BBC One, BBC Two and BBC Four service reviews
Final report
November 2010

Getting the best out of the BBC for licence fee payers
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November 2010
Executive summary

Background

The BBC Trust is the governing body of the BBC and it is our responsibility to get the best out of the BBC for licence fee payers. One of the ways we do this is by carrying out an in-depth review of each of the BBC’s services at least once every five years. This report sets out the final conclusions from our reviews of BBC One, BBC Two and BBC Four and follows the publication of our interim findings in July 2010.1

We set out what we expect from each service in published service licences. The licences currently state that:

- BBC One’s remit is to be ‘the BBC’s most popular mixed-genre television service across the UK, offering a wide range of high quality programmes. It should be the BBC’s primary outlet for major UK and international events and it should reflect the whole of the UK in its output. A very high proportion of its programmes should be original productions’.

- BBC Two’s remit is to be ‘a mixed-genre channel appealing to a broad adult audience with programmes of depth and substance. It should carry the greatest amount and range of knowledge-building programming of any BBC television channel, complemented by distinctive comedy, drama and arts programming’.

- BBC Four’s remit is to be ‘a mixed-genre television channel for all adults offering an ambitious range of innovative, high quality output that is intellectually and culturally enriching. Its focus should be on the provision of factual and arts programming’.

Our review has had two broad aims: first to assess how well BBC One, BBC Two and BBC Four are performing against the commitments set out in their service licences, and second to consider the channels’ future direction and determine whether any changes to the licences are required.

We have developed our findings using a range of methods. We carried out a public consultation in autumn 2009 and received around 9,000 responses from licence fee payers. We also received submissions from our four Audience Councils in England, Northern Ireland, Scotland and Wales. These responses alongside our audience research, performance monitoring and discussions with BBC management and the creative community outside the BBC have given us a clear picture of the strengths and weaknesses of each channel.

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1 We reviewed BBC Three last year as part of a wider review of how well the BBC was serving younger audiences
Key findings

Overall conclusions

BBC One and BBC Two are performing well in many respects. BBC One is the most watched channel in the UK while BBC Two’s reach is also substantial. In general, audiences recognise that both channels provide a high quality offering across all genres, and make strong contributions to delivering each of the BBC’s public purposes. We have, however, found some areas where both channels can improve, in particular to provide the distinctive offering that audiences expect from the BBC.

BBC One needs to harness its scale and size by being more ambitious and taking more creative risks in peak time. BBC Two should ensure it provides something which audiences recognise as being manifestly different from BBC One, even at the risk that BBC Two’s reach may fall. BBC management has developed programming plans that aim to address concerns that the levels of quality and ambition of parts of the daytime schedule are not meeting audience expectations.

The role of BBC One and BBC Two in delivering high impact current affairs to audiences is vital. BBC management has provided us with assurance over its plans for current affairs programming and we will track the impact of this output on audiences.

Much of BBC Four’s programming is seen as high quality and distinctive by its audience. BBC Four does not, however, significantly influence wider audience perceptions of the BBC. BBC Four’s challenge is to increase its impact, particularly in its core areas of specialism, and secure a greater reputational dividend for the BBC, while also retaining its distinctive nature. We will also revise BBC Four’s remit to clarify our expectations of the channel.

BBC One and BBC Two

BBC One makes a vital contribution to the delivery of the BBC’s public purposes

BBC One is the most watched channel in the UK and has done well to maintain its audience in recent years in the face of pressures arising from multi-channel television. BBC One’s size means it makes a very important contribution to the BBC’s overall reach levels and underpins its ability to deliver the BBC’s public purposes - more than 10 million of its audience do not watch any other of the BBC’s main TV channels and the average UK individual watches 5 hours 29 minutes of BBC One each week.2

Our audience research shows that BBC One makes a very important contribution to the delivery of each of the BBC’s six public purposes, particularly the BBC’s citizenship and global purposes3, and nearly 60 per cent of the UK population watch news on BBC One each week.4 Audiences also recognise BBC One’s strengths in delivering elements of the

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2 BARB, 2009, 15 minute weekly reach (BBC One, BBC Two, BBC Three and BBC Four) and weekly hours of viewing
3 Kantar Media audience research, 2009
4 BARB, 2009, 3 minute weekly reach
BBC’s creativity purpose by providing a range of content people find enjoyable and entertaining and by bringing viewers together for major events. Earlier audience research has shown that audiences accept, and want, the BBC to show programming across the full range of genres, including popular entertainment, as long as it takes a fresh approach and resonates with the BBC’s values in content, tone and execution. Many of those who responded to our public consultation stated that BBC television, led by BBC One, provides high quality programming and output not available on other channels, and acts as a benchmark for other broadcasters. Drama, news and natural history documentaries were the most frequently cited strengths.

**Audiences recognise BBC Two’s quality and the channel makes a very strong contribution to the delivery of the BBC’s public purposes**

Of output on the five main terrestrial channels, BBC Two’s programmes are seen as being the highest quality, while our audience research shows that on the whole BBC Two makes a strong contribution to the delivery of the BBC’s public purposes, particularly the BBC’s education and learning purposes.

Over recent years BBC Two has stemmed the decline in audience size seen in the early to mid 2000s and remains a channel of significant scale - reaching 32 million people and watched by the average UK individual for just less than 2 hours each week.

**Both BBC One and BBC Two can make a greater contribution to the BBC’s public purposes by being more distinctive**

Our research for this review has shown that the biggest area where BBC One and BBC Two are not meeting audience expectations is in providing programmes with ‘lots of fresh and new ideas.’ This is in part a reflection of a wider dissatisfaction with the amount of fresh and new programming on television generally, but audiences do have higher expectations of the BBC, and particularly BBC One in this regard. Both channels can therefore make a greater contribution to the BBC’s public purposes by being more distinctive.

Because of its ability to deliver the BBC’s public purposes to large numbers of people, it is important that BBC One preserves aspects of the service which make it popular. The channel needs, however, to harness its scale and size by being more ambitious and taking more creative risks in peak time, particularly by increasing the variety of programming in pre watershed peak time and in showing greater creative ambition at 9pm.

The clarity of BBC Two’s role as a challenging and distinctive alternative to BBC One has diminished in the multi-channel world. We support the changes BBC management are implementing to increase the distinctiveness of factual, comedy and drama programming on BBC Two, and we are encouraged by the ambition of some of the channel’s recent output. We expect the channel to build on these successes in the coming years. Its aim should be to re-establish its position as providing something to audiences which is manifestly different from BBC One, even at the risk that BBC Two’s reach may fall.

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5 Blinc, Audience Perceptions of Innovation and Distinctiveness, research commissioned by the BBC Trust, Dec 2007
6 BBC Pulse survey, April 2009 to March 2010
7 BARB, 2009, 15 minute weekly reach and weekly hours of viewing
Daytime output on BBC One and BBC Two contributes to the delivery of the BBC’s public purposes but the levels of quality and ambition of parts of the schedule are not meeting audience expectations

Daytime output makes a contribution to the delivery of the BBC’s public purposes and is watched by sizeable audiences. In an average week, between 9am and 6pm from Monday to Friday, more than 20 million people watch BBC One and Two, around 1.5 million of whom do not watch any other BBC television at all in that week.8

Across a range of genres, some programming in daytime is rated well by audiences for being high quality and original. However one of the strongest themes from our public consultation is that some viewers believe parts of the schedule on each channel lack quality and have become too weighted towards long-running factual entertainment strands with similar formats and covering similar subject areas, characterised as ‘collectables hunting’ and property. While these programmes are popular, audiences have told us that their quantity has made some parts of the BBC’s daytime schedule seem too formulaic and derivative. We are concerned that these perceptions are having a negative effect on the BBC’s reputation.

We support the plans developed by BBC management to improve daytime output since we published our interim findings

We recognise that BBC management had already started the process of changing its programming mix in daytime, and, as part of the BBC’s wider strategy review, had outlined further steps designed to improve the quality and distinctiveness of daytime output. In our interim findings, published in July 2010, we signalled our support for the aspirations behind these proposals.

On the basis of the evidence we have gathered for this review, it was our belief, however, that there remained a significant challenge to meet audience expectations, and we asked BBC management to look further at ways to improve the quality and distinctiveness of the daytime schedules within current funding levels. Since then, BBC management has developed further plans for daytime, with a series of steps designed to improve the quality and distinctiveness of the daytime schedule and address the audience concerns identified in this review. These include:

- reducing the volume of long running factual entertainment strands, with one programme being decommissioned and another reduced by more than half, and no new property/collectable titles being commissioned
- changing BBC One’s morning schedule to create year-round slots for current affairs, social issues and consumer affairs
- changing the early afternoon programming mix on BBC Two from repeats of long running daytime programming to a ‘peak repeats zone’ that showcases appropriate peak time output for a daytime audience
- increasing the volume of original drama, and the range of factual programming to include more arts and ‘community-based’ content

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8 BARB, 2009, BBC One, BBC Two, BBC Three, BBC Four
• reducing significantly the volume of acquired drama series in daytime.

We believe these commitments are well considered and represent a proportionate reaction to what audiences have told us as part of this review.

Television news remains fundamental to the BBC’s public service mission

We consider the BBC’s news provision and delivery of its citizenship public purpose to audiences as the BBC’s top priority. Audiences to BBC television news remain very high, with around 34 million people, some 60 per cent of the population, watching each week.\(^9\) This is driven primarily by BBC One’s news bulletins and programmes. Our audience research has found that BBC One and BBC Two are, in general, meeting audience expectations when it comes to delivering the BBC’s citizenship purpose, and feedback from our public consultation shows that audiences see the BBC’s news programmes as one of its main strengths.

We support BBC management’s aspiration to increase the quality and impact of its current affairs programming

We believe BBC management’s stated editorial priority to provide ‘the best journalism in the world’ requires the BBC’s television channels to provide high quality investigative and analytical current affairs output covering a wide range of subject areas and topics. While viewing of current affairs output on television has declined in recent years\(^10\), the level of current affairs programming on the BBC’s television channels has remained broadly stable.\(^11\) A majority of the audience rates the BBC as being ‘best for current affairs’.\(^12\)

We will track the audience impact of BBC current affairs in order to be assured that the BBC is delivering its public service remit in this area

BBC One and BBC Two are required to meet a statutory commitment for the volume of current affairs output, both overall and in peak time, and we do not think the volume of programming needs to be increased.

The role of the BBC television’s current affairs output has, however, assumed even greater importance than before due to the significant changes in the global, economic and political environments in recent years, some of the implications of which are likely to be far reaching for UK citizens. We therefore think it is vital that BBC One continues to broadcast current affairs regularly in peak time, chiefly through the Panorama strand, where we expect a consistently high quality offering with a mix of topical and reactive programming as well as longer form investigative programmes covering both domestic and international affairs.

We also welcome BBC management’s commitment, made as part of this review, to increase the impact and quality of current affairs on BBC Two and in particular to re-affirm BBC Two’s role in international current affairs. To achieve greater impact, we expect BBC Two to offer a range of high quality programmes (both current affairs and documentaries) covering the most significant international and domestic stories and to ensure due

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\(^9\) BARB, 2009, 3 minute weekly reach, BBC One, BBC Two, BBC Three, BBC Four

\(^10\) BARB, 3 minute weekly reach of current affairs programming

\(^11\) BBC management output data

\(^12\) Pan BBC Tracking Survey, 2009
prominence is given to this programming against other types of output on the channel. We will track and report the impact on different audiences of programming in this very important public service genre against these expectations.

**The BBC’s television channels serve some audience groups better than others**

Each of the BBC’s channels experiences some variations in performance among demographic groups. In broad terms, reach to the BBC's channels is lower among younger people, viewers in Northern Ireland and black and minority ethnic groups. Our audience research has shown that the gap between expectations and actual delivery of the BBC's public purposes is often much greater in some parts of the UK, particularly Scotland and Northern Ireland, and some regions within England, such as the north east. Audiences in Wales and southern England tend to rate the BBC more highly.

**The BBC has a number of initiatives underway aimed at addressing these gaps**

Both BBC One and BBC Two have commitments to serving a broad range of audiences, and serving some groups remains a significant strategic challenge for both channels.

In recent years the BBC has set out to address these performance deficits through some major structural changes – most notably undertaking to increase significantly the proportion of network programmes made outside London, and the establishment of BBC North. BBC management is also aiming to make consideration of audience representation integral to the programme commissioning process for its network channels. Many of these initiatives will take time to implement and to demonstrate benefits to audiences, but we will continue to monitor progress in this area. We do, however, support the overall aspiration to make network content more effective at representing the full range of audiences across the UK.

**Opt-out programming provides an important outlet to serve the UK’s nations and regions but could do more to help the BBC deliver its public purposes to these audiences**

Opt-outs range from regional news in England through to news and programmes across a full range of genres in Northern Ireland, Scotland and Wales. The main 6.30pm news programme on BBC One reaches large audiences fairly consistently across each nation and region. In terms of quality, while audiences in Wales and the English regions rate the BBC as ‘best for regional news’, audiences in Scotland and Northern Ireland rate another broadcaster higher.

The volume and performance of other opt-out programming varies significantly across Northern Ireland, Scotland and Wales. Volume is an important driver of reach, which is highest in Scotland (28 per cent) and Northern Ireland (21 per cent) followed by Wales (20 per cent). While it is difficult to measure performance of non-news opt-outs empirically because of the variation in hours and genre mixes in each nation, some concerns have been expressed by audiences during this review about the level of quality

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13 BARB, 2009
14 BARB, 2009
15 Pan BBC Tracking Survey, 2009
16 BARB, 2009, hours of opt out programming and 15 minute weekly reach in each nation
of some opt-out programming. Audiences also raised concerns about the displacement of particular network programmes.

**We support BBC management’s plans to increase the quality of opt-out programming and ensure that it makes a greater contribution to delivering a range of the BBC’s public purposes**

BBC management has proposed a number of steps as part of this review to improve the quality of opt-out programming and to ensure that it makes a greater contribution to delivering a range of the BBC’s public purposes. We support this focus on quality and the delivery of the BBC’s public purposes, but highlighted in our interim findings the need for BBC management to be able to measure and assess the quality of non-news opt-outs more effectively. Since then BBC management has developed a series of proposals which will represent a significant improvement in the way performance is monitored, and should enable both BBC management and ourselves to establish a clearer picture of performance of BBC One and BBC Two in Scotland, Wales and Northern Ireland, particularly the quality of opt-out programming.

**BBC Four**

**Much of BBC Four’s programming is seen as high quality and distinctive by its audience**

The performance data we have gathered for this review shows that BBC Four’s viewers recognise that much of its originated output is of high quality, and that it often provides something original and different from other BBC television channels in terms of degree of depth and specialism. Feedback from our public consultation indicated that BBC Four’s viewers see the channel as providing a genuine alternative to BBC One and BBC Two. Our audience research also shows that the channel is broadly meeting the expectations of its audience in delivering the BBC’s public purposes.

**BBC Four’s role within the BBC’s portfolio of channels, and its service licence remit, could be clearer**

As part of this review we have worked with BBC management to clarify the strategic direction and role of the channel as we do not believe BBC Four’s current role and remit are sufficiently clear, particularly in relation to BBC Two.

We support the channel’s primary focus on arts, music and culture and, in its factual programming, providing both greater depth and a more expert editorial focus than that available on other channels, both on the BBC and more widely. We welcome BBC Four’s aim to act as a guide to introduce archive material to its audience, and have asked for further clarification from BBC management on the implications for BBC Four of the BBC’s wider developing archive strategy. We will amend BBC Four’s service licence to reflect more clearly its editorial direction and focus.

