National Audit Office

REPORT

BBC savings and reinvestment

The BBC

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HC 769

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The BBC

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

11 November 2026

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Key facts



£700mn

BBC target for recurring annual savings between 2022-23 and 2027-28, some of which funded reinvestment



£602mn

delivered savings classified by the BBC as recurring in 2025-26



£500mn

minimum additional recurring annual savings the BBC expects to need to deliver by March 2029



£489mn

savings reinvested in BBC activities as part of the £700-million savings and reinvestment programme, by March 2026



£113mn

one-off savings achieved by the BBC in 2025-26



£209mn

the BBC's public service broadcasting operating deficit in 2025-26



26%

real-terms fall in the BBC's licence fee income between 2016-17 and 2025-26



81%

percentage of UK adults who used the BBC TV/iPlayer, Radio or Online on average per week in 2025-26, down from 90% in 2021-22



15.4mn

accounts using BBC iPlayer on average per week in 2025-26, an increase from 12.1 million in 2021-22



January 2028

start of the BBC's next Charter period

Summary

1 The BBC is the UK's main public service broadcaster, providing a wide range of television, radio and digital services. Under its Royal Charter, it has a mission to serve all audiences through impartial, high-quality and distinctive outputs and services which inform, educate and entertain. The BBC is operationally independent of the government, and is sponsored by the Department for Digital, Culture, Media & Sport (DCMS), and regulated by Ofcom. The BBC Group comprises two main components. Its public service broadcaster (PSB) activities are mainly funded by a licence fee and exists to deliver the purposes and objectives set by the Royal Charter. The BBC also has a Commercial Group, which generates value from BBC assets, including by making and selling programmes to UK and international broadcasters. The BBC received £3,879 million from the licence fee in 2025-26, which represented 91% of the PSB Group's total income that year.

2 The BBC is operating in a period of financial and strategic change. It faces pressure on licence fee income, rising production costs, changing audience behaviour and increasing competition from streaming and digital platforms. As the result of economic, policy and behavioural changes, real-terms licence fee income declined by 26%, or £1.3 billion in real terms, between 2016-17 and 2025-26. Like other UK PSBs, the BBC experienced falling audience reach between 2021-22 and 2025-26 from 90% of adults on average per week to 81%. This included a decline from 81% on average per week to 63% among 16- to 34-year-olds. Audience perceptions of BBC News have also declined, in line with a wider decline in trust across many UK news providers. The proportion of UK adults who considered BBC News effective at providing trustworthy news and current affairs fell from 63% in 2021-22 to 55% in 2025-26, although the BBC remained the UK's leading media provider for trusted reporting. Its current Royal Charter expires in December 2027. As part of its Charter Review, the government is considering the BBC's future remit, governance and funding arrangements ahead of the next Charter period, which begins in January 2028.

3 To help manage the financial pressures, the BBC announced plans in May 2022 to make £500 million of recurring annual savings in the PSB by March 2028, and in 2024 increased the target by a further £200 million, bringing the total to £700 million. The BBC designed its £700-million savings and reinvestment programme (£700-million programme) both to reduce costs and to release funding for reinvestment elsewhere in the organisation, primarily to support strategic priorities, such as its digital-first strategy.

4 In February 2026, while continuing to deliver the £700-million programme, the BBC announced a further objective to reduce spending by around 10% by March 2029, against a March 2026 baseline. The BBC expects it will need to achieve at least £500 million recurring annual savings by March 2029 through this new £500-million cost-reduction programme (£500-million programme). The BBC assessed that the £700-million programme alone could not address continuing financial pressures, including rising costs and declining licence fee income. Unlike the £700-million programme, which combined cost reduction with reinvestment and organisational transformation, the BBC intends for the £500-million programme to address a forecasted funding gap and support its longer-term financial sustainability. The BBC's latest viability statement set out its plan for continuing to operate and meet liabilities in the three years to 31 March 2029. This included making progress with its transformation and savings plans as a key assumption.

Scope of the report

5 This report supports Parliamentary and public scrutiny of the BBC's progress in delivering its £700-million savings and reinvestment programme. It assesses the BBC's progress implementing the programme and identifies lessons to inform future savings, efficiency and business change initiatives. This includes the £500-million programme it announced in February 2026. The report does not assess the wider merits of the BBC's public service remit, funding model or future Charter settlement. It focuses on savings within the BBC's PSB activities and it does not consider the savings and efficiencies in the BBC Commercial Group.

The report covers:

- the BBC's progress with its £700-million savings and reinvestment programme (Part One); and
- the BBC's approach to delivering its £700-million savings and reinvestment programme and lessons for its new £500-million cost-reduction programme (Part Two).

Key findings

Progress so far

6 The BBC expects to achieve its £700 million recurring annual savings target a year ahead of schedule. The £700-million programme aims to achieve £700 million of recurring annual savings by March 2028. In 2025-26, the BBC reported savings of £715 million, comprising £602 million recurring annual savings since 2022 and £113 million one-off savings achieved in 2025-26. The BBC now expects to achieve the remaining recurring annual savings by March 2027. The BBC has achieved savings through reducing staffing levels, rationalising its estate, modernising technology, simplifying processes and changing the mix and scope of content and services. By March 2026, the BBC had reinvested £489 million of its savings in other activities, while the remainder contributed to reducing its overall expenditure (paragraphs 1.16 to 1.18).

7 The BBC has used its £700-million programme to support digital transformation in response to changing audience behaviour. The BBC used savings to fund digital services, such as higher-impact content for iPlayer, and changes to its news offer. For example, through its video digital remix programme it reduced spending on lower-performing content and reinvested in higher-impact content intended to grow iPlayer audiences. The number of accounts using BBC iPlayer on average per week increased from 12.1 million in 2021-22 to 15.4 million in 2025-26, and iPlayer accounted for 27% of all BBC TV viewing in 2025-26 (paragraphs 1.5 and 1.15, and Figure 8).

8 Despite achieving savings to target, the BBC's financial position in 2025-26 was weaker than it forecast and continued a trend of operating deficits and eroding reserves. The BBC reports separately on the performance of its PSB and commercial segments. In its Annual Plan 2025-26, the BBC forecast the PSB would report an operating deficit of £94 million, excluding dividends from its commercial arm. However, in the BBC's 2025-26 annual report and accounts, PSB recorded an actual operating deficit of £209 million, a variance of £115 million to its Annual Plan. Although the 2025-26 operating deficit showed an improved position against the 2022-23 real-terms operating deficit of £410 million, the PSB has continued to spend more than it has received in income. In 2025-26, after taking account of non-operating items including an operating surplus from its commercial arm, the BBC Group recorded a deficit for the year of £121 million, £88 million worse than planned. The BBC forecasts that the group deficit for the year will increase to £329 million in 2026-27. The BBC's cash reserves have also depleted over the last four years to £257 million in 2025-26, a £310 million reduction in real terms since 2022-23, underlining why it considers further savings to be essential (paragraph 1.19 and Figure 5).

How the BBC has achieved savings

9 The BBC delegated responsibility for identifying savings to its divisions but did not develop a central framework to assess savings proposals against wider organisational priorities. The BBC organises its output delivery into divisions, including Content, Nations and News. The BBC set savings targets centrally and allocated them across divisions. Divisions were then responsible for identifying initiatives to achieve these targets, although there were also a small number of cross-divisional initiatives. The BBC told us it centrally challenged initiatives to ensure they aligned with wider priorities. We saw some evidence that the BBC's corporate priorities, such as 'Across the UK' commitments (moving programming and decision-making across the UK to reflect a broader audience), influenced savings decisions, but limited evidence of a consistent, centrally managed process for assessing and challenging divisional savings against those priorities. This increased the risk that divisions would make decisions that were not aligned with the BBC's overarching principles (paragraphs 2.3 to 2.5).

10 The BBC strengthened programme governance over time, introducing weekly reporting on savings delivery. Over the course of the £700-million programme, the BBC introduced governance arrangements including: a central reporting database to record progress against savings targets; central finance review of delivery; and oversight through central steering and working groups. Beyond the central governance arrangements, governance varied between individual initiatives. However, the BBC lacked a consistent approach for how governance arrangements should change in response to differences in the scale and complexity of initiatives. This limited the BBC's ability to maintain a consistent approach to oversight across the programme (paragraphs 2.6 and 2.7).

11 The BBC's risk management arrangements were not commensurate with the scale and significance of the £700-million programme, and did not sufficiently support strategic decision-making. Risks were primarily identified and managed at an initiative level, and were aggregated and assessed at a programme level. Senior committees received regular risk reporting, with risks and mitigations reviewed and updated over time. Key risks reported centrally included risks to delivery of the savings target, resource availability and business readiness. However, the quality and completeness of risk reporting was inconsistent, and often provided no rationale for significant changes in risk exposure, ratings, mitigations or areas of focus (paragraphs 2.9 to 2.12).

12 The BBC could not demonstrate how its corporate risk appetite had been applied in the context of the £700-million programme, including how risk tolerances, trade-offs and escalation thresholds informed programme decision-making. There was also limited evidence that programme risks, dependencies and cumulative impacts were systematically considered alongside wider organisational risks through the BBC's corporate risk framework. While programme governance arrangements provided oversight of delivery risks, the BBC could not demonstrate that corporate risk management provided consistent challenge, integration and organisation-wide visibility of the programme's evolving risk profile. As a result, it could not clearly demonstrate that decision-makers had a comprehensive understanding of how programme risks interacted, accumulated and evolved over time (paragraphs 2.10 and 2.11).

13 The BBC's programme monitoring focused primarily on delivery of savings and did not provide an understanding of the cumulative non-financial impacts. While the BBC monitors a range of wider audience, service and organisational performance measures, these were not consistently integrated into programme monitoring and reporting. Good practice for performance information is that it includes a balanced set of financial and non-financial measures to inform decision-making and management of trade-offs. The BBC introduced a framework to assess the non-financial impacts of some initiatives but did not apply a consistent approach across the £700-million programme. This would have enabled it to bring together information on audiences, quality, organisational capability and financial delivery. Given the many external factors that influence audience behaviour, it is difficult to attribute changes in audience outcomes directly to the savings, a conclusion also reached by EY-Parthenon's independent review of the programme. However, without a consistent approach to assessing impacts across initiatives, the BBC had limited visibility of the cumulative effects of the programme (paragraphs 2.13 to 2.21).

The BBC's new £500-million programme

14 The BBC's £500-million programme is a significant step up in the level of challenge and is likely to result in more noticeable changes for audiences. Unlike the £700-million programme, which combined cost reduction with reinvestment and reprioritisation, the £500-million programme is primarily intended to close a funding gap. The BBC expects to need to deliver at least £500 million of additional recurring annual savings by March 2029, in addition to completing its existing £700-million programme by March 2028. The BBC identified that it needs to find further savings because its financial outlook has weakened. Closing the funding gap through the £500-million programme means the BBC is more likely to need to make choices about the scale and scope of its services. The BBC intends to prioritise back-office efficiencies and productivity improvements before reducing audience-facing services. However, it does not expect these measures alone to be sufficient to close its funding gap, and its planning assumptions indicate that future savings may require reductions in content and services (paragraphs 1.21 and 1.22).

