

BBC

**Review of Freelance
Engagement Model**

7 November 2012

Introduction by Zarin Patel

Following the Alexander Review of tax paid by senior public appointees published in May 2012, the BBC provided evidence to the Public Accounts Committee in July 2012 and undertook to review all its freelance contracting arrangements.

The Executive Audit Committee of the BBC's Executive Board (the EAC) commissioned an independent review from Deloitte LLP and the BBC's own Internal Audit Department. The recommendations made by the review have been approved both by the EAC and the BBC Trust.

This paper summarises the main findings of the review and our proposals for change. The full Deloitte report is published with the paper.

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Chief Financial Officer

7th November 2012

Contents

- Summary 1
- Introduction..... 5
- Approach and scope of the Review 5
- The Current position 6
- The Need for Change..... 9
- Planned Changes..... 10
- Transition 13
- Conclusion 13
- Appendix 1 14

Review of the BBC's freelance engagement model

Summary

I. The current position

The BBC needs a large number of freelancers to make its programmes

All permanent staff including senior management are paid on a PAYE basis with tax and National Insurance Contributions (NIC) deducted at source. However, the BBC needs a large number of freelancers to make its programmes. In 2011-12 the BBC engaged 64,447* freelancers including, for example, actors, dancers, and makeup artists to work on some 425,320 hours of programmes in a year.

The BBC, like the rest of the broadcast industry, needs the flexibility to engage people on a freelance basis because it gives us the ability to respond to changing audience demands, stay topical and bring in key talent and specialist expertise with a speed and at a price which employment policies and practices would not allow.

For most freelancers HMRC guidelines are clear but some on air roles are not covered by this guidance

HMRC guidelines exist for certain off-air production workers, entertainers (actors, musicians and dancers) and radio presenters. These guidelines allow those workers to be self-employed and account for tax directly to HMRC. However, in a small minority of cases, individuals including on air television and some other radio presenters, fall outside these clearly defined categories. The BBC's policy has been to engage these individuals via Personal Service Companies (PSC).

Where there is a lack of specific guidance from HMRC, the BBC's use of service companies has provided certainty of engagement status whilst retaining creative flexibility.

The classification of individuals as employed or self-employed is important because it affects the way they are taxed. If HMRC were to disagree with the classification the BBC could be liable for penalties rather than the individual. For most of the 64,447 freelancers engaged by the BBC, their tax status is entirely clear and the risk of misclassification is small. As a result, the risk that the licence fee payer would be liable for any underpaid tax is very low indeed.

**64,447 freelancers includes 11,009 off-air and 53,438 on-air talent for all types of engagement. The on-air talent figure includes 40,582 writers, composers and publishers to whom we pay copyright fees, music groups and ensembles; on-air contributors paid less than £1000 and repeat fees paid for content previously broadcast. Once these individuals are removed the total talent "in front of camera" or "behind the microphone" falls to c.12,856 on-air and 11,009 off-air freelancers, a total of 23,865 freelancers. Please see Appendix 1, Table 5 for further details.*

For long term presenter contracts where there is no current HMRC guidance, the BBC's policy has been to engage individuals via service companies. The use of service companies is advantageous because it makes clear where responsibility lies under tax rules for the payment of appropriate tax, namely with the service company. This policy has been in force since 2009/10. It has allowed the BBC to retain the creative benefits of a flexible workforce without exposing the licence fee payer to additional risk in areas where lack of specific HMRC guidance makes employment status unclear.

Using service companies in this way is legal, complies with HMRC rules and should not result in any avoidance of the tax or NIC due to the Exchequer. Legislation exists, known as IR35, which is designed to ensure that the right amount of tax, employers' NICs and employees' NICs are paid by a service company where the individual concerned has the characteristics of an employee.

