

# Delivering Quality First

## Final Conclusions

May 2012

## Chairman's foreword

Over the past 16 months or so the BBC has been planning for one of the most significant periods of readjustment in its history - finding ways to make the significant savings needed following the funding settlement reached with the Government in October 2010. If this sounds like an unduly long exercise that's because, recognising that the BBC matters so much to so many people, it has been important to take the time to get this right. It has involved a thorough process of public consultation, which has underlined the strong connection between the BBC and its audience. Indeed many people feel a right of ownership over 'their' BBC and the services that they value most.

This exercise, entitled Delivering Quality First, was not a year zero one for the BBC. The Corporation is in good health, in terms of the quality and breadth of its output, so we would have been mad to try to up-end the whole organisation. Added to which, the Trust had already set a clear strategy for the BBC, in December 2010. So this process has been about deciding how to match a smaller (although still substantial) budget to that strategy. Hopefully, in the process, we have found some ways to make the BBC even better – more efficient, more flexible, more creative.

The Trust worked hard with the BBC Executive, in the period before we published the initial proposals, to guide the shape of the cost savings. We set a principle of looking first for efficiency savings in back office areas – and have set a stretching 11 per cent efficiency target for the BBC to achieve by 2017. We worked with the Executive to sustain investment in the BBC's editorial priorities and in the peak-time schedules of the BBC's flagship services such as BBC One and Radio 4. We looked to re-position the smaller digital channels more clearly as extensions of those flagships. The Executive and the Trust both wanted to make sure the BBC would still be able to invest in new digital technology as audience demands and behaviours continue to change.

Those principles were at the heart of the Executive's proposals and received broad support from those who responded to our consultation. But there were also questions raised about whether the detail of some of the proposals for particular services was consistent with the overall strategy and its focus on increasing distinctiveness and serving all audiences. That's why, in January, we asked the Executive to reconsider its plans for local radio and regional current affairs in England.

Since then, we have received new proposals from the Executive in these areas, which we are happy to approve. The Executive has also published further details of how the strategy will be delivered in different parts of the UK. We have also, with considerable help and advice from Ofcom, put the key proposals for changes to BBC services through our regulatory processes. We have concluded that none of them is such a significant change that it needs to be put through a full Public Value Test. So we have given the revised plan our final approval.

Making that plan a reality will be tough, and will require the full attention of everyone at the BBC in the coming years. The BBC will be judged, over the next five years, on its track record over this period: can we hit our efficiency targets while continuing to make the most distinctive programmes and getting people in their millions to watch and listen to them? I believe it's right we face this test because these are extremely challenging economic times and the BBC should not be immune to that reality. It will require a BBC at

the very top of its game. Life being what it is there will need to be some changes and adjustments along the way. But I'm confident that this plan puts us in a strong starting position.

**Lord Patten of Barnes**

**Chairman, BBC Trust**

## Introduction

In October 2011 we published the BBC Executive's proposed approach to living within the licence fee settlement agreed with the Government in October 2010. We put these proposals out to public consultation to test the details against our strategic objectives and priorities for the BBC, which are to: increase the distinctiveness and quality of BBC output; improve value for money; set new standards of openness and transparency; and do more to serve all audiences.

In January 2012 we published our initial analysis of the Executive's proposals in which we:

- Concluded that the Executive had developed robust and challenging efficiency proposals and set a target for the BBC Executive to generate annual efficiency savings of 11 per cent by 2016-17
- Set out a high level overview of the themes emerging from our public consultation showing that while most respondents expressed specific concerns based on their particular listening/viewing interests, there is a general recognition of the financial constraints faced by the BBC and the need for us to make difficult choices.
- Broadly endorsed the overall shape of the plans to change content and services proposed by the Executive
- Identified a small number of areas where we asked the Executive to re-think their plans – most notably where we felt that particular proposals would have an unduly detrimental impact on the BBC's journalistic output. We believed that these changes should cost no more than £10 million a year and encouraged the Executive to find ways to fund them without further impact on content.

We have now completed our analysis and regulatory testing and have approved the detailed plans set out by the BBC Executive, including where the plans have been revised to take account of our interim findings. A brief timeline of the key points is set out below.

October 2010	BBC and Government agree licence fee settlement
December 2010	Trust concludes strategy review process called Putting Quality First, sets out the strategic principles for the BBC
January 2011	Chairman writes to Director-General formally commissioning a review of BBC's cost base – later called Delivering Quality First
October 2011	Executive proposals published alongside start of consultation period
December 2011	Consultation period ends
January 2012	Trust publishes interim findings
May 2012	Trust publishes Delivering Quality First final conclusions

This document, which is supported by information published on our website to help explain the detail of our decisions, sets out an overview of our strategic decisions on this process, including our:

- Summary of the overall financial plan
- Detailed conclusions on the Executive's proposals
- Approach to monitoring the impact of the changes
- Regulatory conclusions, including the changes we are making to the BBC's service licences.

## The overall plan

### Background

In October 2010, the Government and the BBC agreed that the licence fee should remain at £145.50 until the end of the current Charter in 2016-17 and that the BBC would fund a range of extra broadcasting-related activities including:

- The BBC World Service and BBC Monitoring
- An expanded partnership with the Welsh language television service S4C
- Support for new local television services
- Raising and extending the current ring-fenced sum in the licence fee for digital TV switchover from £133m a year to £150m a year to support broadband roll-out.

The plan developed by the Executive to meet these obligations, as well as to manage inflation and provide for some targeted re-investment into content and digital development, is to make £700 million a year of savings by 2016-17, equivalent to around 20 per cent of the licence fee. The two main components of the financial plan are to make productivity savings of 11 per cent of the licence fee, and content and service savings of around 6 per cent of the licence fee.

This settlement is tough for the BBC. But we also believe this is a fair settlement given the funding challenges faced by the rest of the public sector, providing the stability and security of funding needed to plan for the future, in spite of the uncertain economic outlook.

### Efficiency savings

**Underpinning the whole of this plan is our determination to push the BBC to make sure its efficiency programme is as ambitious as it can be**

Throughout this process, efficiency has been the starting point - because we have a responsibility to require the Executive both to maximise the value for money it offers licence fee payers, and to minimise the impact of the financial settlement on the BBC's content and services. The Executive started developing its efficiency and productivity plans from January 2011 and gave us regular progress updates over the course of 2011.

In July 2011 we commissioned independent advice from Ernst & Young to provide assurance that the Executive had approached the efficiency programme in a rigorous and thorough way. Ernst & Young carried out a series of interviews and reviewed key documents throughout August and September 2011. They compared the BBC's processes with a range of other organisations.

Ernst & Young concluded that the Executive is running an effective programme from which robust and challenging efficiency proposals have emerged. In summary:

- The Executive has aimed to set stretching targets while being mindful of deliverability. The impact of the proposals on the audience (quality and reach) has been considered

- The programme is based on an informed understanding of performance relative to external benchmarks and comparisons
- The programme compares favourably with similar cost transformation programmes experienced by Ernst & Young.

