summary

Introduction

1 The BBC is the main public service broadcaster in the UK. Its mission and public purposes are set out in its Royal Charter. In March 2021, the BBC published *The BBC Across the UK* (ATUK), setting out its ambitions to strengthen its delivery for the whole of the UK, particularly in areas where perception of the BBC's relevance are relatively low, and to ensure that every household gets value from the BBC. It plans to do this by cumulatively spending at least an extra £700 million outside London between March 2021 and March 2028. Its March 2021 plans covered television, audio (radio and music), news, local communities, online and technology, production hubs and studios, training and apprentices, and property, with impacts falling primarily on its Content, News, Technology and Product divisions and support functions.

2 The BBC's recognition that most of its decision-making and expenditure has been historically located in London is not new. In 2004, it developed plans to relocate several departments to a new regional centre, subsequently completing its move to Salford in April 2012 (which we reported on in March 2013).¹ ATUK builds on this, but the BBC considers it a much bigger transformation affecting every part of the BBC and all four UK nations. ATUK is expected to increase programming from all parts of the UK outside London, including Salford, Cardiff, Newcastle and the North-East, Birmingham and the West Midlands, Glasgow, and Belfast. Its ATUK commitments exceed existing quotas for producing television programmes outside the M25 set by Ofcom, the BBC's regulator.

¹ Comptroller and Auditor General, *The BBC's move to Salford*, National Audit Office, March 2013. Available at: www.nao.org.uk/wp-content/uploads/2013/05/10143-001_The-BBCs-move-to-Salford.pdf

3 The BBC sees ATUK as an enabler for its September 2020 *Value for All* strategy. One of the public purposes in the BBC's Royal Charter is to serve, reflect and represent the diverse communities of the UK. Improving audience portrayal to better reflect the lives and communities of BBC audiences is the central purpose of ATUK, with the BBC's planned extra expenditure outside London a key means of achieving this. The BBC believes that moving decisions on budgets and expenditure outside London will change the culture of BBC commissioning, production and BBC News journalism. This is expected to reduce regional differences in audience portrayal perceptions, increase the BBC's regional economic footprint and support growth of local creative industries. As a result of ATUK, the BBC expects to move around 400 roles outside London. Since it sees its decision-making and expenditure as catalysts, it estimates the implementation of ATUK will generate an additional economic benefit totalling around £850 million in local economic growth.

Scope and purpose of this report

4 The BBC's implementation of ATUK has three phases spanning seven years, with phase one covering set-up and implementation up to March 2023. Phases two and three are broadly focused on delivering further moves and maximising the benefits of ATUK respectively. We have assessed the BBC's progress with its implementation of ATUK so far and sought to draw out lessons for the remaining implementation periods. We assessed the following:

- The BBC's plans for implementing ATUK.
- What the BBC has achieved so far during phase one of implementing ATUK.
- Challenges for implementing the remaining phases of ATUK.

5 ATUK is rooted in the BBC's Public Service Broadcasting Group and we have not therefore assessed its impact on the BBC's commercial activities.

Key findings

The BBC's plans for implementing ATUK

6 **The BBC took an informed approach to targeting its interventions on areas of the UK where it could make the most impact.** The BBC used audience data about viewing habits, portrayal and perception to inform its decisions to intervene in specific regions, also taking account of regions where it had historically spent less, such as the West Midlands, compared with others. It also commissioned research into the BBC's economic impact in the creative sector and local economies, forecasting the growth it expects ATUK to stimulate. It set up ATUK activities focusing on areas where it already had some presence and at a scale it considered sufficient to make an impact on the local creative economy, rather than being thinly spread across many areas (paragraphs 1.8 and 1.9).

7 The BBC's business case for ATUK was underdeveloped. The BBC first set out its approach to ATUK in March 2021 and announced targets following consultation with BBC divisions. By October 2021, the BBC had finalised its baseline ATUK plan, budget and business case, setting out the basis for the previously announced target numbers. The BBC's plan drew on its experience from previous approaches covering staff and role moves, such as its move to Salford in 2012. The BBC took its ATUK business case through its governance structures and processes, including its Audit and Risk Committee and Executive Committee which reviewed and approved it respectively. BBC divisions subsequently produced more developed business cases for their areas, applying a BBC business case template. However, when compared with NAO-identified good practice, the BBC's October 2021 business case was underdeveloped. For instance, there was no appraisal of different options for meeting the programme objectives nor an assessment of local labour market skills to deliver ATUK (although the BBC told us it undertook a range of interventions to grow and develop talent and suppliers across the UK). The BBC's lack of initial planning created delivery risks. For example, the lack of market assessment led to unrealistic timelines for moving roles and local recruitment in some parts of the programme (paragraphs 1.11 and 1.12, Figure 4).

8 The BBC decided to implement ATUK through its divisions, as these are best placed to understand audiences, but has recognised the delivery risks this presents and has progressively strengthened its governance and oversight. Responsibility for implementing ATUK – in terms of making programming decisions and the transfer of budgets outside London – rests with BBC divisions on the basis that they are closest to understanding the BBC's audiences. The ATUK director is responsible for programme delivery and manages a small central team that reviews divisional plans and supports implementation of ATUK. The team also manages stakeholders and reports progress to the BBC's Executive Committee, including the director of nations as executive sponsor of ATUK. Given ATUK's strategic importance to UK-wide audiences and the BBC's culture and relevance, the BBC placed ATUK into its Critical Projects Portfolio in September 2021. In January 2023, a BBC project assurance review reported that the devolved delivery structure risked restricting the flow of information between divisions and the central team. It also found that while the ATUK director maintains a firm handle on delivery, overall the ATUK central team had insufficient capacity to support all the components of ATUK. Towards the end of phase one, the BBC recognised these risks and strengthened resourcing and governance, introducing a Steering Committee to join up BBC strategic thinking, and to decide how to prioritise budgets. These arrangements have only been in place since early 2023 and so it is too early to say whether they will fully mitigate the identified risks (paragraphs 1.17 and 1.21, Figure 5).

What the BBC has achieved with ATUK so far

9 By March 2023, the BBC was £20 million short of its key phase one target for transferring expenditure outside London, reaching its target three months later in June 2023. The BBC planned for phase one of ATUK to focus on setting up for future delivery in later phases. It nevertheless set itself a phase one target of transferring £87.5 million of expenditure outside London, against which it transferred £67.5 million by March 2023, representing 77% of its target. The BBC has moved some phase one activities into phase two and deferred its expenditure on these, primarily due to delayed audio moves and associated support costs. By the end of phase one, it had therefore transferred 9.6% (against a planned 12.5%) of its total £700 million target by March 2028. The £67.5 million expenditure has mostly been transferred to the north of England, the West Midlands and Wales. By June 2023, it had transferred £88.1 million outside London, meeting its phase one target three months later than planned (paragraph 2.6, Figure 7).

10 The BBC has met many of the other targets that it set for phase one of ATUK. By March 2023, the BBC had made good progress in implementing many activities, including:

- spending 58% (£921 million) of its television network production budget outside London, (March 2020: 51%) already close to its target of 60% by December 2027 (paragraph 2.8, Figure 8);
- commissioning 110 new and returning drama and comedy programmes reflecting communities outside London. Of these, 68 programmes have already been aired on television, 29 of which specifically portray the devolved nations. It has also moved or commissioned 25 network programmes to new locations such as Cardiff, Glasgow and Brighton (paragraph 2.11, Figure 6);
- moving 269 full-time equivalent (FTE) roles outside London which, together with recruiting for 22 roles in its new North-East Technology Hub, exceeded its phase one total target of 288.5 FTE roles. Most roles (222) were moved in the News division. Moves outside London were mostly to English regions (73%), with some to Wales (16%), Scotland (11%) and Northern Ireland (less than 1%) (paragraphs 2.14 and 2.15, Figure 10); and
- agreeing two published memoranda of understanding during 2021 setting out how to better serve local audiences and creative economies. These are with the West Midlands Combined Authority and Create Central; and with the North-East Screen Industries Partnership (paragraph 2.18).

11 In some areas, however, the BBC has not been able to make the progress it planned for against its phase one targets. These include:

- audio: Expenditure in the nations and regions is at the same level as it was in March 2020 at 41% (March 2020: 40%), with some way to go to reach its target expenditure of 50% of audio production outside London by March 2028 (paragraph 2.9, Figure 8); and
- BBC apprentices: Recruitment has been below March 2023 targets, both in terms of absolute numbers (617 against a total target of 713) and the percentage recruited outside London (overall 60% against a target of 80%) (paragraph 2.21, Figure 11).

12 By March 2023, implementation of ATUK had cost the BBC £34 million, 42% of its phase one forecast cost of £81 million. ATUK requires initial one-off costs, such as technology and human resources costs, investment in infrastructure and administration costs. In October 2021, the BBC set a baseline budget of £136 million for implementing ATUK to March 2028, with a forecast cost to the end of March 2023 of £81 million. By the end of phase one in March 2023, the BBC had spent £34 million, 42% of its baseline forecast cost and 25% of its baseline budget for implementing ATUK. This underspend is largely due to lower-than-expected support and investment costs required in phase one as a result of the BBC not carrying out all planned activities to meet its targets for transferring expenditure outside London by March 2023. However, the BBC told us it had also carefully managed programme budgets, resulting in efficiencies. In May 2023, the BBC had reduced its then forecast lifetime cost of delivering ATUK from £131 million to £126 million by March 2028 as a result of identified savings (paragraphs 2.25 and 2.26, Figure 12).

13 The BBC has rightly shown flexibility in its delivery approach for ATUK but changes to its plans may make it harder to track implementation and benefits accurately. Since announcing ATUK in March 2021, the BBC subsequently decided to remove or modify some elements, such as its announcement in June 2023 not to move the BBC Concert Orchestra outside London as it had originally planned, which the BBC had expected would transfer £23 million of its spending outside London. It also reduced its target for recruiting staff apprentices outside London from 80% to 51%. While it is usual for plans to change and adapt, the BBC did not have an agreed process for requesting changes to ATUK until October 2022 and decided not to review any changes made prior to this being adopted. Without a proper system in place for much of phase one of ATUK, there is a risk that the BBC has not properly understood the risks and impacts of making changes on its strategic objectives. The BBC believes it has now improved the tracking of the benefits of ATUK (paragraphs 2.2, 2.3 and 2.21).

14 The BBC is confident that it is starting to open up new opportunities for staff outside London and it is increasing recruitment of staff locally. For its move to Salford in 2012, the BBC relocated 854 BBC staff (compared with 254 recruited locally) at considerable relocation expense and made 548 BBC staff redundant. Its approach to ATUK has been different. It has made the overall decision to move expenditure in line with its *Value for All* strategy, while moving fewer roles than for the move to Salford. Of the 291 FTE roles that the BBC moved outside London in phase one, 84 roles were filled by staff relocating and 207 roles by local recruitment. So far, it has spent £13 million in redundancy and relocation costs across its news and audio divisions. Within its News division, it has made 98 roles redundant. The BBC has also created new opportunities for developing careers in network broadcasting by moving BBC programmes outside London, such as *Newsbeat*. The BBC expects to see changes in culture and ways of working as it creates more such opportunities outside London (paragraphs 2.11, 2.14, 2.17, Figure 10).

Challenges for implementing the next phases of ATUK

15 While the BBC now expects to transfer more television production expenditure outside London than originally planned, it is yet to finalise its plans to get audio back on track. The BBC has reviewed phase one of ATUK and set out the lessons it has learned and key areas for improvement. Overall, it is confident that it is broadly on track to deliver on its ATUK commitments and that it has achieved strong momentum with ATUK, almost reaching its target for moving television production expenditure after just two years. The BBC is now considering possible 'stretch targets' and has already identified additional transfer expenditure for television to be delivered over phases two and three. However, it has not met all its phase one milestones (paragraph 11), notably in transferring audio production expenditure outside London and, although divisions remain accountable for achieving their targets (paragraph 8), it has not yet finalised its plans to get back on track where shortfalls and delays have occurred. This means that the final profile of transferred expenditure for ATUK could look different from what was originally planned in March 2021. The BBC has not, however, assessed whether and how this change may affect the outcomes it is seeking with ATUK (paragraphs 3.1 to 3.5).