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17 BBC Pulse survey, April 2009 – March 2010
18 Kantar Media audience research, 2009
The challenge for BBC Four is to increase its impact while maintaining its distinctiveness

Both reach and consumption of BBC Four have grown relatively slowly and remain small in relation to the BBC’s other channels, although it is among the most watched digital channels in the UK. In 2009 the channel was watched by around 5 million viewers each week, around 9 per cent of the population.\(^\text{19}\)

While awareness of BBC Four is high, and it has started to build a strong reputation in arts and culture, our audience research shows that the channel as a whole does not have a significant influence over wider audience perceptions of the BBC.

Using its clearer remit and editorial focus, the main challenge for BBC Four over the coming years is to increase its impact, particularly in its core areas of specialism, and to secure a greater reputational dividend for the BBC in this respect. Achieving this might require more effective sign-posting and promotion from other BBC output as well as continuing to schedule and commission collaboratively with BBC Two to emphasise each channel’s distinct but complementary role.

We would expect that achieving greater impact would mean that the channel would be able to retain and continue to grow its audience, while preserving the characteristics which its current viewers most appreciate.

Value for money

The majority of viewers think that BBC One, BBC Two and BBC Four deliver good value for money

BBC One and BBC Two are the BBC’s highest spending services. Our performance data has provided some assurance about their value for money at a high level. The BBC’s television channels are taking steps to become more efficient, making significant savings in the past two years, with further savings projected to 2013.

Around two-thirds of those we asked consider BBC One to be good value for money, in spite of it being the most costly BBC service by some margin. The cost per user hour of BBC One and BBC Four has improved over recent years although BBC Two’s has increased slightly.

Audience perceptions of value for money correlate strongly with their perception that programming is ‘fresh and new’. While the majority of viewers believe that BBC One, BBC Two and BBC Four represent good value for money, these perceptions could be improved by better meeting audience expectations for more distinctive programming.

Actions

It is our job to shape the BBC in the interest of licence fee payers - to challenge BBC management to make changes and achieve them quickly. The actions resulting from this

\(^{19}\) BARB, 2009, 15 minute weekly reach in digital homes
review are set out below. We will report BBC management’s progress in implementing them on an annual basis as part of our Annual Report and Accounts.

1  **BBC One should harness its size by making a greater contribution to the BBC’s public purposes through a more distinctive peak time schedule.** In particular, it should actively seek to increase the level of range, variety and surprise in pre-watershed peak time, and show greater creative ambition at 9pm.

The responsibility for commissioning and scheduling programming rests with BBC management. We will measure BBC One’s performance in this regard by monitoring whether audience perceptions of the channel’s distinctiveness are improving. We will also use a range of other measures to track the channel’s range, depth and creative ambition on an annual basis, and we support BBC management’s efforts to embed these performance measures within its commissioning and production processes.

We would expect to see signs of improvement in audience perceptions by the end of 2011 and will consider at that point whether we need to ask for further action from BBC management to address audience concerns.

2  **BBC Two should continue to implement its plans to make its factual, drama and comedy output more distinctive.** Its aim should be to re-establish its position as a channel which audiences recognise as being manifestly different to BBC One.

We will monitor the implementation of these plans and their impact on audiences as part of our regular performance monitoring activities and would expect to see signs of improvement in audience perceptions by the end of 2011.

3  **Daytime output on BBC One and BBC Two needs to make a greater contribution to the BBC’s reputation for quality and distinctiveness.** BBC management should therefore implement the proposals it has put forward in response to our interim findings to increase the quality and distinctiveness of daytime output.

Daytime performance should be included as a separate part of BBC Vision’s performance reporting, and we will track and report progress in implementing these commitments and their impact on audience views of the BBC’s daytime output.

4  **BBC management should aim to increase the impact of its current affairs programming on BBC One and BBC Two.**

BBC One should continue to broadcast current affairs regularly in peak time, chiefly through the *Panorama* strand, where we expect a consistently high quality offering with a mix of topical and reactive programming as well as longer form investigative programmes covering both domestic and international affairs.

BBC Two should provide a significant amount of high quality current affairs output, with distinctive and analytical coverage of the major international and domestic
stories. We are satisfied that the channel is committed to meeting these aspirations. It is our view that to achieve this will mean that much of this programming will be scheduled prominently within peak time, as well receiving enhanced promotional support to increase audience awareness.

To re-affirm the importance we place on BBC Two’s role in covering international affairs within its current affairs output, we will amend BBC Two’s service licence to strengthen the contribution we expect the channel to make to the BBC’s global purpose, and we will assess the performance of current affairs output through a combination of reach to, and audience perceptions of, its quality and originality.

**5 BBC management should continue to implement its plans to remedy the deficits in performance among some audience groups**, particularly among audiences in Scotland and Northern Ireland, some regions of England and ethnic minorities.

We will continue to monitor the implementation of these plans, and their effects on performance, as part of our regular oversight of BBC performance. We would expect to see signs of improvement and we will agree what further actions are needed if this is not apparent.

**6 BBC management should implement its plans designed to improve the quality of opt-out programming and increase its contribution to delivering a range of the BBC’s public purposes** by:

- reducing the emphasis on achieving ‘ratings’ – as measured through the achievement of an audience share higher than network programming being broadcast at that time
- an increased commitment to delivering programming with ‘fresh and new ideas’
- seeking more opportunities to showcase opt-out programming on the networks.

In response to our interim findings BBC management has developed its approach to monitoring the quality and impact of opt outs.

We will use these measures to review the performance of opt-out programming and network output within each part of the UK on an annual basis, using our four Audience Councils in an advisory capacity.

**7 BBC Four should seek to achieve greater impact among its audience, and increase its contribution to the delivery of the BBC’s public purposes, particularly in its core areas of specialism, securing a greater reputational dividend for the BBC in this respect.** We will measure and report BBC Four’s progress in achieving this.

To help the channel realise this, we expect BBC management to sign-post and promote BBC Four content more effectively on other BBC output and channels, as well as ongoing commissioning and scheduling collaboration with BBC Two.
We will also amend BBC Four’s service licence to reflect more clearly its editorial direction and focus.

8 **BBC management should explore ways to increase the impact of its world news programme on BBC Four.** While recognising the difficulties in attracting large audiences to BBC Four’s world news programme, we consider it an important part of the channel's remit. We have discussed the role and performance of the world news programme with BBC management and have agreed there may be opportunities to increase its impact.
Main Report

Introduction

Background to this review

The public has high expectations of the BBC - they trust it to make brilliant programmes; to maintain the highest standards of distinctive, independent broadcasting; to offer everyone something they will love; and to do things that others cannot or will not attempt. They expect it to be special and to stay special, particularly at a time when broadcasting is undergoing such change and consumers have so much choice. At the BBC Trust it is our responsibility to get the best out of the BBC for licence fee payers. To help deliver this remit we review each of the BBC’s services at least once every five years.

This service review focuses on BBC One, BBC Two and BBC Four and follows on from the publication of our interim findings in July 2010. We reviewed BBC Three last year as part of a wider review of how well the BBC was serving younger audiences.

The scope and aims of our review

We published the terms of reference for this review in September 2009. The high-level questions we set out to address are:

**How well are BBC One, BBC Two and BBC Four performing against the terms of their services licences?**

- To what extent are licence fee payers aware of and using the services, and are some demographic groups better served than others?
- Are the services delivering high quality and distinctive content across the full range of television genres?
- Are the services making an effective contribution to delivering the BBC’s public purposes?
- Are the services delivering good value for money?

**Are BBC One, BBC Two and BBC Four equipped to deliver their service licence commitments in the future, in particular to meet audience expectations of high quality and distinctive content?**

- Do the services have appropriate strategies in place?
- Are resources appropriately allocated to meet objectives?

**Should the service licences for BBC One, BBC Two and BBC Four be changed?**

We also identified a number of areas as being outside the scope of this review:

- service reviews are intended to inform our duties in performance assessment and do not include a market impact assessment
- editorial standards including impartiality, because we have separate responsibilities in this area
• children’s programming on BBC One and BBC Two, television production quotas including programme and network supply and the costs of on screen talent have been reviewed separately in recent years
• the on-air portrayal of the different communities within the UK is also outside the scope of this review and during the course of 2010 and 2011 we will be working with our four Audience Councils to examine questions of portrayal.

Methodology

This review was carried out for the Trust by its independent advisers in the Trust Unit under the direction of the Trust’s Audience and Performance Committee. We gathered evidence from a wide range of sources which are summarised below.

Public consultation. We used the relevant service licences to develop a set of questions for public consultation. The consultation ran from 26 September to 18 December 2009 and we received 8,761 responses from individuals - 6,416 online and 2,345 leaflets. We also received 8 responses from organisations, and a response from each of our Audience Councils in England, Northern Ireland, Scotland and Wales.

BBC management submission. BBC management submitted a report to us outlining its perspectives on the review’s areas of focus.

Performance data analysis. We analysed performance data using the BBC’s RQIV performance framework which considers four drivers of public value – reach, quality, impact and value for money.

Reach - The extent to which BBC services are used by the audience. In this report, unless otherwise stated, reach is expressed as the percentage of the population who have watched for a consecutive 15 minute period in a week.

Quality - Quality is measured in terms of audience perceptions of various aspects of the quality of programmes or channels

Impact - The extent to which BBC services create public value by delivering the BBC’s public purposes. The purposes, which are set out in the BBC’s Royal Charter, require the BBC to:

• sustain citizenship and civil society
• promote education and learning
• stimulate creativity and cultural excellence
• represent the UK, its nations, regions and communities
• bring the UK to the world and the world to the UK
• help to deliver to the public the benefit of emerging communications technologies and services.

Value for Money - A consideration of performance alongside cost to provide a perspective on cost-effectiveness.
**Audience research.** We have drawn on several pieces of audience research to inform our thinking for this review. We also commissioned Kantar Media to carry out a representative survey of viewers to measure audience approval and establish how well each channel delivers the public purposes.

**Interviews.** We explored the issues raised during our review through interviews with people within the BBC, from external organisations and from interest groups.

**Report structure**

The remainder of this report is in three sections:

- BBC One and BBC Two
- BBC Four
- Value for money of BBC One, BBC Two and BBC Four
BBC One and BBC Two

BBC One's remit is to be ‘the BBC's most popular mixed-genre television service across the UK, offering a wide range of high quality programmes. It should be the BBC's primary outlet for major UK and international events and it should reflect the whole of the UK in its output. A very high proportion of its programmes should be original productions.’

BBC Two’s remit is to be ‘a mixed-genre channel appealing to a broad adult audience with programmes of depth and substance. It should carry the greatest amount and range of knowledge-building programming of any BBC television channel, complemented by distinctive comedy, drama and arts programming.’

Our assessment of performance

BBC One and BBC Two are performing well in many respects. BBC One is the most watched channel in the UK while BBC Two’s reach is also substantial. In general, audiences recognise that both channels provide a high quality offering across all genres, and make strong contributions to delivering each of the BBC’s public purposes. We have, however, found some areas where both channels can improve, in particular to provide the distinctive offering that audiences expect from the BBC.

BBC One needs to harness its scale and size by being more ambitious and taking more creative risks in peak time. BBC Two should ensure it provides something which audiences recognise as being manifestly different from BBC One, even at the risk that BBC Two’s reach may fall. BBC management has developed programming plans that aim to address concerns that the levels of quality and ambition of parts of the daytime schedule are not meeting audience expectations.

The role of BBC One and BBC Two in delivering high impact current affairs to audiences is vital. BBC management has provided us with assurance over its plans for current affairs programming and we will track the impact of this output on audiences.

REACH

BBC One is the most watched channel in the UK and reaches more individuals per week than any other BBC service

BBC One reached around 78 per cent of the UK population - or 44 million individuals - in 2009, meaning it reaches more people each week than all of the BBC’s radio stations combined. BBC Two’s weekly reach is lower, although still very substantial at around 33 million people each week in 2009. Around 11 million people watch BBC One each week and no other BBC TV channel (‘unique reach’), while BBC Two’s unique reach is around
1.3 million. This makes both of these services, but particularly BBC One, very important to the BBC’s overall reach levels, and means they are in a strong position to make a very important contribution to the BBC’s public service remit.

Overall, the BBC’s portfolio of television channels reached a total of 47 million individuals across the UK each week in 2009. This is higher than either the ITV or Channel 4 portfolio of channels (42 million & 38 million respectively).20

**Weekly reach to both BBC One and BBC Two has fallen in recent years**

Reach to all of the five traditional analogue channels has fallen over recent years, part of a longer term decline as digital penetration has grown and audiences have access to a greater number channels (Figure 1). Over the same period viewing to digital channels has increased by around 57 per cent, and during 2009 multi-channel reach (all television channels except BBC One, BBC Two, ITV1, Channel 4 and Five) exceeded BBC One’s reach for the first time. However since 2006, BBC One’s reach has broadly held steady while BBC Two increased its weekly reach between 2006 and 2008, although fell again in 2009.

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**Figure 1: 15 minute weekly reach of the UK’s main TV channels**

![Figure 1: 15 minute weekly reach of the UK’s main TV channels](image)

Source: BARB, 2005 - 2009, 15 minute weekly reach % in all homes among individuals

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**Individuals spend more time watching BBC One than any other TV channel in the UK**

The average UK individual spends around 26 hours a week watching television. Around one third of this, 8 hours and 34 minutes, is spent watching the BBC’s portfolio of channels, with the majority of this to BBC One (5 hours 29 minutes), followed by BBC Two (1 hour 58 minutes). The BBC’s main digital channels, BBC Three (19 minutes) and BBC

20 BARB, 2009, 15 minute weekly reach in all homes
Four (7 minutes), make much smaller contributions.21 Trends in consumption follow those of reach, with all the main terrestrial channels declining between 2005 and 2009, BBC One falling by around 14 per cent and BBC Two by around 24 per cent.

**BBC One and BBC Two’s reach is higher among some groups than others**

The size of BBC One and BBC Two’s audience means that the channels reach significant numbers of people from a wide range of backgrounds. They are relatively successful at reaching older viewers, in particular those aged over 55, with an average viewer age of 49 for BBC One and 51 for BBC Two. As shown in Figure 2, the profile of the audience for BBC One and BBC Two is older than for television as a whole, with over 50 per cent of their audiences aged over 55, and fewer than 20 per cent of viewers aged under 34.

![Figure 2: Audience viewing profile](image)

Source: BARB, 2009, percentage profile

We reviewed the performance of BBC television channels among children and younger audiences in previous reviews.22 We supported the BBC’s strategy to serve younger audiences on television through a mixture of content for broad audiences, including the young, carried on mainstream services such as BBC One and BBC Two as well as specifically targeted services and content for younger audiences such as BBC Three.

Figure 3 shows that children, younger adults, viewers in Northern Ireland and black and ethnic minority groups are less likely to watch BBC One and BBC Two than average. The drivers of these variations are very complex, and can partly be explained by different media habits, for instance younger audiences tend to watch less television overall than

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21 BARB, 2009, Total minutes viewed in all homes
22 [http://www.bbc.co.uk/bbctrust/our_work/service_reviews/index.shtml](http://www.bbc.co.uk/bbctrust/our_work/service_reviews/index.shtml)
older audiences, and it is notable that similar variations in reach among different audiences broadly apply to many channels run by other broadcasters.

It is also important to note that when we examined the collective performance of the BBC’s portfolio of channels among different audiences, the relative under-performance of BBC One and BBC Two among some audience groups is partly alleviated. For instance, the disparity in reach among children on BBC One and BBC Two is partly offset by the strong performance of CBeebies and CBBC among children, while BBC Three is relatively more successful at attracting younger audiences and black and minority ethnic groups than the three channels we are reviewing here.