We are encouraged by Ernst and Young's findings but also note that further work is required to define the detail of the cost saving plans and deliver them in a challenging economic environment. Ernst and Young's report, which we published alongside our interim findings document, makes recommendations to help achieve this.

### **Our focus now is to oversee the implementation of the plan and monitor its delivery**

We are now setting a target for the BBC Executive to generate efficiency savings of 11 per cent by 2016-17. This means that in real terms efficiency savings would reduce the BBC's overall costs for its current services by 11 per cent in 2016-17 compared with a 2012-13 baseline.

Meeting our target will require strong leadership and discipline from the Executive, having already driven significant efficiency savings over recent years, and given the tough and uncertain economic climate. It will also require careful and close monitoring to ensure efficiencies are not impacting on the quality or scope of BBC output. Further details on the controls we are putting in place to monitor the efficiency programme are outlined later in this document.

### **Content savings**

In January 2011 we published on our website an outline of our expectations of the Executive as it developed its plans. It was clear to us at that early stage that it was unlikely that the funding challenge could be met simply through using the licence fee more efficiently, and some difficult choices would need to be taken about content and services. With strategic guidance from the Trust, the Executive developed a range of options before presenting its final proposals in October 2011.

Our approach to assessing the various options and proposals has been guided by the strategic objectives we set for the BBC in 2010, in particular those to:

- Increase distinctiveness, including through an increased focus on the Executive's five editorial priorities: news, children's, knowledge, UK drama and comedy, and events that bring the Nations and communities together
- Serve all parts of the audience, by ensuring the BBC continues to reach the vast majority of the public with distinctive content and by improving the extent to which its services resonate with audiences in all the UK's Nations, regions and communities.

To help test the detail of the consistency of the proposals against our strategy we ran a public consultation from October 6 to December 21 2011. Alongside our separate consultations as part of the Local Radio and the Asian Network service reviews, we received around 18,000 responses as well as a number of petitions about specific

changes. We also received a significant level of responses from our four Audience Councils, organisations, politicians and other representatives, and have drawn on audience research commissioned by the Executive as they were developing the proposals to allow us to test and understand reactions from a representative sample of the public.<sup>1</sup> We also held six roundtable discussions with a range of stakeholders to explore particular parts of the proposals, summaries of which are published on our website.

Most respondents accepted that some content reductions would be necessary but felt that the BBC must look to improve internal efficiency first. Respondents tended to express specific concerns based on the services and programmes which they use and consume. These specific points about individual services are covered within the main body of this report. However, there were some general themes about the overall shape of the plans which emerged from the consultation. In general respondents:

- Accept the financial constraints facing the BBC, and the need for difficult choices to be taken
- Affirm the central importance of the BBC continuing to focus on broadcasting high-quality and distinctive content, even if this means doing fewer things because of funding constraints
- Broadly agree with the approach to consider individual content areas separately and make tailored savings as appropriate rather than applying the same proportion of cuts across all services
- Accept the overall approach to protect services which provide the greatest value to most people to help to minimise the overall impact of the cuts on the audience
- Expressed some concern about the impact of some proposals on high-quality and distinctive output, with some questioning whether the proposals for the BBC's more mainstream services matched the Trust's stated ambitions for these services to become more distinctive. Some also argued that particular proposals, for example the changes to local radio, could disproportionately affect certain groups of licence fee payers.

## Our overall conclusions on content savings

### **We support the direction of travel proposed by the Executive and consider that it fits our strategy**

Our overall conclusion, stated in our interim findings in January 2012, is that the changes the Executive proposed in October 2011 largely fit the strategy we have set. The approach aims to protect largely those services and content that provide the most value to licence fee payers: those that deliver the BBC's public purposes to large audiences, such as BBC One and BBC Two, the BBC's main network radio stations and online offering, as well as the BBC's news output, its children's services and national and regional content.

---

<sup>1</sup>[http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/dqf\\_ipsosmori\\_audienceperceptions\\_report.pdf](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/dqf_ipsosmori_audienceperceptions_report.pdf)

Relative protection, and re-investment, is targeted at the BBC's five editorial priorities and areas where the BBC most clearly distinguishes itself from commercial broadcasters.

The plans do mean however, that with the BBC's income falling significantly in real terms, some of the smaller, newer BBC services will be scaled back and re-focused to provide a supporting role to those major services: continuing to promote something unique and distinctive, but in a more complementary way and at lower cost. Expenditure in content areas that fall outside the BBC's editorial priorities (such as some sports rights and lower-value entertainment programming) will fall as will that of less-valued parts of the schedule in daytime and overnight.

The main alternatives to this approach were to close some services completely or to apply cuts to all output by equivalent amounts. We have concluded, on the basis of evidence gathered from this consultation and other work over recent years as well as our own judgement that neither of these approaches would be in the best interests of the audience.

- Equivalent cuts to all areas of output would lead to an unacceptable diminution in the quality and distinctiveness of the BBC's flagship services and priority areas such as journalism and children's programming
- At the same time, experience suggests that complete closure of some smaller services might risk a significant loss of audience value, narrowing of range and distinctiveness - losses likely to be disproportionate with the financial gains made.

In applying our general approach of seeking to protect services and content that provide the most value to licence fee payers, however, we have been careful to assess what impact the Executive's proposals may have on particular sections of the audience, and to take proper account of that before reaching our conclusions. We recognise that some BBC services and content, such as the Asian Network and Local Radio, are particularly important for particular sections of the BBC's audience. Accordingly, in reaching our final conclusions we have had appropriate regard to the BBC's equality duties as contained in: the BBC's commitment to represent the UK, its nations, regions and communities; its Diversity Strategy; and the Equality Act 2010.

It is a new experience for the BBC to see its income fall significantly in real terms. We understand this has been a difficult process for staff and that some licence fee payers will be disappointed by some of the particular choices we have taken as they become apparent on air.

But we remain confident that the BBC can provide an outstanding public service to its audiences and we are determined that this is done as well, and efficiently, as possible. The Executive's detailed audience modelling suggests that audience ratings of BBC quality should be at least maintained, with pan-BBC reach remaining high, and consumption falling slightly.

## Financial summary – services

In March 2012 we approved the BBC's budget for 2012-13, a high level summary of which will be published by the Executive in its annual work plan. We have also taken this opportunity to reset the baseline budgets for service licences for 2012-13 which we will continue to update, if necessary, on an annual basis.

In October 2011 we set out a detailed estimate of the changes projected to service licence spend by 2016-17. Since then the Executive has refined its forecasts, including revising assumptions in the areas we asked for amendments in our interim findings.

The estimated impact of the proposals we have now approved on each BBC service is projected in the table below.