16 The BBC is behind on its ATUK targets for recruiting apprentices. The BBC has fallen short of its targets for BBC apprentice schemes both in terms of absolute numbers and the percentage outside London (paragraph 11). The BBC has set itself an ambitious target by committing to support 1,000 in-house apprentices in any given year across the UK by 2025. The BBC has two in-house apprentice schemes: for new joiners at the start of their careers and for existing staff. For its Early Careers apprentices, 69% (275) were recruited outside London and for BBC staff apprentices it was 43% (94). Its difficulties have been due to factors that include ongoing reorganisations within the BBC, low levels of awareness among staff and BBC divisions being unable to offer enough placements outside London, rather than a lack of interest from potential apprentices. Its separate West Midlands pilot Apprentice Hub, aiming to support local creative industry employers, achieved 27 apprentice placements against a target of 50 by March 2023. Demand was less than the BBC anticipated for reasons including the sector not growing at a fast enough rate, potential employers finding it unaffordable given recent economic conditions and other competing local skills initiatives. The BBC is reviewing the model for its pilot hub to see how it can deliver its commitment to skills development and incentivise demand for apprentices from small- and medium-sized enterprises (paragraphs 2.20 to 2.22, 3.6 and 3.7).

17 The BBC does not yet have a fully developed evaluation plan to assess its progress with implementing ATUK and to capture the intended benefits. The BBC's October 2021 baseline plan described high-level metrics to measure improvements in audience portrayal, how ATUK adds value in the creative and production sectors, and potential proxy metrics for tracking additional economic growth. The BBC is now in phase two of ATUK where, as it planned, it will develop its main methodologies for measuring benefits and impacts, to use alongside those for audience impact where some measurements are already in place. This will include how and when it will apply more granular versions of these measures in practice. The BBC considers that ATUK benefits will not flow until its later phases and that evaluating certain benefits too soon will not be helpful. However, without a robust evaluation framework and accurate reporting of data the BBC will not be able to capture benefits or change course if needed. Such a framework would establish the baseline for measurement and demonstrate how benefits measured relate back to ATUK's objectives. It would also establish the information needed to evaluate benefits as well as a strategy to assess the risks of not achieving key benefits and potential mitigating actions (paragraphs 3.8, 3.9 and 3.12, Figure 3).

18 The BBC needs to do more to communicate ATUK's changes and benefits to secure greater buy-in, particularly from its external stakeholders. The BBC is seeking significant internal change but also in its engagement with the creative sector and other external stakeholders. We found that the BBC had engaged with external stakeholders across the nations and regions. Stakeholders expressed support for ATUK and pointed to improvements it was bringing about, such as creating new opportunities for local investment, employment and creativity, but perceptions of the quality of the BBC's engagement varied. Perceptions were that the BBC had formed good relationships with key local bodies in each region but, for example, trade bodies were less positive about the BBC's engagement. The stakeholders want more collaboration, transparency and communication from the BBC. The BBC also recognises that it needs effective, ongoing communication with its staff to embed the benefits of ATUK and is making changes to address this including developing a communications plan for 2022-23 and beyond. However, it was unable to provide data on staff perceptions of ATUK. The BBC knows it will need to do more in this area and told us it will look to put in place a system for collecting data on staff views that is specific to ATUK as it moves into phases two and three (paragraphs 3.14 to 3.16, Figure 13).

Conclusion on value for money

19 The BBC has made progress in setting up ATUK and making decisions which it expects to result in extra expenditure and decision-making outside London, particularly in terms of television production expenditure and News. By the end of phase one in March 2023 the BBC was £20 million short of its planned target for transfer of expenditure outside London but had met this three months later by June 2023. Overall, at the end of phase one, the BBC has transferred 9.6% of its total £700 million target for March 2028, with the remaining transfer of expenditure planned for phases two and three. The BBC is confident that through continuing to hold its divisions to their individual targets it will meet its £700 million target. Meeting this target remains possible if the BBC can quickly put in place a plan to overcome challenges to date in transferring expenditure in some areas, notably audio production. Conversely, it also expects to exceed its transferred expenditure target for television production and so the BBC will need to understand whether this has any impact in terms of achieving its strategic objectives for ATUK.

20 The BBC is seeking to make investments at a scale which stimulates local change, and it acknowledges that it will take some time for ATUK activities and expenditure to fully contribute to local creative, cultural and economic impact and ultimately benefit audiences in targeted areas. To secure value for money and to achieve real transformation through ATUK, the BBC will need to sustain momentum: following through on its commitments and sustaining trust and communication with its own staff, local communities and partners. It also needs to work out how to track its objectives to improve value for audiences and secure economic value, including developing an improved approach to its evaluation of medium- and long-term outcomes while also planning for how it will sustain the benefits of ATUK beyond March 2028.

Recommendations

- 21** Building on the work the BBC has underway as it moves into phase two of ATUK, it should:
- a** **review changes it has made to ATUK since March 2021, including the underlying data it is using to track these, to ensure it will still achieve its intended strategic objectives.** This should include assessing whether it has adequate processes in place to measure the impacts of changes made against its original plans. It also needs to assess whether improvements to its change control mechanism as well as changes to its governance following the phase one review are working effectively;
 - b** **reassess how it will achieve its target of supporting 1,000 apprentices in any given year by the end of 2025 and the capacity the BBC has to recruit at such a scale.** This should include reviewing how it will achieve its targets for outside London. It should also finalise its ongoing work to examine its model for the Apprentice Hub with creative industry partners about how it can incentivise industry recruitment so that its intentions to encourage sector apprentices and commitment to skills development can be a success;
 - c** **set out a benefits management strategy and plans for measuring changes in audience portrayal and economic growth without further delay.** The plan should set out the baseline against which benefits will be measured, how benefits measured relate back to ATUK's objectives, the information needed to evaluate benefits as well as a strategy to assess the risks of not achieving key benefits and potential mitigating actions. The BBC should also develop how it will revisit and retest ATUK's benefits at key stages of the programme;

- d examine how it will capture other benefits arising from ATUK.** Recognising that ATUK is not intended as a savings programme, the BBC should assess ATUK's alignment with other BBC-wide initiatives, for example any scope for financial efficiencies and other non-financial benefits presented by the new ways of working. It should also consider how it identifies any disbenefits created by ATUK; and
- e set out a revised communications and engagement strategy.** Building on its learning from phase one, the BBC should set out plans for sustaining culture change from ATUK. As it moves into phases two and three, it needs to collect ATUK-specific data to help it understand the views of staff on ATUK as well as its impact on staff who are directly and indirectly affected by it. The plan should also assess our stakeholder feedback and what more it can do to engage as it implements further phases of ATUK.

Part One

The BBC's plans for implementing Across the UK

1.1 In March 2021, the BBC published *The BBC Across the UK* (ATUK), setting out its ambitions to strengthen its delivery for the whole of the UK, particularly in areas where perception of the BBC's relevance is relatively low, and to ensure that every household gets value from the BBC. This part of the report examines how the BBC set up ATUK.

The rationale for ATUK

1.2 The BBC is the main public service broadcaster in the UK. Its mission and public purposes are set out in its Royal Charter. One of these public purposes is to serve, reflect and represent the diverse communities of the UK and support the creative economy, and the BBC has designed ATUK with a clear focus on these elements.

1.3 ATUK plans include reallocating money as well as people, power and decision-making away from London into the UK's nations and regions. The BBC believes that moving decisions on budgets and expenditure outside London will change the culture of BBC commissioning, production and BBC News journalism. In turn, that will improve audience portrayal perceptions, increase the BBC's regional economic footprint, support growth of creative industries in the nations and regions, and help reduce regional differences in audience portrayal perceptions. Between March 2021 and March 2028, it expects to spend around £700 million more outside London. This is in the context of overall network television and audio content expenditure of £987 million in the BBC's baseline year of 2019-20 with £487 million spent outside London. It also expects to generate additional economic benefit totalling £850 million in targeted areas of the UK by March 2028 (**Figure 1** overleaf).

1.4 The BBC's recognition that most of its decision-making and expenditure has been historically located in London is not new. In 2004 it developed plans to relocate several departments to the north of England, completing a move to Salford in 2012. We reported on this in 2013.² ATUK continues to build on this earlier work, but the BBC considers it a much bigger transformation affecting every part of the BBC and all four UK nations.

² Comptroller and Auditor General, *The BBC's move to Salford*, National Audit Office, March 2013. Available at: www.nao.org.uk/wp-content/uploads/2013/05/10143-001_The-BBCs-move-to-Salford.pdf

Figure 1

The BBC's aims and measures for Across the UK (ATUK)

The BBC sees ATUK as adding audience, creative, public and economic value

Aim: To better reflect, represent and serve all parts of the country ensuring every household receives value from the BBC

Audience value

Audiences feel better connected and represented:

- Transfer £700 million of production and capital expenditure outside London by 2027-28
- Increase television network commissions expenditure in nations and regions to 60%¹
- Increase audio network commissions expenditure in nations and regions to 50%¹
- Move 50% of News story teams outside London
- Commission at least 100 new and returning drama and comedy titles by 2025
- Reduce the variations of key audience metrics between UK nations and regions

Creative value

Growth of regional creative clusters as a result of BBC investment:

- Invest in key regions across the UK to support growth of creative industries
- Invest in the BBC's own regional hubs to help retain skills and create new career pathways
- Work in partnership with local stakeholders and creative partners to increase impact

Public/economic value

Quantifiable regional and national economic impact:

- Generate £850 million additional economic benefit (local gross value added or GVA) in key regions across the UK
- Move around 400 roles outside London
- Create jobs and build key skills for the future including delivery of the Apprentice Hub in the West Midlands
- Deliver the BBC's property strategy to support wider regional regeneration efforts (wherever possible)

Note

¹ Network commissions are programmes that will be broadcast nationally on television or radio.

Source: National Audit Office analysis of BBC documents

1.5 ATUK commitments exceed existing quotas for producing television programmes outside the M25 set by Ofcom, the BBC's regulator. Ofcom specifies that 50% of the BBC's programmes must be made outside the M25, when measured by both expenditure and hours transmitted. As a minimum, 8% of spend/hours must be made in Scotland, 5% in Wales, 3% in Northern Ireland and 30% in the English regions. Ofcom is also required by the Communications Act to place regional television production obligations on the commercial public service broadcasters. The range and volume of these quotas varies by broadcaster. Ofcom defines what counts towards the 'Made Outside London' targets.

1.6 Although not part of ATUK, the BBC has agreements in place with the devolved nations committing to give Northern Irish productions at least 3% of network television expenditure, 5% to Welsh productions and 8% to Scotland. The agreements include co-commissioning and co-financing programmes in the nations' minority languages.

Developing ATUK

1.7 As of March 2023, 54% of UK adults think the BBC is effective both at reflecting people like them (22% think it is ineffective) and catering for the part of the UK they live in (20% think it is ineffective). There is a consistent geographic divide to the BBC's audience scores for portrayal and representation (**Figure 2** on pages 18 to 20). Scores for the metric 'The BBC is for people like me' are highest in London and southern England, but lowest in Scotland, Northern Ireland and northern England. ATUK aims to show audiences that the BBC is relevant to their lives through programming that is rooted in, and inspired by, their communities. BBC research has shown that audiences feel well portrayed by content that shows or mentions local places; is made nearby; or features their regional accent. Given the variation in portrayal perceptions in different parts of the UK, the audience goal of ATUK is focused on reducing the portrayal perception gaps rather than on increasing audience usage numbers.

1.8 The BBC set ATUK's objectives based on its data of audience perceptions of representation and portrayal of people and places. It also told us it used historical data on funding in each nation and region to identify which areas should be targeted for redirecting money and roles from London. This showed, for example, that there was historical underfunding in the West Midlands. ATUK is expected to increase programming from all parts of the UK outside London, including Salford, Cardiff, Newcastle and the North-East, Birmingham and the West Midlands, Glasgow, and Belfast. The BBC set up ATUK activities at a scale it considered sufficient to make an impact on the local creative economies, rather than being thinly spread across many areas. It focused activities on areas where it already had some presence, while increasing commissioning targets in TV and audio outside London to increase production across the UK in many locations.

1.9 The BBC's plans drew on its experience from previous approaches covering staff and role moves, such as its 2012 move to Salford. The BBC also commissioned research into its economic impact in the creative sector and local economies and used this to forecast the growth (gross value added or GVA) it expects ATUK to stimulate.³ It had previously made such GVA forecasts to assess the success of its move to Salford.⁴

3 The measure of economic growth the BBC will use is gross value added (GVA). GVA is an established official measure of the value of goods and services produced, used by the Office for National Statistics and across government.

