Window of Creative Competition for Television
BBC Trust review
March 2013
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About this review

In 2011-12, the BBC invested £887m in commissioning new network television programmes. Around £457m (52%) of this total was commissioned from the BBC’s in-house television production teams, and around £430m (48%) was commissioned from independent producers1. This represents a significant investment in content by the BBC on behalf of licence fee payers, and plays a crucial role in sustaining and developing the UK’s television sector and the UK creative economy as a whole.

Introduction to the WoCC for television

BBC television output is subject to a number of formal quotas and targets relating to television commissioning. These quotas and targets are defined in either the Communications Act 2003 or in the BBC’s Framework Agreement.

The BBC Executive is responsible for ensuring that all of the BBC’s television quotas and targets are delivered each year. The BBC Trust has responsibility for assessing the BBC’s compliance against these quotas and targets2.

In particular, the Communications Act 2003 requires the BBC to commission 25% of its original network and non-network productions from the independent sector each year, set out in the Ofcom independent production quota3. In addition to this, the BBC’s Framework Agreement requires that 50% of BBC television commissioning is reserved for its own in-house production teams.

The remainder, around 25%, is set aside for competition between the BBC and independent producers. The Framework Agreement refers to this as the Window of Creative Competition (WoCC).

Introduced in 2007, the WoCC was designed to stimulate competition between the BBC’s own producers and independent television producers by allowing them to compete for network television commissioning opportunities in an environment where the best programme ideas would be selected by commissioners regardless of source. It is these arrangements that form the subject of this review.

The Trust’s approach to the third review of the WoCC

Under the terms of the Framework Agreement, the Trust is required to review the operation of the WoCC, and the BBC Executive’s compliance with it, every two years. The last review, published in 2010, found that the WoCC was generally operating well, and that the principle of competition in commissioning engendered by the WoCC was well established. In addition, it found that the BBC had:

1 Source: BBC Executive
2 Ofcom has statutory responsibility for assessing compliance with the independent production quota as set out in the Communications Act 2003
3 Ofcom has statutory responsibility for setting the independent production quota (currently 25%) as set out in the Communications Act 2003
• complied fully with the requirements set out in the Agreement relating to the operation of the WoCC and the in-house guarantee
• delivered benefits to licence fee payers, the BBC and the independent television production sector through the operation of the WoCC
• made good progress in implementing the recommendations of the Trust’s first review of the WoCC in 2008

The previous review also recommended that the BBC should:
• clarify remaining areas of uncertainty as to how the WoCC operates in practice
• provide information around the scope and scale of opportunities in individual genres, particularly for those producers who do not have regular access to the BBC
• improve the quality of audience information shared with the independent sector, particularly the frequency and format with which this information is communicated
• consider how tendering can best be used to increase levels of competition
• continue to make BBC commissioning easier to access for all independent producers, and in particular, to ensure that information is made available consistently to all independent production companies in the Nations and Regions
• assess the frequency with which sports rights contracts are re-tendered for production, in order to evaluate opportunities to support greater levels of creative competition over the long term
• clarify the exact nature and permeability of quota boundaries, particularly in Children’s programming
• review the Knowledge quota to understand whether the number of pre-determined commitments can be reduced to mitigate the risk of pre-determined output

For this third review of the WoCC, we have conducted the review using the Trust’s own in-house resource.

**Scope of the review**

We published terms of reference at the launch of the review in September 2012 which formed the basis of our evidence gathering and subsequent analysis:

a. Has the relevant proportion of network television programming been the subject of competition as envisaged under the WoCC arrangements?
   i. and in particular, has an appropriately wide range and diversity of programmes been made through the WoCC?

b. Has the process of competition been fair and transparent?
   i. have sufficient levels of information/engagement been provided with regard to the commissioning process and forthcoming commissioning opportunities?
ii. does the geographical location and size of producers who made bids to make programmes through the WoCC suggest that the process of competition has been fair and transparent?

c. What outcomes have the arrangements led to in terms of content commissioned in-house versus externally?

   i. have commissioning decisions been made on the basis of the best ideas winning?

d. Have previous Trust actions and recommendations been implemented?

e. Have the arrangements worked well in practice? Have there been any complaints?

We have assessed the BBC Executive’s compliance with the requirements set out in the Framework Agreement, which include meeting the requirements of the in-house and independent guarantees. However, we have not gathered evidence specifically in relation to, nor assessed, the relative advantages or disadvantages of changing the percentage of BBC television output to which these quotas relate, which is a matter for the next review of the BBC’s Royal Charter in 2016.

Key sources of evidence and inputs to the review

The review has considered evidence and data from a wide range of sources and stakeholders. We publicised the review internally within the BBC and externally, and approached individuals from the independent television production sector directly to ensure as many people who might wish to share their views about the operation of the WoCC, and the BBC’s competitive commissioning arrangements under it, would have known about the review and had sufficient opportunities to submit their views to us.

We are grateful to everyone who gave up their time to share their insights and experiences with us in the course of conducting our review.

The key sources of evidence and inputs to the review included:

- a public consultation comprising a set of online questions about the operation of the WoCC. We received 28 submissions (mainly from independent producers) including one from the Producers’ Alliance for Cinematography and Television (PACT) and four from BBC management setting out perspectives from BBC commissioning, BBC in-house production and an overview of progress made since the Trust’s last review of the WoCC in 2010
- follow up discussions with independent producers who submitted views via the public consultation, and roundtable discussions with independent producers based in the Nations
- genre based interviews with BBC commissioning staff, comprising commissioners and business affairs staff who manage compliance with the various output quotas
- genre based interviews with BBC in-house production teams
- attendance at a pan-genre commissioning briefing given by the BBC in Salford to independent producers
• discussions with the UK’s main industry body for independent television producers - PACT
• discussions with BBC management
• desk research, including reviews of data supplied by the BBC Executive, data published by Ofcom, surveys conducted by BBC management into the efficacy of its commissioning arrangements and PACT’s annual census of its members
Key findings and recommendations

The BBC is complying fully with the requirements for television production and the WoCC as set out in the Communications Act and Framework Agreement

Under the independent production quota set by Ofcom in accordance with the Communications Act, the BBC must source not less than 25% of its original television programming from the qualifying independent sector. Our review shows that the BBC commissioned 40% of eligible hours from the qualifying independent sector in 2010-11, and 39% in 2011-12, made up of commissions under the independent production quota and the WoCC.

The BBC has also met the requirement set out in the Framework Agreement to produce 50% of its television production in-house, producing 57% of all television hours in 2010-11 – broadly comparable to previous years – falling to 54% in 2011-12.

Non-qualifying independent producers delivered a further 3% of network TV output in 2010-11 and 7% in 2011-12, making up a total independent share of network TV commissioned hours of 43% and 46% respectively for the two years under review.

The BBC has opened up the required proportion of network television hours under the WoCC

Although the total amount of BBC network commissioned hours has declined slightly over the last 5 years, and underwent a reduction in 2011-12 of around 8% against 2010-11 levels, the required proportion of network television commissioning opportunities has nevertheless been opened up to competition by the BBC over the course of the two years under review, with a variation across genres in line with that seen in previous reviews. Relatively few hours continue to be allocated within Sport owing to the rights-based nature of its output.

Independent producers secured 72% and 83% of the available network television hours under the WoCC in 2010-11 and 2011-12 respectively, in particular winning a large proportion of hours in Drama, Entertainment and Children’s in the two years under review, and particularly so in 2011-12.

In addition to network commissions, the BBC is also required to ensure there are appropriate opportunities for competition between in-house and external producers for the provision of non-network programmes. In the two years examined under this review, the BBC commissioned 33% of its non-network programming from independent producers across Northern Ireland, Scotland and Wales in both 2010-11 and 2011-12, with the remainder coming from independent producers in England.

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4 The distinction between qualifying and non-qualifying independent producers is set out in the independent production order that sits alongside the Communications Act, which broadly defines non-qualifying independent producers as those production companies who are employees of a broadcaster, or who have a shareholding greater than 25% in a broadcaster, or who are the subject of a shareholding by a single UK broadcaster of more than 25% (or by several UK broadcasters of more than 50%), or who are required by the production contract to use the production facilities of the broadcaster or not to use the production facilities of some other broadcaster.
An appropriately wide range and diversity of programming has been made through the WoCC

Our analysis of commissioning outcomes over the last five years between BBC in-house production and independent producers provides good evidence that an appropriately wide range and diversity of programming has been made under the WoCC.

In parallel with the independent sector’s continued strong performance under the WoCC, we note that the BBC has worked with a record number of independent production companies over the last two years, providing a good indication of the BBC’s continued focus on working with new talent, and of a strong and diverse independent television sector. The BBC engaged with 222 independent producers to help it deliver its network output in 2010-11, and 205 in 2011-12. This compares with 194 and 199 respectively in the preceding two years. In addition, against a backdrop of consolidation in the market, a good proportion of new independent producers were commissioned in each of the two years under review, providing evidence that commissioners are actively seeking out new independent producers in securing the best programme ideas.

The principle of selecting the best programme ideas for audiences regardless of source is now fully embedded in the BBC’s commissioning culture. The benefits extend beyond the WoCC itself across all of the BBC’s commissioning activity

The evidence gathered as part of our review strongly suggests that the selection of the best programme ideas takes precedence over pre-determined quotas, buying models or programming slates. On the basis of our assessment of a range of evidence, focused principally on the direct experiences of BBC commissioners, in-house teams and independent producers, we have formed a clear impression that commissioners have sufficient flexibility to focus on commissioning new programme ideas on merit. We have also noted throughout the review the declining importance of the WoCC as a discrete process for all those involved.