The column entitled 'estimated content spend in 2016-17 before savings' has been calculated to project what spend would have looked like if the BBC had retained the same spending power as currently and did not have to make any content savings. It includes an allowance for inflation.

The other columns represent the estimated reductions to spend resulting from the content savings we have agreed over the period to 2016-17 – both in terms of the amount to be spent and as a percentage. These calculations include both the initial reductions and later re-investments. The impact of efficiency savings is not included within these calculations as these savings are not expected to impact on output.

**Table: Projected changes to service content spend by 2016-17**

Service	Estimated content spend in 2016-17 before savings (£m)	Estimated changes to content spend as a result of savings 2016-17 (£m)	Estimated changes to content spend as a result of savings 2016-17 (%)
BBC One	1,184.6	-37.4	-3.2
BBC Two	454.9	-26.2	-5.8
BBC Three	85.5	-8	-9.4
BBC Four	54.3	-5	-9.2
CBBC	89.2	-2.4	-2.7*
CBeebies	31.6	-0.2	-0.6
News Channel	46.8	-0.9	-2
BBC Parliament	2.3	0	-0.6
BBC Red Button	16.9	-0.9	-5.6
BBC HD	2.8	-2.0	-71.4
Radio 1	42.1	-1.3	-3.1
Radio 1Xtra	8.6	-1.4	-16.4
Radio 2	49.2	-1.8	-3.7
Radio 3	40.7	-1.8	-4.4
Radio 4	99.5	-1.2	-1.2
Radio 5 Live	62.8	-0.5	-0.9
Radio 5 Live Sports Extra	2.5	0	0
Radio 6 Music	8.3	-0.3	-3.2
Radio 4 Extra	5.7	-1.2	-21.2
Asian Network	9.5	-1.7	-18.1
BBC Local Radio	125.1	-0.4	-0.3
Radio Scotland	23.2	-0.7	-3.1
BBC Radio nan Gàidheal	3.7	-0.4	-9.6
Radio Wales	13.9	-0.6	-4.3
Radio Cymru	12.5	-0.5	-4
Radio Ulster/Foyle	16.3	-0.1	-0.4
BBC Alba	4.7	0	0
BBC Online	117.8	-0.3	-0.3**

Notes: [1] The figures in this table show the impact that BBC management is projecting from proposals that effect content and services by 2016-17. These proposals involve both a round of reductions to existing spend and a subsequent round of reinvestment in priority areas. The table presents a summary of the projected impact of both of these changes by 2016-17. BBC management has projected 2016-17 content spend using the same methodology as the Annual Report, which includes all allocated content spend but excludes distribution and central infrastructure and support costs. [2] Figures for content spend and estimated changes are rounded in the table; the percentage changes were calculated using unrounded figures.

\* Reductions in children's channels are due to savings in repeat fees from stopping broadcasting of children's output on BBC One and BBC Two.

\*\* In 2010 we approved a reduction in BBC Online's budget of 25 per cent by 2013-14. The impact of this change is incorporated within the 2016-17 projected content spend column.

## Outline of the remainder of this document

The subsequent sections of this document outline:

- The key themes arising from the public consultation process, alongside our conclusions for television, radio, nations and regions and digital areas of BBC output
- How we will monitor the impact of efficiency and other changes on BBC output and audiences
- Our regulatory conclusions, including a detailed list of service licence changes and consideration of the significance of proposed changes which have required us to assess whether a Public Value Test is necessary.

This document is supplemented by supporting documentation published on our website including:

- Public consultation summary
- Consultation responses from our four Audience Councils
- Responses from organisations (where non-confidential)
- Summaries of industry and stakeholder roundtable events
- Links to statements published by the Executive outlining individual strategies for each of the four nations of the UK
- Summaries of our regulatory assessments arising from some of the key changes to service licences
- An independent report by Ernst & Young about the efficiency programme (published in January 2012)
- Equalities Impact Assessment.

## Television

*This section covers the BBC's television output, including BBC One, BBC Two, BBC Three, BBC Four, CBBC and CBeebies, the BBC HD Channel, the BBC News Channel and BBC Parliament. References to savings, investments and spend (unless specifically noted) are about changes to the scope and output of BBC services that audiences would see and hear and exclude the impact of productivity savings.*

### Public consultation findings

In general, respondents broadly accepted the proposals affecting television and were in agreement with the spread of the cuts across the portfolio - although most highlight some exceptions and qualifications to this, often depending on their particular consumption habits. The key themes were:

- Questions about whether the BBC needs to keep its current range of digital channels, and whether the portfolio could be re-arranged. Conversely, some respondents expressed concern about the planned level of cuts to BBC Three and Four, and questioned whether this could impact on their ability to remain distinctive from BBC One and BBC Two
- Broad support for re-investment into drama and comedy and reduced spend on acquired programming
- Concern about the projected increase in repeats on BBC One and questions, in particular from some commercial broadcasters, about whether BBC One was distinctive enough
- A desire to see the BBC protect its reputation for sporting events – both large scale and minority
- Broad agreement that the children's channels should be protected from budget cuts as they are seen as core to the BBC's public service remit.

### Our conclusions

#### **We agree with the Executive's approach to broadly protect the peak time schedules of BBC One and BBC Two**

The BBC's main television channels deliver the BBC's public purposes to very broad audiences and drive audience perceptions of the BBC more than any other services. Over the coming years we have set BBC television the objective of promoting and the quality and distinctiveness of its output, particularly on the most watched TV channels, BBC One and BBC Two in peak-time.

In line with our strategy, BBC One and BBC Two will largely be protected from making significant cuts to the scope of their peak time content and output. Both channels will benefit from additional investment to promote distinctiveness – for example for new UK drama and comedy output on BBC One and specialist factual on BBC Two. BBC Two will also retain the investment in drama it has received over the past two years.

The channels however will not be immune from making cuts, although these will largely be confined to less valued parts of their schedules. For instance, BBC Two will make slightly fewer entertainment panel or chat shows, while BBC One will see small reductions in the number of new programmes broadcast after the 10 o'clock news and the amount of peak-time entertainment programmes, while its mid-morning and 3pm news summaries will end.

We note the concern expressed by some respondents to our consultation about the level of repeats on the BBC's main channel. It remains very important for BBC One to provide new programming in peak time, and while the level of peak-time repeats on BBC One will increase slightly, under this plan they will remain below 10 per cent (they were 8.4 per cent in 2010-11), which we believe is an acceptable level.

### **BBC Three and BBC Four can no longer be funded at their current levels but will remain valuable channels within the television portfolio**

One of the consequences of our approach is having less money to spend on BBC Three and BBC Four. We see the future of these as working more closely with BBC One and BBC Two, supporting these channels through more coordinated commissioning and scheduling. As a result, both channels will see some reductions in current output: BBC Three will reduce its originations in drama, music and entertainment, while BBC Four will reduce its investment in original UK drama and some parts of its specialist factual output, the funding for which will transfer to BBC Two.