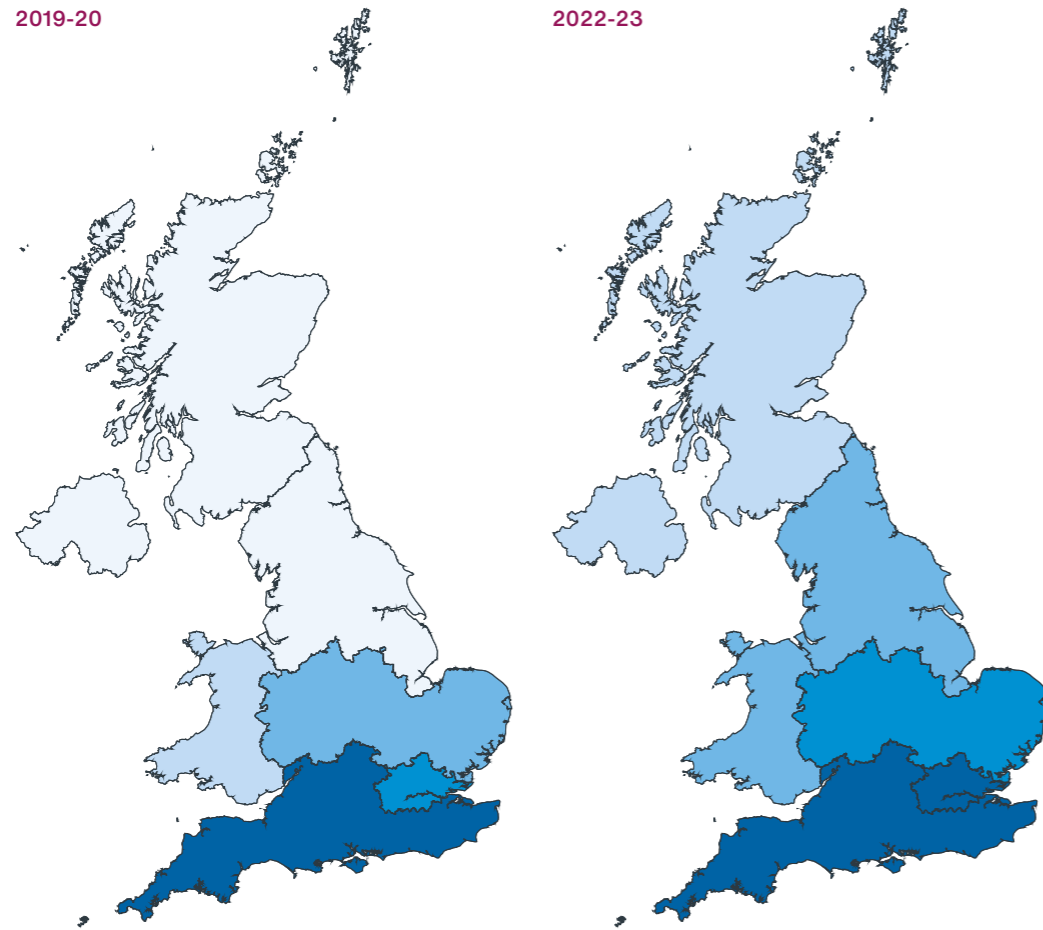
4 See footnote 2.

Figure 2
BBC audience portrayal scores by nations and regions in 2019-20 and 2022-23¹

Certain nations and regions of the UK see consistently lower audience portrayal scores²

Percentage of respondents who feel 'The BBC is for people like me'³

- 45.0 – 48.0
- 48.1 – 51.0
- 51.1 – 54.0
- 54.1 – 57.0
- 57.1 – 60.0



Percentage of respondents who feel 'The BBC reflects my region/nation fairly to the rest of the UK on its programmes'

- 38.1 – 41.2
- 41.3 – 44.4
- 44.5 – 47.6
- 47.7 – 50.8
- 50.9 – 54.0

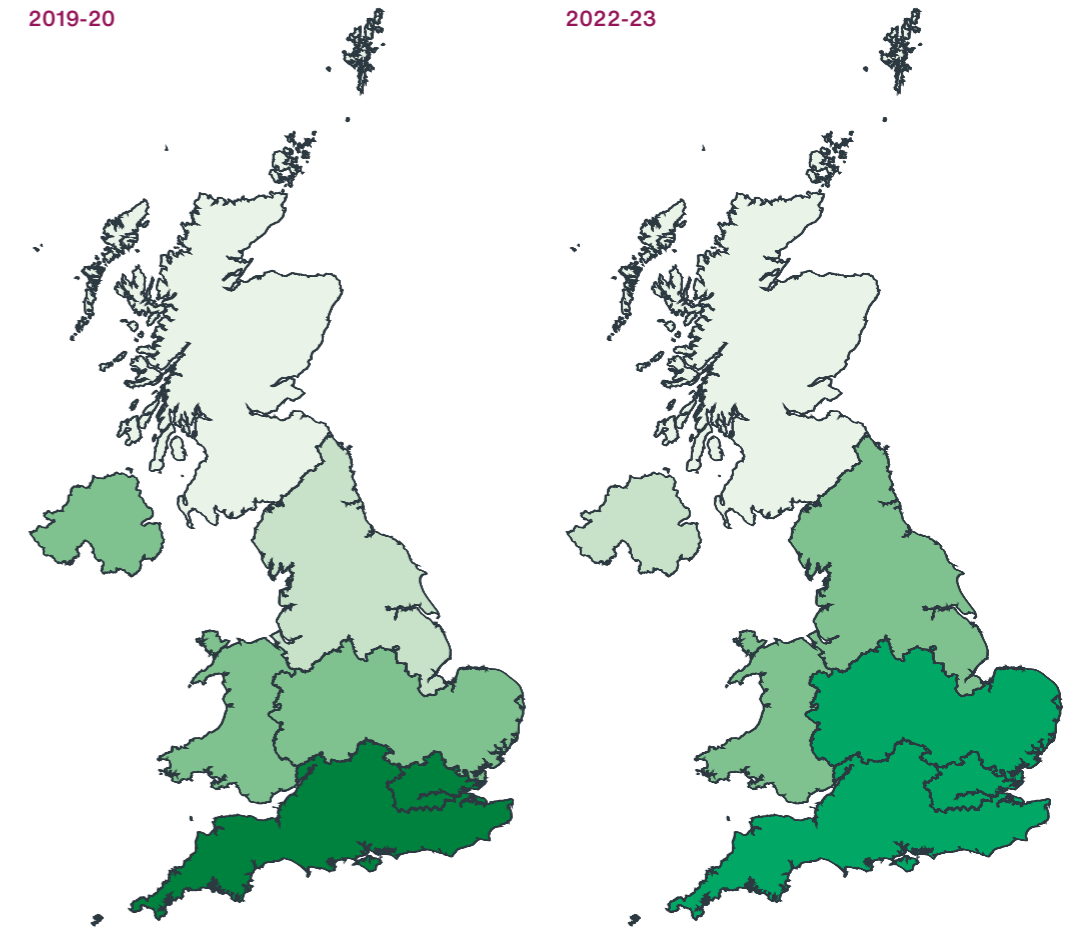
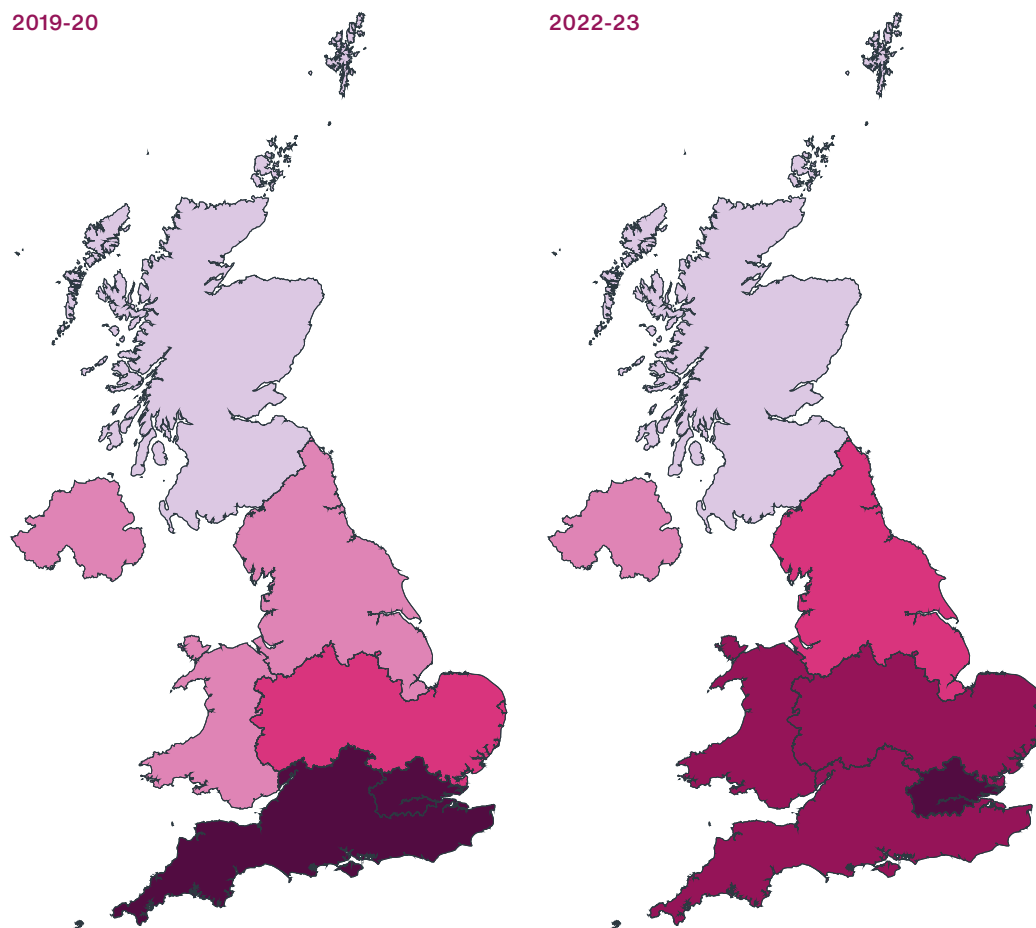


Figure 2 *continued*

BBC audience portrayal scores by nations and region in 2019-20 and 2022-23¹

Percentage of respondents who feel 'The BBC caters well for my region/nation'⁴

- 43.0 – 46.0
- 46.1 – 49.0
- 49.1 – 52.0
- 52.1 – 55.0
- 55.1 – 58.0



Notes

- 1 The BBC commissions Kantar Media to survey a representative sample of UK adults. Respondents are asked to give the BBC a score out of 10 for each of the metrics about their perception of portrayal. Any score of six or more out of 10 counts as agreement with the statement. Kantar Media surveyed 9,860 UK adults in 2019-20 and 8,614 in 2022-23.
- 2 The survey methodology changed in April 2021. This means that 2019-20 cannot be compared, like-for-like, with the results from 2022-23.
- 3 In 2019-20, this question asked participants whether 'the BBC is for people like me'; in 2022-23, this question asked 'the BBC is for me'.
- 4 In 2019-20, this question asked participants whether 'the BBC provides programming and content that caters well for my region/nation'; in 2022-23, this question asked 'the BBC caters well for my region/nation'.

Source: National Audit Office analysis of BBC data. Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data ©Crown copyright and database right 2021

1.10 In developing its plans, the BBC undertook an engagement exercise with some external stakeholders, such as local councils and creative bodies. We asked external stakeholders about their experience (see Appendix One). Of those who responded, some said they had had no awareness of the BBC's plans prior to its March 2021 announcement, some had been informed at stakeholder meetings, while others reported close collaboration with the BBC as it developed its plans.

1.11 The BBC first set out its approach to ATUK in March 2021 and announced targets following consultation with BBC divisions. These plans covered television, audio (radio and music), news, local communities, online and technology, production hubs and studios, training and apprentices, and property, with impacts falling primarily on its Content, News, Technology and Product divisions and support functions. By October 2021 the BBC had finalised its baseline ATUK plan, budget and business case, setting out the basis for the previously announced target numbers. The BBC took its ATUK business case through its governance structures and processes, including its Audit and Risk Committee and Executive Committee which reviewed and approved it respectively. The BBC's plans included a three-phase approach to ATUK spanning seven years, with phase one covering set up and implementation up to March 2023 (**Figure 3** overleaf).