The positive benefits of the cultural impact of competitive commissioning appear to be generally recognised by the BBC and independent producers as also being delivered beyond the WoCC throughout the commissioning process, encompassing both the requirements of the in-house guarantee and the independent production quota.

The WoCC has continued to help deliver a range of television programmes through competition that are rated highly by licence fee payers

Our analysis of a range of audience ratings for programmes broadcast on the BBC, including average Appreciation Index (AI) scores5 for all of the BBC’s network television output, shows a general increase in scores over the three years between 2009-10 and 2011-12. When ratings that measure audience perceptions of ‘fresh and new’ and ‘high quality’ are compared on a like-for-like basis, the differences in average scores between in-house and independently produced programming are relatively small, with independent producers on average scoring slightly higher for ‘fresh and new’ and BBC in-house productions scoring slightly higher for ‘high quality’. While precise cause and effect is difficult to establish, the Trust believes that on the balance of evidence, the WoCC has continued to help deliver a range of television content that is rated highly by licence fee payers.

5 Appreciation Index scores are calculated by asking respondents to rate programmes they have watched out of 10. These scores are then averaged up to give scores out of 100.
The process of competition under the WoCC appears to have been fair and transparent

The geographical location and size of producers who made bids for, and were commissioned to make, network television programmes by the BBC suggest that the process of competition has been fair and transparent. There appears to have been a broadly equitable allocation of development funding to explore new television programme ideas between BBC in-house teams and independent production companies.

While the WoCC continues to work well, the Trust is asking the BBC Executive to consider a number of further improvements as a result of this review

Disseminating information about commissioning opportunities

On balance, we have found that sufficient levels of information and engagement have been provided by the BBC with regards to commissioning opportunities, but efforts should continue to achieve consistent and reliable information sharing as follows:

- ensure that the commissioning website is regularly reviewed and kept up to date
- maintain the commitment to providing an appropriate level of information for independent producers and in-house teams alike to address any potential information imbalance, particularly between those suppliers who have greater levels of direct access to commissioners and those who do not
- examine the most appropriate seating arrangements within BBC buildings for commissioners, independent executives and in-house teams to ensure no undue advantage is provided to any one party.

Building greater confidence in an open and fair commissioning framework

BBC management should investigate ways of building greater confidence in an open and fair commissioning framework, particularly for those producers based further away from commissioning hubs.

On the basis of the evidence we have gathered as part of our review, the BBC should consider ways in which it can address the following key areas:

- developing and enhancing processes that build confidence in the commissioning process for all suppliers. In particular, the Executive should examine carefully the function of the new commissioning executive structure in the Nations to ensure it delivers benefits for all parties
- finding ways to facilitate quicker commissioning responses to pitches for all programme ideas
- examining ways in which the BBC can better harness and sustain the relationships that content producers build up over time with commissioners, particularly during times of organisational change.
Fulfilment of all the BBC’s television production quota requirements

Continuing consolidation in the independent television production supply market and the recent growth in the number of independents with non-qualifying status being commissioned may be an indication of future potential difficulties for the BBC in complying with its quota requirements, which it must continue to fulfill.

In light of these developments, we have asked the BBC to continue to monitor the evolving market situation more generally so that the Trust can monitor developments and consider whether, as the supply market continues to evolve, the current framework of television production quotas and the WoCC continues to serve the best interests of audiences.

Competitive tendering opportunities in Sport

Despite efforts to improve the levels of competitive tendering in Sport, constraints on the number of new commissioning opportunities remain.

While we are pleased to note that some progress has been made within Sport since the last review, we expect BBC management to continue to make progress subject to the overall limitations that apply to the number and timing of genuine competitive tendering opportunities within this genre.

Improving reporting

Due to the differing scales of opportunity within each WoCC genre, there can be large variations in outturn figures on the basis of relatively small movements in hours won or lost. We believe that in order to improve openness and transparency, the BBC should look to improve the context it provides around the annual reporting of the WoCC performance figures.

We also note that the Sport genre is not currently reported in the published annual WoCC figures. While we acknowledge the specific issues surrounding the implementation of the WoCC in Sport, we believe that publishing the WoCC performance figures for Sport on the same basis as in other genres will help maintain a close focus on progress in delivering a competitive commissioning environment within the Sport genre.

In its submission to this review, PACT made a request to the Trust to provide more information about the diversity of the BBC’s supply base in terms of location and other key characteristics, to help ensure a range of voices and perspectives continue to be heard as part of the BBC’s commissioning of independent television content. We have endeavoured to ensure an appropriate data set has been published as part of this report, and will continue to do so in future reviews.
Context

The concept of the WoCC

The vision of the WoCC was first set out by the BBC in 2004 in the context of discussions leading to the last Charter review. While setting out the benefits of a strong in-house television production capability, the BBC set out its intention to secure the best programme content for licence fee payers through a commissioning system that focused squarely on building public value and benefits for audiences. The BBC aimed to bring this vision to life through investing the licence fee in the best ideas and the best talent irrespective of whether they came from inside or outside the BBC.

Prior to this the BBC had struggled to meet its existing statutory requirement that 25% of its original television productions should be commissioned from the independent sector each year, falling short of the required percentage of hours in both 2001-2 and 2002-3.

After a wide ranging review, the BBC published a new strategy for the digital age in 2004 entitled Building Public Value. The strategy acknowledged the critical importance of retaining a strong in-house production base, citing security of supply and quality; critical mass; training and the development of a long-term creative tradition; greater efficiency; and greater ease of developing flexible crossmedia products and services.

However, the BBC also concluded that there should be a one-off reduction in its in-house television production capacity to create an appropriate space for competition between in-house and independent producers. This led to the current arrangements, which were put on a formal footing as part of the BBC’s Framework Agreement which came into effect with the current Charter in 2007. This framework introduced a new requirement that 50% of relevant programmes should be reserved for in-house production (referred to as the in-house guarantee) and that the remaining proportion of relevant network programme hours beyond the 25% independent production quota should be allocated openly and transparently among in-house and independent producers through the WoCC solely on merit.

The expectation was that the reforms would result in a significant increase in the amount of BBC television output for which external suppliers were eligible to compete. With the WoCC in place the intention was that half of all BBC network television commissioning would effectively be open to being produced by external production companies.

The in-house guarantee of 50% was, as it is now, spread across genres with the level of the guarantee varying from genre to genre. Retaining the necessary critical mass to secure programme supply on a sustainable basis was a key consideration in determining the level of the guarantee. Guarantee levels for individual genres were set on the basis of a ‘tipping point’ analysis which took into account the future programming needs of the BBC in key public services genres and the extent to which different types of production contributed to these. Factors including the balance between returning strands and new output, the opportunity for in-house departments to innovate and the range and diversity of in-house output including the spread across London, the Nations and the English regions were taken into account.

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6 See online at: http://downloads.bbc.co.uk/aboutthebbc/policies/pdf/bpv.pdf
Development of the UK television market

The BBC depends on independent producers for up to half of its network television output, and it is therefore important to keep a close eye on the supply market which has evolved significantly since the WoCC was first introduced in 2007.

During that first year, the BBC spent around £937m on new network television content\(^7\), 44% of which was spent on commissioning from independent television companies, both qualifying and non-qualifying\(^8\). Since that time, although the BBC's total spend on network television content fell to £887m in 2011-12, the proportion of this total spent with the independent sector grew to around 48%.

This growth appears to reflect the comparative strength of the television sector as a whole in the UK economy. Ofcom's Communications Market Report for 2012 reports that over the five years between 2007 and 2011, total television industry revenue grew from £11.0bn to £12.3bn, representing a compound annual growth rate (CAGR) of 3% against a backdrop of a general downturn in the UK economy.\(^9\)

Within this overall picture, figures published in Broadcast indicate year on year revenue growth of 8.5% between 2010 and 2011 for the top 10 independent television producers by turnover, and the industry body PACT (the Producers’ Alliance for Cinema and Television) reported overall revenue growth of 10.6% over the same period in its annual survey of independent production companies.

The market outlook is evolving and complex. Along with growth in the independent television production sector, we have also seen some evidence of the impact of the general economic downturn on broadcasters being reflected in pressures on independent producers to trim costs, which may in turn be driving some market consolidation along with a focus on building revenues in international markets and a recently observed increase in format-driven programming.

An analysis of Ofcom’s Communications Market Report for 2012 suggests some underlying factors behind these changes. The report shows that while spend on network television content (including acquisitions) by all UK TV channels grew to £5.5bn in 2011 at a five year CAGR of 3%, spend on first-run originated programming (excluding acquisitions) for the five main PSB channels decreased to £2.5bn at a rate of 4% CAGR over the same period. The competitive pressures emerging from this decline in spend on first-run originations may to some extent be responsible for hastening further consolidation in the market, and is likely to have underpinned the recent sharp upturn in the proportion of network hours commissioned by the BBC from the non-qualifying independent production sector, which more than doubled during 2011-12 (see figure 1 below).

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\(^7\) The Trust previously reported a figure of £933m in its 2008 and 2010 reviews of the WoCC. However, this figure omitted around £3.7m on news-funded current affairs programming created by the BBC’s own in-house teams.