15 The BBC has begun implementing the £500-million programme, including the decision not to recommission some programmes. This new savings programme will require the BBC to reduce spending on content and news programming, with it already decommissioning programmes such as *Live at the Apollo* and *The World Tonight*. The BBC aims to deliver savings while maintaining audience reach. It aims to do this by continuing to commission high performing, lower-cost programming, utilising YouTube to drive digital growth and investing in premium content to attract less frequent viewers. The BBC is developing its approach and intends to draw lessons from its £700-million programme (paragraphs 1.23 to 1.24 and 2.25).

16 The BBC will need stronger oversight, risk management and impact monitoring to manage the challenges of the £500-million programme. Our work on the £700-million programme identified lessons that could inform the BBC's approach to future savings. The BBC's governance arrangements will need to ensure greater consistency in the approaches taken to implementing different initiatives. Risk management will need to address weaknesses in the approach taken in the £700-million programme while considering potential new risks, such as managing outsourcing. Its monitoring will need to keep track of how cumulative savings affect measures including brand perception and propensity to pay the licence fee. The BBC has begun establishing governance arrangements for its new £500-million programme, including setting up a new Steering Group intended to provide executive oversight of savings delivery (paragraphs 2.23 to 2.29).

17 The new Charter may require the BBC to demonstrate efficiency more clearly in its reporting. In its December 2025 green paper, DCMS indicated that it will expect the BBC to demonstrate efficiency more regularly, including potentially setting efficiency targets. This is to provide greater transparency and comparability for Parliament, DCMS and the public. In its reporting on the £700-million programme, the BBC categorised some savings as productivity improvements, along with changes to the scope and mix of services, commercial income and reinvestment in strategic priorities. However, it does not currently measure at the programme level whether outputs or outcomes are maintained or improved despite savings reductions, which would be necessary for demonstrating improvements to efficiency. Clearer linking of inputs to outputs and outcomes will be important if future Charter arrangements require the BBC to report more regularly on its efficiency (paragraphs 2.30 and 2.31).

Conclusion on value for money

18 The BBC deserves credit for delivering significant recurring savings and expects to achieve its target of £700 million of recurring annual savings by March 2027, a year ahead of schedule. It has used these savings to support wider transformation, including investment in its digital strategy. While the BBC had a clear view of progress against its financial targets, it was less able to demonstrate how it understood and managed the wider consequences of savings decisions, including cumulative impacts and trade-offs between financial savings, audience value and service provision. In line with wider UK media trends, the BBC experienced declines in audience reach and perceptions of its trustworthiness between 2021-22 and 2025-26. The BBC was unable to measure if the cumulative impact of its £700-million programme contributed to these declines.

19 In its new, more demanding £500-million programme, the BBC will need to consider these wider impacts as it faces more difficult trade-offs between cost reduction, audience value and service provision. Strong governance, risk management and impact monitoring will therefore become increasingly important, helping the BBC make informed decisions, understand the consequences of savings and maintain delivery of its public service remit. Delivering and demonstrating value for money in the next phase of savings will depend not only on achieving financial targets, but on balancing financial sustainability with the needs of audiences and the long-term resilience of the organisation.

Recommendations

a **The BBC should review whether its governance arrangements for delivering savings and efficiencies remain appropriate for the scale and pace of its new £500-million programme.** As part of this review, it should consider whether existing governance arrangements need strengthening to: maintain effective central oversight; challenge and provide assurance over divisional savings plans; identify and manage interdependencies across the organisation; and enable timely decision-making and escalation where required.

b **The BBC should strengthen its risk management approach to ensure it is proportionate to the scale and significance of its future savings programmes so that it supports the design, governance and delivery of savings.** This should include ensuring that programme risks are reviewed dynamically as circumstances change; greater consideration of trade-offs; clear articulation of risk appetite and escalation routes; and maintaining clear links between programme risks, corporate risks and organisational decision-making.

c **The BBC should develop a consistent framework for understanding the wider consequences of initiatives in its new £500-million programme.** This should include assessment of financial and non-financial impacts, such as monitoring audience, service, reputational and capability metrics, as well as assessing whether expected benefits have been achieved. This is so that decision-makers can better understand the initiative-level and cumulative impacts of the programme to make trade-offs and take action where necessary.

d **The BBC should consider how its monitoring and reporting of progress against the £500-million programme will support any relevant requirements under the new Charter, once these are clear.** This could include distinguishing between efficiency and non-efficiency savings and showing the relationship between inputs and outputs.

e **The BBC should ensure its planned lessons learned review for the £700-million programme is completed in time to shape the implementation of its new £500-million programme.** This should include analysis of what worked well in the £700-million programme, what needs strengthening, and how lessons can be applied to improve its approach to options appraisal, decision-making, impact monitoring and risk management.

Part One

The BBC's progress with its £700-million savings and reinvestment programme

1.1 Since 2017, the BBC has undertaken successive savings programmes to respond to financial pressures. Its current £700-million savings and reinvestment programme (£700-million programme) aims to reduce costs while supporting the organisation's digital-first objective. This part of the report covers:

- the BBC's operating environment and financial challenges; and
- the BBC's progress to date in achieving savings.

The BBC's operating environment

1.2 The BBC Group comprises two main components – its public service broadcaster (PSB) group and its Commercial Group. The BBC is the UK's main PSB, providing a wide range of television, radio and digital services.[1] Under its Royal Charter, the BBC's mission is to serve all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain, and undertake a number of public purposes. The BBC is independent of government but is sponsored by the Department for Digital, Culture, Media & Sport (DCMS) and regulated by Ofcom, the communications regulator. The BBC Commercial Group operates independently of the PSB arm and generates value from the BBC's assets, including making and selling programmes to the UK and international broadcasters.

1.3 The BBC is operating in a challenging financial environment. Alongside falling licence fee income, it faces rising production costs, increasing competition from global streaming platforms and changing audience behaviour. These pressures have contributed to the BBC needing to implement organisational transformation and savings programmes during the current Charter period (1 January 2017 to 31 December 2027).

1 The *Media Act 2024* designates which licenced services are, together, responsible for delivering the public service remit and requirements.

Audience trends and changing consumption habits

1.4 Across the UK, viewing of traditional broadcast TV continues to decline as audiences increasingly use subscription video-on-demand and video-sharing platforms. Between 2019 and 2025, average weekly reach of broadcast television fell across all age groups.[2] The decline was greatest among 16- to 24-year-olds, where weekly reach fell from over 75% in 2019 to 46% in 2025, while reach among viewers aged 55 and over remained above 90% throughout the period.[3] Younger audiences favour watching subscription video-on-demand services and video-sharing platforms, such as YouTube, Netflix and Disney+, over traditional broadcaster TV.

1.5 The BBC has experienced similar changes in audience behaviour. The percentage of UK adults who use BBC TV/iPlayer, Radio or Online on average per week has declined from 90% in 2021-22 to 81% in 2025-26. Within this measurement, usage among 16- to 34-year-olds declined from 81% on average per week to 63%. The number of licences sold fell by 1.9 million between 2021-22 and 2025-26, from 24.7 million to 22.8 million. At the same time, the BBC has seen increased use of its digital services. The number of accounts using BBC iPlayer on average per week increased from 12.1 million in 2021-22 to 15.4 million in 2025-26, and iPlayer accounted for 27% of all BBC TV viewing in 2025-26.[4] The BBC also intends to do more to reach audiences through third-party platforms. For example, in January 2026 it announced a strategic partnership with YouTube focused on YouTube-first programming.

1.6 Audience perceptions of BBC News have also declined. The proportion of UK adults who thought BBC News was effective at providing trustworthy news and current affairs fell from 63% in 2021-22 to 55% in 2025-26. Although trust in BBC News declined, the BBC remained the UK's leading media provider for trusted reporting, and the fall was not unusually large compared with other news providers, with trust down across the UK news market.[5]

2 TV set only. Reach is based on at least three minutes of continuous viewing.
3 Enders Analysis, *Video and audio markets update*, Presentation, December 2025.
4 BBC Group, *Annual Report and Accounts 2025/26*, July 2026.
5 Enders Analysis, *Video and audio markets update*, Presentation, December 2025.

Licence fee income

1.7 The BBC's PSB is primarily funded by the television licence fee. In 2025-26, the licence fee provided £3,879 million, or 91% of the PSB Group's total income that year. This is 0.9% higher than 2024-25 (£3,843 million), largely because of the annual increase in the price of the licence fee to £174.50 from £169.50 in 2024-25. However, the BBC's licence fee income has fallen by 26%, or £1.3 billion in real terms, between 2016-17 and 2025-26. This is the result of economic, policy and behavioural changes, including:

- the 2020 reform of the over-75s concession, which made the BBC responsible for deciding and funding age-related concessions;[6]
- a two-year licence fee freeze in 2022-23 and 2023-24; and
- falling numbers of paid licences.

Other income

1.8 The BBC also generates income from its commercial activities and external fees. BBC Commercial generates profits, through subsidiaries like BBC Studios, which are distributed back to the BBC Group through dividends and content investment. In 2025-26, BBC Commercial contributed £377 million to the BBC through dividends, content investment and other returns, including a dividend payment of £197 million to the PSB Group.

1.9 The Foreign, Commonwealth & Development Office (FCDO) also contributed £137 million in annual grant funding towards the BBC World Service in 2025-26, equivalent to around 2.3% of total BBC Group income.[7] It has confirmed annual grant funding of £148 million for the three years to 2028-29. As we reported in November 2025, the BBC World Service has embarked on its own savings programme to reduce its expenditure in line with reductions to its budget as a result of declining licence fee income.[8]

6 As part of the BBC's Charter settlement, the concession for free TV licences for over-75s, previously fully funded by the UK government, was withdrawn. Since 2020, the BBC has been responsible for deciding and funding age-related concessions and, after public consultation, continues to provide free TV licences to over-75s who are in receipt of Pension Credit.

7 In addition to the annual grant funding, the FCDO provided an exceptional one-off payment of £5 million in March 2026 to support activity in early 2026-27.

8 Comptroller and Auditor General, *The BBC World Service's savings programme*, Session 2024–2026, HC 1382, November 2025.

Charter renewal

1.10 The BBC's Royal Charter provides its constitutional basis and sets out its Objective, Mission and Public Purposes. The current Charter began on 1 January 2017 and expires on 31 December 2027. The government launched the Charter Review in December 2025, publishing a green paper and a public consultation on its proposals, which closed on 10 March 2026. As part of its Review, the government is considering the BBC's future remit, governance and funding arrangements ahead of the next Charter period.

1.11 In its response to the government's green paper, the BBC said that the current funding model is no longer sustainable. It explained that a real-terms decline in licence fee income, alongside changes in audience behaviour and the wider media market, had increased pressure on its finances and raised questions about the long-term sustainability of the existing model. The BBC highlighted that while 94% of adults continue to use BBC services each month, fewer than 80% of households pay for a television licence. It proposed a future funding model that supports audience need, core services and public purposes.