1.12 Our analysis found that the ATUK business case was underdeveloped and, in our assessment, it did not meet National Audit Office (NAO)-identified good practice in several respects. For example, there was no appraisal of different options for meeting ATUK objectives nor an assessment of local labour market skills needed to deliver ATUK (**Figure 4** on page 23), although the BBC told us it undertook a range of interventions to grow and develop talent and suppliers across the UK. A well-developed overall business case is important because programmes will only deliver their intended outcomes and benefits if they are properly scoped, planned and costs justified from the outset. BBC divisions subsequently produced more developed business cases for their respective areas, and the BBC showed us how its BBC business case template was applied to these although it had not applied this to the overall ATUK business case. The BBC's lack of initial planning created delivery risks. For example, the lack of market assessment led to unrealistic timelines for moving roles and local recruitment outside London (paragraphs 2.13 and 2.15).

Figure 3

Across the UK (ATUK) implementation plan

Following its announcement in March 2021, the BBC planned to implement ATUK in three distinct phases

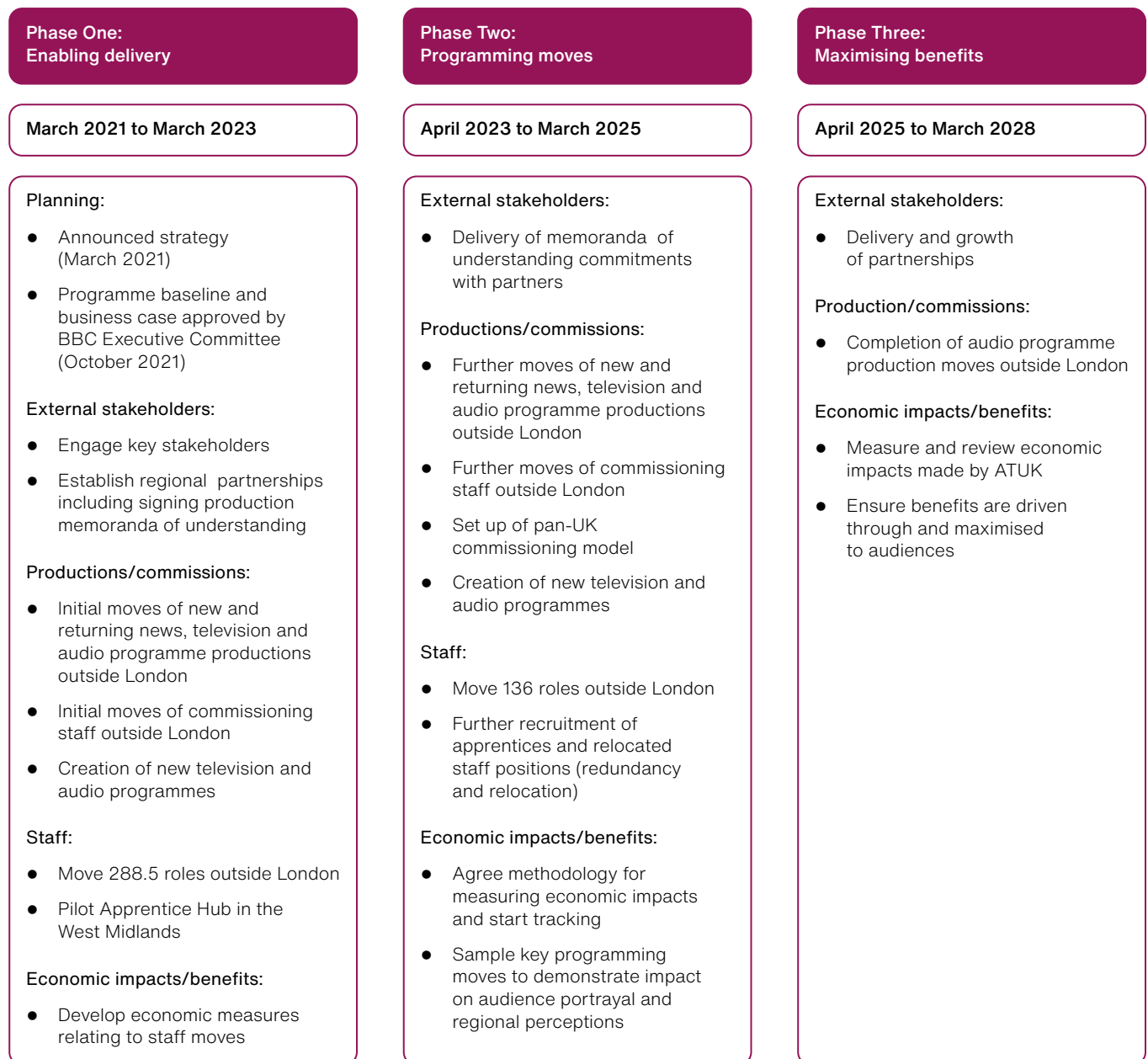


Figure 4

Comparison of the BBC's October 2021 business case for Across the UK (ATUK) against the National Audit Office's (NAO's) assessment of good practice

Our review found ATUK's October 2021 business case did not follow NAO-identified good practice in all areas

Case	Key things we would expect to see	Our assessment	Risk in BBC approach
Strategic	The case for change, the problem and programme objectives	Rationale clearly expressed and well-defined objectives Link between outputs and desired change not clearly stated	Risk to meeting objectives and overall value for money
	Strategic fit with other objectives	Objectives consistent with wider BBC strategies Strategic alignment developed subsequently	Risk of poor control of changes to scope and cost
	Outline of benefits, risks, constraints and dependencies	Insufficient analysis of risks and dependencies	Risk of serious issues arising during delivery
Economic	Multiple options and critical success factors to assess each option	Economic case only developed at a high level No consideration of alternative options for delivering objectives	May miss more effective or better value-for-money ways to meet objectives
	Cost-benefit analysis identifying best value option	Includes forecasting of budget to be transferred outside London No modelling of full economic impact	Inability to assess economic impact
	Conclusions and uncertainties explained to decision-makers	Programme announced before the business case developed or approved	Limited opportunity for senior management input
Commercial	Demonstration of commercial feasibility of preferred option	No commercial case produced No assessment of local labour market skills needed to deliver ATUK	Plan may be undeliverable
Financial	Affordability assessment for preferred option	BBC assessed budget as affordable Forecast costs higher than budget over first three years	Risk of budget over-spends or compromised scope
	Identifies funding gaps and includes contingencies	Contingency allowance budgeted Monitoring, evaluation and programme team costs omitted and required separate budget process Budget approval omitted 'Nations investments' upon which some programme benefits depend	
	Presentation of capital, revenue, and whole-life costs	Included costs and budget forecast to 2027-28	
Management	Arrangements for controls, approvals, risk management, benefits-realisation and monitoring and evaluation	Not included in business case Many of these arrangements developed later	Risk of financial mismanagement and reputational harm No capturing of lessons learned

Note

1 This figure presents our assessment of the BBC's October 2021 business case for ATUK as it was presented to, and approved by, the BBC's Executive Committee in October 2021. The BBC subsequently developed its plans further.

Source: National Audit Office (NAO) analysis of the BBC's business case for Across the UK and supporting documents using the NAO's framework for auditing business cases

Alignment with other BBC strategies and initiatives

1.13 In April 2022, the BBC set up a transformation office to oversee transformation at the BBC, including managing the interdependencies between ATUK and other strategies. ATUK was designed as an enabler for the BBC's *Value for All* strategy and the two are broadly aligned for the future. For example, the *Value for All* strategy set out to make Salford the main base for the BBC's digital and technology teams, supported by digital teams in Glasgow, Cardiff and London.

1.14 The BBC has diversity and inclusion targets for 50% of staff to be female, 20% to be from black, asian and minority ethnic groups and 12% disabled. It also has a target for 25% of staff to come from lower socio-economic backgrounds. ATUK is crucial to the BBC meeting these targets. For example, the BBC aims to have 30% of apprentices from lower socio-economic groups. ATUK also aligns with the BBC commitment to increasing diverse and inclusive content. For example, from April 2021 it has required production companies it works with to commit to at least 20% of their production teams being from under-represented groups comprising ethnicity, disability and socio-economic diversity.

1.15 The BBC is also trying to align ATUK with its net zero goals. New commissions must have albert certification – a sustainable production certificate. The BBC's new premises in Birmingham, for example, is expected to be fully net zero when it opens. ATUK will also contribute to a consolidation of buildings in London, reducing the BBC's property estate by 16,000m² by March 2023. The BBC expects that reducing and renewing the estate should help it reach its target of becoming net zero by 2030.

1.16 While ATUK is not intended as a savings programme, the BBC has identified that it can deliver efficiencies through sharing resources locally. For example, this includes using common studio space for all programmes and social media.

Governance

1.17 Responsibility for implementing ATUK – in terms of making programming decisions and the transfer of budgets outside London – rests with BBC divisions on the basis that they are closest to understanding its audiences. The ATUK director is responsible for programme delivery and manages a small central team that reviews divisional plans and supports implementation of ATUK through an integrated plan and programme governance. The team also manages stakeholders and reports progress to the BBC's Executive Committee, which includes the director of nations as executive sponsor of ATUK, and its Operations Committee. In September 2021 the BBC placed ATUK into its Critical Projects Portfolio given its strategic importance to UK-wide audiences and the BBC's culture and relevance.

1.18 The BBC's Board also has non-executive members for each nation who take a close interest in progress. BBC non-executive directors that we interviewed told us that the Executive Committee was fully behind the Board's prioritisation of ATUK and that they felt well briefed about progress.

1.19 Oversight arrangements for phase one of ATUK (**Figure 5** overleaf) included:

- the BBC Board having representatives and subcommittees for each of the four nations that report to the main Board on issues relating to them;
- ATUK's executive sponsor, the director of nations, reporting to the Executive Committee. The BBC manages its work in the devolved administrations through its Executive Committee; and
- the ATUK central team feeding into wider BBC governance structures, including the BBC's Transformation Office, Operations Committee, Executive Committee and the Board.

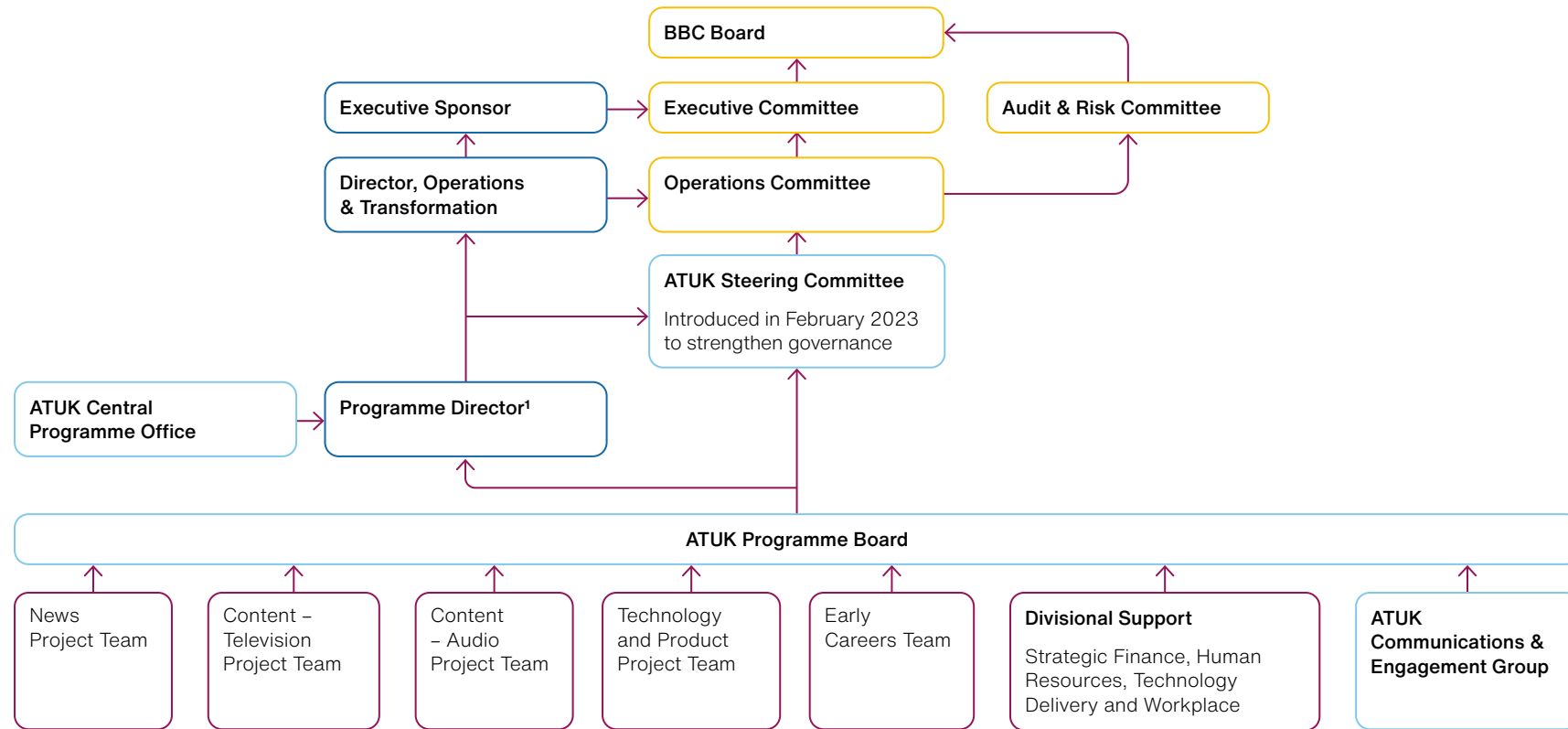
1.20 During phase one of ATUK the BBC strengthened governance arrangements as it felt additional oversight was warranted. In 2022 the BBC established a programme board to focus on risks and their mitigation. In January 2023, BBC project assurance team suggested its effectiveness merited review as some board members noted it was largely operating as a forum for sharing information rather than being focused on issues such as risks and mitigations. The project assurance review reported that it expected the board's processes to continue to mature.