\(^8\) The distinction between qualifying and non-qualifying independent producers is set out as part of the Ofcom Tier 2 independent production quota framework, which broadly defines non-qualifying independent producers as those production companies who are employees of a broadcaster, or who have a shareholding greater than 25% in a broadcaster, or who are the subject of a shareholding by a single UK broadcaster of more than 25% (or by several UK broadcasters of more than 50%), or who are required by the production contract to use the production facilities of the broadcaster or not to use the production facilities of some other broadcaster.

\(^9\) Office of National Statistics figures. CAGR based on inflation adjusted Gross Domestic Product figures (final quarter figures for each year from 2007 to 2011)
Non-qualifying independent production companies (NQIs) are defined by Ofcom as those production companies who are employees of a broadcaster, or who have a shareholding greater than 25% in a broadcaster, or who are the subject of a shareholding by a single UK broadcaster of more than 25% (or by several UK broadcasters of more than 50%), or who are required by the production contract to use the production facilities of the broadcaster or not to use the production facilities of some other broadcaster. The effect of commissions from NQIs in terms of the WoCC is to reduce the total number of hours available for competition in the WoCC for independent production companies not aligned to broadcasters, as these commissions cannot sit within the independent production quota, which is calculated on the basis of commissions from qualifying independents only.

While consolidation in the television production sector continues, evidence gathered as part of this review nevertheless suggests a vibrant sector undergoing frequent churn through the creation of newly ‘spun off’ independent producers. This appears to have been fuelled by a number of factors including the rapid growth in new multichannel commissioning opportunities (see figure 2 below), and a market driven by a limited pool of top on-screen and production talent.

**Figure 2: Number of channels representing 75% of viewing by age group (2002 v 2011)**

Source: Ofcom Communications Market Report 2012
Despite some evidence of churn, we note concerns raised in PACT’s submission to this review around the potential impact on the levels of BBC commissioning from smaller independents due to consolidation. Through our discussions with PACT and independent producers, the acquisition and trading of revenue-generating intellectual property rights also appears to have emerged as a key driver in the current trend for consolidation of ownership of production companies. Indeed, a drive to bolster originated content portfolios in order to expand rights opportunities may be driving the recently reported increases in in-house production investment in certain key genres by broadcasters such as Sky and ITV.\textsuperscript{10}

The territorial focus of the UK independent television production sector has also shifted as new forms of digital and rights income have driven independent producers to broaden the markets in which they operate in order to develop new opportunities and revenue streams. For example, recent data published in \textit{Broadcast} relating to 2010-11 appears to suggest that, on average, just over a quarter of all turnover for UK-based production companies is now derived from international markets, and some commentators have suggested that secondary rights sales and international revenues may now overtake income from UK primary commissions in a timeframe as early as 2014.\textsuperscript{11}

Despite the economic uncertainties and the complexities of the evolving UK television production market, discussions and interviews undertaken as part of our review suggest that the BBC appears to have continued to play an important and stabilising role in the sector. In 2011-12, the BBC invested just over £430m of licence fee funds in new network commissions from the independent sector, and Ofcom figures show it has consistently invested more in new network originated programming as a whole in each of the previous five years than the UK’s commercial Public Service Broadcasters combined.

\textbf{Figure 3: Network programme spend on first-run originations, £m}

Source: Ofcom Communications Market Report 2012

\textsuperscript{10} See, for example, fig 2.28 in Ofcom CMR 2012 which shows Entertainment as one of the largest revenue generating genres for multichannel broadcasters, and one that has exhibited one of the highest year on year growth rates (19% between 2010 and 2011)

\textsuperscript{11} See, for example, Oliver & Ohlbaum: Prospects for UK Television in a Connected World (December 2012)
Analysis

Under the terms of the Framework Agreement, the Trust is required to assess the BBC's compliance with the WoCC, and in particular, its operation of clauses 54, 55 and 56 of the Framework Agreement. Beyond this specific duty, the Trust also has more general duties under the BBC’s Royal Charter to ensure, for example, that the BBC observes high standards of openness and transparency.\(^\text{12}\)

With these requirements and duties in mind, our analysis is divided into two parts - Part 1 deals with compliance against the requirements set out in clauses 54, 55 and 56 of the Framework Agreement, and Part 2 deals with a broader analysis of outcomes, both in terms of audiences and in terms of suppliers of television content.

Part 1: Compliance

The independent production quota, in-house guarantee and Window of Creative Competition

The BBC is complying fully with the requirements for television production and the WoCC as set out in the Communications Act and Framework Agreement

Ofcom, the UK’s communications regulator, has set a quota for the BBC and other public service broadcasters in accordance with the Communications Act to commission not less than 25% of their television programming from the qualifying independent sector. Our review shows that the BBC commissioned 40% of eligible hours from the qualifying independent sector in 2010-11, and 39% in 2011-12, made up of commissions under the independent production quota and the WoCC.

The BBC has also met the requirement set out in the Framework Agreement to produce 50% of its television production in-house. Our review has demonstrated that BBC in-house teams produced 57% of all network television hours in 2010-11 - broadly comparable to previous years - falling to 54% in 2011-12.

Non-qualifying\(^\text{13}\) independent producers delivered a further 3% of network TV output in 2010-11 and 7% in 2011-12, making up a total independent share of network TV commissioned hours of 43% and 46% respectively for the two years under review.

\(^{12}\) Charter, Article 23(f)

\(^{13}\) The distinction between qualifying and non-qualifying independent producers is set out independent production order that sits alongside the Communications Act, which broadly defines non-qualifying independent producers as those production companies who are employees of a broadcaster, or who have a shareholding greater than 25% in a broadcaster, or who are the subject of a shareholding by a single UK broadcaster of more than 25% (or by several UK broadcasters of more than 50%), or who are required by the production contract to use the production facilities of the broadcaster or not to use the production facilities of some other broadcaster.
Operation of the WoCC in accordance with the Framework Agreement

The required proportion of network television hours has been opened up to competition under the WoCC

The Framework Agreement requires the BBC to open up to competition in the WoCC all eligible network television hours beyond those produced under the independent production quota and the in-house guarantee. In order to meet these requirements, as part of its annual planning process, BBC commissioning generates a buying model which sets out the relative proportions of network television hours available in each of the in-house guarantee, the independent production quota and the WoCC, taking into account returning series and other commissions that have already been made in the previous year.

Our assessment of this data shows that the BBC has consistently opened up the required proportion of network television hours to competition under the WoCC, and has done so again for the two years under review.

We have found that although the total amount of BBC network commissioned hours has declined slightly at a compound annual growth rate (CAGR) of -1% over the last 5 years, and undergone a reduction of around 8% against 2010-11 levels, the required proportion of network television commissioning opportunities has nevertheless been opened up to competition by the BBC over the course of the two years under review, with a variation across genres in line with that seen in previous reviews. Relatively few hours continue to be allocated within Sport owing to the rights-based nature of its output as shown below in figure 5.
In terms of outcomes, independent producers secured 72% and 83% of the available network television hours under the WoCC in 2010-11 and 2011-12 respectively, in particular winning a large proportion of hours in Drama, Entertainment and Children’s in the two years under review, and particularly so in 2011-12, as shown below in figure 6.

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<th>BBC in-house production %</th>
<th>Independent producers %</th>
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<td>Drama</td>
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<td>Entertainment</td>
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In addition to network commissions, the BBC is also required to ensure there are appropriate opportunities for competition between in-house and external producers for the provision of non-network programmes. The Trust’s previous review of the WoCC in 2010 showed that the BBC commissioned around 35% of its non-network programming from independent producers in the Nations and Regions in both 2008-9 and 2009-10. In the two years examined under this review, the BBC commissioned 33% of its non-network programming from independent producers across Northern Ireland, Scotland and Wales in both 2010-11 and 2011-12, with the remainder coming from England.
Most independently produced non-network programming was commissioned in the Current Affairs, Factual and Sport genres, with smaller proportions being commissioned across other genres. We believe that the spread of non-network commissioning across the key genres indicates that the BBC has continued to create appropriate opportunities for competition between in-house and independent producers, and that the overall stability in hours of non-network independent commissioning is most likely a direct consequence of the BBC’s continuing investment in out of London television production, serving to highlight the important role that the independent sector continues to play in BBC television production in the Nations and Regions across the UK.

On the basis of the evidence we have gathered as part of our review, we are satisfied that the required proportion of network television hours has been opened up to competition under the WoCC, and that there have been appropriate opportunities for competition between in-house and external producers for the provision of non-network programmes for the two years under review.

**An appropriately wide range and diversity of programming has been made through the WoCC**

The Trust believes that the range and diversity of programming made under the WoCC is an important measure of the success of the BBC’s competitive commissioning arrangements. We have looked at four key areas in making our assessment: variability in commissioning outcomes; the spread of total and peak hours across genres won by independent producers; the diversity of the BBC’s television production supply base; and the variation in network commissioning hours sourced by Nation and Region and supply type.