However both BBC Three and BBC Four will retain their core remits and continue to cover a broad range of programming in order to retain a varied schedule and continue to attract audiences. BBC Four will take a clearer lead role in arts and cultural output and will continue to offer new comedy, entertainment and foreign language drama and film, while BBC Three will continue to focus on factual, comedy and experimental output that aims to appeal to younger audiences.

### **Investment in children's content will be preserved, with output to be broadcast solely on digital channels following digital switchover**

Children's output remains a cornerstone of the BBC's public service offering and one of the BBC's foremost editorial priorities. In line with this, we support the Executive's plans to maintain the underlying levels of investment in original content production for CBeebies and CBBC. By safeguarding the additional investment into such content over recent years, this means that the proportion of the licence fee spent on children's output (excluding productivity savings) will be higher than currently.

We are also approving the Executive's proposal to change the way that its children's programming is scheduled across its portfolio of channels, so that after digital switchover, children's output will solely be broadcast on the digital channels, CBBC and CBeebies, which all audiences will have access to.

In agreeing to this change, we have looked at viewing trends and other indicators to assess the impact on children, which we believe is likely to be very low. We note in particular that:

- The number of children watching the dedicated blocks of children's programming on BBC One and BBC Two is low and has fallen significantly over recent years

- The unique reach of children’s content on BBC One and BBC Two is also very low. Only around 7 per cent of CBBC’s target audience currently watch CBBC content on BBC One and BBC Two but do not also watch the CBBC channel, while CBeebies content on BBC Two has unique reach of just 2.3 per cent of its target audience.

We are mindful however that the re-scheduling may risk some short term confusion among viewers about where to find children’s output. We have therefore asked the Executive to ensure there is sufficient cross-promotion and marketing of the changes prior to their re-scheduling, to help mitigate any possible audience impact.

### **We are agreeing to a re-organisation of daytime television output**

The re-scheduling of children’s output will require some changes to the BBC’s daytime output. The Executive is still working on the precise details of the schedules, but has provided us with assurance that BBC Two will continue to feature international news and current affairs programmes at lunchtime, with other parts of the schedule likely to consist of repeats of mainly factual programmes from the BBC’s archive as well as live sport. BBC One will continue to originate new general daytime programmes.

We believe the changes should maintain, and may enhance, the recent positive progress made in making the BBC’s daytime offering more distinctive in response to the finding of our service review published in 2010.

### **There will be some reductions in spend on sports rights**

Sport is central to delivering some of the BBC’s public purposes and meeting the BBC’s editorial priority to bring communities and the nation together. However the acquisition of sports rights can be expensive, and given the financial constraints faced by the BBC, we agree with the Executive’s aim to reduce expenditure in this area by around 15 per cent (a good deal of which has already been achieved through sharing rights for Formula 1).

While it is not for the Trust to decide which individual sports rights are bought by the BBC, we want to ensure the Executive’s approach continues to be guided by the strategic principles we have set in this area: that, subject to value for money and affordability, the BBC should continue to prioritise those sports and events which have greatest national resonance, and in particular the events listed by the Government, as well as providing an outlet for minority sports.

### **We are broadly supportive of the proposals put forward by the Executive concerning journalism**

We regard the BBC’s journalism as its most important editorial priority. Both in the UK and around the world, the BBC is very closely associated with its news, and current levels of audience reach, appreciation and quality are very high.

Overall content savings in this area are therefore lower than others, and we support the broad approach – which aims to sustain core journalistic output - live breaking news, main news bulletins on flagship networks, and longer form investigative current affairs, as well as output specifically aimed at audiences in Scotland, Northern Ireland, Wales and the regions of England. We also support targeted re-investment in local and foreign newsgathering.

This means however that some areas of news expenditure will fall over coming years. The mid-morning and 3pm news bulletins on BBC One for instance will end, there will be some

reductions in conference coverage, and we have already announced changes to the News Channel, in our service review published earlier in 2012. The channel will focus more on core and breaking news stories, with a reduced expenditure elsewhere, for instance fewer features and special reports within news sequences.

In current affairs, we support the relative protection afforded to core programming and strands as well as some of the limited reductions in output proposed, chiefly a small reduction in 'lighter' current affairs output on BBC Two, and the targeted re-investment in investigative resources for *Panorama*. We also support the increase in the volume of international current affairs on BBC television, and we will retain the specified quota for peak time current affairs output on BBC One and BBC Two at its current level to safeguard against possible declines in such output.

### **We are approving changes to the BBC's High Definition provision although further work is needed to define the BBC's long term plans in this area**

We are approving the Executive's proposals to make further investments into High Definition, including:

- Launching a simulcast of BBC Two in HD in 2012
- Launching full BBC One HD channels for Scotland, Wales and Northern Ireland to replicate the existing standard definition channel in each Nation in 2012.

In order to enable these changes, the BBC will need to close the BBC HD channel.

Following discussions with our Audience Councils in each nation of the UK we recognise that there will remain differences to the services people in different parts of the UK receive in HD, and in particular:

- Viewers of BBC One HD in England will continue to receive an information screen during regional opt-out blocks, as at present
- Viewers in Scotland, Northern Ireland and Wales will need to watch the BBC Two standard definition service in order to view the opt-out programming on that channel for their areas.

However providing the full range of channels and opt-out variations in HD is constrained by various factors, including spectrum capacity on Freeview and cost on Satellite and Cable. We recognise that the changes we are approving therefore remain only a partial solution, and while they go some way to addressing current imbalances, also raise significant questions for the BBC's future approach to providing opt-out programming in HD.

In October, the Executive stated that the current standard definition variants on BBC Two will be maintained at least until 2015 while reviewing their long-term future; however, the Executive committed to maintaining the range and quality of output currently provided. In light of the questions raised through our consultation, we have asked the Executive to bring forward its thinking in this area and start preparing a longer-term plan for HD and opt-outs on both BBC One and BBC Two during the course of 2012.

## Radio

*This section covers the BBC's network radio output, including Radio 1, Radio 2, Radio 3, Radio 4, Radio 5 Live, 1Xtra, 4 Extra, 5 Live Sports Extra, 6 Music and the BBC Asian Network. References to savings, investments and spend (unless specifically noted) are about changes to the scope and output of BBC services that audiences would see and hear and exclude the impact of productivity savings.*

### Public consultation findings

In general, respondents broadly accepted the proposals affecting radio and were in agreement with the spread of the cuts across the portfolio, although most highlight some exceptions and qualifications to this. Key themes included:

- Whether the relative apportionment of cuts might risk eroding the distinctiveness of some smaller stations. Some commercial broadcasters argued that the plans did not sufficiently address a perceived lack of distinctiveness of the more mainstream stations
- Questions about whether the BBC needs to retain its range of digital stations
- Concerns about whether the plans to replace the current Nations opt-out programmes on Radio 1 with a UK-wide offering would limit the range of new talent or music the station can introduce and support
- Concerns about the effect of some proposals on BBC radio's range of live music, particularly in reference to Radio 2 and Radio 3, and whether this would diminish the BBC's support for the UK's music industry
- Concerns about the loss of Long Wave or Medium Wave transmissions.