1.21 In January 2023, a BBC project assurance review reported that the devolved delivery structure risked restricting the flow of information about delivery between divisions and the central team. It also found that while the ATUK director maintains a firm handle on delivery, overall the ATUK central team had insufficient capacity to support all the components of ATUK. It concluded that this left ATUK vulnerable as it isolated the director as the single point of failure without their continued presence. Towards the end of phase one, the BBC recognised these risks and strengthened resourcing and governance. In February 2023, the BBC introduced a Steering Committee. It now meets quarterly to join up longer-term strategic thinking for ATUK and other transformation projects, and to decide how to prioritise budgets. These arrangements have only been in place since early 2023 and so it is too early to say whether they will mitigate fully the risks identified. Initially the ATUK director had drawn on part-time support from across the BBC but in April 2023 the Steering Committee also agreed to a central team budget of £0.2 million annually for three years.

Figure 5

Governance structures for Across the UK (ATUK)

Responsibility for implementing ATUK – in terms of making programming decisions and the transfer of budgets outside London – rests with the BBC divisions, with layers of senior oversight



- Division Delivery Units – division teams are tasked with delivering ATUK programme activities
- ATUK programme governance forums – key governance forums coordinating ATUK programme activities
- Key individuals – key senior leaders providing oversight of the programme
- BBC governance boards – ad-hoc programme governance, providing ultimate points of escalation for the ATUK programme
- ➔ Flow of reporting

Note
 1 The programme director also sits on regional programme boards on behalf of the BBC. The regional programme boards are an external part of the governance that help align ATUK activities with other regional initiatives.

Part Two

What the BBC has achieved with implementation of Across the UK so far

Progress during phase one of ATUK

2.1 This part of the report examines what the BBC has achieved so far with *The BBC Across the UK* (ATUK) in phase one and, where relevant, considers what it has achieved since then. We also examine amendments to the scope of ATUK and implementation costs.

The BBC's amendments to the scope and coverage of ATUK

2.2 Following its March 2021 ATUK announcement, the BBC descope activities as it developed the baseline plan approved in October 2021. It has since made changes, including moving some activities into other initiatives. For example, ATUK initially promised a new network of more than 100 digital community reporters across the UK, based in areas that had never benefitted from any regional TV presence, but the BBC did not include this in its baseline plan, moving it to the BBC's local strategy instead. The BBC also dropped local radio plans for six new stations, including Bradford, Wolverhampton and Sunderland, and instead focused on these places with online journalism. The BBC considers ATUK implementation an iterative process and recognises the need to commission new content and adapt plans to meet its overall target.

2.3 While it is usual for plans to change and adapt, the BBC did not have an agreed process for requesting changes to ATUK until October 2022 and decided not to review any changes made prior to this being adopted. Without a proper system in place for much of phase one of ATUK, there is a risk that the BBC has not properly understood the risks and impacts of these changes on its strategic objectives. The BBC nonetheless believes it has now improved the tracking of the benefits of ATUK. Owing to the changes to ATUK's scope, the BBC continues to explore new areas of transferring expenditure to replace those that have fallen away in order to still meet its targets for transferring expenditure. For example, in June 2023 the BBC announced that its Concert Orchestra would not be moving outside London as it had originally planned. The BBC had expected the Concert Orchestra relocation would transfer £23 million of its spending outside London. The BBC will need to find other audio spend to transfer if it is to meet its target of 50% of audio spend outside London and its overall target of £700 million spend to be transferred outside London.

2.4 Inconsistencies in the BBC's internal and external presentation of ATUK may also create challenges in tracking impact. For instance, the BBC confirmed in December 2022 that its relocation to new premises in Digbeth, Birmingham was not part of ATUK, and that the development should be a major project in its own right, requiring construction project capability. Nonetheless, in its 2022-23 Annual Report the BBC refers to its plans to relocate its West Midlands HQ to Digbeth and the associated benefits as part of ATUK. The BBC considers it is legitimate for it to highlight the wider work and benefits it is creating in the West Midlands as part of its external communications.

Progress against ATUK targets for phase one

2.5 **Figure 6** on pages 30 and 31 sets out what the BBC has achieved in phase one and beyond, meeting many, but not all, of the specific targets that it set to the end of March 2023.

Transferring expenditure outside London

2.6 The BBC planned for phase one of ATUK to focus on setting up for future delivery in later phases. It nevertheless set itself a phase one target of transferring £87.5 million of expenditure outside London against which it transferred £67.5 million by March 2023, representing 77% of its target. This £67.5 million was mostly transferred to the north of England, the West Midlands and Wales. By the end of phase one, the BBC had therefore transferred 9.6% (against a planned 12.5%) of its total target of £700 million by March 2028, and was £20 million short of its key phase one target (**Figure 7** on page 32). The BBC said the shortfall is primarily due to delays in moving audio roles outside London and associated support costs. The BBC has now moved some phase one activities into phase two and deferred its expenditure on these. By the end of June 2023, three months after the end of phase one, it had transferred £88.1 million outside London.

2.7 The BBC's March 2021 target to transfer £700 million of expenditure outside London included assumptions about the levels of inflation it expected depending on the type of spending or activities involved. In March 2022, the BBC reviewed its inflation assumptions and highlighted some inflation risk as part of its forecast transferred expenditure target. The BBC forecast that its uninflated transferred expenditure would total £650 million, with a further £72 million of transferred expenditure resulting from inflation, equivalent to 10% of the total. This means the BBC may be reliant on inflation to achieve its key target of £700 million of expenditure transferred outside London. If inflation is lower than forecast, the BBC also risks falling short of its transferred expenditure forecast. The BBC told us it has potential mitigations for this, including the financial benefit of additional production expenditure it has identified to be transferred outside London, which it is yet to add to its forecast transferred expenditure.

Transferring production expenditure outside London

2.8 Between March 2021 and March 2023, the BBC had increased the percentage of its television production budget spent outside London to 58% (this was £921 million by March 2023), already close to its target of 60% by December 2027 (**Figure 8** on page 33). This is a significant achievement and provides the basis for ongoing expenditure outside London in future years. Production moves include *Morning Live* to Salford, *Silent Witness* to the West Midlands and *MasterChef* to Birmingham. The BBC also re-commissioned *Waterloo Road* in Salford from autumn 2023 as one of two long-running drama targets. In February 2023, the BBC's content division estimated that it would achieve at least 60% of TV production expenditure outside London by 2024. However, it was less confident of meeting its contribution to the £700 million transferred expenditure target given pressure to deliver BBC savings targets. By September 2023, the content division had identified additional television production expenditure to be transferred outside London by March 2028, improving the BBC's confidence that it is broadly on track to deliver on its ATUK commitments. For BBC Three, the percentage of network production expenditure rose from 40% to 56% against its aim of two-thirds of expenditure to be outside London.

2.9 The BBC had made less progress on audio by the end of phase one. By March 2023, expenditure in the nations and regions on network audio production was 41%, compared with 40% as of March 2020, with some way to go to reach its target expenditure of 50% of audio production budget outside London by March 2028 (Figure 8).

2.10 Ofcom also specifies that 50% of the BBC's television programmes must be made outside the M25 when measured by both expenditure and hours transmitted (paragraph 1.5). The BBC exceeded this quota in 2022, including the breakdown of where it falls across the UK:

- 46.5% of hours and 38% of expenditure to English regions (quota: 30%);
- 3.0% of hours and 3.9% of expenditure to Northern Ireland (quota: 3%);
- 14.3% of hours and 8.4% of expenditure to Scotland (quota: 8%); and
- 5.8% of hours and 5.4% of expenditure to Wales (quota: 5%).

Figure 6

Across the UK (ATUK) phase one progress against key targets

The BBC has met many, but not all, of the key targets that it set for phase one of ATUK

Key activities	Phase one target	Progress at end of phase one (March 2023)
Transferring expenditure outside London		
Transfer expenditure outside London	£87.5 million	£67.5 million
Increase investment in regional portrayal	£30 million	No data
Increase the proportion of television network commissions expenditure in nations and regions ¹	No phase one target. End of programme target: 60%	58%
Increase the proportion of audio network commissions expenditure in nations and regions ¹	No phase one target. End of programme target: 50%	41%
Increase the proportion of BBC Three expenditure outside London	No phase one target. End of programme target: 66%	56%
Transferring employment outside London		
Transfer employment outside London	288.5 full-time equivalents	291 full-time equivalents
Transfer News roles outside London	209 full-time equivalents	222 full-time equivalents
Recruit new positions in Newcastle Technology Hub	20-30 full-time equivalents	22 full-time equivalents
Apprentices and training outside London		
Increase the number of in-house apprentices ²	713 apprentices	617 apprentices
Increase the proportion of in-house apprentices outside London ²	80%	60%
Launch an Apprentice Hub based outside London	50 apprentices	27 apprentices
Moving and commissioning programmes outside London		
Move or commission programmes outside London	Including: <i>Morning Live</i> , <i>Waterloo Road</i> , <i>BBC Introducing on 1XTRA</i> , Radio 1 daytime, Radio 1 afternoons, Radio 1 weekends, Radio 2 daytime, World Service & Today Business	Broadly delivered to schedule
Moving production teams outside London		
Move production teams outside London	Data Analysis; Climate and Science; Social, Growth and Delivery; Learning and Identity; Technology and Innovation; Money and Work; Long-form audio; Asian Network; BBC Newsbeat; News story teams; Digital Growth team	Broadly delivered to schedule

Figure 6 *continued*

Across the UK (ATUK) phase one progress against key targets

Key activities	Phase one target	Progress at end of phase one (March 2023)
Moving commissioning outside London		
Commission scripted titles to improve portrayal ³	No phase one target. End of programme target: 100 titles commissioned	110 titles commissioned
Commission long-running dramas to improve portrayal	No phase one target. End of programme target: 2 titles commissioned	1 title commissioned (<i>Waterloo Road</i>)
Increase the proportion of commissioners outside London	40% of commissioners	No data against target, but number of commissioners outside London increased from 15 to 31
Appoint Drama assistant commissioners in regions and nations	4 commissioners	4 commissioners

Notes

- 1 Network commissions are programmes that will be broadcast nationally on television or radio.
- 2 Includes early career apprentices, staff apprentices and apprentices in the Apprentice Hub.
- 3 Qualifying titles must meet the BBC criteria to reflect the lives and communities of audiences outside London.