Our analysis of commissioning outcomes over the last five years between BBC in-house production and independent producers provides good evidence that an appropriately wide range and diversity of programming has been made under the WoCC. Figure 8 illustrates not only the consistently strong performance of independent producers competing under the WoCC, but also the year on year variability in commissioning outcomes across the key output genres. We believe this variability is a key indicator not only of the principle of competitive commissioning at work, but also of the range and diversity of programmes being made under the WoCC.
Figure 8: proportion of the WoCC won by supplier type, year and genre

Source: BBC Executive

Figures provided by the BBC Executive also show independent producers winning a fair share of total and peak network programming hours in the two years under review across the range of output genres, performing particularly strongly in Comedy and Entertainment (note peak hours are not defined for Children's output and are therefore not reflected in figures 9 and 10 below).

Figure 9: Independent share of total and peak network hours 2010-11

Source: BBC Executive

Looking across the two years, independent producers have secured increases in total hours across Drama, Entertainment, Knowledge and Children's from 2010-11 to 2011-12. However, while independent producers have generally won a good share of peak hours in relation to total hours (particularly in Drama where peak hours have grown by 12% in relation to an increase in total hours of 10%), there have been some year on year reductions in peak hours programming in other genres attributed to independent producers. This is particularly evident in Comedy (-19%) and to a lesser extent in Knowledge (-6%), Entertainment (-3%) and Sport (-2%). These outcomes appear to be
consistent with our findings in previous reviews of the WoCC, where a generally observed variability in out-turn figures in the WoCC contrasts with known areas of inherent stability in commissioned hours from the independent sector such as Sport.

**Figure 10: Independent share of total and peak network hours 2011-12**

![Figure 10: Independent share of total and peak network hours 2011-12](image)

Source: BBC Executive

In parallel with the independent sector’s continued strong performance under the WoCC, we note that the BBC has worked with a record number of independent production companies over the last two years, providing a good indication of the BBC’s continued focus on working with new talent (particularly in light of evidence indicating a consolidating supply market) and of a strong and diverse independent television sector. The BBC engaged with 222 independent producers to help deliver its network output in 2010-11, and 205 in 2011-12. This compares with 194 and 199 respectively in the preceding two years. In addition, against a backdrop of consolidation in the market, a good proportion of new independent producers were commissioned in each of the two years under review, providing further evidence that commissioners are looking to secure the best programme ideas regardless of source.

**Figure 11: Total and new independent producers commissioned (network) 2007-8 to 2011-12**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total independent producers commissioned on network</th>
<th>New independent producers commissioned on network</th>
<th>Percentage new independent producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/12</td>
<td>205</td>
<td>39</td>
<td>19%</td>
</tr>
<tr>
<td>10/11</td>
<td>222</td>
<td>30</td>
<td>14%</td>
</tr>
<tr>
<td>09/10</td>
<td>194</td>
<td>31</td>
<td>16%</td>
</tr>
<tr>
<td>08/09</td>
<td>199</td>
<td>55</td>
<td>28%</td>
</tr>
<tr>
<td>07/08</td>
<td>205</td>
<td>59</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: BBC Executive

Figure 12 below shows the spread of network transmitted hours during 2011-12 as produced across the Nations and Regions by supply type, showing a reasonable spread of outcomes both in terms of geographical origin and the proportion of hours won by the

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March 2013

18
BBC’s in-house teams and qualifying and non-qualifying independent producers respectively.

Figure 12: Network transmitted hours by Nation and Region and supply type 2011

Source: BBC Executive

On the basis of the evidence we have gathered for the two years under review, the Trust is satisfied that an appropriately wide range and diversity of programming has been made through the WoCC.

Part 2 of this report looks in more detail at how the WoCC has been implemented by the BBC Executive, and assesses feedback from independent producers and BBC in-house teams which reflect their experiences over the last two years of working within the BBC’s competitive commissioning framework.
Part 2: Outcomes

Commissioning the best ideas

The principle of selecting the best programme ideas for audiences regardless of source is now fully embedded in the BBC’s commissioning culture. The benefits extend beyond the WoCC itself across all of the BBC’s commissioning activity.

The evidence gathered as part of our review strongly suggests that the selection of the best programme ideas takes precedence over pre-determined quotas, buying models or programming slates. On the basis of our assessment of a range of evidence, focused principally on the direct experiences of BBC commissioners, in-house teams and independent producers, we have formed a clear impression that commissioners have sufficient flexibility to focus on commissioning new programme ideas on merit. We have also noted throughout the review the declining importance of the WoCC as a discrete process for all those involved, with commissioners framing commissioning opportunities to suppliers as a matter of course without explicit reference to formal quotas or targets.

The positive benefits of the cultural impact of competitive commissioning appear to be generally recognised by the BBC and independent producers as also being delivered beyond the WoCC throughout the commissioning process, encompassing both the requirements of the in-house guarantee and the independent production quota.

Although definitive conclusions cannot be drawn, one of the ways in which the success of a meritocratic commissioning framework in securing a range and diversity of programming can be seen is through a comparative analysis of the share of total and viewer hours achieved. Figure 13 below shows the comparison between the share of total and viewer network hours for independent productions for 2011-12, which indicates that the independent sector is winning a representative share of viewer hours across all genres in comparison to the total hours produced (the lower relative share of viewer hours for Sport is most likely due to the specific allocation of rights that was possible during 2011-12 and a higher share of BBC in-house produced content). Summarising the data set out in Figure 13 below, an average of 46% of total hours was produced by independent companies, winning an average of around 42% of all network viewing.

Figure 13: independent share of total and viewer network hours 2011-12
Outcomes for audiences

The WoCC has continued to help deliver a range of television programmes through competition that are rated highly by licence fee payers

The WoCC has enabled a higher proportion of BBC network television hours to be opened up to competition than possible through the independent production quota alone. Although direct cause and effect is difficult to establish, the weight of evidence indicates that the competitive commissioning arrangements under the WoCC has helped to deliver a range of positive outcomes for audiences, independent producers and for BBC in-house production.

As part of our public consultation, we asked respondents whether they believed that the competitive commissioning arrangements engendered by the WoCC had had an effect (positive or negative) on the quality of the BBC’s network television programmes. Although the number of responses to our consultation is too small to draw definitive conclusions, respondents generally considered the WoCC to have had a positive effect on the quality of programmes.

The main reasons cited for this by respondents were:

- BBC in-house production has to fight harder for commissions and within a larger pool of opportunities for independent producers
- Competition in itself was also thought to have raised programme quality. In this regard, some respondents suggested that the WoCC should be expanded to enhance its perceived positive impact on higher standards

The main measure used by the BBC for programme quality is the Appreciation Index (AI) score. The BBC also measures audience perceptions of programming being 'fresh and new' as a proxy for programme distinctiveness, and also audience perceptions of the quality of programming.

Our analysis of average audience Appreciation Index (AI) scores for all of the BBC’s network television output shows that, in line with other broadcasters, there has been an increase in AI scores over the three years between 2009-10 and 2011-12, and average AI scores for BBC in-house and independently produced programming across all genres on a like-for-like basis are very similar.

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14 Appreciation Index scores are calculated by asking respondents to rate programmes they have watched out of 10. These scores are then averaged up to give scores out of 100.

15 Source: BBC Pulse Survey

16 The BBC commissions a number of Long Running Series (LRS) such as Holby City and East Enders that are mainly produced by BBC in-house teams. To ensure like-for-like comparisons, LRS programming is excluded from our analysis of AI, fresh and new and high quality scores for both BBC in-house and independent producers.
The BBC's audience surveys also measure perceptions of programming being 'fresh and new' and 'high quality'. Results show that from 2010-11 to 2011-12 there has been an increase in the proportion of respondents who strongly agree that these qualities apply to BBC network TV programming. The trend for audiences who strongly agree BBC network TV programming is 'fresh and new' across all genres is shown below in figure 15.

Source: BBC Executive (all network television output) / BBC Pulse Survey. NB: No data available for Childrens. Insufficient responses available for 09/10 to rely on data. Excludes LRS.
The surveys show that on average there is a higher proportion of audiences who strongly agree that independently produced programming is ‘fresh and new’ across most genres as compared to BBC in-house produced programming.

**Figure 16: Proportion (%) of audience who strongly agree programming felt ‘fresh and new’**

The surveys show that on average there is a higher proportion of audiences who strongly agree that independently produced programming is ‘fresh and new’ across most genres as compared to BBC in-house produced programming.

**Figure 17: Proportion (%) of audience who strongly agree programming felt ‘high quality’**

However, the proportion of audiences who strongly agree BBC in-house produced programming is of ‘high quality’ is higher on average than for independently produced programming across all genres, as shown below in figure 17.
While we cannot conclude definitively that the WoCC has directly led to these outcomes, we believe the balance of evidence suggests that the WoCC has played an important role in delivering television content that is highly appreciated by audiences, and is thought of as distinctive and of high quality.

However, we have also concluded that some aspects of the BBC’s operation of the WoCC could be further improved. The remainder of this part of our report sets out in detail our analysis of the issues raised by BBC staff, independent producers and stakeholders who submitted views via our public consultation or through discussion. Where relevant, we have highlighted areas of tension between the views of BBC management and independent producers, and have set out our assessment of the issues raised and our recommendations accordingly.

**Outcomes for suppliers**

In general the process of competition under the WoCC appears to have been fair and transparent, but more should be done to build confidence in the BBC’s commissioning process for independent producers, particularly those based outside London.

In forming our conclusions in this area, we looked at the geographical location and size of independent production companies bidding for and winning network television commissions, the quality of information provided by the BBC relating to commissioning opportunities, and feedback gathered as part of our public consultation and through discussions with BBC in-house teams and independent producers.