Both BBC One and BBC Two, however, have commitments to serving a broad range of audiences groups, and the requirements to serve younger audiences and black and minority ethnic groups in particular remain significant strategic challenges for both channels.

Figure 3: BBC One’s reach among different demographic groups

![Figure 3](image)

Source: BARB, 2009, 15 minute weekly reach %
These variations in reach are consistent with the results of our audience research into how well these channels are delivering the BBC’s public purposes. This is explored in more detail later in this report.

QUALITY

In general, audiences rate both BBC One and BBC Two highly in terms of quality

The level of quality of BBC One and BBC Two’s output is very important as perceptions of the levels of quality of these channels, and particularly BBC One, are significant drivers of audience perceptions of the BBC as a whole. The BBC has a number of ways of measuring programme and channel quality. While none of these measures provide a single, definitive assessment of the quality of the BBC’s television output, by comparing the range of different measures across channels we can draw some conclusions about the levels of programme quality on these two channels.

- BBC Two’s programmes are seen as the highest quality of the five main terrestrial channels. In 2009, the audience to 62 per cent of BBC Two’s programmes strongly agreed that the programme in question was ‘high quality. Fewer viewers strongly agreed that BBC One’s programmes were high quality - around 53 per cent. To help aid comparison, the other terrestrial channels measured were Five (44 per cent), Channel 4 (40 per cent) and ITV1 (37 per cent).
• Both BBC One and BBC Two have a significantly higher proportions of viewers who state that these channels have ‘well made high quality programmes’ compared to their most comparable commercial channels, ITV1 and Channel 4.  

• BBC Two’s programmes also receive higher average appreciation index scores (AIs). In 2009, programmes on BBC Two scored an average AI of 82.6, ahead of BBC One (81.6).

• BBC One achieves the highest favourability ratings when viewers are asked for their approval of the channel as a whole. Its score of 6.8 out of 10 is higher than BBC Two (6.6) and other BBC channels.

Our audience research is consistent with BBC management’s performance data scores. In our survey 44 per cent of BBC One viewers rated themselves as ‘high approvers’ of BBC One (an overall approval score of 8 to 10 on a 10 point scale), whilst only 13 per cent of BBC One viewers rated themselves as ‘low approvers’ (giving a score of 1 to 4 out of 10). BBC Two had similar approval levels amongst its audience as BBC One, also with 44 per cent being high approvers of the service, but had fewer low approvers of the service (7 per cent). Approval scores for BBC One among BBC One viewers closely reflected the level of overall approval of the BBC and were more closely correlated with approval of the BBC overall than those of any other service. Approval tended to be higher among older audiences, higher social grades, and in the south of England and Wales.

Many of those who responded to our public consultation for this review stated that the majority of the BBC’s television output was of high quality. Aside from the lack of commercial advertising on the BBC, the quality and range of the programming were most frequently mentioned as the key characteristics that distinguish the BBC’s television output from that of other broadcasters. There was a strong audience perception that the BBC provides quality programming across a range of genres including drama, news, natural history and children’s, and that this provides a benchmark for other broadcasters.

In spite of these generally positive audience views, we are clear, as are BBC management, that quality can be improved further. In February 2010, BBC management proposed to us a new strategy called Putting Quality First which aims to deliver five content priorities at higher quality across all of the BBC’s services, including those within the scope of this review.  

We have welcomed and endorsed this commitment and have agreed with BBC management that average appreciation index scores should be used as a primary measure to track quality levels across the BBC, alongside a range of supporting measures to capture fully audience perspectives on programming quality.

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23 Quality and Impact tracker
24 See http://www.bbc.co.uk/bbctrust/our_work/strategy_review/index.shtml for more details
IMPACT

Our research indicates that BBC One and BBC Two are meeting audience expectations for delivery of some of the BBC’s public purposes but could make a greater contribution to delivering others.25

To understand better the impact these channels are having on their audiences we carried out a survey among a representative sample of viewers asking them a range of questions about the BBC’s public purposes. We compared the percentage of respondents who felt a particular aim was important to the percentage who agreed the channel was successfully meeting that aim. This gave us a sense of where each channel is meeting audience expectations or not. The full data is presented in full in a separate document which we are publishing alongside this report.

In general the results show that both channels perform well at meeting expectations of delivering four of the BBC’s public purposes. For the two remaining purposes - creativity and representing the UK, its nations, regions and communities, there is a more mixed picture of performance, and audience expectations are not being met in some areas.

Sustaining citizenship and civil society

Television news and current affairs remains fundamental to the BBC’s public service mission

We consider the BBC’s news and current affairs provision and delivery of its citizenship public purpose to audiences as the BBC’s most important priority. Both BBC One and BBC Two have significant commitments to the citizenship purpose, principally through broadcasting regular news programmes.

The majority of the population continue to watch news on BBC television each week

In 2009/10 there were over 3,300 hours of news and weather output across BBC One and BBC Two. The majority of this output, around two thirds, was shown on BBC One, principally across its regular news programmes (Breakfast, and the BBC News at One, Six and Ten). Since 2007, BBC One has also broadcast a short bulletin at 8pm.

Changes in audience behaviour, driven by technological change and greater digital choice and convenience, have led to a gradual decline in audiences to the BBC’s television news in recent years. Viewing has fallen by around 3 percentage points since 2005. The decline has been particularly acute among younger people and viewers with personal video recorders. The reach of news programmes on BBC Two has fallen more sharply, by around 6 percentage points, than that of those on BBC One (2 percentage points).26

In spite of this however, audiences to the BBC’s news on television remain very high, with around 34 million people, some 60 per cent of the population, watching the BBC’s

25 Kantar Media audience research, 2009
26 BARB, 2009, 3 minute weekly reach
television news each week. The majority of this viewing is on BBC One, with the average UK individual watching nearly 65 minutes of news on BBC One each week – an increase of 3 minutes from 2005, and nearly double all the other terrestrial channels combined. Both reach and consumption vary significantly by demographic group, generally skewing towards older, white and ABC1 audiences. The most marked differential is by age, with BBC TV news reaching 43 per cent of 16 to 34 year olds compared with 85 per cent of those aged over 55, who also watch five times as much BBC news as the younger demographic.

In general, audiences rate the BBC’s news output as ‘high quality’

The BBC has a number of measures by which it judges the quality of its news programming. In general these measures show audiences rate the BBC’s television news highly:

- Overall approval of BBC TV news is 7.1 out of 10
- 56 per cent of those surveyed rate the BBC as ‘best provider of TV news’
- Over three-quarters agreed that BBC News provides impartial, accurate, independent and trustworthy reporting.

Alongside these routine performance measures we asked a public consultation question about what audiences think of the BBC’s news on television. The majority of respondents were positive, with only a small percentage stating that news coverage could be improved significantly.

Audiences rate BBC One and BBC Two highly for delivering most aspects of the BBC’s citizenship purpose

Reflecting BBC One’s major role in broadcasting news and current affairs, audiences rated the statements for this purpose as among the most important overall. They saw no discernible gap between importance and delivery of the two statements they identified as the most important: ‘BBC One provides high quality independent news’ and ‘BBC One makes news and current affairs and other topical issues interesting to me’. For BBC Two there was a small gap in perception that the channel ‘provides high quality independent news’, but for other statements the channel is performing broadly in line with expectations.

There are gaps in performance on how well network news programmes on BBC One and BBC Two are reporting how each nation is being governed

Our research shows that there are small deficits in the performance of network news programmes on BBC One and BBC Two in reporting how each part of the UK is being governed. The largest gaps were in England followed by Scotland and Northern Ireland. We first investigated this issue in 2008 following audience research and public consultation findings as well as dialogue with our four Audience Councils. This highlighted that, following the process of devolution, some viewers felt that the BBC was not covering

27 BARB, 2009, 3 minute weekly reach, BBC One, BBC Two, BBC Three, BBC Four
28 TRP / BARB, weekly consumption of news, 2005 & 2009
29 Pan BBC Tracking Survey, 2009
politics and policies in a way that enabled all audiences to understand fully what was happening in different parts of the UK. Our report into this matter, published in 2008, found that audiences considered the BBC’s coverage was generally fair and impartial, but needed greater range, clarity and precision.\textsuperscript{30}

We recently completed some follow up work in this area, publishing our findings July 2010. This showed that significant improvements had been made by BBC management. In particular:

- the proportion of news items referring to the devolved nations had almost doubled on the BBC overall
- the number of explicit or implicit references made to the devolved nations had increased significantly from 71 to 480
- the amount of television reporting from Scotland, Wales and Northern Ireland had increased significantly (with a more modest increase on radio), and
- the number of news items making a comparison between the policies of devolved governments had doubled.

Our report also identified areas where further progress is needed:

- some BBC news items still do not make it clear which part of the UK they are referring to, and hence are reported as if they apply to the whole of the UK, when in fact stories apply to England
- in some areas there remains a continued skew in favour of stories about England. For example, of 112 BBC items about health and education, 104 related to England and eight to Northern Ireland, Scotland and Wales. However all news stories about the arts and policing related only to England.

We are encouraged by the progress BBC management has made in response to our initial findings, although given its importance of this area to audiences, our Editorial Standards Committee will continue to oversee performance in this area through biannual performance reports.

The role of the BBC’s current affairs output is also vital to its public service mission

We believe BBC management’s stated editorial priority to provide ‘the best journalism in the world’ requires the BBC’s television channels to provide high quality investigative and analytical current affairs covering a wide range of subject areas and topics. The role of such programming has assumed even greater importance over recent years given the significant changes in the global, economic and political environments, some of the implications of which are far reaching.

The level of viewing to current affairs programming has fallen in recent years

In 2009 BBC One and BBC Two broadcast 510 hours of current affairs, including 117 in peak time, exceeding their statutory quota for current affairs programming (365 hours, of which 105 should be in peak time). The majority of this output on these channels is

\textsuperscript{30} http://www.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/impartiality/uk_nations_impartiality.pdf
delivered through major current affairs ‘strands’ – such as Panorama, Question Time, This Week and Newsnight. While the level of current affairs programming on the BBC’s television channels has remained broadly stable in recent years, viewing to current affairs output on television has declined to around 21 per cent of the population each week. Performance varies between individual programme strands. Some programmes, such as Question Time and This Week have increased their weekly reach, while audiences to Newsnight on BBC Two have declined by nearly 20 per cent since 2004. In 2007, BBC One’s flagship strand, Panorama, was moved from 10.30pm on Sunday to 8.30 – 9pm on Monday (except for a number of one hour specials). In the short term this resulted in an increase in audiences for Panorama, which reached 10 per cent of the population in 2008, up from 8.6 per cent in 2007. Audiences have since fallen to an average of 9.2 per cent in 2009 – with audiences for individual programmes ranging from over 4 million to under 2 million.

Quality scores for current affairs output are healthy

In the first half of 2009, 58 per cent of all TV viewers stated that they thought the BBC channels were the ‘best for current affairs’. Around 40 per cent of adults rated BBC One as the best, compared with around 6 per cent for BBC Two. All other channels were rated significantly lower, with around 11 per cent rating ITV channels as highest and 8 per cent in the case of Sky channels. While this provides a useful indication of the BBC’s performance, we do not, however, rely on comparative measures to rate the BBC’s performance as we expect the BBC’s standards to remain very high no matter how other broadcasters perform.

For individual strands, quality scores for Newsnight, Question Time and This Week are consistent, while AIs for Panorama vary according to subject matter. One-off programmes are often seen as the highest quality and most original current affairs output. Wounded, a documentary following the journey to rehabilitation of two injured soldiers, received a very high AI score of 93.

Performance data also shows that current affairs programming on BBC Two is rated higher for audience perceptions of other measures such as ‘I learned something new’ and ‘the programme was thought provoking.’

We will track the audience impact of BBC output on key current affairs topics and areas in order to be assured that the BBC is delivering its public service remit in this regard

As part of this review, BBC management has set out its future plans for current affairs output.

We support BBC One’s commitment to broadcasting current affairs in peak time, chiefly through the Panorama strand, where we expect an offering of consistently high quality,
with a mix of topical and reactive programming as well as longer form investigative programmes covering both domestic and international affairs.

We understand the challenges *Panorama* faces as the BBC’s flagship current affairs strand. This role requires both in depth investigative or analytical journalism across a full range of subject areas, and the achievement of sufficiently broad appeal to justify its peak time slot. BBC management is exploring the possibility of slightly reducing the number of episodes of *Panorama* while retaining current levels of investment in the programme in order to give production teams greater space to develop investigations. We support this, in principle. We also underline the importance of one-off documentaries to BBC One’s current affairs offering and recognise the role of current affairs within *The One Show* and the potential of some other genres, such as drama, to bring current affairs issues to mainstream audiences.

BBC Two has a specific commitment to covering international issues through its current affairs output. While performance measures appear to be broadly healthy, we have expressed some concern that the impact of its programming has not been sufficient in key areas such as foreign affairs and business, economics and finance.

**BBC management has assured us that it has ambitious plans in place to deliver international current affairs coverage on BBC Two**

We welcome BBC management’s aim, articulated in a submission to this review, to increase the impact of current affairs on BBC Two and in particular to ‘re-affirm BBC Two’s role in international current affairs’. This is particularly important in the light of changes in the global environment in recent years.

Since we published our interim finding for this review, BBC management has developed plans for current affairs output on BBC Two. It has outlined its broad approach as being to offer a portfolio of output from both current affairs and documentaries and including landmark series, *Newsnight* and the *This World* strand. BBC management has clarified the purpose of international current affairs on BBC Two as being to:

- cover the most significant news stories
- explore international affairs beyond the core news agenda
- identify and cover emerging stories reflecting changing global trends
- reflect ‘human interest’ stories that shed light on the points above.

BBC management has also proposed making changes to the *This World* strand with a specific commitment to increase the number of programmes, from around 9 or 10 hours a year to 12. The programme will also have a clearer commissioning purpose to either reflect the major, or developing, stories from the international news agenda or to cover relevant human interest stories. The programme will be analytical and investigative in form.

Our aspiration for BBC Two is that it provides the most prominent, comprehensive and authoritative international current affairs programming of any UK channel, either BBC or commercial. We are satisfied that BBC management is committed to meeting this aspiration.
Action

**BBC management should aim to increase the impact of its current affairs programming.**

BBC One should continue to broadcast current affairs regularly in peak time, chiefly through the *Panorama* strand, where we expect a consistently high quality offering with a mix of topical and reactive programming as well as longer form investigative programmes covering both domestic and international affairs.

BBC Two should provide a significant amount of high quality current affairs output, with distinctive and analytical coverage of the major international and domestic stories. We are satisfied that the channel is committed to meeting these aspirations. It is our view that achieving this will mean that much of this programming will be scheduled prominently within peak time, as well as receiving enhanced promotional support to increase audience awareness.

To re-affirm the importance we place on BBC Two’s role in covering international affairs within its current affairs output, we will amend BBC Two’s service licence to strengthen the contribution we expect the channel to make to the BBC’s global purpose. We will assess the performance of current affairs output through a combination of reach and audience perceptions of quality and originality.

Stimulating creativity and cultural excellence

**BBC One and BBC Two are delivering parts of the creativity purpose successfully**

BBC One and BBC Two’s commitments in this area are primarily delivered through their drama, comedy, arts and music and entertainment programming. Both channels are largely meeting expectations that they should ‘provide a wide range of enjoyable and entertaining programmes’ and ‘cover a wide range of cultural and creative activities’. Our research also shows that audiences perceive both channels to be meeting expectations that they ‘introduce me to new UK presenters, actors, writers and musical artists’, although it is difficult to measure success in developing talent through audience reactions. We will undertake some specific research into the BBC’s role in developing new talent during 2011, and will consider the role and performance of the BBC’s television channels within the scope of that research.