Source: National Audit Office analysis of BBC documents

Programme moves

2.11 The BBC has described ATUK as commissioning-led. It commissioned 110 new and returning drama and comedy programmes reflecting communities outside London by March 2023. Of these, 68 programmes have already been aired on television, 29 of which specifically portray the devolved nations including *Sherwood*, *Happy Valley*, *Control Room*, *Bloodlands*, *Two Doors Down*, and *The Outlaws*. The BBC has also created new opportunities for developing careers in broadcasting by moving BBC programmes outside London, such as *Newsbeat*. The BBC expects to see changes in culture and ways of working as it creates more opportunities outside London. It has so far moved or commissioned 25 programmes to new locations such as *Interior Design Masters* to Brighton, *Inside Health* on Radio 4 and the *Early Breakfast Show* on Radio 2 to Cardiff, and *Click* to Glasgow. Another seven programme moves were planned during phase one and completed early in 2023-24, including the Eurovision semi-finals and final.

2.12 The BBC's progress on audio programme moves is behind where the BBC planned to be, with audio programme relocations and progress dependent on the outcomes of BBC speech and classical reviews. The BBC only approved business cases for radio relocations in November 2022, and delayed some moves that were planned for phase one for audio into 2023-24. Plans for BBC Radio 3 were on hold from October 2022 to April 2023 while a new controller of Radio 3 was appointed.

Figure 7

Transferred expenditure, by division, for phase one of Across the UK (ATUK) and forecast to the end of the programme

By the end of phase one (March 2023), the BBC had transferred outside London £67.5 million of the target £700 million, against its phase one target of £87.5 million

Division	Target for March 2023	Actual at March 2023	Forecast for March 2028
	(£mn)	(£mn)	(£mn)
Support – Technology, Workplace, Human Resources, Technology and Product role moves	27.3	6.1	34.8
News	15.4	14.4	98.0
Content – Television	5.5	5.4	109.1
Content – Audio	1.0	1.0	68.7
Central/ATUK Budget Total	49.3	27.0	310.6
Content – Television (self-funded moves) ¹	33.2	36.7	336.0
Apprentices	5.0	3.8	52.1
Grand Total	87.5	67.5	698.6

Notes

- 1 Self-funded moves are programme moves funded from the divisions' budgets.
- 2 The BBC updated its targets and forecasts in May 2023.
- 3 Figures may not sum due to rounding.

Source: National Audit Office analysis of BBC financial data

2.13 The BBC aims to strengthen classical music roots in Salford through Radio 3 and to form a new hub in the north of England. Radio 3 programmes will be commissioned from suppliers across the UK with 50% of production hours being made in Salford. Two titles, both made by independent production companies, have already moved.

Figure 8

The BBC's expenditure on network production outside London, from the beginning to the end of the Across the UK (ATUK) programme

The BBC is shifting network production outside London, with more rapid progress in television than audio

Ofcom region	Television			Audio		
	Baseline year (2019-20)	End of phase one (March 2023)	Target by December 2027	Baseline year (2019-20)	End of phase one (March 2023)	Target by March 2028
	(£mn)	(£mn)		(£mn)	(£mn)	
London	394	383		106	109	
North of England	122	187		44	47	
South of England	78	102		4	4	
Wales	76	66		8	9	
Scotland	68	79		7	8	
Northern Ireland	29	35		1	1	
Other ¹	24	47		3	3	
Midlands and East of England	22	21		3	3	
Grand total	813	921		176	184	
Made outside London ² (£mn)	418	538		70	75	
Percentage of total production spend	51%	58%	60%	40%	41%	50%
Made in the nations (£mn)	173	180		16	18	
Percentage of total production spend	21%	20%		9%	10%	

Notes

- 1 'Other' includes multi-English region, multi-nation/English region network production and production that is in development/location dependent on tendering.
- 2 Figures show the total cost of transmission for television and audio outside London, not only ATUK transferred expenditure.
- 3 Figures may not sum due to rounding.

Source: National Audit Office analysis of BBC financial data and documents

Moving staff and roles outside London

2.14 For its move to Salford in 2012, the BBC relocated 854 BBC staff (compared with 254 recruited locally) at considerable relocation expense, and made 548 BBC staff redundant because of the move. Its approach to ATUK has been different. It has made the overall decision to move expenditure in line with its *Value for All* strategy, while moving fewer roles than for the move to Salford. As a result, the BBC expects that around 400 roles will move outside London, half from BBC News and half from audio. **Figure 9** provides a case example of how ATUK affects the BBC's News division. By the end of March 2023, the BBC had moved 269 full-time equivalent roles outside London which, together with recruiting for 22 roles in its new North-East Technology Hub, exceeded its phase one total target of 288.5 roles. The Technology hub aimed for 20–30 by the end of phase one and 70 by the end of 2023. Of the 291 FTE roles that the BBC moved outside London in phase one, 84 roles were filled by staff relocating and 207 roles by local recruitment (Figure 6 and **Figure 10**).

2.15 Most of the relocations – 222 roles – were from the News division going to Salford, Cardiff and Birmingham. Of the 222 FTE roles that moved outside London, 78 were relocations and 144 were re-recruited. Moves outside London were mostly to English regions (73%), with some to Wales (16%), Scotland (11%) and Northern Ireland (less than 1%). Within the News division it was assumed 75% of staff would not relocate. In 2012, when the BBC moved 1,500 roles to Salford, 62% of staff did not relocate.

Figure 9

Illustrative example: News division

As part of Across the UK (ATUK), News teams will move outside London to better represent a range of issues and to be more reflective of the UK

One aspect of ATUK is to enable the News division to embed its “story-led, audience-centric model” that feeds stories to multiple platforms: television, audio, digital and social media. This approach requires the BBC to move half of the News teams outside London to hubs around the UK including Birmingham, Leeds, Cardiff, Glasgow and Salford. Key news programmes such as *Today*, *PM* and *Newsnight* will now come from different bases across the year to better represent a range of issues relevant to different parts of the UK. The BBC's business news output will also aim to be more reflective of the UK with all key morning output coming from Salford. Around 27 roles and the centre of the Technology and Innovation story team have moved to Glasgow. The BBC views Scotland as the BBC's centre of excellence for technology journalism, broadcasting its *Click* and *Tech Tent* programmes from Glasgow from May 2022.

Source: National Audit Office analysis of BBC documents

Figure 10

Role moves in phase one of Across the UK (ATUK)

By the end of March 2023, the BBC had moved 291 roles outside London, with 84 staff relocating and 207 local recruitments

Location	Division	Relocated roles	Recruited roles	Total moved roles ¹
		Full-time equivalent ²	Full-time equivalent ²	Full-time equivalent ²
Salford	Audio	1	4	5
	News	15	65	80
	Sub total	16	69	85
Birmingham	Audio	1	1	2
	News	21	35	56
	Sub total	22	36	58
Cardiff	Audio	3	19	22
	News	17	18	35
	Sub total	20	37	57
Glasgow	News	10	15	25
	Sub total	10	15	25
Leeds	News	13	11	24
	Sub total	13	11	24
Newcastle	Technology and Product	2	22	24
	Sub total	2	22	24
Various locations ³	Television	0	16	16
	Sub total	0	16	16
Belfast	News	0	1	1
	Sub total	0	1	1
Stoke	News	1	0	1
	Sub total	1	0	1
Total		84	207	291

Notes

- 1 Moved roles include both relocated roles and those recruited locally.
- 2 All figures are for full-time equivalent, as at 31 March 2023.
- 3 Roles moved outside London that are not based in fixed locations.

Source: National Audit Office analysis of BBC staff data

2.16 The BBC also plans to transfer audio roles outside London but is unlikely to reach the numbers predicted. Approval of initial audio moves was delayed until November 2022 as the BBC's project assurance team identified that the quality of investment cases was inconsistent. The radio business case assumed 85% of staff would not relocate. The BBC's progress in relocating the BBC's audio science unit to Cardiff has been slow, although the BBC told us that this move is now complete. The ATUK team overestimated Radio 3 relocations and its decision not to move the BBC Concert Orchestra outside London (paragraph 2.3) could also reduce the number of moves. Role moves also present the risk of local skills shortfalls in areas where the BBC is transferring expenditure. For example, the BBC reported some recruitment challenges in some areas compared with London (such as recruitment for its *Asian Network* in Birmingham). The BBC considers it unlikely that changing its plan would help it to meet the target to move roles outside London, and it is considering adjusting this.

2.17 So far, the BBC has spent £13 million in redundancy and relocation costs across its news and audio divisions. Of this, £11 million was on redundancies and £2 million on relocations, running dual homes, travel and commuting. Within its News division, it has so far made 98 roles redundant.

Partnerships and engagement with stakeholders

2.18 The BBC is working in partnership with local stakeholders and creative partners to increase ATUK's impact. During 2021 it:

- founded new partnerships with Creative Wales and although not formally part of ATUK, renewed partnership agreements with Screen Scotland and Northern Ireland Screen. Screen Scotland promised £0.5 million to support the ambitions of the first year of the agreement;
- helped create and then partnered with the North-East Screen Industries Partnership (NESIP) a new organisation representing all 12 local authorities and three combined authorities in the North-East and representatives from the cultural sector, which aims to develop the region's television and screen industries and build skills and capacity in the region. The partnership has since included representatives from further and higher education sectors; and
- agreed two published memoranda of understanding setting out how it could sustainably grow the regional production sector, better serve local audiences and creative economies. Firstly, with the West Midlands Combined Authority and Create Central and then with NESIP. The latter included a BBC commitment to spend an extra £25 million on network television commissioning to the North-East between 2021 and 2026.

2.19 In February 2023, the ATUK central team told the Executive Committee that the BBC had achieved its commitments to the production partnership in the West Midlands and it was on track for delivery in the North-East. In some local authorities, recent financial developments could limit future financial support from external partners (paragraph 3.15).

Apprentices

2.20 In March 2021, the BBC set itself an ambitious target by committing to doubling its in-house apprentices, supporting 1,000 in any given year across the UK. In September 2021, it said it aimed to achieve this by the end of 2025. The BBC has two in-house apprentice schemes: for new joiners at the start of their careers and for existing staff. In-house apprentices cover BBC Early Careers apprentices (500 new hires) and BBC staff apprentices (500 roles for existing staff leading towards a formal qualification). By comparison, ITV had 259 apprentices between 2011 and 2019, 28 of whom were based in the nations and regions.

2.21 The BBC's performance on apprentices has been below its targets for phase one both in terms of absolute numbers and percentage outside London. By March 2023 the BBC had recruited 617 in-house apprentices against a total target of 713. The BBC was aiming to have 80% of apprentices outside London, but only managed 60% (69% of BBC Early Careers apprentices, 275, and 43% of BBC staff apprentices, 94) (**Figure 11** overleaf). As a consequence, the BBC now estimates it faces a shortfall of £7.5 million on the £700 million target of expenditure transferred outside London. In July 2023, the BBC reduced its target for the percentage of staff apprentices outside London from 80% to 51%.

2.22 In March 2021, the BBC also committed to piloting an Apprentice Hub in the West Midlands, to support local creative industry employers. It aims to place around 400 apprentices by March 2028, at an overall cost of no more than £14 million. The BBC missed its target by March 2023 for recruitment to the Apprentice Hub. Its scheme placed 27 apprentices against a target of 50.

Property, development of technical support and other services

2.23 The BBC expects its large property estate in London to reduce as a result of ATUK, while maintaining its presence across hubs, local and regional sites to support ATUK's ambitions. While other BBC divisions have specific ATUK delivery targets, its workplace division plays an enabling role in ATUK delivery, for example by refurbishing existing property, ensuring technology requirements are met; and undertaking the procurement of the new premises in Birmingham.

Figure 11

BBC apprenticeship recruitment by the end of phase one

The BBC's performance on apprentices has been below its targets for March 2023, both in terms of absolute numbers and percentage outside London

Type of apprentice	Total number of apprentices at the BBC		Percentage of apprentices outside London	
	Target for March 2023	Actual at March 2023	Target for March 2023	Actual at March 2023
			(%)	(%)
Early Career apprentices	463	398	80	69
Staff apprentices	250	219	80 ²	43
In-house apprentices subtotal	713	617	80	60
Apprentice Hub ¹	50	27		
Total apprentices	763	644		

Notes

- 1 The Apprentice Hub is based in Birmingham. It does not have a 'percentage outside London' target as all Apprentice Hub apprentices will be outside London.
- 2 In July 2023, the BBC reduced this target to 51%.