**Fair and transparent competition**

The geographical location and size of producers who made bids for, and who were commissioned to make, network television programmes by the BBC suggests that the process of competition has been fair and transparent.

Data from the BBC’s eCommissioning system relating to bids from independent production companies to make BBC network television programmes over the course of 2011 is set out in figure 18 below. The data shows a reasonable spread of producers making bids across the key Nations and Regions of the UK.

**Figure 18: Analysis of independent producers who made bids to make network TV programmes during 2011**

<table>
<thead>
<tr>
<th></th>
<th>No of independent producers</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>385</td>
<td>47%</td>
</tr>
<tr>
<td>Scotland</td>
<td>40</td>
<td>5%</td>
</tr>
<tr>
<td>Wales</td>
<td>19</td>
<td>2%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>13</td>
<td>2%</td>
</tr>
<tr>
<td>North of England</td>
<td>75</td>
<td>9%</td>
</tr>
<tr>
<td>Midlands</td>
<td>52</td>
<td>6%</td>
</tr>
<tr>
<td>South of England</td>
<td>147</td>
<td>18%</td>
</tr>
<tr>
<td>Non-UK</td>
<td>95</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: BBC Executive (eCommissioning)
In terms of actual commissions, while the largest proportion of independent producers commissioned by the BBC continue to be based in London, the BBC has also continued to commission from independent producers outside London, with an estimated 40% of independent producers commissioned in 2011-12 based in the Nations and Regions. In the Nations, the largest year on year growth in the number of independent producers that the BBC worked with was seen in Scotland. Of the total number of independent producers the BBC commissioned in 2011-12, 10% were based in Scotland, 4% in Wales and 2% in Northern Ireland, with the remainder being based across England.

**Figure 19: Proportion of independent producers commissioned by Nation and Region (2011-12) incl. proportions for previous year (2010-11) for comparison**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Indies by region (11/12)</th>
<th>Proportion of Total (11/12)</th>
<th>Proportion of Total (10/11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>132</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Scotland</td>
<td>23</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Wales</td>
<td>10</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>5</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>North of England</td>
<td>17</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Midlands</td>
<td>6</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>South of England</td>
<td>32</td>
<td>14%</td>
<td>16%</td>
</tr>
<tr>
<td>Non-UK</td>
<td>7</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: BBC Executive NB. Some independent producers have more than one regional base

In terms of network television hours, independent production companies outside London delivered just over a fifth of the BBC’s total output in 2011, with around 11.5% being delivered by independent producers in the Nations. Northern Ireland saw the largest year on year growth in the proportion of output hours commissioned by the BBC, albeit from a small base. The proportion of commissioned network hours rose from 0.29% in 2010 to 0.89% in 2011 – representing a 207% increase.

Although data is drawn from two different periods making definitive conclusions difficult to make, figure 20 below shows an analysis of the number of bids submitted via the BBC’s eCommissioning system and the number of commissions made, broken down by geographical location. Broadly speaking, with the exception of those independent producers based outside the UK, the table indicates that most bids have a fair chance of being commissioned irrespective of location, with higher levels of commissioning noted in Scotland, Wales, Northern Ireland and London.

**Figure 20: Analysis of bids made by and commissions from independent producers**

<table>
<thead>
<tr>
<th>Region</th>
<th>Independent producers making bids (2011)</th>
<th>Independent producers commissioned (2011-12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>385</td>
<td>132</td>
</tr>
<tr>
<td>Scotland</td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td>Wales</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>North of England</td>
<td>75</td>
<td>17</td>
</tr>
<tr>
<td>Midlands</td>
<td>52</td>
<td>6</td>
</tr>
<tr>
<td>South of England</td>
<td>147</td>
<td>32</td>
</tr>
<tr>
<td>Non-UK</td>
<td>95</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: BBC Executive NB: data is sourced from two different periods
Across the two years under review, the majority of independent production companies the BBC commissioned reported turnovers of less than £5m\(^{17}\). This turnover bracket also contained the highest proportion of new independent producers to the BBC, with the vast majority of newcomers reporting turnovers in this range.

**Figure 21: Turnover analysis of independent producers commissioned (network)**

<table>
<thead>
<tr>
<th>Turnover</th>
<th>2011-12</th>
<th></th>
<th></th>
<th>2010-11</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total by turnover bracket</td>
<td>Proportion of total</td>
<td>New by turnover type</td>
<td>Total by turnover bracket</td>
<td>Proportion of total</td>
<td>New by turnover type</td>
</tr>
<tr>
<td>&gt;£50m</td>
<td>3</td>
<td>1%</td>
<td></td>
<td>4</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>£20m-£50m</td>
<td>18</td>
<td>9%</td>
<td>1</td>
<td>16</td>
<td>7%</td>
<td>1</td>
</tr>
<tr>
<td>£10m-£20m</td>
<td>18</td>
<td>9%</td>
<td>1</td>
<td>15</td>
<td>7%</td>
<td>1</td>
</tr>
<tr>
<td>£5m-£10m</td>
<td>14</td>
<td>7%</td>
<td></td>
<td>20</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>&lt;£5m</td>
<td>152</td>
<td>74%</td>
<td>66</td>
<td>167</td>
<td>75%</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: BBC Executive/ Broadcast

PACT raised a concern as part of its submission to this review that the BBC had in fact reduced the number of smaller independent producers it had worked with (i.e. those declaring turnovers less than £25m), falling from 40% in 2010 to 16% in 2011. In understanding the differences in the data reported by the BBC and PACT, we focused on the underlying assumptions on which both data sets were based. We understand from PACT that the census survey on which it had based its conclusions may have been influenced by a historical feature of the survey in which there were typically a larger number of responses received from bigger independent producers, which led to an under-reporting of smaller independent producers in the survey.

When we discussed the data set presented in figure 21 above with BBC management, we also found that differences in the proportions of independent producers in each of the turnover bands would arise depending on whether independent producers were grouped with parent companies or reported individually. Based on data supplied by BBC management, we found that the proportion of individual independent producers winning commissions from the BBC in the sub £25m turnover bracket was around 94% in 2010-11, falling to around 80% when independent producers were grouped into parent companies. For the 2011-12 financial year, these figures stood at 92% and 77% respectively.

**There appears to be a broadly equitable allocation of development funding to explore new television programme ideas between BBC in-house teams and independent production companies**

The BBC budgets for two types of development funding: seed corn funding and secondary development funding. Seed corn funding is primarily funded through BBC in-house production overheads, allowing in-house teams to develop new ideas. This type of funding can originate in part from the licence fee, and in part from BBC Worldwide and other co-producers, and is not normally allocated from commissioning budgets.

Secondary development funding is allocated when BBC commissioning decides to contribute to the costs of developing a new programme idea, without making a

\(^{17}\) Data sourced from Broadcast
commitment to commission it. For example, secondary development funding may be used to pay for a pilot episode or a script.

Taking into account the BBC’s internal allocation of seed corn funding to the development of new in-house programme ideas, and in the context of maintaining a framework for fair and transparent competition, we would expect a slightly greater proportion of secondary development funded projects to be allocated to independent producers. Our analysis of the BBC’s allocation of secondary development funded projects shows that across the two years under review, independent producers secured higher numbers of secondary development projects, as shown in the table below (note that for some genres such as Drama, secondary development funded projects may be agreed well ahead of time and so there may be some movement in these figures across the two years depending on when the funded project starts).

**Figure 22: Secondary development funded projects allocated across BBC in-house teams and independent production companies, 2010-11 to 2011-12**

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent producers</td>
<td>352</td>
<td>412</td>
</tr>
<tr>
<td>BBC in-house</td>
<td>261</td>
<td>261</td>
</tr>
</tbody>
</table>

Source: BBC Executive. Includes data for all genres except Sport, figures for which were not available at the time of publication.

**Disseminating information about commissioning opportunities**

On balance, we have found that sufficient levels of information and engagement have been provided by the BBC with regard to commissioning opportunities, but efforts should continue to achieve consistent and reliable information sharing.

In order for competition in the WoCC to work effectively, the Trust believes there should exist a broad symmetry of information about commissioning opportunities between the competing parties. In order to assess the BBC’s performance in this area, we looked at a variety of sources of information including:

- responses to our online consultation questions
- follow up discussions with independent producers
- roundtable discussions with independent producers in the Nations
- review of information provided on the BBC’s commissioning website
- discussions with BBC commissioning and in-house staff
- attendance and observation of a pan-genre BBC commissioning briefing session held in Salford, Manchester.

Although the majority of respondents to our online public consultation questions said that they felt that the concept of the WoCC and its operation was clear to them (a view echoed in our discussions with independent producers), there was a more mixed response when respondents were asked to rate the quality of the information about commissioning opportunities in the WoCC as communicated by the BBC on its website, through commissioning briefings or face to face. Although there were too few responses to draw wider conclusions from the data, more respondents rated the BBC’s provision of
information as good or very good as compared with those rating it as poor or very poor. However, a similar proportion of respondents rating the information as good also rated the information provided as ‘neither good nor poor’.

Some respondents also pointed to information often being out of date on the BBC’s commissioning website, emphasising the perception of it being a poor substitute for direct contact with BBC commissioners and highlighting the potential for disproportionate negative effects on independent producers with little or no direct access to BBC commissioners – particularly those sited some distance away from key BBC production hubs.