**Neither BBC One nor BBC Two are fully meeting audience expectations that they should provide fresh and new programming**

Our audience research has also identified areas where BBC One and BBC Two can make a greater contribution to the BBC’s public purposes, chiefly by being more distinctive and providing more programming that is ‘fresh and new’. This is a core requirement of the BBC’s cultural and creative remit. The gap between expectations and perceptions of delivery in this area on BBC One and BBC Two is the largest of any gap between
expectation and perception of delivery on any of the channels. BBC One also has a large gap for delivering programmes which are ‘inventive and imaginative’.

The clearest message audiences are sending us is that they want a more distinctive BBC One and BBC Two

The most significant gap between audience expectations and actual performance of BBC One and BBC Two arises in relation to their provision of programmes which ‘have lots of fresh and new ideas’. 66 per cent of BBC One’s audience agreed this was important, with 50 per cent agreeing the channel delivers this. Data for BBC Two was very similar. This is, in part, a reflection of a wider dissatisfaction with the amount of fresh and new programming on television generally, and it is worth noting that this is not a problem unique to the BBC; indeed the BBC’s channels are generally seen as performing better than commercial channels in this respect. But comparative data from audience research shows that audiences have higher expectations of the BBC, and particularly of BBC One, than of commercial broadcasters in this regard. We think this reflects audience understanding that the nature of BBC funding should allow it to take greater risks.

These findings reinforce a consistent message from our audience research over the past three years and are supported by views from respondents to our consultation, as well as submissions to this review from each of our four Audience Councils. In addition we received a number of responses from organisations, including from other broadcasters, to our wider strategic review of the BBC which was underway during the course of this review. These responses have consistently emphasised the need for BBC television to aim to be distinctive and for the BBC to use its public funding to take creative risks, even if this risks reducing overall audience size. Because we had identified this as a major issue for audiences from the outset of this review, we organised and hosted a seminar in December 2009 for programme makers and commissioners inside and outside the BBC on the subject of creativity and ambition in British television. Those discussions have also informed the findings of this review.

We have also been working with BBC management to identify criteria and performance measures for assessing distinctiveness (for which the measure ‘fresh and new’ is used as a proxy). The criteria for distinctiveness we have agreed with BBC management are

- high editorial standards
- creative and editorial ambition
- range and depth
- UK-focused content and indigenous talent.

Because UK originated content makes up the greater part of BBC One and BBC Two’s schedules, with relatively few programmes acquired from overseas (this review covers acquisitions below), and we expect the highest editorial standards for every programme shown on the BBC, we have focused our analysis for this review on range and creative ambition. The challenge is different for each channel.

Despite the increase in choice of channels, audience experience is that range has fallen

The switchover from analogue to digital television and the addition of many new channels on most electronic programme guides has increased the choice of channels available to the majority of the viewing public. Each of the main broadcasters is showing more
programmes (as measured through the number of unique titles) across their portfolios of channels than was the case pre-digital. In 2009 for instance the BBC’s traditional channels, BBC One and BBC Two, broadcasted around 1333 different programme titles, with a further 867 titles on BBC Three and BBC Four.

However the majority of viewing remains to the traditional networks (around 85% of viewing to BBC channels in 2009 was on BBC One and BBC Two), and the number of unique titles on each of these channels has fallen - by 14% on BBC One and 12% on BBC Two between 2005 and 2009. Over the longer term the decline is even greater. These trends are also applicable to other main broadcasters, Channel 4 and ITV. Therefore, despite the much wider range of choice for viewers overall, actual range and variety on the most viewed channels has fallen, so audiences perceive that there is a narrower range of programmes than before.

**Programming range has fallen significantly on BBC One in peak time**

We have explored this area further through detailed analysis of programming range on BBC One and BBC Two’s peak time schedules - the times where most people are watching - on the assumption that viewing at these times will most heavily influence audience perceptions.

Our analysis of BBC One's pre watershed schedule (7pm to 9pm) shows that range - as measured through the number of different programme titles - has fallen each year since 2005 (Figure 5). In 2005 there were 115 different programme titles shown on BBC One between 7pm and 9pm, falling by around half to just 61 different titles in 2009. Similar analysis for BBC Two shows that programming range has remained broadly similar over time.

![Figure 5: The number of different programme titles on BBC One and BBC Two pre watershed peak over time](image)

Source: BARB, 2005 & 2009, Monday to Friday

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34 BARB, 2005 & 2009, Monday to Friday, programmes over 10 minutes duration
The same trend can also be illustrated by comparing how the volume and amount of viewing of the most watched programmes has changed over time

- the top ten most frequently broadcast programmes between 7pm and 9pm accounted for under half of the volume of output on BBC One in 2005 (45 per cent), and around 62 per cent of viewing at these times. In 2009, this had increased to nearly 78 per cent of output and 82 per cent of viewing.

- On BBC Two the trend is far less pronounced with a greater range of programmes available. The top ten most frequently broadcast programmes accounted for 33 per cent of the channel's output in 2009, up slightly from 32 per cent in 2005, with the amount of viewing to these programmes rising from 36 per cent to 41 per cent.

The trends apparent on BBC One reflect its increasingly consolidated viewer offer based around key programme strands with longer series runs and a greater number of episodes per series. As outlined in the section above, BBC One is the most watched channel in the UK, and this approach to programming and scheduling in peak time has provided consistency to BBC One's schedule and supported the overall appeal of the channel. Because of its ability to deliver the BBC's public purposes to large numbers of people, it is important that BBC One preserves aspects of the service which make it popular. We also accept that this programming strategy has reduced the volume of relatively low quality programmes on the channel and helped provide a platform for the 9pm slot. However, we believe this approach is also likely to have contributed to the audience perception that BBC One needs to provide more programming that is ‘fresh and new’.

We believe BBC management should look to increase the variety and range of pre-watershed programming on BBC One in order to ensure the channel makes a greater contribution to delivering the BBC's public purposes by being more distinctive in peak time

There have been some examples in the past year where the channel has developed and launched new and ambitious programmes in these slots, for instance the introduction of a new pre-watershed science strand, Bang Goes the Theory, and some pre-watershed comedy.

It is our view that BBC One should now build on this and actively seek to increase the range, variety and surprise in pre-watershed peak. There are a number of ways the channel could aim to achieve this. These include increasing the number of programme titles and therefore range; actively seeking to disrupt the regular schedules every now and again; and broadly maintaining current levels of titles but seeking to innovate within existing programme strands. We believe, however, that the scale of the performance gap means that innovating within programming strands, while an important aspect, but will not, by itself, be sufficient.

BBC One should also show greater creative and editorial ambition, particularly at 9pm

In the past year we have been encouraged by a renewed commitment from the channel to showcase bold and ambitious drama and factual programming at 9pm. In 2009-10, around 43 per cent of the audience rated BBC One ‘best for drama’, comfortably ahead of the next highest channel, ITV1 (18 per cent), while respondents to our public consultation generally regarded the BBC's drama programming as consistently of high quality and
superior to that offered by other channels. In addition, we have looked at indicators of programming quality and ambition at this point in the schedule and can see significant increases compared to the remainder of the BBC One schedule:

- the average AI score increases from 80 across BBC One to 85 at 9pm, the largest increase of any terrestrial channel
- perceptions that BBC One programmes are ‘original and different’ and ‘high quality’ increase significantly for programmes starting at 9pm.

Nevertheless, we believe BBC One can harness its scale and size to an even greater degree by being more ambitious and taking more creative risks in peak time. As part of a submission to this review BBC management has outlined an aspiration to achieve this and build on recent successes by:

- taking risks with subject matter and authorship to deliver a distinctive range of drama
- seeking new opportunities in factual programming to bring important and challenging subject matter to the channel.

We fully support these aspirations and would like to see this level of ambition applied more consistently at 9pm. In our view it is particularly important that BBC One's drama programming takes creative risks by covering a wide range of subject areas and using different approaches and treatments and should range from one off dramas to short serials and returning series.

In factual output, we are pleased to note that BBC management has started to track the performance of its programming using quality and originality metrics on a systematic basis, with specific objectives set for commissioners around the proportion of programmes rated as ‘high quality’ and ‘original and different’. This process has already started to highlight types of programmes which audiences rate poorly on these measures, and which are therefore candidates for being de-commissioned. We understand that BBC management plans to apply this metric across all genres, and we support this approach.

Alongside drama and factual programming, comedy and entertainment programming contribute significantly to audience perceptions of distinctiveness

Comedy remains an important genre for BBC television, and is widely regarded as the most risky and difficult genre for broadcasters to be successful in. In 2008-09, around 21 per cent of the UK population watched comedy programmes on BBC One and BBC Two in an average week, with viewing of BBC One accounting for the majority of this. Performance data shows that BBC One is rated by the audience as ‘best for comedy programmes’, although this rating has declined steadily over recent years as digital channels such as UKTV Gold and BBC Three have developed reputations in this genre. Feedback from our consultation was generally positive about the strength of comedy on the BBC, with a range of panel show formats praised in particular, although there was some negative feedback about the strength of sitcoms. As part of this review, BBC management has provided assurance to us that BBC One remains committed to commissioning a range of pre- and post-watershed comedy that aims to reach mainstream audiences, as well as benefiting from transfers of successful comedy programmes from other BBC channels. In line with this commitment, it plans to devote greater resources to developing programming pilots.
In entertainment, our audience research has shown that audiences accept, and want, the BBC to show programming across the full range of genres, including popular entertainment, as long as it takes a fresh approach and resonates with the BBC's values in content, tone and execution. Our performance data shows that more of the audience rates ITV1 highly in terms of entertainment programming. This is supported by feedback from some of those who responded to our public consultation. As part of a submission to this review, BBC management has identified entertainment programming on BBC One as a priority genre for improvement in terms of quality and distinctiveness and has set out plans to enhance scale and experiment with new approaches and formats to achieve this.

**We are seeking action from BBC management to increase the distinctiveness of BBC One**

The responsibility for commissioning and scheduling programming rests with BBC management, and it is for them to find and implement solutions. We do however expect to see tangible and measurable actions that aim to address audience expectations better. We will monitor the outcomes of these actions primarily through tracking whether audience perception that BBC One is delivering fresh and new ideas is improving. We will also monitor some of the measures we have used for this review which address other characteristics of distinctiveness such as range and depth.

**Action**

**BBC One should harness its size by making a greater contribution to the BBC’s public purposes through a more distinctive peak time schedule.**

In particular, it should actively seek to increase the level of range, variety and surprise in pre-watershed peak, and show greater creative ambition at 9pm.

The responsibility for commissioning and scheduling programming rests with BBC management. We will measure BBC One’s performance in this regard by monitoring whether audience perceptions of the channel’s distinctiveness are improving. We will also use a range of other measures to track the channel's range, depth and creative ambition on an annual basis, and we support BBC management's efforts to embed these performance measures within its commissioning and production processes.

We would expect to see signs of improvement in audience perceptions by the end of 2011 and will consider at that point whether we need to ask for further action from BBC management to address audience concerns.

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35 Blinc, *Audience Perceptions of Innovation and Distinctiveness*, research commissioned by the BBC Trust, Dec 2007
Audience perceptions of BBC Two are critical to their overall perceptions of the distinctiveness of the BBC

As outlined above, our research for this review has shown that the biggest area where the BBC’s main channels are not meeting audience expectations is in providing programmes with ‘lots of fresh and new ideas.’ We have not identified particular issues regarding the range of programming during peak hours on BBC Two, and the evidence suggests that, for audiences, the gap is more about depth and creative ambition.

Previous audience research commissioned by the Trust showed that the clarity of BBC Two’s role had diminished as digital channels, including BBC Three and BBC Four, built reputations in areas for which BBC Two was previously known.36 The consequence was that audiences no longer saw BBC Two as being a sufficiently challenging alternative to BBC One, particularly in its factual output, and so overall perceptions that the BBC’s main television channels provided a distinctive offering were reduced. This research finding is supported to an extent by the opinions submitted by the public to this review on BBC Two’s factual output. While generally positive, there were a number of responses which suggested that there was too much emphasis on lighter factual programming and that factual programming on BBC Two generally provided less in-depth coverage of a wide range of subjects than it had done historically. Similarly, our Audience Council for Wales commented that BBC Two’s output now appears to be less distinguished from that of BBC One.

The audience research also showed that audiences perceived BBC Two’s drama and comedy output to be less prominent and successful than before. In drama, the volume of output on the channel fell by around half between 2003 and 2007, with audience perceptions of BBC Two as being ‘best for drama’ falling each year for the past five years. Respondents to our public consultation question about drama showed that people tended not to equate BBC Two with UK drama, and there was a sense that BBC Two was no longer the ‘home of good drama’ that it used to be. In comedy, in 2009 fewer than 5 per cent of those asked believed that BBC Two is ‘best for comedy’, down from 9 per cent in 2010.37 One clear theme emerging from our public consultation question in this area was that BBC Two’s comedy was less ‘cutting edge’ than it once had been, and it was thought that perhaps its traditional role of providing an alternative to BBC One’s more mainstream comedy had been taken over by BBC Three and BBC Four.

We support the changes BBC management are planning to increase BBC Two’s distinctiveness and are encouraged by signs of greater ambition shown by the channel over the past year

As part of the BBC’s wider strategy review, BBC management has proposed a series of changes to BBC Two designed to increase its distinctiveness by:

- increasing the range and depth of factual programming
- increasing the volume of original authored drama, aiming to rebuild the channel’s reputation for signature television drama

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36 Blinc, Audience Perceptions of Innovation and Distinctiveness, research commissioned by the BBC Trust, Dec 2007
37 Pan BBC Tracking Survey
- establishing a stronger and more distinctive role for the channel in mainstream comedy.

In light of the analysis we have undertaken for this review we support these proposals, and we have been encouraged by the ambition of some of the channel’s output over the past year, in particular some factual programming as well as some new comedies such as *Miranda*, *Rev* and *Grandma’s House*. This has been reflected in some of the BBC’s routine performance measures, with overall approval of the channel rising from 6.7 out of ten to 6.9 between 2009 and the first half of 2010. We expect the channel to build on these successes in the coming years. Its aim should be to re-establish its position as providing something to audiences which is manifestly different to BBC One.

We recognise that these proposals do raise the risk that BBC Two’s audience may fall, and indeed there are already indications that this is happening, with reach falling towards the end of 2009 and in early 2010. Reach remains a very important performance measure for BBC Two because the channel needs to retain its size and scale to be able to make a major contribution to the delivery of the BBC’s public purposes. However we are prepared to accept the risk that BBC Two’s reach may fall further, in exchange for an increase in audience perceptions of the distinctiveness of BBC Two’s peak schedule.

We will monitor the implementation of these plans and their impact on audiences as part of our regular performance monitoring activities.

**Action**

**BBC Two should continue to implement plans to make its factual, drama and comedy output more distinctive.**

Its aim should be to re-establish its position as a channel which audiences recognise as being manifestly different to BBC One.

We will monitor the implementation of these plans and their impact on audiences as part of our regular performance monitoring activities and would expect to see signs of improvement in audience perceptions by the end of 2011.

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**Daytime output on BBC One and BBC Two contributes to the delivery of the BBC’s public purposes but the levels of quality and ambition of parts of the schedule are not meeting audience expectations**

Daytime output on BBC One and BBC Two includes originated and acquired drama, news bulletins, current affairs, consumer issues and factual entertainment together with a large volume of children’s programming. This programming makes a contribution to the delivery of the BBC’s public purposes and is watched by sizeable audiences. In an average week, between 9am and 6pm from Monday to Friday more than 20 million people watch BBC One and BBC Two, around 1.5 million of whom do not watch any other BBC television at
all in that week, while around 11.5 million people watch either the **BBC News at One** or the **BBC News at Six** (or both) but do not watch any other news on BBC One.