1.12 After considering the responses to the consultation, the government expects to publish a white paper later in 2026, ahead of a new Charter taking effect from 1 January 2028.

The BBC's savings and reinvestment programmes

1.13 Since 2017, the BBC has undertaken a series of savings programmes to respond to financial pressures and changing audience behaviours (**Figure 1**). We examined the programme introduced in February 2017 in our report *BBC savings and reform*.[9]

The £700-million savings and reinvestment programme

1.14 In May 2022, the BBC announced a further savings programme, with a target to deliver £500-million recurring annual savings and reinvestments by 2027-28. In 2024, the BBC increased the target by a further £200 million, bringing the total to £700 million of recurring annual savings by March 2028.[10]

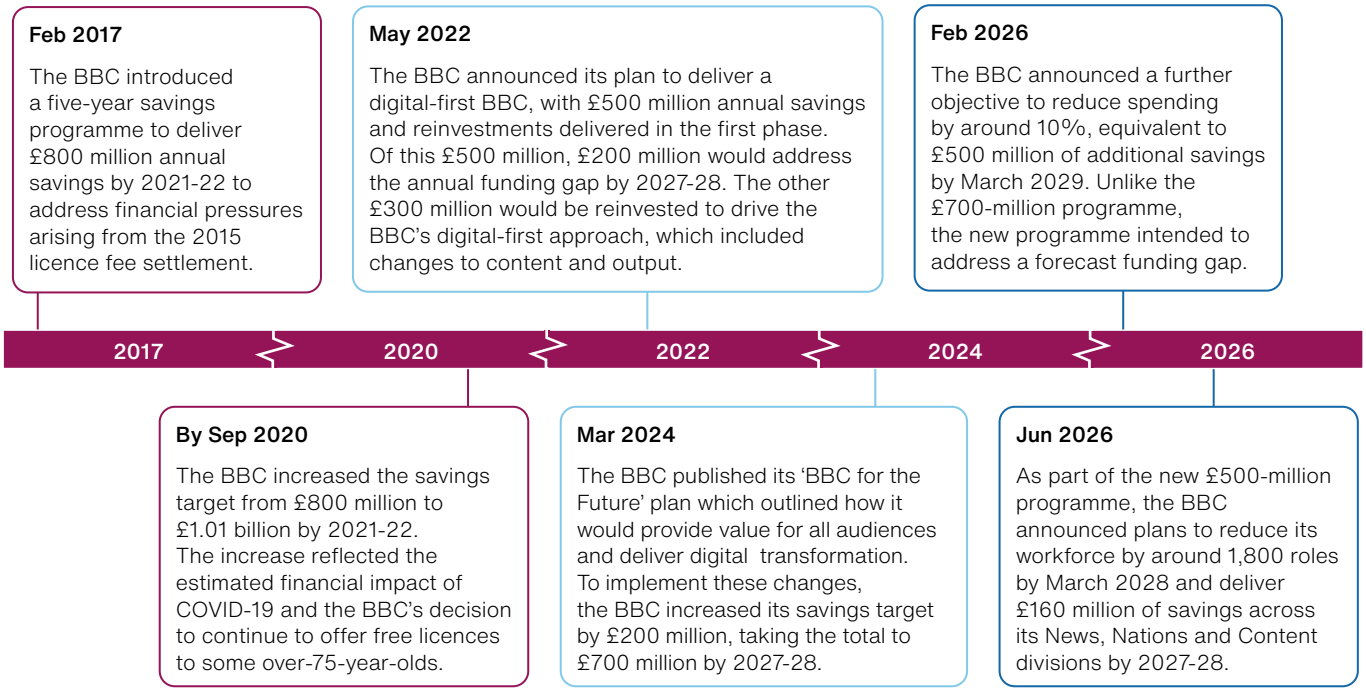
9 Comptroller and Auditor General, *BBC savings and reform*, Session 2021-22, HC 958, National Audit Office, December 2021.

10 The BBC distinguishes between recurring and one-off savings. Recurring savings are those that recur over a number of years, as they involve ongoing or permanent changes. Some savings included in the programme are one-off savings, which provide benefits in the year in which they first arise but not in following years.

Figure 1

Timeline of the BBC's savings programmes, February 2017 to June 2026

Since 2017, the BBC has had successive savings programmes with targets increasing over time



- The 2017–2022 savings programme
- The £700-million savings and reinvestment programme, 2022–2028
- The new £500-million cost-reduction programme, 2026–2029

Note

1 This figure references successive BBC savings programmes introduced since 2017. This report only focuses on the £700-million savings and reinvestment programme announced in May 2022, and the new £500-million cost-reduction programme announced in February 2026.

Source: National Audit Office analysis of BBC documents

1.15 The BBC designed the programme both to achieve savings and fund reinvestments, while minimising impact on audiences where possible. Through the BBC's reinvestments, where savings made in one part of the organisation are used elsewhere, it aimed to support organisational transformation. In particular, it sought to release resources for strategic priorities, including the BBC's digital-first response to changing audience behaviour. Digital-first involved changes to content and output including, increased investment for iPlayer, shifting resources in local output towards digital, and redirecting savings from broadcast news into video and digital news. The BBC earmarked £300 million of the initial £500 million target for reinvestment to support the first phase of its digital-first strategy.

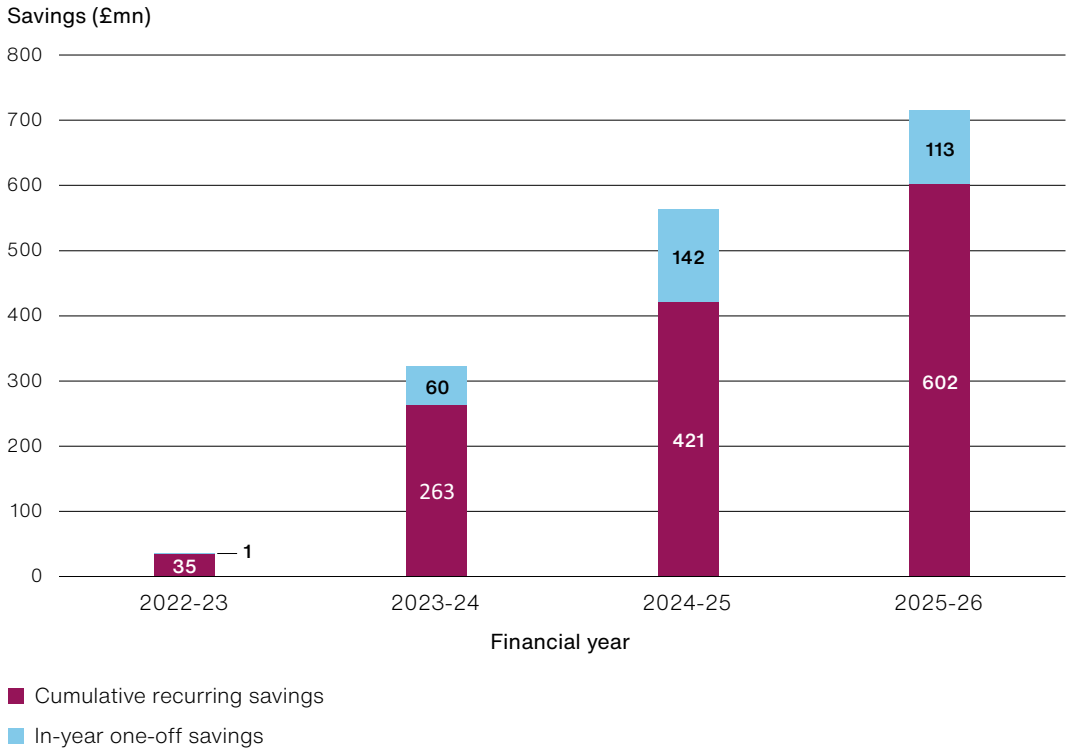
Progress to date

1.16 In 2025-26, the BBC reported delivering £715 million of savings, including £602 million recurring and £113 million one-off savings (**Figure 2**). The majority of recurring annual savings were delivered between 2023-24 and 2025-26, with cumulative recurring savings increasing from £35 million in 2022-23 to £602 million by March 2026. The BBC expects to achieve the remaining recurring savings required to meet its £700 million target by March 2027, one year earlier than planned. By March 2026, the BBC had reinvested £489 million of its savings in other activities, with the remaining savings used to reduce its overall expenditure.

Figure 2

BBC cumulative recurring savings and in-year one-off savings, 2022-23 to 2025-26

By 2025-26, the BBC reported £715 million of savings, including £602 million of recurring annual savings that count towards its £700 million target, and £113 million of one-off savings



Notes

1 The BBC's methodology for the £700-million savings and reinvestment programme requires that, in order to be reported as recurring annually, savings must be sustainable from initial delivery to the end of the programme in 2027-28.

2 One-off savings occur only in the year they are delivered and are not reported in the cumulative recurring savings total for subsequent years.

Source: National Audit Office analysis of BBC data

1.17 To achieve the savings, the BBC has undertaken different savings and reinvestment initiatives. These include:

- reducing staffing levels and reorganising teams, with the BBC's overall workforce reducing by 571 full-time equivalent posts (or 3.2%) and relocating roles outside of London (**Figure 3** overleaf);
- modernising technology and simplifying business processes, including moving IT infrastructure to the cloud and increasing use of its own content-distribution technology;
- making operating model changes, including increasing digital-first output in the News and Current Affairs division and streamlining business management and administration within its Nations division;
- rationalising its estate, including disposing of Wogan House and other London properties and consolidating teams in Broadcasting House;
- changing its mix of content and services, including ending programmes such as *Doctors* and sharing local radio content during off-peak hours; and
- increasing commercial income, including through third-party investment in commissioned programmes and returns from BBC Commercial.

1.18 The BBC classifies its savings into four categories: productivity; scheduling mix; scope; and commercial. The largest category of savings achieved to date is productivity, which accounts for £255.8 million (42.5%) of the £602 million savings (**Figure 4** on page 21). Some £98.9 million (38.7%) of these productivity savings arose from a reduction in the BBC's future contributions to its legacy defined benefit pension scheme. The reduction followed an improvement in the scheme's funding position, reflecting favourable financial market conditions, and actions taken by the BBC and the scheme trustees to bring forward the valuation process and agree revised contribution arrangements. While these savings reduce the BBC's costs, they do not arise from delivering outputs or outcomes more efficiently and therefore do not meet HM Treasury's definition of an efficiency saving. However, the BBC is not currently bound by this definition and did not use it as part of the design, measurement or reporting of the £700-million programme.

Figure 3

Changes in the geographical distribution of the BBC's workforce, 2021-22 to 2025-26

The BBC increased the proportion of its workforce based outside London

Office region	Headcount at the end of 2021-22	Headcount at the end of 2025-26	Headcount changes: 2021-22 to 2025-26	Percentage headcount changes: 2021-22 to 2025-26
				(%)
London	7,643	7,069	-574	-7.5
Midlands and East	1,200	1,159	-41	-3.4
North East	470	579	109	23.1
North West	2,915	3,030	115	3.9
Northern Ireland	660	632	-28	-4.2
Scotland	1,234	1,280	46	3.7
South	145	140	-4	-3.0
South East	269	253	-16	-5.9
South West	447	440	-7	-1.6
Wales	1,132	1,168	36	3.1
Total	**16,115**	**15,750**	**-365**	**-2.3**

Notes

1 These figures exclude apprentices, freelancers, contractors, local recruits and foreign based employees.

2 These figures reflect the end of year position and therefore correlate with the figures in the BBC Annual Reports and Accounts reported by nation for full-time equivalent staff for each financial year.