Our follow up discussions with independent producers, and roundtable discussions with independent production companies based in the Nations, also pointed to the overriding importance of face to face meetings with BBC commissioners and staff, during which it was generally felt that more useful information was routinely (and more freely) shared. There was a perception from some independent producers, particularly from those based in the Nations, that the physical proximity of in-house production staff to commissioning executives provided an automatic advantage to in-house teams (a similar view was expressed by some BBC in-house teams in relation to independent executives seated with BBC commissioners).

BBC in-house production submitted a consolidated response to our public consultation questions. On the subject of access to commissioning information, the response stated that, “As for indies we have regular conversations with commissioning regarding opportunities to bid for work. There is a good level of understanding of opportunities available to win work.”

However, in our genre-based discussions with BBC in-house production teams, the response was more varied. Although access to commissioners appeared generally to be well developed, a number of problems were cited by in-house teams such as shifting slates, and the movement of opportunities at short notice between the in-house guarantee and the WoCC, making information shared at set points during the commissioning cycle less valuable over time.

Impressions formed from our discussions with BBC commissioning revealed a general acknowledgement of these problems, in part due to a commissioning focus on securing the best ideas, irrespective of source or supply targets.

Commissioners pointed to work being undertaken to address out of date content on the commissioning website through, for example, providing up to date online video briefings from each commissioner, and the facilitation of more one-to-one meetings at commissioning briefing sessions. Our observation of commissioning briefing sessions held in November 2012 in Salford, Manchester served to confirm that BBC management had been looking carefully at these issues and had been taking action to address them.

In the Trust’s previous review of the WoCC, we asked the BBC to look at ways of improving information around the scope and scale of opportunities in individual genres (i.e. ‘size of prize’), particularly for those producers who do not have regular access to the BBC.

We note from the BBC management response to this review, in which progress against the Trust’s previously published recommendations and actions is set out, that the BBC has developed its plans to publish the size of the WoCC by genre, in terms of both hours and value, as each buying model is created for the forthcoming financial year. Although we are
disappointed at the length of time taken by BBC management to address this point, we are pleased to see that the figures for the 2013-14 buying model can now be found on the BBC’s commissioning website as shown in figure 23 below:

**Figure 23: WoCC buying model for 2013-14 as published on the BBC’s commissioning website**

<table>
<thead>
<tr>
<th>Genre</th>
<th>Hours</th>
<th>Value £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drama</td>
<td>107</td>
<td>73</td>
</tr>
<tr>
<td>Comedy</td>
<td>41</td>
<td>18</td>
</tr>
<tr>
<td>Entertainment</td>
<td>194</td>
<td>51</td>
</tr>
<tr>
<td>Knowledge</td>
<td>434</td>
<td>61</td>
</tr>
<tr>
<td>Daytime</td>
<td>494</td>
<td>26</td>
</tr>
<tr>
<td>Children’s</td>
<td>140</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: BBC commissioning website

As reflected in our discussions with in-house production teams and independent producers, BBC management notes on its website that these figures will fluctuate throughout the year as the channel and genre slates change in response to new commissions, audience preferences, talent availability and production schedules (each potentially triggering a remix of the slate, either between or within a genre, so that the best ideas can be commissioned, and target commitments met).

Looking forward, we expect BBC management to:

- continue with efforts to ensure that the commissioning website is regularly reviewed and kept up to date
- maintain its commitment to providing an appropriate level of information for independent producers and in-house teams alike to address any potential information imbalance, particularly between those suppliers who have greater levels of direct access to commissioners and those that do not
- examine the most appropriate arrangements for locating commissioners, independent executives and in-house teams within BBC buildings to ensure no undue advantage is provided to any one party

**Building confidence in an open and fair commissioning framework**

**BBC management should investigate ways of building greater confidence in an open and fair commissioning framework, particularly for those producers based further away from commissioning hubs**

The BBC’s competitive framework for commissioning programmes under the WoCC should carry the confidence of both BBC in-house teams and independent producers in order to maximise creative opportunities and public value. While we are satisfied that the WoCC has helped to deliver a commissioning system focused on securing the best ideas, there is some evidence to suggest that the BBC needs to do more to build confidence in the commissioning process for all suppliers, and particularly those based further away from the BBC’s main production centres.

Around a quarter of respondents to our consultation (including BBC in-house production) said they were satisfied that the BBC had offered in-house and independent producers the opportunity to compete on equal terms in the WoCC.
However, a larger proportion of respondents said they were either fairly or very
dissatisfied that this was the case. Related points were also made by participants in
responding to other consultation questions. In general, respondents felt that there was a
lack of transparency around the competitive commissioning process and that decision
making was far too slow, with some saying they felt that in-house producers had an unfair
advantage, for example, through offering talent deals which would not be viable for a
commercial company.

We also asked participants to tell us whether they agreed that commissioning decisions
were made by the BBC on the basis of the best ideas. Responses indicate that most felt
this was not the case. A number of respondents said that relationship factors were key in
influencing commissioning decisions, suggesting that commissioners chose ideas from
established contacts or the companies with which they preferred to work. Other
respondents felt that BBC in-house production had an inherent advantage in winning
commissions over independent producers. Respondents identified the following factors as
playing a part in the BBC deciding what to commission beyond the criterion of the best
idea:

- pressure to keep in-house production financially viable
- greater levels of funding available for in-house to develop ideas
- commissioners' lack of confidence in independent producers being able to deliver
- delivery time
- price
- location/ region
- driving commercial revenue
- 'prestige' projects
- programmes as vehicles for existing talent
- ‘ticking boxes’, i.e. trying to balance Regional, National and WoCC quotas.

In our discussions with independent producers, both as follow up discussions with those
who were willing to be contacted after submitting views through our public consultation,
and with independent producers based outside London, we found that there was a
general appreciation of the inherent difficulties the BBC faced in delivering the many
quotas and targets placed on it that relate to television production. However, there were
also a number of issues raised by independent producers in relation to openness, fairness
and confidence in the BBC's commissioning process, with some arguing that the WoCC
has been unduly led by budgetary and quota decisions rather than a focus on the creative
strength of ideas, and others suggesting that the BBC had placed undue emphasis on
securing in-house deals in certain genres, rendering the process unfair.

Independent producers based in the Nations consistently cited the relatively recent
introduction of new commissioning executives based in the Nations as making
commissions from the BBC even harder to win. While some independent producers felt
that the BBC had taken a positive step forward in its engagement with independent
producers and that Nations based commissioning executives could sometimes be helpful,
most argued that the title ‘commissioning executive’ was a misnomer, and saw them as
acting more as gatekeepers to commissioners with whom they had already built long-
standing relationships, rather than being able to make direct commissioning decisions
themselves.

While the number of responses received through our consultation alone is too small to
draw firm conclusions, we believe on the basis of the evidence we have gathered in the
round as part of our review of the WoCC that the BBC should consider ways in which it can address the following key areas:

- developing and enhancing processes that build confidence in the commissioning process for all suppliers. In particular, the Executive should examine carefully the function of the new commissioning executive structure in the Nations to ensure it delivers benefits for all parties
- finding ways to facilitate quicker commissioning responses to pitches for programme ideas
- examining ways in which the BBC can better harness and sustain the relationships that content producers build up over time with commissioners, particularly during times of organisational change

**Fulfilment of all the BBC’s television production quota requirements**

The recent growth in the number of independents being commissioned with non-qualifying status may be an indication of future potential difficulties for the BBC in complying with its quota requirements

There has been a recent sharp increase in commissions by the BBC from non-qualifying independent producers (NQIs) - up from 3% in 2010-11 to 7% in 2011-12. The effect of commissions from NQIs is to reduce the total number of hours available for competition in the WoCC for independent production companies not aligned to broadcasters, as these commissions cannot sit within the independent production quota, which is calculated on the basis of commissions from qualifying independents only. It also reduces the total number of hours for which the BBC’s in-house production teams are able to compete.

The Trust’s view is that the requirements of the WoCC must be balanced against the BBC’s other television production requirements, such as those relating to in-house production and out of London television production. If recent growth continues in the number of independents with non-qualifying status being commissioned by the BBC, this may make it more difficult in the future for the BBC to comply with its quota requirements, and in particular the requirement to commission an appropriately wide range and diversity of programming.

We note that PACT in its submission to this review remains supportive of the principle of competitive commissioning, and has repeated its call to see it extended beyond the existing WoCC into the BBC’s in-house guarantee. In particular, PACT argues that commissioning decisions made at the very edge of quota boundaries may in fact be based on fulfilling targets rather than on merit. Based on the strength of the independent sector’s performance under the WoCC to date, PACT also suggests that there is an increasing risk that the in-house guarantee is acting as a cap on external commissions, so preventing commissioners from securing the best ideas on merit.

Our view is that this is, to a degree, inevitable, but on the basis of the evidence we have gathered as part of our review, appears not to constrain commissioners from selecting the best programme ideas on merit.

As noted in the Trust’s previous reviews of the WoCC, we acknowledge that there can be tensions between the various regulatory requirements placed on the BBC, such as between the WoCC and Network Supply targets. These tensions necessitate a certain
amount of flexibility and pro-active management of the commissioning slate to ensure that all the various targets and quotas are met.