Across a range of genres, some programming in daytime is rated by audiences as high quality and original. In general, the BBC provides a different range and mix of programming, and a higher level of originated programming, to that available on other channels in daytime. However taken as a whole, the average quality scores for daytime programming are significantly lower than they are for peak time, while data from our audience research showed that only 46 per cent of BBC One viewers agreed that ‘BBC TV offers a range of high quality daytime programmes’, the lowest for any genre or type of programming by some distance.

One of the strongest themes to emerge from our public consultation, as well as from our four Audience Councils, is that some viewers believe parts of the schedule on each channel lack quality and have become too weighted towards long-running factual entertainment strands with similar formats and covering similar subject areas. These are characterised as ‘collectables hunting’ and property, and are the types of programmes viewers tend to associate most with daytime TV on the BBC. These types of programmes are generally shown in blocks – on weekdays from between 10am and 1pm on BBC One and in the afternoon on BBC Two. While these programmes are generally popular on an individual basis and are relatively inexpensive to produce, audiences have told us that their quantity makes some parts of the BBC’s daytime schedule seem too formulaic and derivative. We are concerned that they are having a negative effect on the BBC’s reputation.

**BBC management has recognised that daytime output on BBC One and BBC Two needs to make a greater contribution to the BBC’s reputation for quality and distinctiveness**

We recognise that BBC management has already started the process of changing the daytime programming mix, in particular through providing more original drama and consumer affairs programming, and de-commissioning some relatively long running factual entertainment strands. We also note the successful transfer of some daytime titles into the peak time schedules. Such transfers are an important indicator of the perceived level of quality and ambition of some daytime programming, but will also have had some negative effects on the overall performance of the daytime schedule itself.

As part of the BBC’s wider strategy review, published in early 2010, BBC management outlined further steps designed to improve the quality and distinctiveness of daytime output. Subject to wider prioritisation of the licence fee, these proposals involve additional investment of around £5 million to increase the volumes of original drama and consumer affairs programming, with the amount of acquired drama and factual entertainment reducing correspondingly.

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38 BARB, 2009, BBC One, BBC Two, BBC Three, BBC Four
39 BBC Pulse survey, 2009
We support the plans to improve daytime output developed by BBC management since we published our interim findings

In our interim findings, published in July 2010, we signalled our support for the aspirations behind these proposals. On the basis of the evidence we gathered for this review, however, it was our belief that there remained a significant challenge for BBC management and we therefore asked it to look further at ways to improve the quality and distinctiveness of the daytime schedules within current funding levels.

BBC management has developed its plans for daytime, with a series of steps designed to achieve this and to address the audience concerns identified in this review. Specific commitments, all of which BBC management have told us are feasible within current funding levels, include:

- reducing the volume of long running factual entertainment strands, with one programme being decommissioned and another reduced by more than half, and no new property/collectable titles being commissioned
- developing BBC One’s morning schedule to create year-round slots for current affairs, social issues and consumer affairs, an increase of 95 hours of this type of programming compared with 2010-11
- changing the early afternoon programming mix on BBC Two, from repeats of long running daytime programming to a ‘peak repeats zone’ that showcases appropriate peak time output for a daytime audience. Illustrative titles include Countryfile, Film 2011, The Normans
- increasing the volume of original drama, and the range of factual programming to include more arts and ‘community-based’ content
- reducing significantly the volume of acquired drama series programming.

In addition, BBC management has set out an aspiration to work with BBC Learning to develop more programming targeted at developing adult skills.

We believe these commitments are well considered and represent a proportionate reaction to what audiences have told us as part of this review. It is now for BBC management to increase the quality and distinctiveness of daytime output by implementing these proposals between now and early 2012. We are aware that it can take a significant period of time before audience reactions reflect actual on-screen output and will monitor the changes in daytime and audience reactions to them with this in mind.

While the performance of daytime output is monitored at a divisional level within BBC Vision, BBC daytime output is not included as a separate part of the BBC’s routine corporate quarterly performance reporting. The scale of audience reaction to daytime programming means that we are placing significant emphasis on tracking the commitments made by BBC management and believe that daytime output should now be established as a separate part of BBC Vision’s performance reporting, both to enable performance to be tracked accurately over time, and to raise the profile of BBC daytime at senior Board level.
Action

Daytime output on BBC One and BBC Two needs to make a greater contribution to the BBC’s reputation for quality and distinctiveness.

BBC management should therefore implement the proposals it has put forward in response to our interim findings to increase the quality and distinctiveness of daytime output.

Daytime performance should be included as a separate part of BBC Vision’s performance reporting, and we will track progress in implementing these commitments and their impact on audience views of the BBC’s daytime output.

Arts and music programming is also an important component of a distinctive television offering

BBC One and BBC Two have commitments to scheduling arts and music programming in peak time. BBC One has a specific service licence condition to broadcast 45 hours of such programming, with BBC Two committed to over 200 hours. Both channels have met these requirements over recent years. In 2009-10, the two channels together broadcast around 300 hours, about 80 per cent of which were on BBC Two, with a combined average weekly reach of over 900,000.

Our audience research shows that BBC Two is meeting audience expectations that ‘BBC Two helps me appreciate art and culture.’ BBC Two meets its commitments through a mixture of one-offs or seasons, such as the Poetry season, which consisted of nine programmes and reached an average audience of just under 900,000 with appreciation scores ranging from 81 to 85. These run alongside regular strands of programming such as Later...With Jools Holland and The Culture Show. Both of these programmes reached average audiences of over 500,000 in 2009.

While audiences for arts programming can be limited, BBC One has had some success in bringing mainstream audiences to the arts, for instance broadcasting the Imagine strand which had an average reach of 1.5 million in 2009, and the recent Modern Masters season, a series examining modern artists which reached an average audience of 2 million. We encourage the channel to continue to commission arts programming in peak time as part of its commitment to increasing its distinctiveness. In music, BBC One’s approach is to focus on large events, often broadcast live, which aim to bring audiences together for shared experiences. These can range from The Last Night of the Proms to Eurovision and the MOBO awards.

In January 2009, BBC management announced a number of initiatives designed to support the BBC’s role as a cultural patron of the arts and increase the impact of its music and arts programming across television, radio and online. On television for example there has been an increase in the volume of peak time arts programming on BBC One. More generally, arts and music coverage is being refreshed on BBC television, aiming to generate greater impact, for instance, by providing more context and rounded coverage of events, and more ‘active’ arts performance and events.
Representing the UK’s nations, regions and communities

**BBC One and BBC Two’s performance in meeting the needs of the different nations, regions and communities of the UK is mixed, with delivery of the BBC’s public purposes rated significantly lower in some parts of the UK**

BBC One and BBC Two’s service licences require these channels to contribute to this purpose through broadcasting major sporting events, including minority sports on BBC Two, covering religion, and exploring and reflecting UK society. Both channels also have commitments to providing opt-out programming within Scotland, Wales and Northern Ireland and the regions of England.

Performance against some of the channels’ commitments to the BBC’s public purpose to represent the UK, its nations, regions and communities is weak in relation to other areas, with the gap between expectations and actual delivery of the BBC’s public purposes often much greater in some parts of the UK, particularly Scotland and Northern Ireland, and some regions within England, such as the north east, as well as among black and minority ethnic groups. Audiences in Wales and southern England tend to rate the BBC more highly when asked whether the BBC ‘provides programming that caters for my nation’ but expectations are not being met in either Scotland or Northern Ireland, and there are very large gaps between expectations and delivery in all parts of the UK for other statements such as ‘BBC One is good at portraying my nation, culture or community to other parts of the UK’.

**The BBC has underway a number of initiatives aimed at addressing the deficits in performance in meeting the needs of some nations and regions of the UK and black and minority ethnic audiences**

In recent years the BBC has set out to address these performance deficits through initiating some major structural changes – most notably undertaking to increase significantly the proportion of network programmes made outside London and the establishment of BBC North. BBC management is also building a number of levers into its commissioning processes designed to increase consideration of audience representation when making programmes for network channels. These include consideration of

- perspective and format: aiming to reflect a wider range of different experiences and stories from across the UK
- casting: aiming to increase the diversity of on-screen talent
- setting: placing a greater emphasis on diversity of location.

We support the overall aspiration to make network content more effective at representing the full range of audiences across the UK. Many of these initiatives will take time to be fully implemented and to demonstrate benefits to audiences but we will continue to monitor progress in this area.
**Action**

**BBC management should continue to implement its plans to remedy the performance deficits in meeting the needs of some audience groups,** particularly audiences in Scotland and Northern Ireland, some regions of England and black and minority ethnic groups.

We will continue to monitor the implementation of these plans, and their effects on performance, as part of our regular oversight of BBC performance. We would expect to see signs of improvement and we will agree what further actions are needed if this is not apparent.

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**The performance of news opt-out programming varies by nation and region but it is performing well on the whole**

Alongside network content, both BBC One and BBC Two provide a range of programming made for and shown specifically in individual nations of the UK, called ‘opt-out programming’. Opt-outs range from regional news in England through to news and programmes across a full range of genres in Northern Ireland, Scotland and Wales.

In news, the main 6.30pm bulletin on BBC One reaches large audiences – around 31 per cent of the population across the UK in 2009. Reach is fairly consistent in Scotland, Wales and Northern Ireland.\(^{40}\) In England weekly reach for the 6:30pm regional bulletin varies from 39 per cent of the population in the BBC south west region to 24 per cent in the BBC London region.

In terms of quality, while audiences in Wales and the English regions rate the BBC as ‘best for regional news’, audiences in Scotland and Northern Ireland rate ITV1 higher, as shown in the figure below.\(^{41}\) For England, Wales and particularly in Scotland, the trend has been positive for BBC One, as it has either extended its lead or reduced the gap with ITV1 over the past few years. In Northern Ireland perceptions of BBC One as the best channel for regional news have been worsening in comparison to ITV1.

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\(^{40}\) BARB, 2009, 3 minute weekly reach

\(^{41}\) Pan BBC Tracking Survey, 2009
Our Audience Council for England, which has a network of regional councils across each major BBC region, was generally positive about the BBC’s regional news output. Performance data suggests that audiences in the south west region tend to rate the BBC highest for regional news output, with viewers in the north west and north east rating the BBC lowest. In those two regions audiences rate ITV1’s regional news programmes higher.

In addition to regional news programmes, regular current affairs opt-outs Inside Out and The Politics Show are broadcast across the UK:

- Twenty-one episodes of Inside Out were broadcast in each English region, and in Wales, in 2009. Average weekly reach ranged from 6 per cent in the north west and north east to over 12.5 per cent in the south west – the south east, east and south also performed relatively well.

- The Politics Show was shown in each English region and in Scotland, Wales and Northern Ireland – 36 episodes in 2009 in all except Northern Ireland, where there were 65. Average weekly reach ranged from 3.5 per cent in London to 5.6 per cent in Northern Ireland.

Non-news opt-out programming could do more to help the BBC deliver its public purposes

The volume and performance of non-news opt-out programming varies significantly across Scotland, Wales and Northern Ireland. In 2009, in line with service licence commitments, the largest amount of non-news opt-outs was in Scotland (752 hours on BBC One and BBC Two), with 466 in Wales and 461 in Northern Ireland. Volume is an
important driver of reach for non-news opt-out programming, which is highest in Scotland (28 per cent) and Northern Ireland (21 per cent) followed by Wales (20 per cent). It is difficult to measure the performance of non-news opt-outs empirically because of the variation in hours and genre mixes in each nation, as well as the relatively few programmes which receive enough quality ratings to produce sufficient data with robust sample sizes. However, some concerns have been expressed by audiences, including by our Audience Councils, during this review about the level of quality of some opt-out programming. The Audience Council for Scotland highlighted the need for greater clarity over the contribution opt-outs make to the BBC’s public purposes.

We asked viewers in Scotland, Wales and Northern Ireland about their perceptions of opt-out programmes, with question areas based around the commitments established in BBC One and BBC Two’s service licences. Among those who watch opt-outs, there is reasonably strong agreement that they ‘cover important national events and festivals’ and that ‘the programming is enjoyable and entertaining’, although viewers in Northern Ireland generally rated opt-out programming lower for these statements. Audiences also seem to recognise the role opt-outs can play in supporting national talent. However, across Scotland, Wales and Northern Ireland audiences believe that opt-outs could do more to reflect and portray their national identities. This was particularly the case for opt-out programming shown on BBC One in Scotland.

Figure 7: Audience views of opt-out programming

![Figure 7: Audience views of opt-out programming](chart)

Source: Kantar Media audience research, 2009

Note: All UK BBC One viewers aged 15+ who live in Scotland, Wales or NI and watch opt-out programming (234); All UK BBC Two viewers aged 15+ who live in Scotland, Wales or NI and watch opt-out programming (261)

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42 BARB, 2009, hours of opt-out programming and 15 minute weekly reach in each nation
**BBC management plans to increase the focus of opt-out programming on quality but needs to improve its performance monitoring to understand the quality and impact of opt-outs**

BBC management has proposed a number of steps as part of this review to improve the quality of opt-out programming and make a greater contribution to delivering a range of the BBC's public purposes by:

- reducing the emphasis on ‘ratings’ – as measured through the achievement of an audience share higher than that for network programming being broadcast at that time
- an increased commitment to delivering programming with ‘fresh and new ideas’
- seeking more opportunities to showcase opt-out programming on the networks.

We support BBC management’s revised focus on quality and the delivery of the BBC’s public purposes. However in order to monitor progress in implementing these proposals, it is important that BBC management can measure and assess the quality of non-news opt-outs more effectively, and in our interim findings published in July 2010 we asked BBC management to develop an approach to achieve this. BBC management has since proposed:

- measuring and reporting appreciation index scores for opt-outs, both overall and by genre, and tracking these each quarter against the genre averages for network programming within Scotland, Wales and Northern Ireland
- trialling the introduction of secondary measures such as ‘original and different’ and ‘fresh and new’ which are measured routinely for network programming, but not for opt-outs. The trial will explore issues around the value for money of measuring this type of data as well as sample sizes

Alongside these quality and impact measures, BBC management will continue to measure average weekly reach of opt-out programming, both overall and by genre.

More widely, BBC management has proposed building into its routine editorial reviews a greater consideration of the overall audience impact the BBC’s channels are having within each nation. This will include tracking quality, reach and impact measures of network and opt out programming to establish whether there are particular genres or areas of under performance in specific parts of the UK. BBC management will also specifically track and report the performance of opt-outs which are subsequently broadcast on the wider networks. BBC management has proposed to report to us on the performance of opt-outs and networks within each nation on an annual basis, with more regular, quarterly, monitoring within each nation and by BBC Vision.

We believe these proposals will represent a significant improvement on the way performance has been monitored, and should enable both BBC management and ourselves, to establish a clearer picture of performance of BBC One and BBC Two within Scotland, Wales and Northern Ireland, and particularly the quality of non-news opt-out programming.
**Action**

**BBC management should implement its plans to improve the quality of opt-out programming and increase its contribution to delivering a range of the BBC’s public purposes** by:

- reducing the emphasis on ‘ratings’ - as measured through the achievement of an audience share higher than that of network programming being broadcast at that time
- an increased commitment to delivering programming with ‘fresh and new ideas’
- seeking more opportunities to showcase opt-out programming on the networks

In response to our interim findings, BBC management has developed its approach to monitoring the quality and impact of non-news opt-outs. We will use these measures to review the performance of opt-out programming and of BBC television networks within each nation on an annual basis, using our Audience Councils in an advisory capacity.