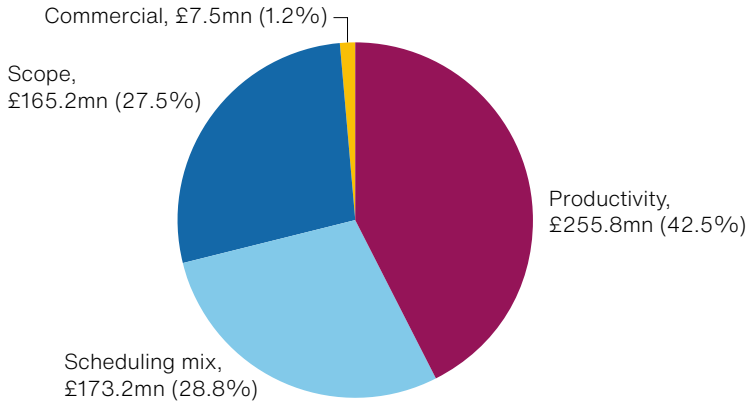
3 Changes may not equal the difference between the headcount figures shown due to rounding.

Source: National Audit Office analysis of BBC data

Figure 4

BBC cumulative recurring savings by type, 2022-23 to 2025-26

Productivity savings represented the largest component (£255.8 million, 42.5%) of recurring savings achieved by the BBC at 31 March 2026



Type of initiative	Description	Summary of top initiatives	Example
Productivity	Initiatives where the BBC sets out to deliver the same or additional output with reduced or less costly inputs.	Productivity savings included pension deficit costs (£52.0mn), pension service costs (£37.8mn), and the World Service Review 2022 (£28.5mn).	Increasing total per unit savings on postal services.
Scheduling mix	Changes to the mix or quality of content ('remix'), without an adverse impact on overall performance.	Scheduling mix savings included TV, Sport and Children's remix (£60.0mn), co-commissioning remix (£17.0mn), and daytime and watches TV remix (£13.0mn).	Reallocating funding from lower-performing programmes, such as *Doctors*, to higher-performing content without reducing content hours.
Scope	Measures where the BBC does fewer things, which might include cancelling certain television programmes and reducing spending in certain areas to focus on output most valued by its audiences.	Scope savings included the single BBC News channel (£10.1mn), audio (£9.6mn), and the operating model review (£8.9mn).	Reducing the number of programmes produced for BBC local radio stations. Replacing the *News Channel* and *BBC World News* with a single TV news channel called *BBC News*.
Commercial	Measures which increase income from partner organisations that contribute to the cost of BBC-commissioned TV programmes and increasing returns from the BBC's commercial businesses.	Commercial savings included the orchestral tax relief (£2.5mn).	Increasing commercial income generated through BBC Studios.

Notes

1 Total value does not sum due to rounding.

2 The summary of top initiatives uses terms as listed in the BBC's ClearView database.

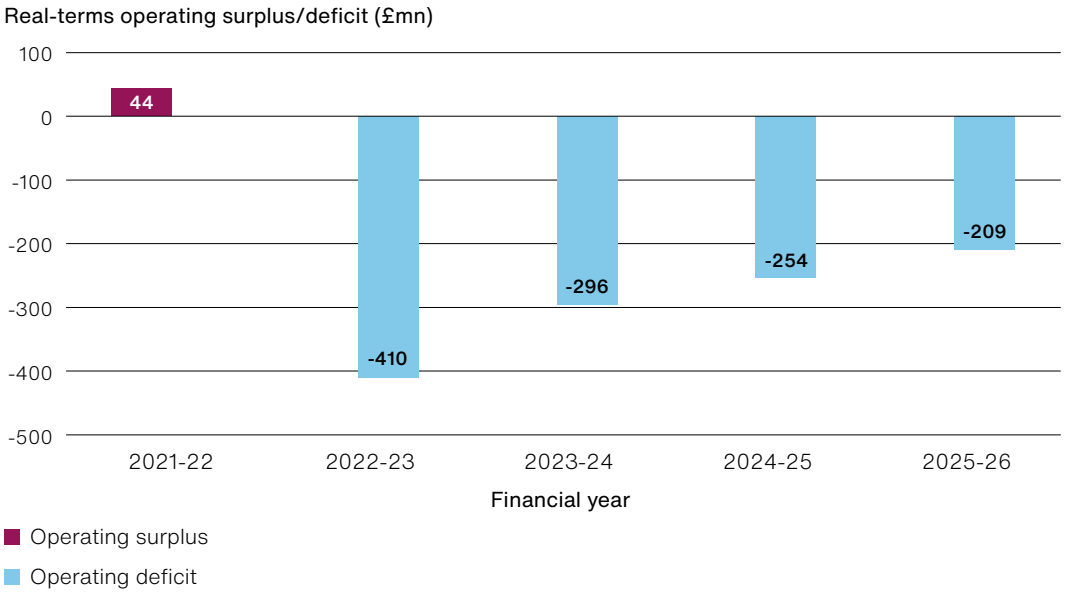
Source: National Audit Office analysis of BBC data and documents

1.19 Despite expecting to achieve its £700 million recurring annual savings a year earlier than originally planned, the BBC PSB has continued to make a loss throughout the savings period. In 2025-26, the BBC reported in its annual report and accounts that its PSB segment made an operating deficit of £209 million, an improvement from a £410 million real-terms operating deficit in 2022-23 (**Figure 5**). This is substantially different to the BBC's forecast operating deficit of £94 million, excluding dividends from its commercial arm, from its Annual Plan 2025-26. In 2025-26, after taking account of non-operating items including an operating surplus from its commercial arm, the BBC Group recorded an overall group deficit for the year of £121 million. This was £88 million more than its forecast deficit of £33 million. The BBC predicts in its Annual Plan 2026-27 that the group deficit for the year will increase to £329 million in 2026-27. The BBC's cash reserves have also depleted over the last four years to £257 million in 2025-26, a £310 million reduction in real terms since 2022-23.

Figure 5

Real-terms operating surplus or deficit achieved by the BBC public service broadcaster (PSB), 2021-22 to 2025-26

The BBC PSB has recorded an operating deficit throughout the savings period, although this has reduced in real terms from a high of £410 million in 2022-23 to £209 million in 2025-26



Note

1 All values are presented in 2025-26 real terms, using the GDP deflator series published by HM Treasury in September 2026.

Source: National Audit Office analysis of BBC's annual reports and accounts

1.20 The BBC expects its financial pressures to continue after it completes the £700-million programme. It forecasts that the number of households paying for the licence fee will continue to decline, with the subsequent fall in income becoming greater than the effect of inflationary uplifts in the cost of the licence fee. These uplifts were re-introduced in April 2024 following a two-year licence fee freeze and have helped sustain income in recent years. Alongside this, the BBC expects rising production costs, reducing third-party investment, industry consolidation (such as the merger between ITV and Sky), and new market entrants to add to its costs. Other public service broadcasters are also responding to financial pressures with savings programmes. In September 2026, Channel 4 launched the first phase of a long-term transformation strategy, including a new organisational design and proposals to reduce its headcount by 340 roles, equivalent to 28% of its workforce by the end of the year.

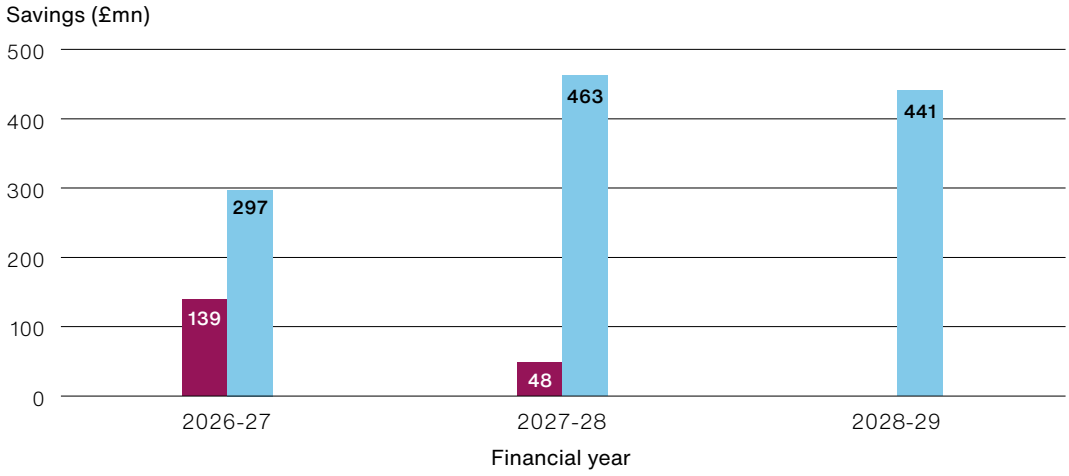
The new £500-million savings programme

1.21 In February 2026, the BBC announced an objective to reduce spending by around 10% by March 2029, against a March 2026 baseline. Its planning assumptions identified budget shortfalls of £297 million in 2026-27, £463 million in 2027-28 and £441 million in 2028-29 (**Figure 6** overleaf). These amounts were in addition to the remaining savings required to complete the £700-million programme. In June 2026, the BBC announced it intended to save costs of £500 million, which it estimated would reduce its workforce by around 1,800 roles over the next three years, equivalent to 11% of its workforce at March 2026. The BBC now expects it will need to achieve at least £500 million recurring annual savings by March 2029 through the new £500-million cost-reduction programme (£500-million programme). This is because any additional investment, beyond that already included in its plans, would require it to deliver further savings. The BBC's latest viability statement set out its plan for continuing to operate and meet liabilities in the three years to 31 March 2029. This included making progress with its transformation and savings plans as a key assumption.

Figure 6

Future BBC savings required under current and future savings programmes, 2026-27 to 2028-29, as at March 2026

In addition to £187 million of further recurring saving expected under the £700-million savings and reinvestment programme (£700-million programme), the BBC needs to close a cumulative £1.2 billion public service broadcasting funding gap over the next three years through its new £500-million cost-reduction programme (£500-million programme)



Note

1 The BBC's methodology requires that, in order to be reported as recurring, savings must be sustainable from initial delivery to the end of the programme. Therefore, all savings delivered in the final year of the programme will be reported as recurring.

Source: National Audit Office analysis of BBC data and documents

1.22 The new £500-million programme will be more challenging than the £700-million programme for two reasons.

- **The BBC is likely to find it more difficult to identify further productivity savings.** The BBC has already delivered productivity savings through successive programmes. In the current £700-million programme, productivity savings accounted for 42.5% (£255.8 million) of recurring savings achieved by the BBC at 31 March 2026. However, the BBC has told us that while there are still more efficiencies to be made, productivity savings will become more challenging under the £500-million programme. To achieve savings in the £500-million programme the BBC will use a combination of measures, including greater reliance on organisation-wide savings initiatives, to generate savings across divisions. The BBC expects that difficult choices about the scale and scope of BBC services will be required.