Source: National Audit Office analysis of BBC data and documents

2.24 One important ATUK refurbishment during phase one was of the BBC's Barrack Road campus in Newcastle to host the new North-East Technology Hub. The hub includes product and user development specialists, software developers, testers and data scientists. By June 2021, the BBC had set itself a target to complete recruitment of 70 staff by December 2023. Strong demand for technology staff had slowed initial recruitment, but the BBC recruited 19 out of the 20 planned by the end of 2022. It also used the hub to host events with the local technology community and by summer 2023 it was holding tech-related events to build relationships with the sector.

The costs of implementing ATUK so far

2.25 Implementing ATUK requires initial one-off costs, such as technology and human resources costs, investment in infrastructure and administration costs. In October 2021 the BBC set a baseline budget of £136 million for implementing ATUK, but its original budget request did not include the cost of measuring programme benefits, including audience performance and economic impact. By the end of phase one, the BBC forecast that the lifetime cost of ATUK would be £131 million. The ATUK central team told the Executive Committee that it was confident it could make savings to reduce implementation costs. In May 2023, the BBC had reduced its then forecast cost of delivering ATUK to £126 million by March 2028 with £5 million of contingency budget returned to the BBC's overall budgets as a result of identified savings.

2.26 By the end of phase one of ATUK in March 2023, implementation of ATUK had cost the BBC £34 million (£7 million in 2021-22 and £27 million in 2022-23) 42% of its forecast cost of £81 million and 25% of its baseline budget for implementing ATUK (**Figure 12**). This underspend is largely due to lower-than-expected support and investment costs required in phase one as a result of the BBC not carrying out all planned activities to meet its targets for transferring expenditure outside London by March 2023. However, the BBC told us it had also carefully managed programme budgets, resulting in efficiencies.

2.27 The BBC has used the funds allocated to ATUK flexibly, for example, approving the transfer to England from Scotland of £1.2 million of 2022-23 and 2023-24 planned production expenditure after neither of the two entertainment titles it had allocated to Scotland (*I Can See Your Voice* and *This Is MY House*) were recommissioned. This funding was instead used to help meet the commitments in the West Midlands partnership agreement. The BBC told us that the success and recommissioning of *The Traitors*, which is set and produced in Scotland, helps to ensure it continues to meet its commitments to Scotland.

Figure 12

Across the UK (ATUK) forecast and actual cost by division

By March 2028, the BBC forecasts that ATUK will cost £126 million, of which £67million will come from the central ATUK budget

Division	Forecast to March 2023	Actual to March 2023	Forecast to March 2028
	(£mn)	(£mn)	(£mn)
News	16.4	10.7	17.2
Content – Television	10.3	8.5	14.6
Support – Technology	5.8	3.2	6.2
Support – Workplace	5.5	1.6	5.5
Content – Audio	17.7	1.5	17.5
Support – Human Resources	4.4	0.4	0.6
Support – Project Management	0.0	0.2	0.2
Contingency	9.0	0.0	4.9
Central/ATUK Budget Total	69.2	26.2	66.6
Content – Television (self-funded moves) ¹	6.3	4.5	7.5
Apprentices	5.0	3.8	52.1
Grand Total	80.5	34.4	126.1

Notes

- 1 Self-funded moves are moves funded from the divisions' budgets.
- 2 Figures may not sum due to rounding.

Source: National Audit Office analysis of BBC financial data

2.28 In April 2023, the ATUK Steering Committee approved use of underspends of the implementation budget to:

- enable the central team to react to opportunities as they arose by collaborating with BBC teams and divisions, piloting and assessing an Impact Fund of £750,000 a year to further ATUK aims (such as extra Eurovision 2023 events in May 2023 to increase participation and inclusion); and
- create a fund of up to £200,000 a year for ad-hoc ATUK activity supporting delivery and benefits, for instance, backfilling gaps in the budgets for evaluation of gross value added and developing audience portrayal measures.

Part Three

Challenges for implementing the next phases of Across the UK

3.1 This part of the report examines the findings from the BBC's review of phase one as well as the challenges for the BBC in successfully delivering the remaining phases of *The BBC Across the UK* (ATUK) that cover further programme moves and maximising benefit.

Review of phase one

3.2 In January 2023, the BBC project assurance team reported that overall ATUK was on schedule and below budget, and that there were no significant problems. The report did not identify any issues with a significant impact on transition to phase two, but noted risks concerning governance, benefits planning and resourcing. At the time of this review ATUK was assigned an overall RAG rating of amber due to issues with approval of the BBC's relocation policy and delays in approving audio investment cases. BBC project assurance reported that these issues had been resolved.

3.3 The central ATUK team undertook two further reviews in early 2023; it reported one to the Executive Committee in February 2023 and another to the Steering Committee in April 2023. These reviews drew on learning at the end of phase one to address priority areas, such as needing an integrated delivery plan, better communications about progress, addressing measurement of progress, and alignment with key BBC strategic initiatives. The BBC is addressing issues raised by these reviews.

Getting back on track

3.4 Overall, the BBC is confident that it has achieved strong momentum so far, reaching some ATUK targets after just two years, and it is now considering possible 'stretch targets'. It also remains confident that it will broadly achieve its target for transferring expenditure outside London by March 2028 for reasons set out below. In May 2023, it estimated that it would transfer £699 million outside London by that date, just short of its £700 million target. Progress against this target depends on delivery within divisions who remain accountable for achieving their targets and who will need to identify new areas of expenditure to transfer to replace those that have fallen away.

3.5 The BBC plans to over-deliver against its transfer of television production expenditure outside London and has identified £90 million of additional television production expenditure by March 2028 (although it has yet to include this in its overall forecasts for transferred expenditure). It has not, however, assessed whether and how this change may affect the outcomes it is seeking with ATUK. The contribution of different elements of ATUK to the overall transferred expenditure target means that by March 2028 ATUK could look very different from what was originally planned in March 2021. The BBC's ability to meet the transferred expenditure target of £700 million is also in the context of some major challenges, including changes in the scope of ATUK delivery plans, such as the BBC's June 2023 announcement not to relocate the BBC Concert Orchestra outside London, which was to contribute £23 million towards the target. The BBC told us it was developing a phase two business case with plans to address these challenges and ensure it meets its targets, but that these were not yet finalised.

Key challenges to delivery in the next phases

Apprenticeships

3.6 The BBC is behind on its targets for recruitment for both in-house apprentices and its new Apprentice Hub to support local industry employers. For its in-house apprentice schemes the shortfall affects both absolute numbers and the percentage of apprentices outside London. Its difficulties have been due to factors that include ongoing reorganisations within the BBC, low levels of awareness among staff and BBC divisions being unable to offer enough placements outside London, rather than a lack of interest from potential apprentices. The BBC acknowledges that significant organisational effort will be needed to achieve the in-house apprentice targets.

3.7 Separately, the BBC found that demand for its West Midlands pilot Apprentice Hub has been less than anticipated for reasons that include the sector not growing at a fast enough rate, potential employers finding it unaffordable given recent economic conditions, and other competing local skills initiatives. The BBC is reviewing the model for its pilot hub to see how it can deliver its commitment to skills development and incentivise demand for apprentices from small- and medium-sized enterprises.

Monitoring and evaluation

3.8 In October 2021, the BBC agreed a phased approach to evaluating ATUK in its baseline plan but this lacked detail. It described high-level metrics to measure improvements in audience portrayal and how the BBC adds value in the creative and production sectors, with potential proxy metrics for tracking additional economic growth. The BBC is now in phase two of ATUK where, as it planned, it will develop its main methodologies for measuring benefits and impacts, to use alongside those for audience impact where some measurements are already in place. This will include how and when it will apply more granular versions of these measures in practice. However, it still lacks a clear timetable for evaluation and has only recently established a budget for its evaluation activity.

3.9 Based on our *Framework to review programmes*⁵ and our report on *Lessons learned from Major Programmes*,⁶ we would expect the BBC to now have a benefits management strategy and plan in place. This would set out: the baseline against which benefits will be measured; how benefits measured relate back to ATUK's objectives; the information needed to evaluate benefits; and a strategy to assess the risks of not achieving key benefits and potential mitigating actions. We would also expect the BBC to revisit and retest ATUK's benefits at key stages of the programme, particularly where assumptions have changed and to ensure it also identifies any new benefits or disbenefits. Instead, the BBC's approach has been to separately develop its plans for its two most significant areas of planned benefits – for audiences and for economic growth.

Measuring audience benefits

3.10 The BBC is aiming to see a statistically significant change in audience scores for the statement 'the BBC is for me', and a reduction in the range between high- and low-performing regions. It uses these measures together to assess portrayal perception gaps (paragraph 1.7). It is aware of the limitations of its measures where external events may influence audience perceptions or where it is difficult to separate the effect of ATUK from wider BBC strategies. For example, actual on screen representation of women in March 2023 was 52.2%, but viewers' perception was that women made up 47.3% of what they saw and heard. As set out in paragraph 1.7, audiences feel well portrayed by content that shows or mentions local places; is made nearby; or features their regional accent. As part of its assessment of the impact of ATUK on its audiences, the BBC is also collecting data focused on specific programmes, so it can check if the decisions it is taking about content are having an effect on improving representation and portrayal. It expects a sustained change in audience perceptions to take time.

5 National Audit Office, *Framework to review programmes*, April 2021. The framework draws on National Audit Office experience from around 200 reports and brings together the key questions we ask when we review major programmes.

6 Comptroller and Auditor General, *Lessons learned from Major Programmes*, Session 2019–2021, HC 960, National Audit Office, November 2020.

3.11 The BBC recognises that portrayal is a complex issue. Data on its audiences may not be nuanced enough to reflect how audiences describe themselves. For example, its geographical regions are very broad: it presents data for the north of England as a whole which includes the North West, North East, Yorkshire and Humberside.

Measuring economic benefits

3.12 The BBC does not anticipate economic benefits to flow until ATUK's later phases. The BBC will not be able to capture these without a robust evaluation framework that demonstrates how its 'theory of change' links its interventions to success in achieving ATUK objectives, or change course if needed.⁷ Without the right metrics and evaluation framework, the BBC will find it difficult to sustain the long-term benefits it expects from ATUK after March 2028, including generating increases in local economic activity. It plans to agree its methodology for measuring economic impacts and start tracking them in phase two (Figure 3).

3.13 In July 2023, the BBC set out its proposed approach on how it could start to measure the economic impact of ATUK, recommending:

- quarterly tracking measures of the economic impact of ATUK, based on the BBC's expenditure and employment data;
- annual collection of short-term economic indicators of the development of creative clusters;
- the case for an overall evaluation of ATUK's economic impact as late in its roll-out as possible, but in time for the next Charter renewal discussions; and
- options for analysing the link between BBC activity within communities and their support for the BBC.

⁷ A theory of change explains how the activities undertaken (such as a project, programme or policy) contribute to a chain of results that lead to the intended or observed impacts.

Engagement with key stakeholders

3.14 The BBC aims for ATUK to spark significant change for its staff and how they operate. The BBC recognises that it needs effective, ongoing communication with its staff to embed the benefits of ATUK and is making changes to address this. In response to a January 2023 BBC project assurance report, it developed a staff communications plan for 2022-23 and a monthly communications and engagement group to discuss key information and agree areas of focus. However, the BBC was unable to provide ATUK-specific data of staff perceptions. The BBC knows it will need to do more in this area and told us it will look to put a system in place for collecting data on staff views that is specific to ATUK as it moves into phases two and three.

3.15 The BBC sees itself as a catalyst for growth and regeneration in the creative sector, working closely with a wide range of partners including creative organisations and local government. Recent developments in the financial situation of some local councils resulting in essential expenditure only could limit future additional funding and financial support from external partners.⁸ The BBC also recognises it needs to do more to communicate ATUK's changes and benefits to secure greater buy-in, a view that is supported by those external stakeholders we heard from.

3.16 We invited external stakeholders to tell us about their experience of ATUK, receiving 14 responses. These expressed support for ATUK and highlighted perceptions of challenges facing the BBC in delivering its ATUK ambitions (**Figure 13** overleaf). We found that the BBC had engaged with stakeholders across the nations and regions, but perceptions of the quality of engagement were varied. Perceptions were that the BBC formed good relationships with key bodies in each region, including those it had formed partnerships with but, for example, trade bodies were less positive about the BBC's engagement. Stakeholders told us that they perceived challenges and risks to delivery across themes such as commissioning, sustainability and alignment with other BBC initiatives. The stakeholders wanted more transparency, collaboration and communication from the BBC.