**Audiences also raised concerns about the displacement of particular network programmes**

In its submission to this review our Audience Council for Northern Ireland raised concerns about the displacement of network programmes to later slots to make way for opt-outs. While these concerns are partially alleviated by the availability of BBC network programming on digital channels, as well as on-demand options, that is not an adequate solution for all audiences, and can lead to confusion when major network programmes are not available.

We therefore asked BBC management to set out its approach to scheduling opt-outs within Scotland, Wales and Northern Ireland. The scheduling of local opt-out programming is the responsibility of schedulers within each nation and varies accordingly, although all share the same objectives of balancing network commitments and delivering value for audiences in the nations. In Scotland, schedulers aim to displace network programming with opt-out programming of a similar type – *Holby City*, for example, is displaced in Scotland by another continuing drama, *River City*. BBC Wales aims to replace network repeats with its own first-run originations, and BBC Northern Ireland tends to use fixed slots for opt-out programming, for example on Monday at 9pm.

We are clear that scheduling is BBC management’s responsibility. However based on the audience feedback we have received for this review, we believe there are a number of series on both BBC One and BBC Two that require consistent scheduling across the UK in order to maximise impact and meet the BBC’s public purposes by bringing the nation together. These can include major sports and entertainment events as well as landmark factual or drama programmes. We have discussed this matter with BBC management and have been assured that in future network and nations’ schedulers will identify a number of key programmes that will be broadcast in the same slot across the UK. We will continue to
monitor the performance of opt-out programming in Scotland, Wales and Northern Ireland with the support of our Audience Councils.

**We have endorsed BBC management’s strategic approach to sports, which prioritises the UK’s list of protected sporting events**

On the basis of detailed audience research prepared in response to the Department of Culture, Media and Sport’s review of listed events\(^43\), we are clear about the importance of televised sport to audiences, and that there is a strong appetite among licence fee payers for seeing major events on the BBC. We therefore endorsed BBC management’s strategic approach to sports, with its emphasis on prioritising the UK’s list of the events which have greatest national resonance, as well as providing an outlet for other sports valued by licence fee payers, notably Olympic minority sports. This approach is of course subject to BBC management achieving wider objectives such as value for money to the licence fee payer, balancing its investment in sport against the delivery of other public service objectives and complying with fair trading obligations.

**Within the scope of this review we are satisfied that BBC One and BBC Two are meeting their service licence commitments regarding sport**

In 2009-10 BBC One and BBC Two broadcast 1,602 hours of sport. These levels have been broadly stable over years although there is some fluctuation depending on the rights held by the BBC. BBC One’s major commitment in this area is to bring people together with its coverage of major sporting events. Over 90 per cent of the population watch sports on BBC One each year, with coverage of key events recording particularly high audiences:

- the 2008 Beijing Olympics reached 42 million people, with each viewer watching an average of 627 minutes in spite of many events being broadcast in off-peak hours
- Wimbledon 2009 was watched by some 33 million people with each viewer consuming an average of 331 minutes
- the 2010 FIFA World Cup reached 44 million people, with each viewer watching an average of 562 minutes of coverage.\(^44\)

In line with this, our research shows that BBC One is meeting expectations that it should bring audiences together for major events and ‘provide the opportunity to share experiences with other people.’ Outside of sport, respondents to our public consultation highlighted that BBC One is the best channel for this type of event, citing a variety of events such as The Proms, and state occasions such as Trooping the Colour.

With regard to BBC Two’s commitments to covering minority sports, three sports - golf, tennis and snooker - comprised nearly half the sports output on the channel in 2009-10. Our analysis of output across this year shows, however, that the channel shows a broader range of sports than BBC One - over 10 hours of 16 different sports, compared to 9 sports

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\(^{43}\) [http://www.bbc.co.uk/bbctrust/our_work/other/listed_events.shtml](http://www.bbc.co.uk/bbctrust/our_work/other/listed_events.shtml)

\(^{44}\) BARB, 2009, 15 minute weekly reach
The amount of religious programming has been steady over time, with BBC One and BBC Two meeting audience expectations in this area

BBC One and BBC Two have a shared commitment to broadcasting over 110 hours of religious programming each year. These channels met this service licence condition during this review period: BBC One broadcast around 100 hours of religious programming in 2009, while BBC Two broadcast around 35 hours. Overall reach of religious programming on BBC television was over 28 million in 2009, a figure broadly similar to 2005. The volume of programming has also remained broadly stable since 2005, in contrast to other channels - Channel 4’s output has fallen from 76 hours to 49 hours and ITV1’s from 67 hours to 21.45

The nature of programming differs on BBC One and BBC Two. BBC management is committed to broadcasting a minimum of one major religion series on BBC Two every year and a major series on BBC One every other year. Much of BBC One’s programming is accounted for by three major strands, Songs of Praise, which reached 3.4 million viewers each week in 2009, and Big Questions and Sunday Morning Live, discussion and debate formats broadcast on Sunday mornings. BBC Two’s religious output is less regular with a focus on factual programming such as Around the World in 80 Faiths which reached nearly 2.5 million people every week. Both channels have also successfully taken alternative approaches to broadcasting religious and ethical themes, for instance through drama programming such as The Passion.

Our audience research shows that both BBC One and BBC Two are meeting audience expectations to ‘reflect a range of religious and other beliefs’ and ‘raises my awareness and understanding of different religions and other beliefs’, although there are some gaps in delivery to ethnic minority viewers. This conclusion is supported by BBC management’s routine performance data, which shows that around 40 per cent of the audience consider BBC One as the best channel for religious programming. While this level has declined in recent years, it remains significantly above the next highest channels, Channel 4 and BBC Two.

A number of organisations representing different faith groups responded to our public consultation, raising a number of issues, chiefly the balance of coverage between different faiths. We have discussed these matters with BBC management who confirm that while coverage will predominantly reflect Christianity, the Sunday morning discussion format aims to reflect viewpoints and opinions from a range of religious and non-religious standpoints. There are also a small number of programmes each year to mark the major points in the religious calendar of the UK’s main minority religions.

Finally, while this review focuses on the BBC’s television output, it is worth noting the role played by other BBC services in this area, in particular, coverage of religious issues by the BBC’s news output on radio, the roles of BBC Radio 2 and BBC Radio 4, as well as the religious resources available on BBC Online.

45 Ofcom Public Service Broadcasting: Annual Report 2010
Promoting education and learning

**Audiences are, in general, satisfied with BBC One and BBC Two’s delivery of the education purpose**

Both BBC One and BBC Two have significant commitments to delivering the BBC’s education and learning purpose, primarily through factual programming. BBC One should cover a range of subjects including science, natural history, history and the arts, including specialist factual, and make its programming accessible to a wide audience. Factual is core to BBC Two’s remit, and the channel has a commitment to taking a more challenging approach than BBC One.

Factual programming accounts for around 24 per cent of output on BBC One and 23 per cent of output on BBC Two, together reaching over half the population each week. Reflecting its major role in broadcasting factual programming and taking a challenging approach, in 2009 BBC Two broadcast nearly 200 hours of specialist factual (excluding arts, music and religious programming) - around twice as much BBC One. In line with this, audiences rate BBC Two highly on delivery of this purpose, particularly on delivery against the statement ‘I have learned new things while watching programmes on BBC Two’. BBC One delivers this purpose in line with audience expectations.

The majority of respondents from our public consultation were positive about the factual programmes on BBC One, which were seen as informative, entertaining and of high quality. Respondents cited natural history programmes as a particular strength of the channel, with lifestyle programming, history, nature and science on BBC Two. This is supported by our audience research, where 86 per cent of BBC Two viewers agreed with the statement that BBC television offers high quality factual and documentary programmes covering a wide range of topics across its channels. We are currently undertaking a separate review of the accuracy and impartiality of one part of the BBC’s factual output - its science coverage - and will publish our findings in 2011.

The role of BBC One and BBC Two in factual programming is covered further in the section on distinctiveness.

Bringing the world to the UK

**Audiences rate BBC One and BBC Two highly at delivering the BBC’s global purpose**

Both BBC One and BBC Two have commitments to the BBC’s global purpose, which they deliver primarily through their news and current affairs output, and by showing factual, arts and music programming with an international dimension.

Our audience research shows that audiences rate BBC One and BBC Two’s delivery of this purpose highly, with the channels meeting their expectations for statements such as ‘helping me understand what’s going on in the wider world’, and ‘helping me understand and appreciate different cultures and lifestyles from around the world’.

One organisation, The International Broadcasting Trust (IBT), submitted a response to this review which focused on the role of these channels in broadcasting international programming. The IBT noted that factual programming was a particular strength of BBC Two and that the channel had broadcast a wide range of international programming, but
suggested that the role of BBC Two in meeting this purpose should nonetheless be strengthened. We have already indicated earlier in this review that we will strengthen the importance of BBC Two's role in delivering this purpose, particularly in relation to its current affairs output, although this also applies to factual and other content.

**We broadly support BBC management’s editorial approach to acquired programming**

Both channels also aim to meet this purpose through acquiring, and broadcasting, programmes from overseas. As part of this review we asked BBC management to set out its strategic approach to acquired programming. BBC management set out its aims as being to:

- bring the best TV and film from across the world which might not otherwise be broadcast to UK audiences
- increase programming range and supplementing the BBC's original productions at good value for money
- play a specific role for audiences, particularly the young.

Our analysis indicates that both BBC One and BBC Two have used acquired programming as a relatively cost-effective means of supplementing their schedules and supplementing UK originated programming outside of peak time. While we acknowledge that some types of acquisitions will appeal to younger audiences, as noted in our review of BBC Three, published last year, we do not expect the BBC’s channels to rely on acquisitions to support their performance.

On the basis of our analysis of performance data in this area, we have found no evidence that either channel is using acquisitions to drive audience viewing or maximise ratings in a significant way. For instance, the overall consumption of acquisitions as a proportion of total programming was less than 10 per cent for each of BBC One and BBC Two. In addition, the amount of acquisitions broadcast during peak time on each channel was low. In 2009-10 BBC One showed just over 50 hours of acquisitions in peak time (programmes starting between 6pm and 10:30pm), almost all of which were films starting after 10pm, while BBC Two showed around 90 hours - around 15 hours of these were major series, with the remainder being films or one-offs. We are also satisfied that the BBC’s acquired programming is making an important contribution to overall perceptions of quality and distinctiveness - out of all acquired series in 2009, only one programme was rated lower than the BBC average for these measures.

**BBC management has made a series of commitments designed to place a boundary around its financial approach to acquisitions**

BBC management spent around £93million on acquisitions in 2009-10, a decrease of around £8million from 2008-09 but an increase of around £13million from the level in 2005-06. Around half of the expenditure in 2009-10 was on films, ranging from high profile Hollywood films such as *Shrek* through to foreign language and arthouse films. Other expenditure on acquisitions can range from American drama series, such as *Damages* and *The Wire*, foreign-language drama series such as *Wallander* and *Spiral*, and co-produced documentary series including *Storyville*.

Because some acquisitions are editorially and financially attractive to commercial broadcasters, it is important that BBC management takes particular care with its
expenditure in this area; for example that it does not inflate to a significant degree the prices paid by commercial broadcasters. As part of ‘Putting Quality First’, BBC management set out a set of principles that will underlie its approach to acquiring programmes. The key aspects are:

- capping expenditure at 2.5p in every licence fee pound. This will lead to a reduction in expenditure on acquired programming of around 20 per cent from 2009-10 levels
- only entering into a competitive bid for an acquisition against another UK broadcaster in specific circumstances where the programming meets the BBC’s strategic objectives as set out above
- committing not to broadcast any acquired series in BBC One peak time.

As part of this review, BBC management has also confirmed to us that it has not aimed, and will not aim to acquire a programme from another UK broadcaster where that broadcaster already holds the rights to the programme (and intends to bid to retain the rights).

While we support BBC management’s right not entirely to rule out competitive bidding for an acquisition against another UK broadcaster, it is our understanding that it is a relatively infrequent occurrence. Indeed its is unlikely that BBC management could meet its own stated strategic objective of ‘bringing the best TV and film from across the world which might not otherwise be broadcast to UK audiences’, by entering into competitive bids against other UK broadcasters in anything other than exceptional circumstances.

Emerging communications

**BBC One and BBC Two make some contribution to the BBC’s digital purpose**

Both BBC One and BBC Two’s service licences state that the channels should promote this purpose through offering content on a range of digital platforms (such as through BBC Red Button and BBC iPlayer) as well as helping people experiment with digital technologies. BBC Two has a commitment to encouraging its audiences to engage more deeply with its programming through digital platforms.

Audiences rated the statements related to this purpose as the least important of the BBC’s six public purposes, but there were no significant areas of under performance. Our audience research shows that more people strongly agree that BBC One and BBC Two made them aware of programmes on digital channels than think it important that they do this.

Our analysis of performance data indicates that the BBC’s channels are having some impact helping people experiment and engage with other digital technologies:

- The development of new technologies in recent years means that viewers are able to watch television beyond live linear TV channels, particularly through personal video recorders and the BBC iPlayer. As of the end of March 2010 around 37 per cent of UK households owned a personal video recorder which
allows them to pause and record live television. Alongside video and DVD recorders, this means that around 6 per cent of all television viewing is not live, rising to 15 per cent among those with personal video recorders. For the BBC’s channels, a higher proportion of non-live viewing is to programmes originally broadcast on digital channels. Some genres such as comedy and drama tend to have higher percentages of non-live viewing than others, such as sport and news and current affairs.

- The BBC iPlayer is also extending the reach of BBC programmes - in an average week of 2009, 10.8 per cent of the population watched BBC television programmes on the BBC iPlayer, which accounted for around 1 per cent of their total viewing of programmes on these channels - around half of this was programmes originally shown on BBC One.

- BBC One and BBC Two’s home page and programme related sites (such as those for Doctor Who and Top Gear) were accessed by around 1.6 million unique users each week in 2009, with BBC One sites used the most (around 1.2 million).

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46 Ofcom communications market report, 2010
47 BBC server logs, 19 April - 31 December 2008. Weekly unique users including programme pages
BBC Four

The remit of BBC Four is to be a mixed-genre television channel for all adults, offering an ambitious range of innovative, high quality output that is intellectually and culturally enriching. Its focus should be on the provision of factual and arts programming.

Our assessment of performance

Much of BBC Four's programming is seen as high quality and distinctive by its audience. BBC Four does not, however, significantly influence wider audience perceptions of the BBC. BBC Four's challenge is to increase its impact, particularly in its core areas of specialism, and secure a greater reputational dividend for the BBC, while also retaining its distinctive nature. We will revise BBC Four's service licence remit to clarify our expectations of the channel.

REACH

BBC Four’s audience reach continues to grow, although it remains relatively small in relation to the BBC’s other channels

Both reach and consumption of BBC Four have grown relatively slowly and the channel's audience remains small in relation to the BBC's other channels. In 2009 BBC Four was watched by around 5 million viewers each week, around 9 per cent of the population. Audience reach has increased steadily since the channel launched.48

BBC Four’s reach is lower than that of the BBC’s other main digital channel, BBC Three (22 per cent). In comparison with the closest comparable commercial channels in terms of genre mix, BBC Four’s reach (during its broadcast hours) is significantly higher than Discovery and Sky Arts (1 and 2), which reached 3.8 per cent and 0.5 per cent of the population respectively in 2009.49

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48 BARB, 2009, 15 minute weekly reach in digital homes
49 BARB, 2009, 15 minute weekly reach in digital homes
Consumption of the channel is also relatively low

During its transmission hours, BBC Four’s share of viewing was around 1 per cent in 2009, or around 0.5 per cent across all hours. It makes up around 2 per cent of viewing to the BBC’s portfolio of channels, rising to 3.2 per cent during its transmission hours. Its unique reach – those who watch BBC Four and no other BBC channel - was 93,000 in 2009, much lower than the BBC’s other main digital channel, BBC Three (620,000) which has a remit to target a younger adult demographic.