- **Audiences are more likely to notice the changes.** The BBC has said it will prioritise back-office efficiencies, such as staff reductions and enterprise-wide initiatives, including property and workplace optimisation, before considering changes to audience-facing content and services. However, it expects that content reductions will be needed. The BBC's plans could include reduced and delayed commissioning, closure of some linear channels, and reductions to news and nations programming.

1.23 In 2026-27, the BBC is implementing short-term divisional savings; reducing planned investment and tightening controls on areas such as travel and consultancy spend to maintain a balanced financial position.[11]

1.24 It has also begun making announcements about divisional savings for future years, but work remains ongoing.

- In June 2026, the BBC announced around £160 million in savings across its News, Nations and Content divisions by the end of 2027-28, combining reductions in commissioning spend and a reduction of 550 full-time equivalent roles. These changes will result in the closure of programmes including Radio 4's *The World Tonight* and *Money Box Live*.
- In July 2026, providing further detail on its initial announcement, the BBC announced its Content division will deliver at least £100 million of recurring annual savings by the end of 2027-28. The BBC has said that these savings will require reductions in programming, including the decision not to recommission *Blankety Blank*, *Celebrity Mastermind* and *Live at the Apollo*. The BBC told us that in making these decisions, it considered a number of both financial and audience factors including return on investment (cost per viewer hour) and how audiences of these programmes would continue to be served and receive value if these were decommissioned (**Figure 7** overleaf).
- In October 2026, the BBC announced plans to close its BBC Three and BBC Scotland television channels, along with Radio 4 Extra. Both BBC Three and BBC Scotland will become online-only, producing and hosting some content on iPlayer.

In October 2026, the BBC informed its Board that, including reductions across its corporate functions, it expected to have cumulatively announced approximately £200 million of savings by the end of the month. These included a reduction (in part subject to consultation) of more than 1,100 full-time equivalent roles.

11 Short-term divisional savings include in-year mitigations and cost reductions to reduce divisions' proposed budgets.

Figure 7

Programmes the BBC has decommissioned as part of its new £500-million cost-reduction programme (£500-million programme) as at 20 October 2026

To deliver its £500-million programme, the BBC has announced reductions in TV and radio programming

Programme	TV/ Radio	Description	Year of first broadcast
AntiSocial	Radio	Discussion of the issues underlying current social debates	2022
Blankety Blank	TV	Comedy game show	2021
Celebrity Mastermind	TV	Celebrity quiz show	2002
Crossing Continents	Radio	Stories about people and issues from around the world	2007
Free Thinking	Radio	Discussion of ideas shaping society, including links between past and present	1992
Live at the Apollo	TV	Stand-up comedy	2004
Midnight News	Radio	National and international news	Not available
Money Box Live	Radio	Phone-in discussion and advice on personal finance	1990
Open Country	Radio	People, wildlife and landscapes across the British Isles	1999
RuPaul's Drag Race UK	TV	Competition in which drag queens compete to become the next Drag Race champion	2019
Ski Sunday	TV	Winter sports action, analysis and news from around the world	1978
The Artificial Human	Radio	Discussion of artificial intelligence and its use in everyday life	2024
The Conversation	Radio	Conversations with women from different countries with a common passion, experience or expertise	2014
The Fifth Floor	Radio	Global stories from the fifth floor of Broadcasting House, home to the BBC's Language Services	2012
The Inquiry	Radio	Analysis of the trends, forces and ideas shaping the world	2014
The Law Show	Radio	Discussion of the law and legal decisions affecting people in the UK	2009
The World Tonight	Radio	In-depth reporting and analysis of national and international news	1970
Thinking Allowed	Radio	New research on how society works	1998
Winterwatch	TV	Live coverage of wildlife across the UK during winter	2012
You and Yours	Radio	News and discussion of consumer affairs	1970

Notes

1 *Blankety Blank* was relaunched by the BBC in 2021 having first appeared in 1979.

2 *Free Thinking* was previously known as *Night Waves* until 2013.

3 This may not be an exhaustive list of decommissioned programmes. Programmes listed are those we identified in BBC announcements up to and including 20 October 2026.

4 Years of first broadcast have been marked 'not available' where we have been unable to find this information.

Source: National Audit Office analysis of publicly available data

Part Two

The BBC's approach to delivering its £700-million savings and reinvestment programme

2.1 This part examines how the BBC planned, governed, and monitored its £700-million savings and reinvestment programme (£700-million programme). It covers:

- how the BBC identified and prioritised the savings initiatives;
- the BBC's governance and oversight arrangements for delivering savings;
- its approach to identifying and managing risks; and
- how it monitored progress and assessed the impacts of savings.

We have assessed the BBC's approach against published National Audit Office and HM Treasury good practice and examined three case studies (**Figure 8** on pages 28 and 29). We have also considered the lessons for the BBC's new £500-million cost-reduction programme (£500-million programme).

How the BBC identified and prioritised the savings initiatives

2.2 The BBC's Executive Committee (ExCo) approved a target to deliver £700 million of savings and reinvestment by March 2028. The BBC set out to achieve these savings alongside non-financial objectives, while following a set of principles (**Figure 9** on page 29).

2.3 The BBC set savings targets centrally, with responsibility for identifying and delivering savings given to its divisions. There were also a small number of cross-divisional initiatives linked to the Operating Model Review, which aimed to align the BBC's operating model with its strategic priorities by focusing on three main objectives: experience, effectiveness and efficiency. The BBC delivered its £700-million programme through its divisions, including Content, Nations and News. The BBC established broad strategic priorities for the programme that divisions should follow, including supporting its digital-first strategy. The BBC planned to deliver savings through efficiency and productivity improvements, reducing spending in areas with lower audience value, and redirecting resources towards growth areas. It told us that divisions were expected to balance savings with audience value and wider organisational objectives, including its UK-wide commitments, diversity and inclusion aims, and development of future skills and capabilities.

Figure 8

Case studies of the BBC's approaches to delivering savings

The BBC has used a variety of programmes and initiatives to deliver its £700-million savings and reinvestment programme (£700-million programme), including introducing the single BBC News channel, making postage savings, and reinvesting in premium high-impact content through video digital remix

Single BBC News channel

Savings target

The BBC set a target of £5.9mn savings net of reinvestments for the initiative to be delivered by 2023-24, which included 37.5 fewer full-time equivalent (FTE) posts savings.

Savings achieved

The BBC achieved £5.4mn net savings from the initiative in 2023-24, against its target of £5.9mn, reaching £6.0mn net savings from the initiative by the following year, in 2024-25.

Background

Before April 2023, the BBC operated two separate 24-hour news channels: the News Channel and BBC World News. The News Channel was launched in 1997 and broadcast to UK audiences, while BBC World News, launched in 1991, broadcast to overseas audiences.

In April 2023, as part of its £700-million programme, the BBC replaced these TV news channels with a single channel called BBC News. The new channel would produce content across broadcast and digital platforms to drive the BBC's digital-first strategy and deliver savings through operational efficiencies and centralised production. The channel would also improve the offer to audiences, providing better value for licence fee payers and supporting the BBC's commercial growth.

To achieve these objectives, the BBC aimed to:

- transform the BBC's live and breaking capability, which included developing a live and breaking video team;
- invest in radio visualisation so audiences could engage with the BBC's content through different formats, which included visualising the 5 Live Nicky Campbell programme; and
- expand the BBC's US operations, which included extending the BBC's Washington DC bureau.

Video digital remix

Savings target

The BBC's Executive Committee (ExCo) set the following cumulative remix savings target for each financial year:

- 2023-24 = £23mn
- 2024-25 = £85mn
- 2025-26 = £130mn
- 2026-27 = £142mn
- 2027-28 = £142mn

Savings achieved

The BBC achieved the following cumulative remix savings target in each financial year:

- 2023-24 = £20mn
- 2024-25 = £94mn
- 2025-26 = £130mn

Background

As part of its public service, the BBC commissions programmes and materials from both BBC and external producers for its platforms including television, radio and online.

The BBC uses 'the 3-Year TV Buying Model' when deciding what television content to commission. The model is informed by the BBC's overall strategic priorities and regulatory requirements and breaks down titles on a genre-by-genre basis, such as drama. The model considers factors such as the location of production, total cost, and geographic portrayal for each title.

During its £700-million programme, the BBC identified that savings could be made by reducing expenditure on lower-performing content and reinvesting them in premium, high-impact content to grow iPlayer and transform the BBC into a digital media organisation. This is the video digital remix strategy.

Postage savings

Savings target

The BBC and Whistl projected total postage savings of £12.9mn for 2024-25, of which £3.4mn would be delivered by pre-sorting letters prior to postage.

Savings achieved

The BBC and Whistl achieved £12.9mn of postage savings in 2024-25, including £3.4mn of savings delivered by pre-sorting letters. However, the BBC have not demonstrated how £3.4mn of savings were achieved in practice.

Background

TV licences are required by law for everyone in the UK who watches or records television programmes live on any channel, paid-for TV service or foreign channel, or watches or streams TV programmes live on an online TV service. A licence is also required to watch live and on demand BBC content and live S4C (Welsh language television channel) content on BBC iPlayer.

The BBC is responsible for issuing TV licences, collecting licence fee revenue, and enforcing the licensing system. The BBC's postage contract holder, Whistl, is responsible for the BBC's postal services relating to the licence fee.

In recent years, inflationary pressures have increased the price of postage. To control costs, Whistl conducted an end-to-end review of TV licensing mailing and identified that savings could be made by pre-sorting letters before they were posted.

Figure 8 *continued*
Case studies of the BBC's approaches to delivering savings

Notes

1 The case studies were not intended to be statistically representative of all BBC savings initiatives, further details of how case studies were selected can be found in the Appendix.

2 ExCo is responsible for delivering the BBC's service in accordance with the Board's strategy, and for all aspects of operational management. ExCo had ultimate oversight and accountability for delivering the £700-million programme.

3 The savings target and savings achieved are not the total savings delivered by the BBC under the Single BBC News channel savings programme. The figures shown relate to the largest of three initiatives contributing to these savings, which was selected as a single case study for review.

4 Whistl is a logistics company which provides mail management among other services. Whistl is contracted by the BBC to deliver its postal services relating to the licence fee.

Source: National Audit Office analysis of BBC documents

Figure 9
The BBC's principles, objectives and monitoring for the £700-million savings and reinvestment programme (£700-million programme)

The BBC's £700-million programme combines audience-led delivery principles, a £700-million recurring savings objective to 2027-28, and quarterly tracking through ClearView

Principles

How the BBC said it would deliver savings

- Deliver maximum value and growth, while remaining audience-led.
- Maintain UK-wide commitments, including local storytelling, decision-making outside London and diversity and inclusion.
- Avoid 'salami slicing' by focusing resources on growth areas and reducing costs where efficiency/productivity or lower audience value is identified.
- Develop the skills and capabilities needed for the future.