### Our conclusions

#### **Our approach is to promote and protect the quality and distinctiveness of the BBC's core radio output**

The BBC's network radio stations, Radio 1, Radio 2, Radio 4 and Radio 5 Live all reach large audiences while Radio 3 offers a depth of coverage of classical music and cultural programming which is largely unavailable elsewhere. Our published service reviews have found that these stations make important contributions to delivering the BBC's public purposes. We agree with the Executive's proposed approach that there is no need for a major strategic realignment of these services at this stage, although each will have to make some changes to contribute to the overall financial target. In making these changes, continuing to pursue the strategies we have set must remain a priority.

The BBC's five digital radio stations generally aim to complement the core services, making distinctive contributions to the overall range of BBC radio output and playing a role in promoting the take up of digital radio. While the number of listeners to these stations has increased over recent years, and we believe they remain important parts of the BBC's radio provision to licence fee payers, many have relatively small audiences and they need to find ways to reduce their costs and improve value for money.

**Over the coming years, Radio 1 and Radio 1Xtra will strengthen their relationship to each other, finding ways of making savings while retaining their different identities**

Radio 1 currently has a role to promote Radio 1Xtra, and the stations are organised along these lines with a single Controller and some shared teams. In line with our broader strategy, this approach will be extended to allow the stations to work more closely together. Specific measures will include sharing of news bulletins except during their respective breakfast programmes and simulcasting output on weekdays between 2am and 4am.

We are also agreeing to changes to the balance of Radio 1Xtra's live output, so that it covers fewer, but higher impact, events. In approving this change we note that 1Xtra's live events expenditure will remain the same as now and 1Xtra will continue to put a strong emphasis on live music, as required by its service licence.

In addition we are approving the proposed replacement of the current late night opt-out programmes on Radio 1 with a single programme that offers a UK-wide platform for undiscovered, unsigned music and emerging talent from England, Scotland, Wales and Northern Ireland.

In response to this particular change, we were presented with three separate petitions protesting against the proposals. These campaigns, which were supported by established musicians, noted that the current programmes provide the only opportunity on Radio 1 to showcase up-and-coming bands and solo artists to both a nations and UK-wide audience. They expressed concern that a single UK wide programme would lead to fewer live sessions and outside broadcasts from musicians in the nations. In Scotland, the petition had 7,105 signatories; with 6,359 in Northern Ireland and 556 in Wales.

We recognise the high level of response to these petitions and the level of feeling these particular proposals have generated.

Although the restructure would mean losing the equivalent of four hours of airtime each week, it is likely that each new music track will be broadcast to a much larger audience than currently (across the whole UK), and we take some assurance from the Executive's commitment that the new programme is likely to have a higher proportion of first-play new music each week (that is, relying less on music repeated from previous weeks), and will seek to include artists from across the UK.

We are also taking into account that the current opt-out programmes reach relatively few listeners each week: 57,000 in England, 9,000 in Scotland, 12,000 in Wales and 4,000 in Northern Ireland. We accept that this is in part due to its late timeslot, but nevertheless the low audience, together with the relatively high costs of producing three separate programmes, means that the current offering represents poor value for money.

In agreeing to the proposed change we also believe that both Radio 1 and the BBC more generally will continue to support new music and unsigned and emerging artists very strongly, in particular through:

- Radio 1's specialist music programming every weeknight from 7pm to 4am and for twelve consecutive hours on Friday and Saturday nights
- The BBC's wider platform for supporting new music, BBC Introducing, a collaboration between Radio 1, 1Xtra, 6 Music, Asian Network, Radio 3, Local

Radio and Nations radio stations intended to showcase unsigned, self-signed and other emerging musical talent from the UK. This platform will remain unchanged.

**We are agreeing to some limited changes on Radio 2 and 6Music, although their service licence commitments remain unchanged**

Radio 2 will reduce slightly the amount of live music broadcast on the station, for instance through a small increase in the number of repeats of *Friday Night is Music Night* and *In Concert* re-designed as a less regular slot within existing evening output. However, live music will still form a significant part of Radio 2's schedule, covering a wide range from orchestral activity and musical theatre, to large scale events and sessions. We are retaining the commitment for the station to broadcast over 260 hours of live music each year.

In addition, we are agreeing to a reduction in the volume of comedy on the station, with some comedy programmes replaced by comedy showcases and ad-hoc comedy series. The station's commitment to developing new talent in writing and performance will remain unchanged.

6Music will remain largely unchanged, although will share more news output with Radio 2 to generate some savings.

**We are agreeing to some reductions to Radio 3's output but remain confident that the station will retain its distinctive character**

Radio 3 plays a vital role in the cultural and creative life of the UK, and we have looked at the proposed reductions carefully. We support the Executive's approach which is designed to preserve the overall quality and range of its music - rather than maintaining volume at the risk of reducing quality.

The changes we are agreeing to include:

- Around 25 per cent fewer live and specially recorded lunchtime concerts
- Fewer orchestral concerts in the evening, to be replaced with chamber and instrumental concerts
- Less specially recorded contemporary music for Hear and Now.

Although these changes do represent a reduction in output, we are of the view that Radio 3 will continue to deliver a distinctive offer and it will remain a very significant commissioner of music. It will continue to broadcast a new live concert each evening, around 200 new lunchtime concerts, and maintain coverage of the UK's main festivals. We are also agreeing to the proposal to re-invest in *The Proms* to maintain range and quality.

Other changes on the station include more sharing within news bulletins between Radio 3 and Radio 4, and a reduction in the amount of original drama - although the longer-form and contemporary drama which is distinctive to Radio 3 will be safeguarded.

In addition, the Executive has been reviewing the BBC's orchestras and singers to assess the scope for savings in this area. Final conclusions from this review are due to be announced later in the summer.

### **Radio 4's budget is largely protected, reflecting our desire to preserve its unique and distinctive role within the BBC's portfolio**

Radio 4 remains a vital component of the BBC's public service offering. To allow for reinvestment into the station so that it can develop its landmark factual programming, higher profile drama and its online and archive offering, the station will implement some limited programming changes, for instance a small reduction in factual and current affairs budgets, and around a two per cent increase in the number of repeats.

We are also approving a reduction of around 30 per cent in the volume of originated programmes on Radio 4 Extra, although the station would retain its family targeted output.

### **We approved a number of changes to 5 Live and 5 Live Sports Extra as part of our service review published in January 2012**

Our service reviews of 5 Live and 5 Live Sports Extra concluded that the proposed changes to these services largely fit with the strategy we have set for the BBC, and are an appropriate way to make the savings required. The changes approved include reducing the costs of overnight programming, reducing the cost of sports presentation, focusing business programming on the key times of early morning/breakfast and afternoons and ending some Sunday programmes, including comedy in the morning.