Although the above approach is compliant, a review of our policy and the underlying arrangements has been extremely timely. The review has identified some individuals who have been engaged through service companies over a longer period and, while these individuals' employment status was ambiguous at the outset, the length of their engagement has helped to clarify whether they have the characteristics of someone who is employed or self-employed.

Deloitte LLP (Deloitte) has reviewed our freelancer engagement policies and concluded that the BBC has not attempted to avoid tax or NIC

We commissioned Deloitte to carry out an external review of all our freelancer policies and practices with particular focus on individuals paid through service companies. They concluded that the BBC has a high level of tax compliance and found no evidence that the BBC has attempted to avoid income tax or NIC.

Deloitte also concluded that there is no evidence of the BBC moving individuals directly from existing staff employment status to a service company contracting arrangement. In the 1990s the BBC made more use of the freelance contracting model to give it more flexibility to respond to changes in the creative environment; this led to some staff being engaged as freelancers. More recently, it is likely that some of these freelancers will have been asked to engage through service companies. However, there has never been a pan-BBC corporate policy to move individuals from staff contracts to service company contracts.

2. The Need for Change

The review has underlined some weaknesses in our current policy which, taken together with public concern, mean that we should change the way we engage some freelance workers

Our current policy for engaging on air talent can be applied inconsistently, with individuals being engaged as employees, as self-employed freelancers and through service companies. There are a number of on air talent individuals currently engaged through service companies on long term contracts who appear to have the characteristics of “staff” and might be expected to be engaged as employees.

We also recognise the growing public concern about the use of service companies in the public sector and note recent changes in government policy following a Treasury review on this subject. Although our use of service companies complies with HMRC rules we acknowledge that these rules can be difficult to enforce and that service companies give an individual greater opportunity to reduce his or her tax liability than an employee whose tax and NIC is deducted at source.

3. What we will do

In response to the review we plan to change the way we use service companies

We no longer intend to adopt our previous position of engaging on air talent with long-term contracts through service companies. Instead, we will:-

- Introduce a more objective and specific employment test to ensure that if an individual clearly displays the characteristics of an employee, they will be engaged as staff with tax and NIC deducted at source rather than through a service company.
- Work with HMRC to develop objective and consistent criteria for the tax treatment of on air talent to give us the confidence to engage these individuals directly as sole traders where they meet the criteria without the risk of misclassification set out above.

We will prioritise a comprehensive review of the 469 existing on-air talent’s service companies and 335 self-employed sole traders paid in 2011/12 and which were assessed by Deloitte as part of their report (see Table 4 in the Appendix). We expect that this could result in a number of these individuals being offered employment contracts in the future when their current contracts expire. We will then apply the same level of review to all on-air talent’s and off-air production workers’ service company contracts.

We will only use service companies where we are satisfied that individuals should not be offered employment or self-employment terms. We expect these situations to become considerably fewer than at present. Where we do engage service companies we will further strengthen our processes in order to assist HMRC in two ways:-

- Provide fuller reporting to HMRC, including not only details of each company, but also the name of the individual whose services the BBC acquired via the company and the fees paid;
- Strengthening contractual clauses with specific reference to tax/NIC legislation, placing a requirement on individuals to demonstrate compliance with that legislation and the ability for the BBC to terminate the contract if there is non-compliance.

The new policy will be introduced with immediate effect but because there is no legal basis for early contract termination, moving individuals with existing contracts from service companies to BBC staff or self-employed individuals will take place as current contracts expire.

More generally, the review process has identified ways to strengthen our internal contracting processes

Alongside Deloitte, BBC Internal Audit has also been reviewing management controls over the engagement of freelancers. Both these reviews have proved very useful and have highlighted ways to further strengthen our processes.

4. Conclusion

The BBC, like the rest of the broadcasting industry, needs the flexibility to engage people on a freelance basis to help it respond to changing audience demands and to deliver creative renewal. This review has established that our current policies and practices achieve a high standard of employment tax compliance and has found no evidence that the BBC uses service companies to facilitate potential tax/NIC avoidance.