Objectives

Financial objectives

- Deliver £700 million annual recurring savings by 2027-28.
- Align targets and initiatives to strategic priorities, reducing costs while protecting audience impact.

Non-financial objectives

- Sustain the BBC's audience strategy: #1 UK media brand, #1 in News and #1 investor in UK-made programming.
- Maintain commercial separation, support sustainability, 'Across the UK' and digital-first ambitions.

Source: National Audit Office analysis of BBC documents

2.4 We saw evidence that some corporate priorities influenced savings proposals and limited the scope of some proposals. This includes the BBC's 'Across the UK' commitments, whereby it is moving programming and decision-making across the UK to reflect a broader audience. For example, the Content division decided to recommission *Casualty*, at least in part, because of strategic considerations, including ensuring content for audiences who may be less well served by other BBC content. Future seasons of *Casualty* will transition to a Welsh hospital and expand the representation of Wales on the BBC. This is in line with the BBC principle of taking an audience led approach to the £700-million programme. However, we saw limited evidence of a consistent, centrally managed process for assessing divisions' savings proposals against factors including organisation-wide priorities, interdependencies and strategic trade-offs. Approaches to planning, approval and evidencing strategic alignment varied across initiatives and divisions. Major initiatives and strategic priorities were subject to central review and oversight through programme and executive governance arrangements, and the BBC told us it centrally challenged initiatives to ensure they aligned with wider priorities. But the BBC did not develop a central framework to assess proposals against wider organisational priorities, and across the three case studies examined, approaches to planning and approval differed.

2.5 The BBC intended to avoid 'salami slicing' budgets, which in the context of the savings programme would have meant making small reductions across a range of activities rather than through targeted operational changes. We found the BBC reduced some of its spend by holding positions vacant across several areas without identifying corresponding changes to the underlying services or operations. Overall, the BBC's workforce reduced by 571 full-time equivalent posts, or 3.2%, from 17,781 in 2021-22 to 17,210 in 2025-26. Over the same period, the geographical distribution of the workforce changed, with an increased proportion of the BBC workforce based outside London (see Figure 3). However, the BBC's data do not show how much of the reduction in headcount resulted from vacancies being held open. The BBC did not have processes in place to sufficiently challenge and prevent divisions from 'salami slicing' budgets, which carries the risk of detrimental impacts on the services it delivers.

Governance and oversight

2.6 The BBC established governance arrangements to oversee divisional delivery of the programme and strengthened these over time (**Figure 10** overleaf). It introduced a central reporting database to record financial progress, central finance review of delivery, and central oversight through the Enterprise Savings Steering Group (Steering Group) and the Enterprise Savings Working Group (Working Group). The Working Group coordinated reporting, considered risks and issues, and escalated significant changes, decisions and risks to the Steering Group. Divisions developed and delivered divisional savings initiatives, and reported performance through the programme's governance structure. The BBC disbanded the Working Group in May 2025 and Steering Group in June 2025. Ongoing initiatives then transferred to initiative-specific governance arrangements, including reporting to the Operations Committee, and business-as-usual arrangements. Finance continued to track and report savings through the Operations Committee and budget governance.

2.7 Governance arrangements varied between individual initiatives. However, we did not see evidence of a consistent approach applied by the BBC around how governance arrangements should vary in response to differences in the scale and complexity of initiatives. For example, the Content division managed the video digital remix savings through existing Content governance and monitoring arrangements. The division produced quarterly, half-yearly and full-yearly performance reports and used a bespoke measurement tool (Price-Volume-Mix model). This compares content portfolios against a baseline year to identify the financial impact of changes in the mix of its content, to track ongoing video digital remix savings against targets. By contrast, the introduction of the single BBC News channel, which was a smaller initiative, was supported by a dedicated governance structure, regular reporting and a documented approvals process for changes made during implementation.

The BBC's approach to risk management

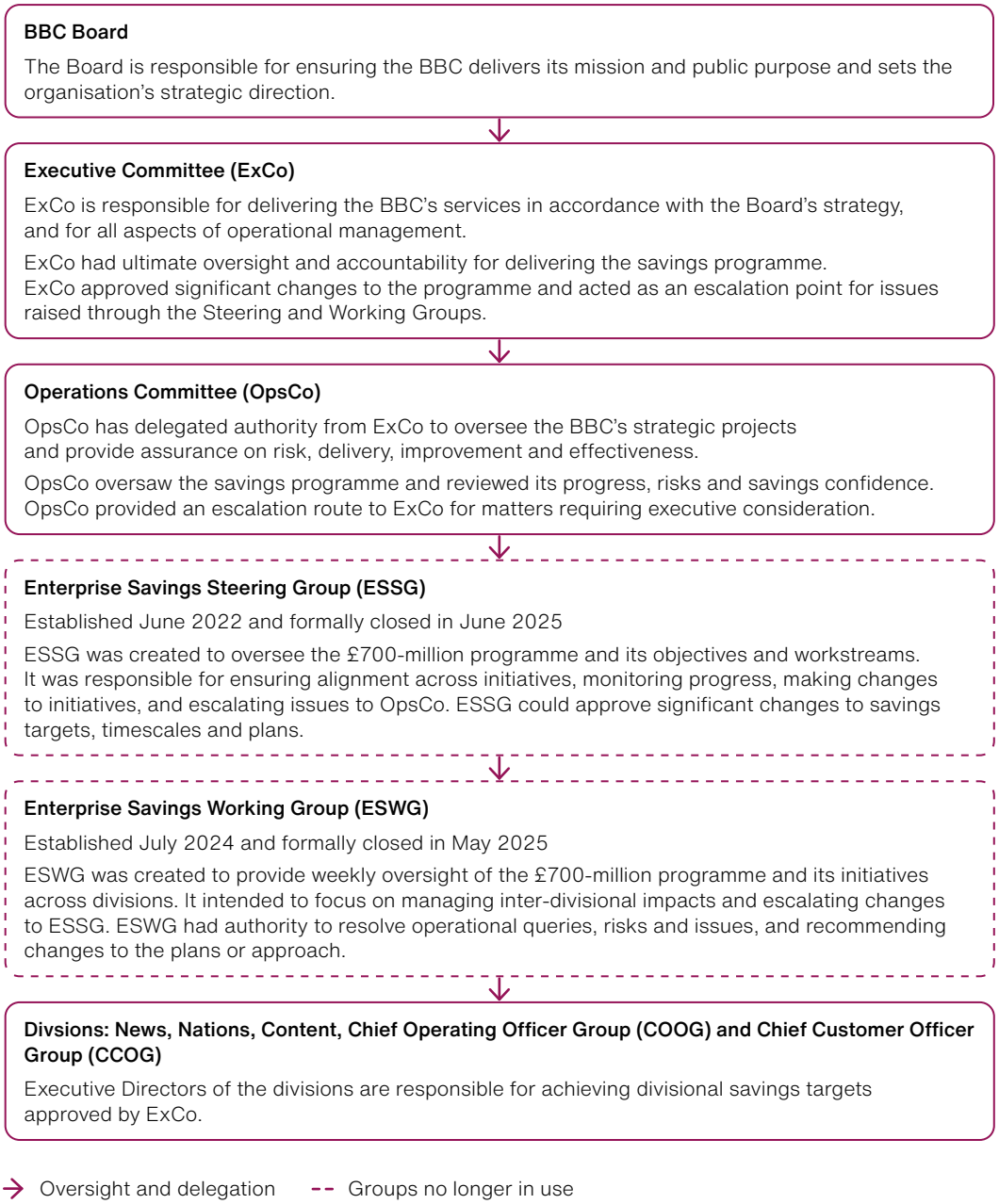
2.8 We have assessed the BBC's approach against the National Audit Office's *Overcoming challenges to managing risks in government* good practice guide and HM Treasury good practice on risk management.[12] We have found there are some aspects of the BBC's risk management approach that are in line with good practice. The BBC has an organisation-wide corporate risk framework that is intended to help staff identify and effectively manage risks, provide a consistent approach across the organisation, and support decision-making. The framework requires risks to be managed at corporate, divisional, and team level and sets out how risk information should be aggregated and reported though the BBC's governance structure. This is so that senior management can oversee the most significant risks.

12 National Audit Office, *Overcoming challenges to managing risks in government*, December 2023 and HM Treasury, *The Orange Book: Management of Risk – Principles and Concepts*, 2023.

Figure 10

The governance structure of the BBC's £700-million savings and reinvestment programme (£700-million programme)

The BBC established governance arrangements to oversee divisional delivery of the programme and strengthened these over time



Notes

1 The diagram is not scaled to represent responsibility.

2 The BBC closed its Operations Committee following its final meeting in July 2026. A new Risk and Assurance Committee, chaired by the Deputy Director-General, first met on 3 September 2026.

Source: National Audit Office analysis of BBC documents

2.9 For the £700-million programme, risks were primarily identified and managed at an initiative level. From October 2024, following the establishment of the Working Group, meeting packs included a standard section on risk, which brought more consistency to reporting of risk. Instead of separate divisional risk registers, the Working Group maintained a single programme-level risk register, which aggregated risks identified at initiative level. The register recorded key risks, risk ownership, ratings and mitigations. The BBC told us that this process enabled it to identify, monitor and escalate risks through its governance structure. Key risks reported centrally included risks to delivery of the savings target, resource availability and business readiness.

2.10 We saw some evidence that risks, mitigations and areas of focus changed over time and were reviewed through its programme and corporate governance arrangements. However, we identified some areas for improvement in the BBC's approach:

- Escalation focused predominantly on financial delivery risks. We found less evidence that risks relating to audiences, services, organisational capability and the wider consequences of programme delivery were systematically aggregated and considered collectively. The BBC told us that the £700-million programme only interacted with the Corporate Risk team and its principal risk framework in relation to financial risks to the delivery of the savings target. These risks were routinely escalated through the corporate risk framework. However, risks relating to audience and editorial issues were less systematically identified, assessed and escalated through the programme's risk management arrangements.

- While risk reporting and oversight arrangements were in place, the BBC could not clearly demonstrate how these arrangements provided sufficient challenge, integration, strategic insight and organisation-wide visibility into the programme's evolving risk profile. Although the £700-million programme was of high strategic importance, the BBC did not provide dedicated corporate risk support. The BBC also provided limited evidence that programme risks, dependencies and cumulative impacts were systematically considered alongside wider organisational risks through the BBC's corporate risk framework, or routinely used to inform corporate governance and decision-making.

- The BBC was unable to demonstrate how its corporate risk appetite had been applied in the context of the £700-million programme, including how risk tolerances, trade-offs and escalation thresholds informed programme decision-making. The BBC was also unable to show how its corporate risk appetite had been applied in any of our case study examples.

- Risk reporting was frequently incomplete, with significant changes made to risk exposure, ratings, mitigations or priorities without any rationale provided in supporting documentation. Senior committees received regular risk reporting showing that risks were identified and monitored, but this did not clearly demonstrate how risks were challenged or interrogated. As a result, the BBC could not clearly demonstrate how risk information fed into strategic decisions and trade-offs made through the £700-million programme.