In our interim findings published in January we asked the Executive to re-think plans to decommission the weekly one hour current affairs programme on 5 Live and retain dedicated current affairs output – because we did not believe the change fitted with the BBC's journalistic priorities. The Executive has subsequently decided to move the programme to a more prominent slot to gain a larger audience impact.

### **We have agreed a revised strategy for the Asian Network**

In October 2011, the Executive proposed a series of changes to the Asian Network, including running a simpler schedule around six content areas (news, music and entertainment, Asian culture, discussion, languages and specialist music), reducing the amount of weekday language programmes and closing the station between midnight and 6am.<sup>2</sup>

Since October we have worked with the Executive to test these proposals and refine the future strategy for the station through our routine service review. Further details are available on our website, but in summary, we are approving the direction for the station as follows:

- Net scope savings of £1.7m (around 18 per cent)
- A simpler schedule with fewer, longer programmes, particularly in the evenings and weekends

---

<sup>2</sup> We consulted on the Executive's original proposals which aimed to make around 34 per cent scope savings. The Executive has since revised this figure: rebalancing between scope and efficiency savings and allocating more reinvestment to the Asian Network itself.

- An increase in the proportion of music on the station, changing the balance of music-to-speech from around 50:50 to 60:40 (although the station will be required to maintain around a 50:50 split during daytime hours)
- News and journalism output will continue to be a core priority
- Slightly reduced broadcast hours, with the station closing between midnight and 6am, and reductions in sports coverage, bespoke documentaries and drama.

**We accept that some trade-offs are also required in the way that radio services are distributed**

We are guided here by the principles we set for the BBC in Putting Quality First, and in particular the strategic aim to spend a higher proportion of the licence fee on content. In Putting Quality First we stated that the BBC should seek to ensure that every household has convenient access to each relevant BBC service, free at the point of use...[and do so] in a way that: safeguards easy, accessible open routes to BBC content; sustains quality free-to-air platforms; provides value for money to licence fee payers; secures baseline standards of quality, brand attribution and due prominence; meets legal obligations; is technically feasible.

In line with this approach, we agree with the plans to:

- Invest in the roll-out of the BBC national DAB multiplex to 97 per cent coverage of the population by 2017 and partner to expand local DAB coverage to 90 per cent of UK homes by 2017, subject to the Government's decision on switchover
- Not re-invest in Long Wave technology once the current infrastructure, which relies on technology that is no longer being manufactured, has reached the end of its life. Although this is unlikely to happen for several years, we welcome the Executive's commitment to make the existing programmes provided on LW available on other analogue BBC radio stations, so remaining as accessible to listeners as they are now.

We also agree with the principle to try and reduce medium wave transmission for local radio in places where coverage duplicates that of FM. However, establishing the audience impact of these changes is not straightforward, and the Executive needs to undertake further technical and feasibility work to establish the costs and impact of these changes within each part of the country. We will engage further with the Executive on this issue over the coming months before any final decisions are taken.

## Nations and Regions

*This section covers the programmes and services made specifically for audiences in Northern Ireland, Scotland, Wales and the regions of England. References to savings, investments and spend (unless specifically noted) are about changes to the scope and output of BBC services that audiences would see and hear and exclude the impact of productivity savings.*

### Public consultation findings

Respondents tended to be split in terms of their views on the overall approach to these services depending on their level of consumption. The key themes were:

- The proposed changes to local radio in England caused the strongest reaction, as well as from organisations and other representative groups. Most respondents were opposed to the changes, stressing particularly the potential loss of local identity, knowledge and experience which could result from additional content sharing beyond that which is currently scheduled. The proposed sharing of the afternoon slots was the least popular proposal, while there was also concern about the effects on local sports coverage and music programming. These views were echoed by those who took part in our Local Radio service review consultation
- Some respondents welcomed the proposals to show programmes made for viewers in the different Nations to the rest of the UK, although others were concerned to ensure that subjects would have a relevance beyond the Nation and that quality would match that of network programming
- Many respondents expressed opposition to the proposals to expand the broadcast area covered by English regional current affairs programmes
- There were relatively few responses about the BBC's national radio stations; those that did respond were mostly listeners or representative groups and opposed the proposed reductions
- Our Audience Councils based in each nation of the UK generally expressed support for the BBC's continued commitment to increasing the volume of network production made outside London, while recognising that more needs to be done in some areas to develop creative sustainable production bases. Councils also highlighted that there remain areas for improvement in how the BBC's network news output reflects the realities of a devolved UK, and the issue of fair access to the BBC's services.

### Our conclusions

**We asked the Executive, as part of its DQF plans, to set out what the BBC intends to offer the audience in each of the Nations of the UK**

These statements, which have been published by the Executive alongside our final conclusions, set out the strategy and proposals for each Nation of the UK, including:

- The relevant national, political and broadcasting context

- The BBC's role within each Nation
- A high-level overview of how the BBC is currently performing in each Nation
- A plan for Delivering Quality First in each Nation to 2016
- The strategy for network production in each Nation to 2016.

In summary, under Delivering Quality First, in Scotland, Wales and Northern Ireland the plans for television envisage:

- Maintaining the range and quality of opt-out programmes, while reducing the cost, aiming for higher impact and broadcasting more of these to audiences across the UK
- Maintaining investment in TV news bulletins and flagship strands with savings found through slightly reducing other non-core news and current affairs programming
- Continuing to increase investment in the amount of network programming produced in Scotland, Wales and Northern Ireland.

In England, we have agreed to a revised plan from the Executive for English regional current affairs, in our response to our interim findings, which halves the proposed level of saving from the original 40 per cent. This will allow the *Inside Out* strand to continue to run 11 separate editions, with separate regional lead stories for most editions. Although more items will be shared between programmes than today, there will be an increased focus and emphasis on investigations.

Our conclusions on the BBC's HD provision within the nations and regions are outlined in the section on television above.

On radio, we published the conclusions of our reviews of the national radio stations in Northern Ireland, Scotland and Wales in September 2011. We found that although listener numbers and audience perceptions of quality vary between stations, each service offers distinctive content which is not available elsewhere. In forming our conclusions, our intention was to ensure that regardless of financial pressure, each station remains distinctive and continues to generate public value.

Our view is that the proposals put forward by the Executive are largely consistent with our conclusions:

- BBC Radio Scotland will focus on delivering speech output in daytime and music output in the evenings. It will reduce the amount of originations of built speech output slightly, while maintaining its commitment to cover the arts and culture of Scotland in a longer-form programme. The service will prioritise investment in peak hours with reduced expenditure off peak. BBC Radio nan Gàidheal will protect its core news and feature output with a small reduction in other live programming
- Both BBC Radio Wales and BBC Radio Cymru will prioritise investment into peak hours and daily news services, with reduced expenditure in off peak, including a reduction in feature output. BBC Radio Wales will aim to broadcast a simpler schedule with fewer, longer programmes. BBC Radio Cymru will safeguard its coverage of Welsh culture and events but will reduce coverage of community

events and will slightly reduce the number of hours the station broadcasts each day

- BBC Radio Ulster/Foyle will focus on maintaining its current range of content but will reduce its broadcast hours by eight hours per week with the station closing at midnight and switching to 5 Live.