In return for the privilege of licence fee funding, the BBC has many obligations to licence fee payers throughout the UK. We note that beyond the BBC’s commitments under the WoCC, there will be benefits to audiences from the BBC’s commitments to commissioning programming in the Nations and Regions, developing centres of excellence throughout the UK, and ensuring that the BBC’s network programming accurately reflects the realities of a devolved UK.

While we believe the recent increase in commissioned hours from NQIs may to some extent reinforce our view that BBC commissioners are continuing to choose the best programme ideas irrespective of where they come from, we have asked the BBC to continue to monitor the evolving market situation more generally so that the Trust can consider whether, as the supply market continues to evolve, the current framework of television production quotas and the WoCC continues to serve the interests of audiences.

**Competitive tendering opportunities in Sport**

**Despite efforts to improve the levels of competitive tendering in Sport, constraints on the number of new commissioning opportunities remain**

As in previous reviews, we note that the WoCC in Sport is implemented in a slightly different manner to other genres and that the rights-based nature of Sports programming tends to limit the degree of creative competition that might otherwise be possible. Our discussions with Sport commissioning as part of this review have served to underline the unique challenges in this area in terms of implementing the WoCC.

As part of the recommendations made through the Trust’s previous WoCC review in 2010, we asked BBC Sport to investigate opening up further competitive tendering opportunities. We are pleased to note that there has been an increase in the level of competitive tendering in Sport over the last two years which included MotoGP, World Indoor Bowls, Cricket World Cup 2011, Snooker and Sailing as part of the BBC’s Olympics coverage.

However, the picture of the overall level of competitive commissioning within BBC Sport is often obscured year on year due to the rights-based timeline that governs opening up new opportunities. For example, Formula 1 and the Boat Race – the two key Sport opportunities available for competitive tendering under the WoCC – are both subject to long term rights agreements.

Even where opportunities do arise, the late conclusion of rights negotiations (as with the 2011 Cricket World Cup) means that there is often no time to run a competitive tendering process, and the production opportunity is awarded on other criteria that can include a previous successful track record in the delivery of the particular type of programming in question.

As part of our follow up to the previous WoCC review in 2010, BBC Sport had committed to place major new rights acquisitions out to tender. However, the cost reductions made necessary as part of the agreed Delivering Quality First strategy\(^\text{18}\) has meant that the

\(^\text{18}\) See [http://www.bbc.co.uk/bbctrust/our_work/strategy/delivering_quality_first.html](http://www.bbc.co.uk/bbctrust/our_work/strategy/delivering_quality_first.html) for further detail
BBC’s rights portfolio has contracted, and the opportunities for Sport to acquire new rights has been limited.

While we are pleased to note that some progress has been made within Sport since the last review, we expect progress to continue subject to the overall limitations that apply to the number and timing of genuine competitive tendering opportunities within this genre.

Improving reporting

There is an opportunity for the BBC to improve context and transparency around the annual reporting of the WoCC performance figures

In the course of our review, we have identified a number of areas it may be useful to investigate in terms of delivering a greater degree of context around the annual reporting of the WoCC performance figures. In particular, we note that given the differing scales of opportunities within each WoCC genre, there can be large variations in out-turn figures on the basis of relatively small movements in hours won or lost.

For example, while it is clear that the independent sector has continued its strong performance in Drama, winning 99% of the hours available under the WoCC in 2011-12, it is also true that the BBC’s in-house drama production team has delivered 66% of the BBC’s overall network commissioned drama output. When we asked the Executive for further clarification over the WoCC figures for Drama, it appears that the decommissioning of two key dramas - amounting to around 20 hours of programming – was responsible for the recent large downturn in the reported percentage of hours won by BBC in-house drama production under the WoCC.

Fig 24: Proportion of network TV commissioning hours delivered by BBC in-house production by genre 2007-08 to 2011-12

<table>
<thead>
<tr>
<th></th>
<th>07/08</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
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<tr>
<td>Drama</td>
<td>70%</td>
<td>74%</td>
<td>70%</td>
<td>69%</td>
<td>66%</td>
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<tr>
<td>Entertainment</td>
<td>47%</td>
<td>47%</td>
<td>44%</td>
<td>38%</td>
<td>35%</td>
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<tr>
<td>Comedy</td>
<td>44%</td>
<td>49%</td>
<td>50%</td>
<td>46%</td>
<td>54%</td>
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<tr>
<td>Children’s</td>
<td>51%</td>
<td>58%</td>
<td>66%</td>
<td>60%</td>
<td>56%</td>
</tr>
<tr>
<td>Knowledge</td>
<td>55%</td>
<td>50%</td>
<td>51%</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Sport</td>
<td>65%</td>
<td>68%</td>
<td>68%</td>
<td>69%</td>
<td>67%</td>
</tr>
<tr>
<td>Overall proportion</td>
<td>57%</td>
<td>57%</td>
<td>58%</td>
<td>57%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: BBC Executive (all network commissions – excludes news, repeats and acquisitions)

We note also that while Sport appears in the table above, the genre is not reported in the published annual WoCC figures. While we acknowledge the specific issues surrounding the implementation of the WoCC in Sport, we believe that publishing the WoCC performance figures for Sport on the same basis as in other genres will help maintain a close focus on progress in delivering a competitive commissioning environment within the Sport genre.

In its submission to this review, PACT made a request to the Trust to provide more information about the diversity of the BBC’s supply base in terms of location and other key characteristics, to help ensure a range of voices and perspectives continue to be heard as part of the BBC’s commissioning of independent television content. We have endeavoured to ensure an appropriate data set has been published as part of this report, and will continue to do so in future reviews.
Value for money

The WoCC is continuing to help deliver television programmes that provide value for money

Through engendering competition between in-house and independent producers on a fair and transparent basis, the Trust believes that the WoCC should act as a driver in the delivery of value for money. In the context of commissioning, value for money can be seen as a balance struck between cost and the delivery of high quality programmes that are widely appreciated by audiences.

However, the cost of television content production in particular are impacted by a range of factors beyond the operation of the WoCC, such as commissioning budgets, talent and rights negotiations and the look and feel of the final production. It is therefore difficult to establish with certainty the effect of the WoCC on the delivery of value for money.

Nevertheless, we have previously noted a steady reduction in the average cost per hour (CPH) of network television programming since the WoCC was introduced in 2007.

However, figures supplied by BBC management show a relatively sharp increase in average CPH for 2011-12 (see figure 25 below). On the basis of our analysis and input from BBC management, we believe this is most likely due to relatively low levels of Sport output during that year.

Figure 25: Average cost per hour network commissioned programming, 2007-8 - 2011-12

![Figure 25: Average cost per hour network commissioned programming, 2007-8 - 2011-12](image)

Source: BBC Executive NB: data in £thousands

As highlighted in figure 26 below, Sport hours tend to have lower average CPH in comparison to most other genres. In 2011-12, there was very little Sport output compared to the previous year in which the BBC broadcast the UEFA World Cup. During 2011-12, these lower cost hours were replaced by output from more expensive genres such as Drama, where funding increased by around £8m.

In addition to higher levels of output from more expensive genres, 2011-12 also marked the end of a five year efficiency programme within BBC Vision, with a high proportion of
savings taken out in earlier years, resulting in a flattening out of possible savings across the BBC’s television output from 2011-12 onwards.

Along with an examination of overall CPH trends, we also looked at average costs broken down across genres. During 2011-12, differences in average CPH across most genres are within a range we would expect given factors such as economies of scale and the relative quantity of output hours.

Figure 26: Average cost per hour network commissioned programming by genre, 2011-12

Source: BBC Executive. NB: data in £thousands

On the basis of our analysis, we believe that the BBC’s competitive commissioning arrangements that have resulted from the implementation of the WoCC are helping to deliver television programmes that provide value for money for licence fee payers.

Progress against previous review recommendations

As part of our public consultation, we asked respondents to tell us whether they had noticed any changes (positive or negative) in the way the BBC’s commissioning process has worked since the Trust’s last review of the WoCC in 2010.

Of the total number of responses we received, a much smaller proportion of respondents indicated they had noticed some changes as compared to those who said they had not.

Of those who said they had noticed some changes, some felt that there appeared to be more of an effort to reach out to independent producers now, and that commissioners had been encouraged to engage with companies based outside London (although this didn’t always appear to result in long-term benefits for those companies).

Others identified the slowness of the commissioning process as a key problem and had identified the Drama genre in particular in this regard; however, no direct link was made between the WoCC and these delays.
As part of the Trust’s previous review of the WoCC in 2010, we recommended the following points should be addressed by BBC management:

- clarify remaining areas of uncertainty as to how the WoCC operates in practice
- provide information around the scope and scale of opportunities in individual genres, particularly for those producers who do not have regular access to the BBC
- improve the quality of audience information shared with the independent sector, particularly the frequency and format with which this information is communicated
- consider how tendering can best be used to increase levels of competition
- continue to make BBC commissioning easier to access for all independent producers, and in particular, to ensure that information is made available consistently to all independent production companies in the Nations and Regions
- assess the frequency with which Sports rights contracts are re-tendered for production, in order to evaluate opportunities to support greater levels of creative competition over the long term
- clarify the exact nature and permeability of quota boundaries, particularly in Children’s programming
- review the Knowledge quota to understand whether the number of pre-determined commitments can be reduced to mitigate the risk of pre-determined output.

As part of this review, BBC management has provided an update on the implementation of these recommendations, and we have published this update in full as part of the appendices to this report.