2.11 Taken together, these weaknesses limited the BBC's ability to demonstrate how it maintained an organisation-wide understanding of programme risk over the duration of the £700-million programme. For a programme of this scale and significance, risk management arrangements should have provided decision-makers with clear insight into changing risk exposure, dependencies, and the consequences of different initiatives. The BBC could not clearly demonstrate that decision-makers had a comprehensive understanding of how programme risks interacted, accumulated and evolved over time, how dependencies were assessed and how changes in risk exposure informed governance discussions.

2.12 The three case studies we examined showed variation in how risks were considered and monitored. Financial risks were prioritised more consistently than non-financial risks such as audience, reputational and capability risks.

- The single BBC News channel had a risk register and structured reporting during implementation. Although the BBC undertook audience analysis ahead of the channel launch in 2023, the evidence we reviewed focused primarily on delivery and implementation risks, with less consideration given to potential impacts on audiences or the quality of output. The BBC was also not able to articulate the level of risk it had accepted when approving the initiative.

- For video digital remix, we found limited evidence that ongoing risks to audience reach and engagement were monitored and reported as consistently as financial delivery risks during the £700-million programme. Quarterly performance reports to the BBC's Corporate Finance team provided a divisional overview of savings delivery, including delivery confidence, Red/Amber/Green ratings, and risks to achieving savings, together with planned mitigations. When commissioning, the BBC considers financial and audience impacts, and measures cost per viewer hours at the individual title level and across genres to ensure content investment continues to attract audiences. The BBC also tracks audience performance separately through half- and full-year reviews. However, across the 12 quarterly performance reports we reviewed, there was limited evidence of systematic reporting of non-financial risks, including audience reach and engagement.

- For postage savings, the BBC told us that from a financial perspective the key risk was delivering the expected savings number and it therefore did not consider any wider operational risks.

Monitoring and reporting progress

2.13 The BBC monitored the delivery of its £700-million programme through financial reporting, organisational performance measures and initiative-level monitoring. Its monitoring arrangements focused primarily on tracking delivery of savings, with less emphasis on assessing the wider impacts of individual initiatives or bringing different impacts together to measure the cumulative impact of the programme.

2.14 We recommended in our 2021 report that the BBC improve the information it collects on future savings programmes to include data on the impact of its savings measures.[13] This should include consideration of the risk that relatively short-term content savings measures reduce the long-term value for money of the intellectual property generated. In response, the BBC told us that it expanded its central monitoring arrangements by setting up its current £700-million programme in ClearView, a live database which the BBC uses to record information on all savings. This enabled it to strengthen reporting on savings delivery, delivery confidence and the long-term value of content investments.

Financial monitoring

2.15 The BBC tracks financial savings and reinvestment in ClearView with each division responsible for updating its information. Divisions produce quarterly reports, which the Group Finance team consolidates. Reporting is reviewed by the Group Financial Controller and Finance Director, with oversight of financial tracking at Chief Financial Officer and Director-General level. Summary reporting is also provided to the ExCo and Board. At the Steering Group level, reporting of savings delivery became more regular as the programme progressed.

2.16 We found in our case studies that the BBC did not take a consistent approach to monitoring the implementation of individual savings initiatives. The BBC told us that monitoring approaches varied according to the scale, complexity, risk and organisational impact of initiatives being delivered and that it did not apply a standardised monitoring model to all initiatives. However, we did not see evidence that the BBC applied a consistent framework whereby complexity and scale were used to determine the monitoring arrangements it applied. Although the BBC recorded savings centrally through ClearView, the content and quality of management information differed between the three case studies we examined. For example, we did not see any monthly or quarterly reporting that monitored the implementation of the postage savings initiative. The single BBC News channel initiative was supported by more regular reporting than the postage savings initiative. However, the content of management information packs changed over the course of the project which meant divisional leadership received inconsistent information on performance, progress and risks.

13 Comptroller and Auditor General, *BBC savings and reform*, Session 2021-22, HC 958, National Audit Office, December 2021.

Monitoring non-financial impacts

2.17 The BBC did not establish programme-specific metrics to assess the cumulative impact of the £700-million programme as a whole on audiences, services and organisational capability. Good practice for performance information is that it includes a balanced set of financial and non-financial measures to inform decision-making and management of trade-offs. For the £700-million programme, the BBC relied on existing organisational performance measures and initiative-level assessments to provide assurance over non-financial impacts. This includes measures of universality, key audience challenges, and service-level metrics, including News, Sport, Sounds and iPlayer, which it publishes annually (**Figure 11** on pages 38 and 39).

2.18 While the BBC monitored savings progress, it did not bring together reporting on audience, service and organisational outcomes within a single programme-wide framework that assessed cumulative impacts and would support programme-level reporting. Audience data were reviewed at the ExCo but not routinely reported to the Enterprise Savings Steering Group. Management information at the Steering Group focused primarily on programme delivery, including progress against savings targets, delivery confidence, change requests and milestones. The BBC told us that it was not possible to isolate, in a robust way, the effects of individual savings initiatives from wider factors affecting audience performance. While its reporting arrangements provided useful context, they were not sufficient to identify emerging impacts or support timely escalation and corrective action where required.

2.19 The BBC commissioned EY-Parthenon to provide an independent assessment of its efficiency performance, including its progress in delivering the £700-million programme. EY-Parthenon concluded that the BBC was on track to deliver the £700-million programme by 2027-28 and that it had maintained public service obligations. However, it noted some audience ratings had started to reduce over time, although it was difficult to attribute this to cost-saving initiatives, and concluded that further savings will require increasingly transformative changes that may start to impact on the scope of services.[14]

2.20 We found that approaches to monitoring differed between initiatives. In the case of the single BBC News channel, we saw evidence the BBC established a structured approach to assessing its performance over the first 12 months. The BBC set out a plan for monthly testing and identified specific metrics to measure the channel's performance, including audience engagement. By comparison, when implementing the video digital remix programme, the Content division monitored performance across its TV outputs using metrics, including active weekly iPlayer accounts and watching time, but could not isolate the impact of individual remix decisions on audience performance. These findings were captured in full-year performance reviews.

14 EY-Parthenon, *An independent assessment of the BBC's Efficiency & Transformation Review report*, March 2026.

2.21 As part of its Operating Model Review, the BBC introduced the Efficiency, Effectiveness and Experience (3Es) framework to identify the non-financial impacts of its Operating Model initiatives. It designed this framework to ensure that initiatives were developed, assessed and monitored against three complementary objectives. However, the BBC did not extend a common framework across the £700-million programme and therefore did not apply a single consistent methodology for assessing and evidencing non-financial impacts across all savings initiatives.

Reporting progress

2.22 In March 2026, the BBC published *Efficiency and Transformation Review* as part of its wider response to the government's Charter Review green paper. The report set out the BBC's progress towards achieving its £700-million savings target as of March 2025, including the amount saved and reinvested across its main initiatives. It also showed the cumulative savings split between its categories of productivity, scope, scheduling mix and commercial income, and suggested productivity savings are becoming harder to deliver.[15]

Lessons for the BBC's new £500-million programme

2.23 We have drawn lessons from our assessment of the BBC's implementation of its £700-million programme that it should now consider as it undertakes its £500-million savings programme.

Identifying savings

2.24 The BBC may need greater central control and challenge over savings decisions during the new £500-million programme. The BBC expects deeper cuts to audience-facing content, increasing the risk that savings compromise its wider aims and public purposes or require trade-offs to be made. There is also a greater risk that decisions made in isolation, such as by different divisions, combine to have an unintended cumulative impact on the BBC's aims. We have highlighted in previous work how organisations should look beyond immediate short-term savings and take a strategic approach to reducing costs over the longer term. We also noted the importance of clearly prioritising what matters most and making decisions based on an accurate and realistic assessment of the costs, benefits and risks of different options, rather than relying on indiscriminate reductions across budgets.[16]

15 BBC, *Efficiency and Transformation Review*, BBC Group Report, March 2026.
16 Comptroller and Auditor General, *Efficiency in government*, Session 2021-22, HC 303, National Audit Office, July 2021.

Figure 11

BBC performance against audience targets, 2025-26

In 2025-26, the BBC met or exceeded all but two of its audience performance targets

Ensure universality and the delivery of value to audiences overall	
The universality of the BBC	
Percentage of UK adults 16+ who use BBC TV/iPlayer, Radio or Online on average per month	94% Target: 90%+
Percentage of UK adults 16+ who use BBC TV/iPlayer, Radio or Online on average per week	81% Target: 80%+
A valued habit with the BBC	
Percentage of UK adults 16+ who use the BBC for 5+ days on average per week	61% Target: 60–65%
Percentage of UK adults 16+ who use the BBC for 5+ hours on average per week	50% Target: Approximately 60%
Percentage of UK adults 16+ who use two or more BBC modes on average per week	59% Target: Approximately 60%
Maintain focus on key audience challenges	
Young adults	
The reach of the BBC	
Percentage of UK 16–34s who use BBC TV/iPlayer, Radio or Online on average per week	63% Target: 60–70%
Personal relevance	
UK 16–34s who feel 'the BBC is for me' (mean score out of 10)	6 out of 10 Target: 6+ out of 10
Under 16s	
The reach of the BBC	
Percentage of UK under 16s who use BBC TV/iPlayer, Radio or Online on average per week	69% Target: 65–70%
The reach of BBC Children's/Education services	
Percentage of UK under 16s who use BBC Children's/Education services on average per week	50% Target: 45–50%
Prioritise online reach and engagement central to the BBC's future universality	
BBC Online overall	
Percentage of UK adults who use BBC Online on average per week	63% Target: 60–65%
Average weekly active accounts using BBC Online[1]	24.1 million Target: 23.5–24.0 million+

- At or above target
- Below target

Figure 11 *continued*
BBC performance against audience targets, 2025-26

Prioritise online reach and engagement central to the BBC's future universality *continued*	
BBC iPlayer	
Average weekly active accounts using BBC iPlayer – Accounts overall	15.4 million Target: 15 million+
Average weekly active accounts using BBC iPlayer – Under 35 accounts	4.1 million Target: 4.0–4.5 million+
BBC iPlayer average weekly time spent per head per week	89 minutes Target: 80 minutes+
BBC Sounds	
Average weekly active accounts using BBC Sounds – Accounts overall	4.85 million Target: 4.8 million+
BBC News	
Average weekly active accounts using BBC News cross-product – Accounts overall	11.3 million Target: 10.5 million+

- At or above target
- Below target

Note

1 People can set up accounts to access BBC digital products, either individually or shared with other members of their household. Average weekly active accounts is the number of UK accounts or profiles that visited a BBC digital product in a sign-in state on average per week.