Nevertheless within the context of public concern and the obligation on us as a public body to set the highest standards, we are introducing changes which will lead to a reduction in the number of service company engagements and will assure the licence fee payer of our consistent approach to all contracting.

Review of the BBC's Freelance Engagement Model

I. Introduction

Following the Alexander Review of tax paid by senior public appointees published in May 2012, the BBC provided evidence to the Public Accounts Committee in July 2012 and undertook to review all its off-payroll contracting arrangements. The BBC made clear to the PAC that, unlike other areas of the public sector, Personal Service Companies (PSCs) were not used for anyone in Senior Managerial roles.

The review was commissioned by the Executive Audit Committee of the BBC's Executive Board (the EAC) and the recommendations made by the review have been approved both by the EAC and the BBC Trust.

2. Approach and Scope of the Review

The EAC commissioned an independent review from Deloitte and the BBC's own Internal Audit Department to consider the following three key questions:

- Is the freelance engagement model used by the BBC in line with current industry practice in the creative sector?
- Are the BBC's policies and practices for the engagement of freelance workers in line with existing legislation and HM Revenue & Customs ("HMRC") guidance on the subject?
- Are the BBC's policies and practices used consistently and not with the intention of saving the BBC NIC?

The review also sought to address specific points raised by the Public Accounts Committee in relation to the arrangements in place with on-air talent, contracted for long durations of time and with restrictions on their outside BBC activities.

The review comprised:-

1. An **independent and expert review** of BBC's current policies and practices in relation to freelance worker engagements to provide the BBC with assurance that the existing policy and practices fall within HMRC regulations and that the BBC continues to meet all required income tax and NIC costs. This review was conducted by Deloitte. It covered all categories of freelance engagements but with specific focus on the use of personal service companies by on air talent and it considered wider industry practice.
2. An **Internal Audit review** of adherence to policy and consistency of approach - to provide assurance on the extent of compliance with current BBC policies for off-payroll engagements; to identify any areas of risk in the contracting process and recommend any changes.

The review took a comprehensive view of all the BBC's contracting activities and looked at the total population engaged and paid by the BBC across the full financial year to 31st March 2012. (Detailed numbers are provided in Appendix 1.)

Deloitte and the internal auditors conducted a review of BBC policies, guidelines and correspondence and conducted interviews with key BBC stakeholders and negotiators and with talent agents. Deloitte carried out a detailed review of a sample of 116 contracts and reviewed 108 files providing documentary evidence of the negotiation process with talent. They completed a line by line assessment of 804 freelance on air talent individuals/PSCs (335 engaged as self-employed individuals and 469 engaged through PSCs).

The full Deloitte report which was submitted to the EAC is attached to this paper.

3. The Current Position

3.1 The creative industry's freelance model

The BBC has a complex contracting operating model to help it manage the high level of flexibility required to meet the production and broadcasting demands and to work within the detailed tax legislation and agreements in place in this industry. The use of freelancers is critical to our business model for three reasons:

- To provide creative flexibility in a way that allows the BBC to manage creative and editorial renewal with ease;
- To provide value for money so that freelance workers are only engaged and paid for the time they are needed for a programme; and
- To secure the best talent in a competitive market place where talent have a broad portfolio of work across the industry and will only offer their services as freelancers.

To provide creative flexibility

The BBC, in line with other broadcasters and Independent Production companies across the creative industry, needs to engage its on-air talent in a way that allows it to manage creative and editorial renewal with ease. The nature of their engagement is initially on a temporary basis and then renewed based on how well the programme performs for the audience in terms of Reach, Quality and Impact. Any other means of engagement risks stifling creative renewal and creative risk taking and would have an impact on the BBC's ability to innovate based on audience feedback. Creative renewal is one of the key benefits the audience expects from our output and innovation and originality are key drivers of audience appreciation.