In addition to these proposed changes, we are currently working with the Executive to explore options for improving coverage of, and access to, nations' radio stations, subject to cost and wider strategic implications.

### **We have approved the Executive's revised plans for English local radio**

The proposals originally put forward by the Executive were designed to focus spend on peak-time programmes while reducing costs in other parts of the schedules, mainly through increased levels of sharing between stations in the afternoons and off-peak slots. In total these proposals, combined with proposed efficiency savings which are mainly targeted at reducing the costs of local newsrooms, aimed to save around £15 million each year.

In January we published our interim findings based on our initial analysis of the public consultation as well as audience research conducted as part of our separate review of local radio.

We recognised that it was right for the Executive to look for ways to cut the costs of Local Radio as elsewhere in the BBC. We concluded, however, that the scale and impact of the cuts, although lower in financial terms than for many other parts of the BBC, was disproportionate to the value of these services to their audience and asked the Executive to find ways to scale back the proposed changes to BBC local radio, in particular to ensure that:

- The great majority of local stations remain as local as they are now in the afternoons, and should be supported with sufficient journalistic resources
- Ways are found to continue to protect more specialist and distinctive local content out of peak.

The Executive has subsequently revised its proposals for local radio. The key points are:

- The original proposed savings have almost been halved from £15mn a year to around £8mn. Within this, direct savings to scope and content have been reduced from £8.5mn to around £2.1mn (excluding re-investment)
- Afternoon sharing will be limited to a very small number of stations, either where currently operational or where there are strong editorial reasons for doing so
- Sport and other community output will be more protected than originally proposed to ensure range and variety. There will be a number of editorial changes to how stations schedule minority output, with most of this output scheduled at weekends
- Cuts to on the ground journalists and reporters will be much lower with additional efficiency savings targeted at reducing layers of management within local stations.

We are however approving a number of the original proposals:

- On weekday evenings (19:00 – 22:00) all stations will join together for a new all-England programme, although stations can opt-out for local sports coverage
- Local broadcasting (apart from BBC London 94.9 and a small number of other stations where editorially relevant) should commence by 06:00 rather than 05:00
- The locally split breakfast programmes within Devon, Three Counties, Wiltshire and Cambridgeshire will end
- All stations will broadcast Radio 5 live from 1am until the start of their breakfast programme (already the case in most stations, but now BBC Newcastle and BBC London 94.9 will also broadcast Radio 5 live overnight)
- As originally proposed, within all shared programming, individual stations would continue to provide local news bulletins as at present, and would be able to opt-out of shared schedules in times of civil emergency or bad weather
- Some re-investment funding, targeted at local newsgathering, will be made available.

Further details are available in our local radio service review which we have published on our website.

## Digital

*This section covers the BBC's digital output, including bbc.co.uk, the Red Button and future digital development. References to savings, investments and spend (unless specifically noted) are about changes to the scope and output of BBC services that audiences would see and hear and exclude the impact of productivity savings.*

### Public consultation findings

Respondents were largely in support of the proposals outlined for the BBC's digital output provided on BBC Online. Many respondents commented that this is an area in which the BBC excels and therefore should be adequately supported.

Responses to the Red Button proposals tended to be split depending on their use of the service. Many respondents who use it value the additional content they receive particularly in terms of the streaming of live sport and live music. However, other respondents were generally supportive of the proposals to save money by limiting the number of streams, although some suggested that the outputs should be retained in some form, if possible, for example online or on the main channels.

### Our conclusions

#### **BBC Online's focus is to continue to implement the strategy we approved last year**

In 2011 we approved a 25 per cent reduction in BBC Online's budget by 2013/14 with a reorganised service based around fewer core sections which focus on those areas which are most valued by users. The Executive will continue to implement these reductions, and we will assess their impact as part of our second scheduled review of BBC Online due to start later this year.

#### **The proposed reductions to the BBC Red Button are in line with our service review conclusions**

Last year we completed our service review of the Red Button. We found that it was a widely used and popular service but has substantial costs. We concluded that the Red Button should focus on the things it does well and which its audience uses the most - the provision of news and information through digital text and additional coverage of major live events - while seeking to reduce its distribution costs by providing a more consistent level of service across different digital TV platforms. We believe that the Executive's proposals are in line with these findings and are approving the proposed changes, including:

- Reducing the number of video streams available on satellite and cable from nine to one to provide a more consistent service across all TV platforms
- Closure of the news multiscreen service.

#### **We await formal proposals concerning future digital developments**

The Executive has also proposed some additional investment to fund a range of developments to help prepare the BBC for a converged digital world, including developing

IPTV services for connected TV sets, with access through the BBC Red Button, and further digital curation. We recognise the strategic importance of the BBC keeping up with technological developments to ensure the BBC strives to reach audiences wherever and however they consume its content. We therefore support the ambition that sits behind the plans, although we await any formal proposals that may involve significant changes to services before assessing them for further regulatory scrutiny.

## Monitoring the impact of the changes

Aside from the small number of proposals where further work is required, such as the distribution of Local Radio on Medium Wave (see above), our main focus from now on is to oversee and monitor the implementation of the changes outlined in this document. We will look to test in particular whether: efficiency savings are genuine efficiencies and are made without impacting on the quality or scope of BBC output; and the agreed reductions in content and the scope of BBC activity do not lead to unexpected impacts on audience perceptions of BBC output. We are prepared to adapt the plans if the impact differs from that expected.

We have agreed with the Executive a range of controls and measures they will put in place to help achieve this, including:

- Quarterly internal reports that review progress against the BBC's strategic objectives, using key indicators to provide early warnings of unexpected outcomes and allow deeper investigation and corrective action, if necessary
- Annual externally-commissioned health checks to assess overall progress and performance.

We will also use our existing performance and financial frameworks, including:

- Quarterly reports to monitor service performance, including an annual discussion on service performance and review against the BBC's strategic objectives
- Our rolling programme of service reviews, to assess impact at a more detailed service level. Having reviewed each service once already since 2007, we will review each service at least once more between now and 2016
- National Audit Office reports and our own value for money investigations to examine progress on cross-divisional areas.

We will use the information and insight gathered from the sources outlined above to assess the scope for, and timing of, any further Trust-led evaluation and review of the Executive's delivery of the programme as a whole.

We will publish a summary of the Executive's performance in delivering against the plans each year in our annual report and accounts.