⁸ Local authorities in England have a statutory duty to provide a range of services to their communities. These include: education services; children's safeguarding and social care; adult social care; waste collection; planning and housing services; road maintenance; and library services, see: Local Authority Provision of Essential Services – House of Lords Library (parliament.uk)

Figure 13

Stakeholder perceptions of Across the UK (ATUK)

In written submissions to the National Audit Office (NAO), external stakeholders expressed their support for ATUK and highlighted their perceptions of challenges that the BBC may face in delivering its ATUK ambitions

Support for ATUK expressed by stakeholders

Close working relationships with some regional partnerships were developed early in the ATUK process allowing for joint planning and development of its implementation.

Partnerships have created strong and valued relationships with key stakeholders across the nations and regions.

Co-commissioning and partnering with local organisations has improved the portrayal of nations and regions in BBC programmes.

Local initiatives are starting to create new opportunities for investment, employment and creativity.

Theme	Challenges highlighted by stakeholders
Commissioning	<p>Complex pan-UK commissioning model and slow commissioning processes may be difficult for independent companies to navigate.</p> <p>Challenging budgets and tariffs not indicative of the work required for commissioned projects may lead to delivery risks in a tough economic environment.</p> <p>Occurrence of 'brass-plating' could undermine ATUK ambitions by not adding real value and long-term development to the local economy and industry.¹</p>
Stakeholder engagement and collaboration	<p>Lack of collaboration with a wider range of stakeholders may lead to some key stakeholders being left out of vital decision-making.</p> <p>Poor transparency over plans for BBC programmes and limited public data may impact the ability of stakeholders to make decisions and plan.</p>
Impact on people	<p>Poor insight into negative impact of ATUK on those affected may lead to ill-effects.</p> <p>Reluctance of BBC staff to relocate and problems filling roles outside London may lead to a shortage of qualified candidates in the new areas.</p>
Sustainability and long-term planning	<p>ATUK activities that are not sustainable and productive for the nations and regions may lead to a return to 'London-centricness' and not maximise growth of the creative sector.</p> <p>A continuously evolving and challenging media landscape may be a challenge if ATUK activities are not relevant and flexible.</p> <p>Timescales may be too short to build a sustainable creative eco-system.</p> <p>The BBC may end up with random assets around the country which it may later close due to future changes in strategy/markets.</p>
Alignment with other BBC initiatives	<p>Undertaking several significant, interconnected change programmes simultaneously could lead to contradictory activities.</p>
Visibility of programme benefits	<p>Direct benefits from ATUK may not be consistently felt in the nations and regions.</p>

Notes

- ¹ 'Brass-plating' refers to the maintenance of small regional offices by production companies to give the appearance of having a base in the regions, enabling them to take 'regional' commissions which in reality are produced by London-based teams.
- ² This is a summary of the range and diversity of external stakeholder views, based on those who responded to the NAO's invitation to comment on their experience of ATUK. Responses were synthesised and analysed thematically, individual responses were not verified. Although we invited stakeholders to comment on their experiences of ATUK, some of their responses may touch on wider issues.
- ³ We received 14 written submissions, one of which was a joint submission, from a population of 27 external stakeholders who were invited to take part. The 14 submissions were from a mix: six local bodies, six national bodies or trade organisations and three creative organisations. Four of the 14 submissions were from organisations in the devolved nations.

Source: National Audit Office analysis of written submissions from a range of key external stakeholders

Appendix One

Our audit approach and evidence base

1 We reached our independent conclusions on whether the BBC is well-placed to realise the ambitions of *The BBC Across the UK* (ATUK) following analysis of evidence collected primarily between May 2023 and September 2023. We assessed its plans for implementing ATUK, what it has achieved so far during phase one to March 2023 and challenges for implementing the remaining phases between April 2023 and March 2028.

2 At the start of the study, we developed our evaluative criteria and used these to shape our collection and analyses of evidence. We used these high-level evaluative criteria:

- Is the BBC's ATUK strategy evidence-based and supported by a practical delivery plan?
- Has the BBC achieved what it intended with phase one of ATUK?
- Does the BBC have mechanisms in place to deliver the intended outcomes and respond to change for the second and third phases of ATUK?

3 In forming our conclusions, we drew on a range of study methods and a variety of evidence sources, which are set out in the paragraphs below. We also worked closely with colleagues from our internal expertise teams. This included colleagues with expertise in business cases review, quantitative and qualitative analysis and major project delivery, among others.

Interviews and meetings with the BBC

4 We held five interviews with key senior management staff from the BBC, who were selected based on their responsibilities for ATUK. We also interviewed two non-executive directors, who represent the devolved nations of Scotland and Wales on the BBC Board. The non-executive director for Wales is also the acting chair of the BBC Board. The BBC did not have a non-executive director for Northern Ireland at the start of our review, but one was appointed and undergoing induction during our fieldwork. We held teach-in sessions with the BBC's economics and audiences' teams to better understand the measurements of ATUK's economic impact and audience targets including plans for measurement. These were attended by our internal expertise teams for guidance.

5 Interviews took place between July and August 2023 and were carried out online. They typically lasted one hour. The topics covered across these meetings were varied and included but were not limited to:

- reflections on ATUK including needs assessment, outcomes and benefits;
- alignment of ATUK with wider BBC strategies and programmes;
- governance, assurance and oversight;
- monitoring progress, reporting, data, and metrics used to oversee ATUK;
- the delivery of phase one of ATUK so far and lessons learned;
- key risks and challenges ahead;
- perspectives on what ATUK means for the devolved nations including working with partners; and
- developing the communications and relationship management approach for ATUK including resourcing the plan, identifying, and informing stakeholders, managing staff through the change process, leveraging partnerships and working with stakeholders.

6 Interviews were used to explore particular subject areas and guide subsequent requests for and review of documentation, as well as support points of detail within the report. The information from the interviews were analysed thematically, against the evaluative criteria for the study.

External stakeholders' perspectives

7 We sent out pro formas to 27 bodies including local authorities, creative organisations and national bodies, to provide their perspectives on ATUK. We identified the bodies using a list of key external stakeholders provided to us by the BBC and through our knowledge and understanding of the relevant stakeholders. We sent out a pro forma in July 2023, inviting these organisations to comment on their experiences of ATUK. The proforma focused on the following areas:

- Engagement with the BBC (both prior to and after ATUK was announced in March 2021).
- Their experience of the BBC's progress with ATUK, its progress in addressing any issues specific to their organisation, and benefits from implementation so far.
- Lessons for the BBC from stakeholder experiences of ATUK so far.
- Risks and challenges the BBC faces as it continues to implement ATUK from now until its planned completion in 2027-28.
- Any other relevant issues.

8 The BBC shared with us the list of external stakeholders it had engaged with on ATUK. We undertook a further stakeholder mapping exercise identifying a wider range of organisations which we considered to be relevant. We invited all organisations on this long list of stakeholders to tell us about their direct experience of ATUK. We received responses from seven of the 10 organisations provided to us by the BBC and eight of the 17 wider stakeholders we identified.

9 We received 14 written submissions (one of which was a joint written submission) between July and November 2023. Submissions were from a mix of organisations. These included:

- six local bodies: Birmingham City Council, Cardiff Council, Newcastle City Council, North of Tyne Combined Authority, Tees Valley Combined Authority and Create Central;
- six national bodies or trade organisations: AudioUK, Broadcasting, Entertainment, Communications and Theatre Union (BECTU, a Sector of Prospect), National Union of Journalists (NUJ), Producers Alliance for Cinema and Television (PACT), Sunderland Software City and Teledwyr Annibynnol Cymru (TAC); and
- three creative organisations: Creative Wales, Northern Ireland Screen and North East Screen.

Four of the 14 written submissions were from organisations in the devolved nations (Creative Wales, Cardiff Council, Northern Ireland Screen and TAC). Responses were analysed thematically, and to capture the range and diversity of stakeholder views, based on the 14 submissions.

Document review

10 We reviewed published and unpublished documents to assist with:

- defining the scope of the audit and deepening our understanding of ATUK;
- informing further discussion and follow-up with the BBC; and
- informing our findings and triangulating findings from other sources including interviews and data analyses.

11 The documents we reviewed included but were not limited to:

- papers presented to relevant boards and approval committees regarding ATUK;
- programme documentation, such as business cases, budget, delivery, and other planning documents;
- internal lessons learned reports and internal audit papers;
- BBC's audience engagement and reports on audience perspectives;

- memoranda of understanding documents with creative partners in the devolved nations and the regions; and
- BBC annual reports and accounts.

12 Our review was carried out between March and September 2023. We reviewed each document thematically, in line with our evaluative criteria. We consulted with our internal experts to guide our analysis of the business case documentation.

13 We also reviewed the National Audit Office's back catalogue of reports, frameworks, good practice guides and lessons-learned reports for relevant guidance to aid in the scoping of the audit and in analysing our findings. Our review was carried out between April 2023 and September 2023.

Fieldwork visits

14 Between July 2023 and August 2023, we undertook our visits to BBC establishments in England and Wales to support our understanding of how ATUK is being delivered on the frontline. This gave us the opportunity to better understand what we were learning from documents and interviews as well as to speak with relevant people and internal stakeholders on the ground to supplement our evidence base for reporting. Our criteria were as follows:

- To cover at least one of the devolved nations and two English regions.
- To cover both the areas where BBC's presence and engagement is well established as well as areas of relatively new engagement for the BBC.
- To cover various strands within the March 2021 ATUK plans particularly if work has already been undertaken as part of phase one:
 - audience-focused themes: television, audio and news (at least two);
 - enablers: supporting local communities, online and technology, production hubs and studios, training and apprentices, property (at least two); and
 - other aspects: supporting creative partnerships in television, supporting audio industry, and supporting development of indigenous languages (at least one).

15 The establishments we visited were:

- The Mailbox and Digbeth regeneration area, Birmingham;
- BBC Cymru Wales, New Broadcasting House, Cardiff;
- MediaCityUK, Salford; and
- BBC Newcastle Broadcasting House, Newcastle.

16 These visits were used to explore particular subject areas such as views of staff that had relocated as part of ATUK, the BBC's specific plans for the region, subsequent requests for and review of documentation as well as to support points of detail within the report.

Quantitative analysis

17 We analysed data from various sources, relating to the outcomes of ATUK. The key data sources were as follows:

- Audience performance data from the BBC's annual report and accounts and internal documents covering the financial years 2018-19 to 2022-23 to provide a sufficient time series and to track progress from before ATUK began.
- Financial and economic data from the BBC's annual report and accounts and internal documents covering the financial years 2019-20 to 2022-23 and forecast expenditure through to 2027-28. All forecast cost figures we used are in cash nominal values.
- Data relating to staff relocation, recruitment and redundancies covering March 2021 to March 2028.
- Data relating to commissioning including audio and television programmes commissioned and number of commissioners as part of ATUK covering March 2021 to March 2023.

18 Our analysis took place between May 2023 and September 2023 and is used within the figures of the report as well as to support points of detail. We consulted with our internal experts over the audience and economics data to guide our analysis and to obtain their expert judgements.

19 In terms of limitations to the evidence we collected and reviewed, as referenced in paragraph 3.14 we requested ATUK-specific data from the BBC to explore staff perspectives and experience of ATUK. The BBC could not provide us with such data. It told us that it has not conducted formal surveys to canvass staff views on relocation, but staff perspectives have been shared with the rest of the business via its internal Gateway site and on all-staff calls.

Illustrative examples

20 We developed a series of illustrative examples to illustrate key points from the ATUK implementation, including:

- changes to how the News division works;
- the creation of the pan-UK commissioning model;
- building a creative cluster in the North-East;
- efficiencies arising from ATUK; and
- the BBC contributing to regeneration initiatives in Northern Ireland.

21 Our analysis took place between June 2023 and August 2023. The methods used to develop the illustrative examples included thematic analysis of our document reviews, interviews, and field visits.

22 Our analysis was used to:

- triangulate findings from interviews;
- produce a key figure within the report; and
- illustrate and support key points of detail within the body of the report.

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