The need for creative flexibility is dictated by the following factors:

Topicality – our schedules change regularly to reflect key events and different topics. We therefore need a changing roster of on screen talent with relevance to the theme.

Specialised knowledge - a wide range of views and specialisms are required with the need to cover best contemporary views. Some presenters will have specialisms suitable for only certain programmes; their credibility as an expert or specialist would be undermined from the viewer's perspective if they were to present a broader range of programmes.

Rights - our coverage is dictated to by third party agreements which are subject to commercial negotiation and change, for example in Sport where the rights to a sporting event will dictate staffing levels for both production staff and on-air talent.

Commissioning changes – Commissioners may change or BBC taste for programme and presenter types may change reflecting industry trends and audience preferences.

Competition - The success of other broadcasters' new formats and on screen talent may create a new audience demand for different types of presenter or artist and may lead to changes in what we commission.

Audience fatigue - however successful a programme is, it may need to be refreshed and revamped periodically including changing the presenting team to ensure that the programme remains relevant to its audience.

The process of engaging, developing and refreshing on-air talent is not one that sits comfortably with standard employment policies and practices. The success of on-air talent, like many creative occupations, is dependent upon the personality and charisma of the individual and can rise and fall in response to changing audience preferences within a short space of time. The employment relationship brings with it an assumption of competitive fair selection processes, managed development, performance improvement programmes and objectively justifiable reasons for contract termination that can be difficult to adapt to the needs of broadcasters to manage on-air talent.

As a result where the self-employment route is appropriate, it provides a more suitable alternative to employment and is commonly used across the Broadcast industry, enabling the refresh of on-air talent for creative and editorial reasons.

To provide value for money

The use of short term freelance contracts enables the BBC to flex up and down to cover its creative needs, without incurring the cost of full employee status including all employee benefits.

This delivers the best value for money to the licence fee payer and allows the BBC to continue to focus money on content for audiences and getting the right people for the relevant output.

To secure the best talent

We operate in a talent market where freelance engagements are common and are often the preference for the engagement of key talent. Most talent expect to be engaged as freelancers, giving them the opportunity to develop a broad portfolio of work across the industry and with different broadcasters and many do not want to work on staff contracts, which would restrict their long term development opportunities.

For these three reasons, freelancers are an important part of our economy and critical to the success of the BBC with its audiences.

3.2 The BBC's contracting model

As explained in section 3.1 above, the nature of TV and radio production and broadcasting demands a high level of flexibility in the workforce. Consequently in line with the wider industry, the BBC contracts with employees and self-employed/freelance workers in a number of different ways.

The BBC is a large organisation, producing 425,320 hours of output across TV, and National and Local Radio in 2011/12 and it has to engage a significant number of freelance workers to produce this content. The review has taken a comprehensive view of the total workforce, both staff and freelancers and the total number of contracts and payments across the full financial year 2011/12. (Detailed tables are at Appendix I of this paper.)

During the financial year 2011-12, the BBC employed an average of 22,580 **Employees** on employment contracts with PAYE and NI deducted at source through the payroll. All senior managers are employees.

It issued 259,305 contracts or payments to 64,447 individual **on-air and off-air freelancers**. The majority of the freelancers engaged by the BBC are engaged typically for short periods and are not full time in any way. The majority (90.6%) are covered by clear HMRC guidance as to their employment status. They include for example-

- **Entertainers** - Actors, Singers, Musicians, Dancers and Voice-overs or anyone else engaged in a similar performing capacity.
- **Behind camera craft and production roles**
- **Certain radio presenters and radio production roles**
- **Temporary professional support roles** – engaged through Reed Personnel Services.

Some individuals including on air television and certain other radio presenters fall outside these clearly defined categories because no specific HMRC guidelines have been historically available for this group. The BBC's policy has been to engage these individuals via Personal Service Companies.

In 2011/12 there were 6,123 PSCs, 3,272 relating to on-air talent and 2,851 relating to behind camera contracting.