Looking solely at the 10 per cent of BBC Four’s viewers who watch it the most, average consumption is around 74 minutes each week, making up around 6 per cent of their total television watching.50 This is a similar level to most digital channels. These viewers tend to watch BBC One and BBC Two in greater volumes than lighter BBC Four viewers.

The main explanations for BBC Four’s relatively low reach and consumption are:

- it has far fewer originations and a higher level of repeats than other BBC channels, except BBC Three, often repeating its programmes several times across a week
- it has a remit to serve a broad range of interests and audiences, meaning that, unlike BBC Three, it does not have a defined target audience
- its genre mix is different to that of other channels – around 70 per cent of its output is focused on arts, music and culture and specialist factual programming

\footnote{50 BARB, 2009 quarter 4}
In addition BBC Four’s editorial approach is to focus in depth on relatively specialist areas of interest that may not have mainstream appeal, and may therefore attract viewers on a less frequent basis than other channels

- BBC Four does not have any of the major regular programmes which can act as ‘fixed points’ in the schedule that other channels use to draw in, and retain, viewers in significant volumes and help them navigate schedules. This is how, for example, BBC Three uses repeats of *EastEnders*.

**BBC Four is intended to appeal to all adults but some groups are more likely to watch than others**

BBC Four’s service licence states that it should be a mixed-genre television channel for all adults. As set out in Figure 9, BBC Four is relatively successful at appealing to those aged over 35 and those in higher income households. The channel has less appeal among younger audiences, people from lower income households (C2DEs), viewers in Northern Ireland and viewers from ethnic minorities. This follows a similar pattern to both BBC One and BBC Two. The reasons for these variations, and the steps being taken by BBC management to try and address them are covered above.

![Figure 9: BBC Four’s reach among different audience groups](chart.png)

*Source: BARB, 2009, 15 minute weekly reach %*
QUALITY

BBC Four's programmes are seen as the highest quality available on television

Our performance data shows that BBC Four's viewers recognise that much of its originated output is of high quality, and that it often provides something original and different from other BBC television channels in terms of degree of depth and specialism. In 2008-09, audiences strongly agreed that the programme was 'high quality' in the case of 82 per cent of BBC Four's programmes. This puts BBC Four ahead of all other channels measured by some distance. BBC Two was the next highest of the channels measured, with 62 per cent of its programmes falling into this category. BBC Four's average appreciation score (AI), was also high, 83, above that for BBC Two (82.6).

At channel, as opposed to programme, level, a slightly different picture emerges, with BBC Four receiving the lowest ratings of any BBC channel when viewers are asked for their approval of the channel as a whole. Its score of 6.4 out of 10 is lower than the BBC's larger channels. BBC Four is also rated less well than BBC One and BBC Two in terms of the proportion of its viewers who state that these channels have 'well made high quality programmes', although viewers do rate BBC Four above its most comparable commercial channel, More4.

We believe this apparent contradiction between audiences rating BBC Four's individual programmes as high quality, but the overall channel less positively, is a function of viewers valuing highly what they specifically choose to watch on the channel, but rating the channel, in overall terms, less favourably as they tend to watch on an occasional basis and in relatively small amounts.

IMPACT

BBC Four is largely meeting audience expectations of its delivery of the BBC’s public purposes, with particular strengths in delivering the BBC’s creativity, education and global purposes

With one or two exceptions our audience research found that BBC Four is delivering the BBC’s public purposes broadly in line with the expectations of its audience. BBC Four's particular strengths reflect the channel's remit, for instance 'helping people learn new things' and 'covering a wide range of cultural and creative activities'. In line with BBC One and BBC Two, the most significant gap between expectations and delivery is for the statement 'BBC Four has lots of fresh and new ideas.'

However, as shown in Figure 10, audiences tended to rate the importance of BBC Four's delivery of the purposes lower than they do for BBC One and BBC Two. This is likely to be a reflection of BBC Four's size and function relative to the BBC's main channels, and indicates that viewers see the channel as an additional and supplementary part of their viewing, with BBC One and BBC Two more important to supporting the BBC's public purposes.

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51 BBC Pulse survey, April 2009 – March 2010
Note: All data is sample-weighted and is subject to the standard error of the sample. Where this is below the size of the figures, the bars are shaded with a vertical cross-hatching. 

### Figure 10: Overview of BBC Four’s delivery of the BBC’s public purposes

<table>
<thead>
<tr>
<th>Public Purpose</th>
<th>Performance</th>
<th>Importance</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have learned new things while watching programmes on BBC Four</td>
<td>64%</td>
<td>61%</td>
<td>0</td>
</tr>
<tr>
<td>BBC Four provides programmes which cover a wide range of cultural and creative activities</td>
<td>61%</td>
<td>62%</td>
<td>+1</td>
</tr>
<tr>
<td>BBC Four helps me understand and appreciate different cultures and lifestyles of people from around the world</td>
<td>48%</td>
<td>57%</td>
<td>+9</td>
</tr>
<tr>
<td>BBC Four helps me understand news from around the world</td>
<td>44%</td>
<td>56%</td>
<td>+2</td>
</tr>
<tr>
<td>BBC Four helps me understand and appreciate art and culture</td>
<td>47%</td>
<td>52%</td>
<td>+5</td>
</tr>
<tr>
<td>BBC Four has lots of fresh and new ideas</td>
<td>60%</td>
<td>62%</td>
<td>-8</td>
</tr>
<tr>
<td>BBC Four helps me understand what’s going on in the wider world, such as international events and social issues</td>
<td>57%</td>
<td>52%</td>
<td>-6</td>
</tr>
<tr>
<td>BBC Four is good at portraying different cultures and communities within the UK</td>
<td>47%</td>
<td>51%</td>
<td>+3</td>
</tr>
<tr>
<td>Programmes on BBC Four give me a greater depth of understanding and knowledge of a topic than programmes on other BBC channels</td>
<td>43%</td>
<td>49%</td>
<td>+1</td>
</tr>
<tr>
<td>BBC Four introduces me to new UK presenter, actors, writers and musical arts</td>
<td>42%</td>
<td>48%</td>
<td>+6</td>
</tr>
<tr>
<td>BBC Four provides high-quality independent news</td>
<td>45%</td>
<td>45%</td>
<td>0</td>
</tr>
<tr>
<td>BBC Four provides me with the opportunity to share the same experiences with other people</td>
<td>38%</td>
<td>42%</td>
<td>+4</td>
</tr>
<tr>
<td>BBC Four makes news and current affairs and other topical issues interesting to me</td>
<td>45%</td>
<td>41%</td>
<td>-4</td>
</tr>
<tr>
<td>BBC Four raises my awareness and understanding of different religions and other beliefs</td>
<td>38%</td>
<td>38%</td>
<td>0</td>
</tr>
<tr>
<td>BBC Four helps me understand UK-wide politics</td>
<td>37%</td>
<td>38%</td>
<td>-1</td>
</tr>
<tr>
<td>BBC Four helps me understand and appreciate a wide range of music</td>
<td>36%</td>
<td>39%</td>
<td>-4</td>
</tr>
<tr>
<td>BBC Four has helped me appreciate international and foreign language films or documentaries</td>
<td>26%</td>
<td>35%</td>
<td>+7</td>
</tr>
<tr>
<td>BBC Four’s coverage of news and current affairs has got me talking about them</td>
<td>26%</td>
<td>33%</td>
<td>-2</td>
</tr>
<tr>
<td>BBC Four has helped me make the most of new digital technologies such as Player, the Internet and other BBC digital TV channels</td>
<td>24%</td>
<td>21%</td>
<td>-3</td>
</tr>
</tbody>
</table>

Source: Kantar Media audience research, 2009

**BBC Four is largely meeting audience expectations that it delivers the BBC’s creativity purpose**

BBC Four has a number of commitments in this area, largely delivered through its arts, music and cultural output, supported by some drama and comedy programming.

BBC Four broadcasts the bulk of BBC television’s music and arts programming, around 1,255 hours in 2008-09. This is over three times more than BBC One and BBC Two combined. In line with this, the channel has built a reputation for providing arts and
cultural programming. Around 10 per cent of its output is accounted for by extensive coverage of The BBC Proms, although a broad range of other types of music and arts output is shown, with over 65 different arts and music programmes of more than 5 hours in 2009. Our audience research shows that the channel is meeting audience expectations that it helps them to understand arts and culture and covers a wide range of cultural and creative activities, while research conducted by BBC management in 2009 found that the breadth of its music coverage was recognised and appreciated by regular BBC Four viewers.

BBC Four has a limited commitment to drama and comedy programming. In recent years its originated drama output has focused on single dramas or short seasons, often ‘biopics’, aimed at supporting the channel’s cultural and artistic remit. BBC Four has also developed some successful comedy programming, broadcasting around 20 originated hours in 2009.

**BBC Four is a distinctive channel**

As with BBC One and BBC Two, the most significant gap between audience expectations and perceptions of delivery is for the statement ‘BBC Four has lots of fresh and new ideas’, although, because they consider it less important that BBC Four’s programmes achieve this, the actual gap is smaller than for BBC One and BBC Two. However, when assessed at programme level, once again a different picture emerges: in 2008-09, 83 per cent of BBC Four’s programmes were rated by audiences as above average for the statement ‘original and different’, the highest by some margin for any channel. This suggests that viewers value what they pick and choose to watch on the channel, but as they only consume small amounts, they rate the channel, in overall terms, less favourably.

In addition to this, a strong theme from the public consultation was that BBC Four offers a different type of programming compared to BBC One and Two, and a genuine alternative to other channels.

**BBC Four’s factual output adds range and depth to that available on other BBC channels**

Factual programming on BBC Four accounts for around one-third of its output. The channel’s editorial approach is to focus in depth on relatively specialist areas of interest that may not have mainstream appeal, and may attract viewers on a less frequent basis than other channels. The channel also covers a very wide range of subject areas. Research conducted by BBC management in 2009 highlighted that viewers recognised the informative nature of the channel, seeing their viewing as an ‘investment’. The research also reflected the ‘challenging’ nature of much of BBC Four’s output, particularly for the more occasional viewer. Our audience research shows that BBC Four is meeting expectations that it helps viewers learn new things, and provides depth, while viewers rated its factual programmes more highly than those on other channels for measures such as ‘learned something new’ and being ‘thought provoking’.

BBC Four also has a specific commitment to work closely with BBC Two, in particular in factual and arts output. Over recent years the two channels have taken some opportunities to collaborate by showing complementary programming, as well as cross-channel repeats. Recent examples include seasons of opera and poetry programming.

**BBC Four is meeting its commitments to the BBC’s global purpose**

BBC Four’s service licence sets out that it should make a very important contribution to this purpose through its international and foreign language feature films, and
documentaries. Our audience research highlights that BBC Four is meeting audience expectations that it helps its audience understand and appreciate different lifestyles and cultures from around the world. Research conducted by BBC management in 2009 highlighted that viewers recognised that the international coverage on BBC Four is different from that available on other channels, while a response to our review from the international Broadcasting Trust praised BBC Four for its international documentary strand, Storyville and stated that BBC Four has ‘internationalism’ at the heart of its vision. BBC Four broadcast 21 international language films in 2009, meeting its commitment to showing at least 20 each year.

In line with its stated commitments, BBC Four makes more limited contributions to the BBC’s other purposes

BBC Four’s service licence states that it should play its part in delivering the citizenship, digital, and representing the UK purposes, although these are lower priorities for this channel than to the other three purposes.

BBC Four is committed to broadcasting an in-depth news and current affairs programme in peak time on weeknights, focusing on an international news agenda and appealing to those who are interested in global news and current affairs. It aims to achieve this primarily through World News Today, broadcast each weekday evening at 7pm. While it achieves reasonably strong quality ratings, levels of viewing for this programme are very low, with each episode on average reaching fewer than 50,000 viewers in 2009. This perhaps explains the small gaps identified by our audience research in terms of ‘helping me understand news from around the world’ and ‘providing high quality independent news’.

Action

BBC management should explore ways to increase the impact of world news programming on BBC Four.

While recognising the difficulties in attracting large audiences to BBC Four’s world news programme, we consider it an important part of the channel’s remit. We have discussed the role and performance of the world news programming with BBC management and have agreed there may be opportunities to increase its impact.

BBC Four meets its commitment to represent the UK, its nations, regions and communities through broadcasting performances and programming from across the UK’s nations and regions (for example the Leeds International Piano Competition 2009, and A Poet’s Guide to Britain) as well as covering issues of faith and spirituality in some of its factual and history programming, most notably in 2009 through A History of Christianity. The total reach of religious programming on BBC Four in 2009 was around 2.7 million.

BBC Four also makes a contribution to the digital purpose. Although usage of BBC Four’s website is fairly low, at around 59,000 unique users each week in 2009, around 4 per cent of its overall viewing is via the BBC iPlayer, a relatively higher proportion than other BBC channels.
BBC Four’s role within the BBC’s portfolio of channels, and its service licence remit, could be clearer

A strong theme raised by respondents to our public consultation about BBC Four was its interaction with BBC Two – with views ranging from those who feel BBC Four provides what BBC Two used to through to those questioning the need for the BBC to retain BBC Four at all.

Therefore, as part of this review we have worked with BBC management to clarify the strategic direction and role of the channel, as we do not believe BBC Four’s current role and remit is sufficiently clear, particularly in relation to BBC Two. As part of a submission to this review, BBC management set out plans to clarify BBC Four’s editorial vision based around three priority areas, with a reduction in comedy and entertainment programming to help prioritise:

- arts, music and culture
- UK and acquired drama
- providing an outlet for the BBC’s archive material

Based on our analysis of the performance of the channel we support its primary focus on arts, music and culture and, in its factual programming, providing both greater depth and a more expert editorial focus than that available on other channels, both on the BBC and more widely. Its international focus should be retained.

We also welcome BBC Four’s aim to introduce archive material to its audience, and have asked for further clarification from BBC management on the implications for BBC Four’s remit in this regard, in the context of the BBC’s evolving archive strategy. We will amend BBC Four’s service licence to reflect more clearly its role, editorial direction and focus in the ways outlined above, and, in particular, to distinguish its role more clearly from that of BBC Two.

The challenge for BBC Four is to increase its impact while maintaining its distinctiveness

The data we have compiled for this review, outlined above, shows that BBC Four is broadly meeting its service licence commitments, with its programmes rated very highly among viewers of the channel. However, our audience research shows that, in respect of the channel as a whole, BBC Four’s impact is limited and its output has not yet developed a significant influence over wider audience perceptions of the BBC. We therefore believe that the channel can do more to generate greater impact among its viewers. Its reputation, for example, among viewers as being the channel ‘best for arts’ has improved in recent years, and is ahead of Sky Arts channels, but remains far behind BBC Two which broadcasts around one-fifth of the hours of arts on BBC Four.

Using its clearer remit and editorial focus, we see the main challenge for BBC Four over the coming years as being to increase the impact it delivers, particularly in its core areas of specialism, and to secure a greater reputational dividend for the BBC in this respect. We understand that BBC management has developed programming strategies to help achieve this, for instance through commissioning several large scale performance events each year – creating art as well as showing it.

In order to support the programming and achieve the impact we want the channel to have, it is likely that the channel will require, among other things:
• more effective sign-posting and promotion from other BBC output and channels to emphasise to audiences the range of output available on BBC Four
• continuing to schedule and commission collaboratively with BBC Two to emphasise each channel's distinct, but complementary role.