## Summary of regulatory conclusions and service licence changes

Under the terms of the BBC's Charter and Agreement, the Trust is required to undertake a Public Value Test (PVT) where a proposal constitutes a significant change to the BBC's UK Public Services.

In deciding whether a proposal is significant, we look at the impact (both on users and others, with advice from Ofcom on the latter), financial implications, novelty and duration of the proposed change. If a proposal involves a change to a key characteristic of a service as set out in its service licence, we presume that a PVT is needed unless other factors determine it is not.

For Delivering Quality First we considered it appropriate to assess the significance of the following changes:

- the way that children's programming is scheduled across the portfolio of channels, and the consequent re-organisation of daytime output
- Radio 1 and 1 Xtra, including sharing news bulletins between the two stations and replace opt-out programmes on Radio 1 with a single UK wide strand
- The BBC's High Definition services, including the proposed closure of the BBC HD channel and planning to make BBC Two an HD service
- BBC Local Radio
- Asian Network.

For each of these changes we have decided that the changes are not significant and no further regulatory action is needed. Further documentation to explain our decisions in detail can be found on our website.

The table below shows each of the service licence changes we have approved as part of this process, alongside supporting explanation where necessary.

Service	Explanatory note
<b>BBC One</b>	
Requirement for children's content to be shown on BBC One removed including shared condition with BBC Two to show 1,500 hours of children's programming a year	Due to transfer of children's output to digital channels
Requirement to deliver programmes "across all genres" relaxed to exclude children's genre	
Minimum hours of arts and music changed from 45 to 40	Due to reduction in late night/off-peak output, in particular fewer episodes of Film 2013
<b>BBC Two</b>	
Requirement for children's content to be shown on BBC Two removed including shared condition with BBC One to show 1,500 hours of children's programming a year	Due to transfer of children's output to digital channels

Licence updated to include simulcast the channel in high definition, mirroring the language currently used in the BBC One service licence. The BBC HD service licence will be discontinued.	Due to approval of BBC Two HD simulcast
Minimum hours of arts and music changed from 200 to 150	Due to transfer of some arts and music programming to BBC Four
Minimum hours of first run factual programming reduced from 520 to 375	Mainly due to changes in daytime/off peak schedules; also a small peak loss of around 50 hours.
<b>BBC Three</b>	
Minimum hours of arts and music changed from 35 to 30	Mainly due to reduction in channel's budget
Minimum hours of first run factual programming reduced from 125 to 100	Mainly due to reduction in channel's budget
<b>BBC Four</b>	
Minimum hours of arts and music increased from 100 to 150	Due to transfer of some arts and music output from BBC Two
Minimum hours of factual programming changed from 110 to 60	Due to transfer of some types of factual output to BBC Two
Remove reference to types of drama specified ("authored singles or singles or short series")	Due to reduction in original UK drama on the channel
Remove reference to business and history programming	
Wording changed from "It should record and broadcast performance from the nations and regions, including key festivals" to "It should provide a platform for local celebrations in the nations and regions and should also create occasions that bring people together..."	
<b>CBBC and CBeebies</b>	
Remove wording requiring that the channel should not be developed "at the expense of programmes catering for children of this age group on BBC One or BBC Two"	Due to transfer of children's output to digital channels
<b>News Channel</b>	
Remove requirement to broadcast business and personal finance each hour	Changes approved as part of News channel review
Remove requirement to co-present output from the scene of a breaking major international story	
<b>Radio 1</b>	
Wording added to allow for the simulcast of news and other late night content with Radio 1Xtra	
Condition to broadcast original opt outs from Scotland, Wales and Northern Ireland removed	Due to reformat of late night BBC Introducing music show
<b>Radio 1Xtra</b>	
Wording added to allow for the simulcast of news and other late night content with Radio 1. The requirement for the station to offer a bespoke news service amended	
Commitment to the provision of 50 live music events per year removed	Due to 'fewer, bigger better' strategy for live music events and the low relevance of the number

	for the station - as these range from overnight broadcasting from a club to full coverage of large, high impact BBC events.1Xtra's commitments to live music remain embedded within service licence
<b>Radio 3</b>	
% of the station's music output that is live or specially recorded reduced from 50 to 40	Due to the reduction in spend on specially recorded music
Number of live and specially recorded performances reduced from 500 to 400	Due to fewer concerts and less specially recorded contemporary music for Hear and Now
Number of new musical works each year reduced from 30 to 20	Due to the reduction in spend on specially recorded music
Number of new drama productions broadcast reduced from 35 to 25	Due to reduction in the amount of original drama, although longer form drama would remain on the station
<b>Radio 4 Extra</b>	
Wording changed from "the station should support new talent and regularly broadcast newly-commissioned content including drama and readings which appeal to children..." to "The station should play its part in supporting new talent and broadcast some newly-commissioned content including readings and short stories which appeal to children..."	Due to reduction in hours of originations
<b>BBC Asian Network</b>	
Clarify condition for speech:music balance applies during daytime hours	Due to revised strategy (see service review for further detail)
Add reference to speech output needing to be "relevant for a modern British Asian audience"	
Remove reference to evening output in the extract "During the day an extensive playlist should form the backbone of the schedule, while <u>evening</u> and weekend programmes should focus on more specialised areas."	
Insert requirement to support and encourage other BBC services to create journalism and cultural content of interest to this audience and help them to find these programmes, and relevant drama content, in other parts of the BBC	
Amend music requirements from at least 40% of the music in daytime is from UK artists to 30%: with additional commitments to playing at least 30% new music, at least 10% is South Asian and 10 live events or festivals are covered	
Remove reference to drama and online forums	
Amend language requirements from three to five hours a day to 20 hours a week	
<b>BBC Local Radio</b>	
Clarify remit by removing reference to 'urban and rural' and amending target audience to 'mainly listeners aged 50 and	Due to revised strategy (see service review for further detail)

over, although may appeal to all audiences interested in local issues'	
Change starting time for stations from 5am to 6am (except where editorially relevant)	
Include 'local appeal' in the characteristics of programmes	
Change reference to minority audience output from 'where they exist, local minority audiences should be catered for' to 'all stations should aim to serve minority audiences'	
Amend reference to 'hours of original, locally-made programming' to clarify that shared content in daytime hours qualifies towards the 85 hours commitment	
Add reference to allow sharing at a network level, and change 'may' to 'will' simulcast BBC network radio overnight. Add footnote to clarify that during shared programming, each station should retain the ability to cover local emergency situations when necessary	
Various clarifications within Annex II: to Radio Wiltshire, Three Counties, Devon, Cambridgeshire and Solent to reflect changes to split breakfast opt-outs and to Lancashire and Leicester to reflect changed requirements for some minority output	
<b>Radio Scotland</b>	
Remove commitment for station to broadcast a daily arts show	Radio Scotland is the only station with this commitment. The overall commitment to a minimum of 200 hours of arts is retained, with no overall reduction in arts or cultural coverage in daytime or evening output