Of the total 6,123 PSCs, 469 on-air PSCs and 140 off air PSCs have contracts/ payments with a value of £50,000 or more. The substantial majority (90%) are for values below £50,000.

The use of a service company is a legitimate contracting route. It is not a mechanism for tax avoidance by the BBC. HMRC legislation (known as IR35) exists as anti-avoidance legislation to make sure that individuals providing their services through PSCs pay broadly similar PAYE and NICs, as they would if engaged directly by their clients as employees. If the legislation is applied properly by the PSC and reviewed and policed by HMRC, both the BBC and HMRC should be entitled to believe that the correct amount of tax/NIC is being paid by those PSCs. If there were to be any question of under-paid tax or NIC, the liability would fall on the service company not the BBC (and so ultimately the licence fee payer).

4. The Need for Change

We recognise that there is public concern around PSCs and that under Service Company arrangements it is impossible for us to guarantee that all individuals are paying the appropriate tax and NICs and we have therefore developed some proposals for change which are set out below.

The key conclusions from the review were as follows:-

1. Retaining a freelance model is critical for the success of the BBC with its audience, affording creative renewal and value for money.
2. Engaging freelance workers through PSCs is legal and appropriate in some circumstances and there is no evidence that the BBC is engaged in tax avoidance or uses PSCs with any motive to facilitate potential tax/NIC avoidance.
3. Deloitte concluded that the BBC's policies are well developed and effective in achieving a high standard of employment tax compliance, particularly for an organisation the size and complexity of the BBC.
4. Testing by the BBC's Internal Audit function demonstrated that compliance with the existing processes and controls supporting the policies is generally good. However there are areas where improvements can, and should, be made:
 - a. Gaps in the design of the supporting processes and associated guidance have led to inconsistencies of approach, and in some cases inadequate controls, across the different engagement routes.

- b. Significant improvements are required to the underlying data and management information systems to enable effective management oversight of the application of engagement policies.
5. We need to be clearer and more consistent in how we engage with our on-air talent. We have engaged on-air talent as freelancers, employees and through PSCs. It is not always possible to articulate the rationale for freelance and staff presenters working alongside each other and doing broadly similar roles.
6. In our audit to date no evidence has emerged of any pressure from the BBC to move individuals from existing staff employment status to a PSC contracting arrangement.
7. However when new on-air talent is engaged it is presumed that they will be freelancers, not staff. The BBC has operated a policy of engaging on-air talent through PSCs where contracts are likely to exceed 6 months in duration or over £10k in value rather than engaging them as employed or self-employed. The BBC has enforced this policy fairly strictly from 2009/10 and the perception of agents is that BBC is forceful in seeking that PSC arrangements are used for freelance on-air talent within these limits.
8. We need to take account of the changes in government policy on engaging individuals in central government following the Alexander Review and the strong expectation that other public bodies will follow a similar approach.
9. There is growing public concern about the use of service companies in the public sector and a need for complete transparency. We recognise that unless the rules are effectively enforced, service companies give an individual greater opportunity to reduce his or her tax liability than an employee whose tax and NIC is deducted at source.

5. Planned changes

5.1 Objective employment test

We no longer intend to adopt our preferred position of engaging on-air talent with long-term contracts as freelancers through service companies.

Instead we will introduce a more objective and specific employment test, using unambiguous criteria to determine employment status for all on-air talent. If, as a result of the test, an individual clearly displays the characteristics of an employee, they will be engaged as staff with tax and NIC deducted at source rather than through a service company.

The test will be based around all relevant employment status tests including in particular four core principles which are particularly relevant in our industry:-

1. The length of the engagement
2. The certainty of work provided by the BBC
3. The manner of payments from the BBC and the proportion of income earned elsewhere
4. The extent to which the BBC exercises control over the way duties are performed

We will as a priority carry out a comprehensive assessment of all current on air talent's PSCs and on air self-employed talent engaged for values of £50,000 or more against these criteria to decide the appropriate engagement route. We will then do the same assessment for all on air service companies.