We would expect that if BBC Four is successful at achieving more impact, it will be able to retain, and continue to grow, its audience, while also being able to preserve the characteristics which its current viewers most appreciate. We will assess BBC Four’s performance in delivering this by continuing to monitor viewers’ perceptions of the quality of the channel, through appreciation index scores, and the proportion of BBC Four’s programmes rated as ‘high quality’ and ‘original and different’. We will use other measures of the channel’s impact as well as continuing to monitor reach and consumption.

**Action**

**BBC Four should seek to achieve greater impact among its audience, and increase its contribution to the delivery of the BBC’s public purposes, particularly in its core areas of specialism, securing a greater reputational dividend for the BBC in this respect.**

We will measure and report BBC Four’s progress in achieving this.

To help the channel realise this, we expect BBC management to sign-post and promote BBC Four content more effectively on other BBC output and channels, as well as ongoing commissioning and scheduling collaboration with BBC Two.

We will also amend BBC Four’s service licence to reflect more clearly its editorial direction and focus.
Value for money

Our assessment of performance

BBC One and BBC Two are the BBC’s highest spending services. Our performance data has provided some assurance over their value for money at a high level. The majority of viewers believe that BBC One, BBC Two and BBC Four represent good value for money, with BBC Two seen as providing the best value for money, but the perceived value for money could be improved by better meeting audiences’ expectations for more distinctive programming.

The cost per user hour of BBC One and BBC Four has improved over recent years although BBC Two’s has increased slightly, while each channel has taken steps to become more efficient over recent years.

Figure 11 shows each channel’s expenditure over the past three financial years. Each channel has remained within the 10 per cent parameter around the agreed service licence budget, beyond which BBC management would need to ask for our approval for further spending. The significant variation between each channel’s expenditure is determined by a number of factors, including the level of originated programming, the genre mix and range of programming, the levels of quality and ambition aspired to, particularly in drama and factual output, the amount of news on the channel, and expenditure on sports rights.

Changes in genre spend are often due to cyclical factors, such as the timing of sporting events, or changes in the way divisions are allocated money. For instance, on BBC One, expenditure on sport was higher in 2008 than 2007 and 2009 due to two major sporting events in that year - the Olympics and Euro 2008. On BBC Four, the decrease in factual expenditure and increase in drama, comedy and entertainment expenditure is explained by the transfer of drama expenditure from the arts division (within factual) to the drama division. More generally, BBC management has changed the way it allocates certain costs (presentation and commissioning) which means that BBC One’s share of such costs has decreased, and that of other channels has increased. This explains the significant increases in ‘other programme related costs’ on both BBC Two and BBC Four.
Figure 11: BBC One, BBC Two and BBC Four’s service licence expenditure and other costs (000,000’s)

<table>
<thead>
<tr>
<th></th>
<th>2007-08 (£000,000’s)</th>
<th>2008-09 (£000,000’s)</th>
<th>2009-10 (£000,000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BBC ONE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drama, comedy, entertainment</td>
<td>354</td>
<td>355</td>
<td>355</td>
</tr>
<tr>
<td>Factual</td>
<td>130</td>
<td>119</td>
<td>118</td>
</tr>
<tr>
<td>News, sport, opt outs</td>
<td>403</td>
<td>435</td>
<td>415</td>
</tr>
<tr>
<td>Children’s and Learning</td>
<td>24</td>
<td>30</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total originations spend</strong></td>
<td><strong>911</strong></td>
<td><strong>938</strong></td>
<td><strong>911</strong></td>
</tr>
<tr>
<td>Acquisitions and repeats</td>
<td>73</td>
<td>68</td>
<td>62</td>
</tr>
<tr>
<td>Other programme related costs (1)</td>
<td>142</td>
<td>136</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total service licence content spend</strong></td>
<td><strong>1,127</strong></td>
<td><strong>1,142</strong></td>
<td><strong>1,113</strong></td>
</tr>
<tr>
<td>Distribution</td>
<td>45</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>Infrastructure/support</td>
<td>247</td>
<td>203</td>
<td>217</td>
</tr>
<tr>
<td><strong>Total spend</strong></td>
<td><strong>1,419</strong></td>
<td><strong>1,393</strong></td>
<td><strong>1,373</strong></td>
</tr>
<tr>
<td><strong>BBC TWO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drama, comedy, entertainment</td>
<td>90</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Factual</td>
<td>113</td>
<td>109</td>
<td>107</td>
</tr>
<tr>
<td>News, sport, opt outs</td>
<td>145</td>
<td>143</td>
<td>147</td>
</tr>
<tr>
<td>Children’s and Learning</td>
<td>23</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total originations spend</strong></td>
<td><strong>370</strong></td>
<td><strong>360</strong></td>
<td><strong>360</strong></td>
</tr>
<tr>
<td>Acquisitions and repeats</td>
<td>33</td>
<td>47</td>
<td>41</td>
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<tr>
<td>Other programme related costs (1)</td>
<td>36</td>
<td>44</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total service licence content spend</strong></td>
<td><strong>440</strong></td>
<td><strong>451</strong></td>
<td><strong>451</strong></td>
</tr>
<tr>
<td>Distribution</td>
<td>30</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>Infrastructure/support</td>
<td>99</td>
<td>85</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total spend</strong></td>
<td><strong>569</strong></td>
<td><strong>570</strong></td>
<td><strong>577</strong></td>
</tr>
<tr>
<td><strong>BBC FOUR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drama, comedy, entertainment</td>
<td>6</td>
<td>9</td>
<td>12</td>
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<tr>
<td>Factual</td>
<td>33</td>
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<td><strong>Total originations spend</strong></td>
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<tr>
<td>Acquisitions and repeats</td>
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<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Other programme related costs (1)</td>
<td>5</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total service licence content spend</strong></td>
<td><strong>48</strong></td>
<td><strong>55</strong></td>
<td><strong>55</strong></td>
</tr>
<tr>
<td>Distribution</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Infrastructure/support</td>
<td>15</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total spend</strong></td>
<td><strong>65</strong></td>
<td><strong>72</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

(1) Other costs directly related to programme making include copyright costs, presentation, newsgathering and helplines

Source: BBC management data
To assess whether each channel is offering good value for money we:

- looked at the relationship between each channel’s cost and performance
- asked a representative sample of viewers whether they believed each channel represented value for the licence fee
- assessed BBC management’s progress against plans to make efficiency savings.

We have also taken some assurance from the range of independent value for money reviews we have commissioned over recent years.

**The cost per user hour of BBC One and BBC Four has improved over recent years although BBC Two’s has increased slightly**

The BBC uses a measure called cost per user hour (CPUH) to help assess value for money. This measure equates to the average cost incurred for every hour that a person watches a channel. Consumption includes viewing on personal video recorders if done within eight days of original transmission but excludes BBC iPlayer usage. Performance over the past three years is presented in Figure 12 below. The data shows that BBC One’s CPUH has improved slightly over recent years, largely due to increased consumption of the channel of around 3 per cent. BBC Two’s CPUH has increased over time as consumption of the channel has fallen, by around 4 per cent, and expenditure has increased.

BBC Four’s increased usage means that its CPUH has improved significantly, from around 17 pence per hour in 2007-08 to around 14 pence per hour in 2009-10, although its CPUH remains considerably higher than the BBC’s main other digital channel, BBC Three, which had a CPUH of 8.6 pence in 2009-10.

**Figure 12: Cost per user hour by channel (pence)**

<table>
<thead>
<tr>
<th>Channel</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC One</td>
<td>6.8</td>
<td>6.8</td>
<td>6.7</td>
</tr>
<tr>
<td>BBC Two</td>
<td>7</td>
<td>7.5</td>
<td>7.7</td>
</tr>
<tr>
<td>BBC Four</td>
<td>17.0</td>
<td>16.8</td>
<td>14.0</td>
</tr>
</tbody>
</table>

Source: BBC management data

**Adding consumption of BBC programmes through the BBC iPlayer improves the cost per user hour of each BBC channel**

An increasing proportion of the consumption of BBC programmes through the BBC iPlayer is not captured within standard cost per user hour metrics. This limits our ability to draw value for money conclusions based on cost per user hour. However, using a set of assumptions it is possible to account for additional consumption through the BBC iPlayer. This improves the value for money of each channel: BBC One from 6.7 pence to 6.6 pence; BBC Two from 7.7 pence to 7.5 pence; and BBC Four from 14 pence to 13.2 pence.

**Cost allocation to BBC channels is becoming more complex**

The BBC’s approach to allocating costs to services means that the costs of making or acquiring a programme are generally allocated to the service which first transmits it. This means that the costs of some programmes shown by a particular channel are not included

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52 it is not possible to measure the number of programmes which are downloaded and subsequently watched
within its budget. For example, the cost of some programmes initially shown on BBC Two but subsequently repeated on BBC Four would usually be borne by the BBC Two budget. These costs would therefore not be included in BBC Four’s service licence budget or CPUH calculations despite contributing to the channel’s usage.

We highlighted these issues in our report on BBC Three, published in June 2009. Since then, BBC management has developed an approach to more accurate measurement of CPUH. This involves re-adjusting costs and consumption. So that, while the channel that first transmits a programme is allocated the full cost of the programme, if it is subsequently repeated on another channel, that channel bears the costs of the repeat, such as additional royalty payments. This marginally improves BBC One’s CPUH, from 6.7 pence in 2009-10 to 6.6 pence, and improves BBC Four’s from 14 pence to 13.1 pence. BBC Two’s CPUH increases slightly, from 7.7 pence to 7.8 pence.

The majority of viewers believe that BBC One, BBC Two and BBC Four represent value for money, with BBC Two seen as providing the best value for money

We asked a representative sample of viewers whether they thought each channel was good value for money based on the following information:

‘Out of the £142.50 licence fee...

- £58.43 per year, which works out at about £4.87 per month, is used to fund BBC One
- £23.94 per year, which works out at about £2 per month, is used to fund BBC Two and
- £2.99 per year, which works out at about 25p per month, is used to fund BBC Four.\textsuperscript{53}

The data shows that:

- BBC Two is considered the best value for money, with 78 per cent of its audience stating that they get value for money for the amount of their licence fee invested in the channel, and just 18 per cent saying it is not good value
- Fewer people, but still a majority (65 per cent) feel that BBC One is value for money with around one third stating it is not good value.
- BBC Four is rated similarly to BBC One, with 67 per cent in agreement and 25 per cent not.

While there are limits to using this approach to assess value for money – for example it does not explore why people agree or disagree or identify whether value for money could be improved - it is a useful means of assessing licence fee payers’ immediate reactions to the value they perceive they are getting from their licence fee.

We note in particular that around two-thirds of those we asked consider BBC One to be good value for money, in spite of it being the most costly BBC service by some margin. Older viewers and males tended to rate BBC One higher than younger viewers and

\textsuperscript{53} Questions for each channel were asked separately
females. The majority of those who stated that BBC Four did not offer good value for money were younger viewers, who tend to watch the channel less regularly.

The value for money of BBC One and BBC Two could be improved by better meeting audiences’ expectations for more distinctive programming

While cost per user hour is a useful measure, it does not incorporate other elements of performance, for instance quality and delivery of the BBC’s public purposes, which are less straightforward to quantify into a single measure.

We have therefore drawn on a range of performance data collected for this, and other, reviews, to inform our value for money assessment. In particular, we used data collected for our annual purpose remit survey which assesses how well the BBC is meeting audience expectations of its delivery of the BBC’s public purposes. We used this data to calculate the statistical correlation between each of the BBC’s public purpose priorities and overall perceptions of value for money.

We found that two priorities have particularly strong correlations with perceptions of value for money – ‘fresh and new ideas’ and ‘wide range of enjoyable programmes’.\(^{54}\) As set out above, each of these channels is broadly meeting audience expectations for providing a wide range of enjoyable programmes, but is not meeting expectations for fresh and new ideas. On this basis, we can infer that if BBC One and BBC Two can improve their performance in terms of offering more fresh and new programming and increasing their distinctiveness, this will have the additional benefit of improving perceptions of value for money for these channels. This reinforces the importance of taking action to meet audience expectations in this area better.

The BBC’s television channels are taking steps to become more efficient

All of the BBC’s divisions have developed plans to make significant efficiency savings over the remaining period of the current licence fee settlement, which runs until 2013. The BBC has a commitment to identify some £1.8billion in efficiency savings between 2007-08 and 2012-13. The majority of these savings - around £1,005million - has been allocated to the BBC Vision department, with £100million secured in 2008-09 and a further £196million in 2009-10, the bulk of which derives from BBC One and BBC Two. Savings are allocated by genre rather than against specific channel budgets, as well as to other parts of the BBC which make and commission programming shown on its channels, including Journalism, Sport, the English Regions and Scotland, Wales and Northern Ireland.

We routinely review the delivery of savings by each division against targets. This includes an assessment of whether the savings have had any negative impacts on performance. For instance, the BBC’s journalism division has met its savings targets of 4 per cent each year since 2007, and we are satisfied that the measures used to monitor audience reactions are not showing signs that the BBC’s news output is being diminished; similarly, the measures we use to monitor the outcomes of savings made by the BBC Vision department have not highlighted any significant negative impacts in terms of programming or channel quality. However we understand there is a limit to how far savings can continue to be made without negatively affecting quality, and we will continue

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to monitor audience reactions across each area to ensure that levels of quality and standards are being, and will continue to be, maintained.

**We have commissioned a number of independent reviews to provide further assurance over value for money**

In addition to the value for money analysis we have conducted for this review, we have taken further assurance from a number of other independent reviews we have commissioned to assess the value for money of BBC operations. A summary of those relevant to television is set out in Figure 13.

**Figure 13: Summary of value for money reviews affecting television output**

**BBC in-house television commissioning**, a review conducted by Ernst & Young published in June 2008. This looked at the BBC's processes for commissioning in-house productions to provide insight into the way in which they drive value for money. The review found that BBC management had made significant progress in delivering value for money from its in-house productions and was already addressing many of the areas for improvement identified.

**The BBC's on-air and on-screen talent costs**, conducted by Oliver and Ohlbaum Associates Ltd, published in June 2008. This found no evidence that the BBC was paying more than the ‘market price’ for leading TV talent when directly competing with rivals to secure their services, although it identified room for improvement in the BBC's processes which could achieve better value in some deals. Since this report, BBC management has introduced some changes in its strategic approach to managing on-air talent, including new processes for assessing value, negotiating contracts, approving deals, nurturing new talent, and developing existing talent. BBC management has also reduced the amount spent on top talent by nearly £8million between 2008-09 and 2009-10.

**The BBC's management of its coverage of major sporting and music events**, a review conducted by the National Audit Office, published in January 2010. This looked at the effectiveness of the BBC's management of its coverage of major sporting and music events, involving £357million of expenditure. The report concluded that the BBC delivered coverage that is valued by millions of viewers and listeners, largely within budgets that it has set, although it found that the BBC could make better use of information to test and demonstrate the value for money of its coverage.

**The BBC’s procurement of sports rights**, a review being conducted by MTM London Ltd. This review is examining the BBC's processes for the acquisition of sports rights - including how the BBC decides what sports rights to try to acquire, how it manages the bidding and negotiation process, and whether the BBC has achieved its objectives. It will examine specific sports rights acquisitions over the past 2 years on a 'case study' basis, including both those the BBC acquired and those the BBC failed to acquire. We expect to publish this study in spring 2011.

**The BBC's management of the cost of producing its continuing drama**, a review being conducted by the National Audit Office. This is examining how well the BBC is managing the cost of producing six continuing dramas (*EastEnders, Casualty, Holby City, Doctors, River City* and *Pobol y Cwm*). We expect to publish this study in spring 2011.