Source: National Audit Office analysis of BBC annual report and accounts data

2.25 The BBC told us that while it is deciding not to recommission certain programmes in the £500-million programme, and has confirmed that some shows will close, an overarching objective is to ensure universality and deliver value to audiences. The BBC aims to achieve this objective through spending on lower-cost programming, utilising third party platforms such as YouTube to drive digital growth and continuing to invest in premium content to attract less frequent viewers. It also told us that audience reach (the percentage of UK adults who use BBC TV/iPlayer, Radio or Online on average per week) can be maintained despite reducing programming, particularly where specific audiences are well served by the content it continues to provide. It intends to apply a similar commissioning approach to the one it used in the £700-million programme, considering factors such as return on investment (audience numbers relative to the amount of money spent), impact on public purpose delivery, regulatory requirements, such as its Operating Licence conditions, and strategic objectives, including 'Across the UK' (ATUK). The BBC also told us it had drawn lessons from how the Content division delivered savings under the £700-million programme, including how to target younger audiences more effectively and improve how savings are tracked and reported.

2.26 The BBC will also need to consider the lessons it has drawn from recent high-profile editorial issues and determine what impact this should have on how it achieves further savings. Recent examples include the *Gaza: How to Survive a Warzone* documentary and the live stream of the West Holts stage at Glastonbury 2025 on BBC iPlayer. The BBC told us it did not attribute these issues to earlier savings decisions, cost control pressures or productivity challenges. It has since made changes to internal structures and protocols to manage editorial risks. This includes creating a new Deputy Director-General (DDG) role, with greater responsibility for editorial risks and standards, legal and editorial complaints, and risk management. As part of the role, the DDG will review all audience-facing changes before they are submitted to ExCo, including proposals associated with the new £500-million programme. However, it acknowledged the risk that further headcount reductions could result in the loss of staff with important skills and long-term experience of maintaining editorial integrity.

Governance

2.27 The BBC has started making decisions on implementing the £500-million programme and establishing its governance arrangements, including a new Steering Group. The Steering Group includes the Director-General and is intended to provide executive oversight of delivery, resolve issues escalated by divisions and support alignment between savings plans and the BBC's wider strategic objectives. The scale and pace of the £500-million programme will be challenging, as most of the savings are required by 2027-28. Also, savings will be cash releasing and used to reduce the BBC's funding gap and to support its longer-term financial sustainability, rather than for reinvestment, unlike under its existing £700-million programme. The BBC acknowledges that future savings will require strengthened organisational and transformation capability, faster decision-making and delivery, and strong leadership.

Risk management

2.28 The new £500-million programme is likely to change the BBC's risk profile. Larger savings from scope reductions, delivered at a faster pace, could increase the risk of cumulative impacts on audiences, reputation and services, while potentially reducing the BBC's capacity to manage further change, as shown in the following examples.

- **Capability risks:** Further headcount reductions could result in loss of important skills, experience and organisational capability, including editorial decision-making. Our report *Government exits and redundancies* sets out challenges for government departments and other public sector organisations where headcount is reduced.[17] These include: ensuring organisations can keep delivering core activities effectively, with fewer staff; retaining skilled and high-performing staff, while enabling poorer performers to leave; and ensuring longer-term value for money, including ensuring the sustainability of staff reductions.

17 National Audit Office, *Government exits and redundancies: Good practice guidance*, September 2025.

- **Outsourcing risks:** Achieving efficiency and cost savings is a key reason that organisations outsource activities. If the BBC decided to outsource some of its activities to make future savings, it would need to identify the size and shape of the workforce it requires and the mix of approaches it would use to achieve this. Any decisions to outsource or rely more heavily on external partners would need clear governance, effective contract management and sufficient in-house capability to oversee delivery. The BBC would also need to ensure it has the commercial capability, governance and performance information needed to manage these arrangements effectively.
- **Digital and technology risks:** the BBC's efforts to achieve savings could reduce its data and cyber capability; delay investment in replacing ageing technology; and increase dependence on third-party suppliers. The BBC will need to maintain sufficient in-house capability to oversee digital delivery, manage cyber and operational risks, ensure data quality and resilience, and realise the benefits expected from technology-enabled efficiencies. Failure to do so could increase costs and risks over the longer term.

Monitoring and reporting

2.29 The BBC needs to consider ways to monitor the non-financial impacts of its savings, particularly their cumulative effects on audiences. The BBC expects that some future savings decisions will lead to changes that audiences notice. As a result, these decisions may affect measures such as audience reach and perception of the BBC. The BBC also told us it could improve its mechanisms for monitoring how cumulative savings may impact brand perception and propensity to pay the licence fee.

2.30 The BBC's approach to reporting on savings could become increasingly important in the next Charter Period. In its green paper, DCMS indicated that the BBC would be subject to greater transparency and oversight on how efficiently it is operating, including an intention to set formal target for the next Charter period.

2.31 The government defines efficiency as spending less to achieve the same or greater outputs, or achieving higher outputs from the same level of spending. It makes clear that cost reductions should only be treated as efficiency savings where outputs or outcomes are maintained or improved. The BBC's current reporting brings together different types of measures under its £700-million programme. These include productivity improvements, change to the scope and mix of services, commercial income measures and reinvestment in strategic priorities. However, should the new Charter require the BBC to report on its efficiency using government definitions, which the BBC is not currently bound by, this would require it to demonstrate where outputs or outcomes are maintained or improved despite spending reductions. This would require clearer linking of inputs to outputs and outcomes.

Appendix One

Our audit approach

Our scope

1 The BBC is the UK's main public service broadcaster (PSB), providing television, radio and digital services. It must continue to deliver its public service remit while responding to pressure on licence fee income, rising costs, changing audience behaviour and competition from digital and streaming services. As the BBC approaches the start of its next Royal Charter period beginning in January 2028, the BBC needs to balance financial sustainability with maintaining audience value and public service outcomes.

2 The BBC is delivering its £700-million savings and reinvestment programme (£700-million programme) to improve productivity and modernise operations, including support for strategic priorities such as digital growth. It has also announced a new £500-million cost reduction programme (£500-million programme), requiring additional savings while managing other financial pressures.

3 We set out to assess the BBC's progress with implementing its £700-million programme and what lessons it can take forward as it prepares for the next round of savings. We focus on savings made within the BBC's PSB activities and do not consider the savings and efficiencies achieved in the BBC Commercial Group. We framed our inquiry into the BBC's £700-million programme using the following audit questions:

- has the BBC achieved the aims of its £700-million programme?
- has the BBC made efficiency decisions in a clear and evidence-led way that protects audience value while reducing cost?
- is the BBC well positioned to manage future challenges and risks?

4 In structuring our findings, we organised the report into two main parts, covering:

- the BBC's progress with its £700-million savings and reinvestment programme (Part One); and
- the BBC's approach to delivering its £700-million savings and reinvestment programme and lessons for its new £500-million cost-reduction programme (Part Two).

5 We reached our conclusions on the BBC's progress with implementing its £700-million programme following analysis of evidence collected primarily between April and August 2026. In forming our conclusions, we drew on a range of study methods and evidence sources, which are set out in the paragraphs below. We also worked closely with colleagues from our internal expert teams. These included colleagues with expertise in financial audit, financial and risk management, and quantitative and qualitative analysis, among others.

Our evidence base

Interviews with the BBC

6 We interviewed BBC staff involved in various aspects of the £700-million programme and wider savings plans, including in:

- the Finance team responsible for financial reporting of the BBC £700-million programme;
- the Programme Management team responsible for governance and project and risk management;
- the team responsible for delivery of the changes in the video digital remix (remix savings) in the BBC Content division.

7 We held interviews online between May and August 2026. The subject of each interview was informed by our audit questions and tailored to the officials involved. We analysed interview evidence thematically based on our audit questions. We used the information from the interviews to develop our understanding of how the BBC approached the £700-million programme, identify areas for further follow-up, and guide additional document requests. Findings from the interviews helped inform our key findings and validate conclusions drawn from document review, data analysis and case study work.

Interviews with other stakeholders

8 We carried out online interviews with a range of external stakeholders to understand the context in which the BBC operates, including the challenges and opportunities facing the BBC and the wider broadcasting sector. The stakeholders we interviewed included:

- The Broadcasting, Entertainment, Communications and Theatre Union (BECTU);
- European Broadcasting Union (EBU) Intelligence;
- Pact; and
- academics from the London School of Economics and Political Science, the London Business School and the University of Westminster.

These interviews helped strengthen our understanding of the key issues and support findings presented in this report.

Document review

9 We reviewed more than 300 published and unpublished documents provided by the BBC to develop our understanding of the BBC's £700-million programme. These documents included, but were not limited to:

- key strategy, planning and business case documents relating to the BBC's £700-million programme and the next phase of savings;
- BBC Executive Committee (ExCo), Steering Group and Working Group papers and minutes;
- financial delivery and performance evidence, including central savings trackers;
- risk, resilience and future-planning documents, including programme and initiative risk logs; and
- documentation for the three case studies on video digital remix, the single BBC News channel, and postage savings.

10 We assessed the contents of these documents against our evaluative criteria. We used the review to inform further discussions and follow-up with the BBC, and to determine our audit findings and triangulate those drawn from other sources. We also used the review to inform our selection and analysis of case studies.

11 We sought expert advice from within the National Audit Office (NAO) to support our document review, including support from our Financial and Risk Management team in reviewing risk documentation.

Case studies

12 Case studies were selected from BBC savings data for 2024-25, which was obtained from the BBC's internal savings database. This was the most up-to-date information available to us at the time. Out of around 200 initiatives that comprised the recurring savings delivered at 31 March 2025, we selected three case studies to examine how the BBC's savings were planned, assessed and implemented and how impacts and risks were managed across the largest savings categories: scope, productivity, and scheduling mix (remix). As the BBC's £700-million programme included both savings and reinvestments, we have selected case studies that cover both categories. Our case studies were not intended to be statistically representative of all BBC savings initiatives. To support our assessment of scope savings, we examined the introduction of the single BBC News channel, to support our assessment of productivity savings, we examined postage savings, and to support our understanding of scheduling mix savings, we examined video digital remix.

13 For each case study, we examined the governance and decision-making processes, implementation arrangements, delivery progress to date, and the reported impacts. For each case study, we reviewed, where available, internal documents including business cases, management information packs, risk reporting, and change control documentation. Documents were analysed using an evaluative framework developed in accordance with NAO good practice. To examine the scheduling mix savings, we held several interviews with the BBC Content team to support our understanding of the £700-million programme and validate conclusions drawn from document reviews.

14 We used these case studies to identify examples of good practice and lessons that could potentially inform improvement across the BBC, including the new £500-million programme. Our analysis also considered the quality of supporting evidence, including the underlying data used to substantiate reported savings and impacts. The case studies provided structured, evidence-based examples to illustrate how savings initiatives operated in practice and to support our overall findings.

Quantitative analysis (data and financial analysis)

15 We analysed data on the BBC's £700-million programme for the period 2022-23 to 2025-26, including savings by type and the balance between recurring and one-off savings. This analysis included the latest available position as at March 2026. We also analysed the BBC's income and expenditure from 2015-16 onwards to assess its overall financial position.

16 Along with financial data, we analysed BBC viewing patterns and the use of iPlayer to explore changes in audience behaviour and the context in which the BBC is making its savings decisions.

17 We used analysis provided by Enders Analysis, to understand wider audience trends and changing consumption habits across the UK television and video markets. This included changes in the reach and viewing of traditional broadcast television, differences in viewing habits between age groups, and the growing use of subscription video-on-demand and video-sharing platforms.

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