We will also review radio presenters against the HMRC Radio guidelines and seek HMRC's confirmation of the continued applicability of these guidelines.

All status decisions would then be reviewed at every main contract renewal to check whether an individual's circumstances have changed.

Deloitte's initial desktop review of 804 on-air talent PSCs and self-employed individuals (which comprises 469 PSCs and 335 self-employed contracts paid above £50,000) indicates that some of this group might be considered to have some characteristics of employment and that around 16% of them should be prioritised in the BBC's proposed full assessment of employment status. The BBC's review will look in detail at all of this group to determine the most appropriate contracting relationship for each one.

5.2 HMRC guidelines

Where employment is not appropriate, we will work with HMRC to try to develop and agree a new status framework setting out clear and consistent criteria for the tax treatment of television presenters (like the existing HMRC Radio guidelines). Our aim would be to have concluded this in time for the new tax year starting April 2013. This would provide clarity about when we can contract as a sole trader or as an employee.

5.3 Improved management of PSCs

The existence of a new HMRC framework would allow us, where appropriate, to appoint presenters as self-employed sole traders and, along with our up-front assessment of whether an employment contract is appropriate or not, reduce our need to engage via PSCs to protect the BBC from misclassification risk. This will reduce the need for PSCs substantially over time.

We will continue to engage via PSCs in a number of limited situations (for example where artists have a wide range of work across the industry and a broad portfolio of income including international income).

We will ensure however that we set the highest possible standard for the management of PSC relationships. We will strengthen our processes for managing PSCs in two ways:

Reporting to HMRC.

The BBC already provides an annual return to HMRC of all payments made to anyone paid off-payroll. This is an annual report and is in line with HMRC's requirements. However it only provides details of the payee and this means it may not always be easy to determine who within the PSC provided their services. It would be much easier for HMRC to review cases for compliance where the data provided is total so that we not only provide details of the company, but also the name of the individual whose services the BBC acquired via the company and the fees paid.

We propose therefore to go further than the Government Departments where reporting to HMRC would only happen where suspected tax and /or NIC shortfalls exist, and to provide to HMRC reports detailing every off-payroll contract, the fees paid and details of both the name of the service company and the individual whose services the BBC used. These reports will cover whatever period works best for HMRC (quarterly, six monthly or annually).

We will already be providing all Entertainer details to HMRC when paid, under the Real Time Information (RTI) reporting regulations being introduced from April 2013.

Strengthening contractual clauses

The BBC's off-payroll contracts already include wording emphasising current legislation that the contributor is responsible and liable for the payment of tax and NIC due on the fees paid, as well as a general obligation to comply with all applicable legislation (which would include the Tax and NIC legislation). However, the existing legislation does not require the BBC to have oversight of the compliance position of off-payroll contractors; we intend to provide contractually for greater oversight as follows.

We have reviewed the changes recently made to certain Government and NHS contracts and we will be incorporating the following changes to all relevant contracts:

- Specific reference to the legislation by which tax and NI is due;
- A requirement that contributors be obliged to provide the BBC with evidence of compliance with such legislation on request; and
- An ability for the BBC to terminate the contract if there is non-compliance either with the legislation or failing to respond to any BBC request for information.

5.4 Improvements in current contracting practice

The review has established that there is some inconsistency around the contracting process across the BBC. Management has already recognised a number of the weaknesses highlighted by the

review and key projects already underway will begin to mitigate these. We recommend a series of further actions to strengthen existing work.

We will introduce one clear overarching contracting framework which will make clear all contracting requirements in the BBC and the contracting processes to be followed for each specific contract need. This will be developed over the coming months. We will use this new framework to manage and bring together all our policy and processes, with a clear decision tree, sets of guidelines relating to each engagement process, clear accountabilities for application of policies and independent management oversight.

There will be clear communication and a programme of comprehensive training for all managers across the BBC involved in engaging talent.

This will give clarity to our internal decision makers and contracting teams and will allow us clearly to articulate our policy to all our staff and talent. The intention is to remove areas of discretion or lack of clarity so that the decision making process is simpler and less open to interpretation or challenge. We are committed to getting the correct contracts in place.

6. Transition

The new policy will be introduced with immediate effect.

Transition to the new contracting framework will begin once the new status agreement with HMRC is agreed and will take place as contracts are renewed.

Any move of an individual on an existing freelance or PSC arrangement to an employment contract would take place at the time of individual contract re-negotiation. Contracts will not be ended mid-way through; there is no legal basis for termination.

Our strengthened PSC reporting to HMRC will be introduced for the start of the new tax year.

7. Conclusion

The BBC, like the rest of the broadcasting industry, needs the flexibility to engage people on a freelance basis to help it respond to changing audience demands and to deliver creative renewal. This review has established that our current policies and practices achieve a high standard of employment tax compliance and has found no evidence that the BBC uses PSCs to facilitate potential tax/NIC avoidance.

Nevertheless within the context of public concern and the obligation on us as a public body to set the highest standards, we are introducing changes which will lead to a reduction in the number of PSC engagements and will assure the licence fee payer of our consistent approach to all contracting.

APPENDIX I

BBC WORKFORCE BY TYPE AND CONTRACT FY 2011/12

Table 1: Total number of individuals engaged and paid during 2011-12

Contract Type	On payroll	Support roles	On and off air freelancers
Staff	22,013		
Agency workers (Reed)		1,087	
Off air freelance talent			11,009
On air freelance talent			53,438
Total	22,013	1,087	64,447

Table 2 Breakdown of on air and off air freelance populations

Type of engagement	On air Individuals/ entities	Off air Individuals/ entities
Personal Service Company (PSC)	3,272	2,851
Self-employed individual	45,073	7,879
Other (eg organisation/ company)	5,093	279
Freelance total	53,438	11,009

Table 3: Stratification of PSCs engaged in 2011-12 based on total remuneration

Total number of PSCs extant in 2011/12	PSC on air	PSC off air	PSCs (Total)
£50K-£99,999	243	122	365
£100K-£149,999	102	9	111
£150K+	124	9	133
Sub Total	469	140	609
Contracts and payments <£50K	2,803	2,711	5,514
Grand Total	3,272	2,851	6,123

Table 4: The population of on-air talent PSCs and self-employed talent to be prioritised for review of engagement status*

	PSC on air freelance talent	Self-employed on air freelance talent	Total individuals on air talent
£50K-£99,999	243	226	469
£100K-£149,999	102	55	157
£150K+	124	54	178
Total	469	335	804

* Note that the population of on-air talent with remuneration under £50,000 will also be reviewed as part of the second stage of our internal assessment.

Table 5: Total number of on-air and off-air freelance individuals in this report vs PAC submission in July

	On-air	Off-air	Total	Comments/ explanation
Total freelance individuals contracted in 2011/12	52,744	11,009	63,753	This includes all types of engagement including personal service companies (PSCs), self-employed individuals, bands, orchestras, writers, composers and publishers
Freelancers contracted in previous years but actually paid in 2011/12	694	-	694	These individuals were not considered in the PAC submission 16 July 2012.
Total freelance individuals contracted and paid in 2011/12	53,438	11,009	64,447	Total population covered by this Review
Payment for copyright to writers, composers and publishers; music groups and ensembles; on-air contributors paid less than £1,000 and repeat fees for content previously broadcast	(40,582)	-	(40,582)	These are contributors and holders of copyright who are unlikely to be working primarily for the BBC
Total number of freelance individuals (in front of camera or behind microphone) covered by this Review	12,856	11,009	23,865	
PAC submission 16 July 2012	c13,000	c.12,000	c.25,000	