In summary, the Trust is broadly pleased at the progress made by BBC management against the recommendations set out in the 2010 review. However, we have highlighted further areas for possible improvement in this report and have summarised these in the Key Findings and Recommendations section above. We have asked BBC management to look at how these latest recommendations might best be implemented and expect to publish an update from them in six months’ time.
Appendices
Submissions and responses to the review and public consultation

We received a total of 28 responses and submissions to our review and public consultation

During the course of our review, we received formal submissions from PACT, the industry body representing independent television production companies in the UK, and from BBC management. All these submissions have been published alongside this report.

We also received 24 responses to our online set of public consultation questions, summarised as follows:

- The breakdown of responses were:
  - independent television producers: 18
  - BBC in-house production: 1 (cross-genre consolidated response)
  - other: 5

- Seven independent production companies declared a staff size of 15 or under; six said they employed 16-100 staff; and three had 100+ staff. Two respondents did not answer this question. Of the others, one declared a staff size of 15 or under, and three did not answer this question.

- There was representation from across the UK nations in the responses received. 10 respondents were from London/South East: 1 from the North East; 4 from Scotland; 3 from Northern Ireland; and 1 from Wales. One respondent was from a location specified as ‘other’ and two respondents did not answer this question.

- 18 of the respondents said they had pitched to the BBC to make a television programme in the last 2 years, 3 said they had not and 1 did not answer this question.

- Of the 18 who said they had pitched, 13 had been commissioned, and 11 of these had won repeat commissions.

PACT’s submission

PACT is the main industry body that represents independent production companies in the UK. We are pleased that PACT has highlighted its strong support for the WoCC in its submission to this review, which is published in full alongside this report. We have also noted and taken account of PACT’s feedback and criticism relating to the operation of the WoCC in the course of conducting our review, and have discussed some specific points in more detail with representatives of PACT. We note PACT’s continued call for an extension of the WoCC beyond the 50% minimum in-house guarantee. However, as set out at the launch of our review, we will not be considering the impact of changing the BBC’s network television production output targets at this stage in the BBC’s Charter cycle.
BBC management response on progress made against 2010 actions and recommendations

As part of the Trust’s review of the WoCC, BBC management submitted four separate responses. The first two, providing perspectives on the operation of the WoCC from BBC commissioning and BBC in-house production, are published alongside this report. The third response submitted to our public consultation from BBC in-house production has been considered along with the submissions to our consultation we received from independent production companies in the writing of this report.

The fourth response sets out BBC management’s response and update against actions and recommendations set out in the last WoCC review published by the Trust in 2010, which is set out below.

Clarifying remaining areas of uncertainty as to how the WoCC operates in practice

The BBC has published the following document on the commissioning website setting out the operation of the WoCC:

The WoCC

The WoCC is the part of the commissioning slate open to competition from all suppliers. We have introduced the WoCC to ensure that the best ideas are commissioned for our audiences irrespective of who makes the programmes. It ensures a level playing field between all suppliers. We make no planning assumptions about whether titles in the WoCC are produced by in-house or independent producers.

How big is the WoCC?

Overall, the WoCC is 25% of our total programme needs and represents about £250m of our business. This 25% is over and above our commitments to in-house production and the 25% guaranteed to the independent sector.

The planning process

The strategy setting process takes place between the genres and channels. This is iterative, and results in a detailed buying model being created which sets out the intended deliveries by slot across each financial year.

Quotas and targets are overlaid by genre to create an integrated plan for the WoCC.

The available WoCC can flex for a variety of reasons:

1) Commissioned projects can move around between financial years, e.g. talent availability, production realities etc.

2) Within individual genre plans, individual priorities will be refined in response to audiences. These are identified in published development priorities on the commissioning website.

3) As the year progresses the WoCC grows smaller as commissions are made

The slate management team in each of the genres is constantly re-planning and re-modelling based on strategic need to ensure that budgets, quotas and targets are met and the BBC continues to accommodate the best ideas on-screen.

The shape and detail of the WoCC is moving at the margins as a result of this activity. Any major shifts in the focus of the WoCC that would be relevant to suppliers are
communicated via the development priorities part of our website and through on-going briefings to suppliers.

As in most genres, the development focus is multi-year – often three years are in play at any one time. So how impactful a shift in the details of the WoCC in any specific year is to suppliers’ development focus is the key criterion for deciding what communication is required.

Providing information around the scope and scale of opportunity in individual genres (i.e. ‘size of prize’), particularly for those producers who do not have regular access to the BBC

In addition to the ongoing information outlined above, and in order to give further transparency to what is available at a high level, the BBC also plans each year to publish the size of the WoCC by genre, in terms of both hours and money as each buying model is created for each financial year. For the first time the figures for the 2013-14 buying model can be found on the commissioning website. The ongoing and regular publication of each genre’s development priorities will support this. The BBC also publishes the outcome of the WoCC at the end of the financial year to reflect the overall level of business won by independent producers and in-house.

Improving the quality of audience information shared with the independent sector, particularly the frequency and format with which this information is communicated

As part of the BBC objective to become a more open and transparent organisation we have agreed with the Trust to publish more performance data on a routine basis, rather than annually via Annual Report - and this will be linked to performance against our objectives (i.e. metrics within the BBC’s Quality/ Reach/ Value framework). As part of this we have committed to publishing Audience Information for the first time on a twice yearly basis. This data can be found on the commissioning website.

Consider how tendering can best be used to increase levels of competition

The BBC Executive accepts the use of more ‘open’ tenders in Sport and other genres as appropriate to encourage greater levels of competition. BBC Sport conducted fully open tenders for Bowls, Cricket World Cup, MotoGP and Snooker already, and in 2011 it held its first WoCC tender for The Boat Race and Formula One.

In other genres, where the BBC owns formats, we continue to tender from time to time e.g. the tender by BBC Knowledge for the production of Question Time which was re-tendered this year.

In addition to format tenders the BBC continues the process of informal ‘invitations to pitch’, where there is a general interest in a particular topic, and these tend to be to a broad community. Examples include Songs of Praise in September 2012 and the annual Documentaries ‘Fresh’ scheme and the Comedy Sitcom Showcase to support and develop new talent

Best practice guidelines on running tenders for commissioned content were published in December 2010.
Assess the frequency with which existing sports rights contracts are re-tendered for production, in order to evaluate whether there is an opportunity to support greater levels of creative competition over the long-term.

BBC Sport accepts the recommendation and since the review has tendered the following: MotoGP, World Indoor Bowls, Cricket World Cup 2011, Snooker and London Olympics Sailing. BBC Sport is committed to more tenders and publishing opportunities on the commissioning website.

We do however need to balance the tender process with reductions as a result of the Delivering Quality First (DQF) strategy which has affected the amount of rights acquired, and having a sustainable optimal operation in Salford which will enable BBC Sport to plan and deliver the crown jewels such as the Olympics.

Continue to make BBC commissioning easier to access for all independent producers, particularly smaller companies and those further away from commissioning hubs.

We have continued to develop the tri-platform commissioning website to offer an enhanced experience for suppliers. We have improved the content, particularly around channel positioning, and it is more topical, providing information and updates to independent producers through RSS feeds.

We aim to boost our accessibility for both smaller independent producers, and independent producers based outside London, through the new site and our briefings. Since Jan 2011 we have held 22 briefings across a variety of genres. Of these, 14 were held outside London. In addition we have also:

- published videos of each Commissioner on the website discussing their key opportunities for the comings months in the development briefs.
- introduced and facilitated 1-2-1 meetings at various briefings
- initiated Accelerate, a new scheme designed to support successful small independent producers and broaden their range of opportunities at the BBC (launch date to be confirmed)
- launched Fast Forward, an Entertainment initiative to support and nurture emerging Entertainment talent
- hosted a number of intimate events with target suppliers, e.g. The Creative Market for Knowledge and Daytime suppliers and a History dinner with commissioners and suppliers in Belfast
- established Fast Train, a free training event hosted by the BBC Academy and Skillset, which provides freelancers access to a wide range of training and master classes with industry leaders. To date these have been held in London and Salford but we would hope to hold more outside London in the following period.

In addition, the work of the Out of London Commissioners continues and they too perform a valuable role in being the face of commissioning outside London, in particular in the Nations. Both Channel Controllers and Genre Controllers continue to attend regular briefings and attend meetings in the Nations and Regions.
Clarify the exact nature and permeability of quota boundaries, particularly in Children’s programming

Children’s now operates the in-house guarantee consistently with the rest of the BBC, namely:

- the in-house guarantee represents the full minimum commitment to in-house production throughout the UK
- the in-house guarantee is commissioned up first by any in-house idea

The Executive should review the Knowledge quota to see whether the number of commitments can be reduced to mitigate the risk of ‘pre-determined’ output

The practice of using commissioning to help deliver the BBC’s commitments, including Statements of Programme Priorities, Service Licences, Out of London targets, guarantees and quotas is vital providing it continues to be underpinned with a flexibility that allows the best ideas to flourish.

This is managed very flexibly in Knowledge so that we are not restricted in our ability to commission the best ideas. While we manage excellently to meet all our commitments this is a challenge and there is no doubt that fewer of them would be welcomed.

This flexibility is enabled in these ways:

- Service licence and Ofcom commitments are tracked cross sub-genre so that all relevant commissions are included which enables us to re-prioritise slate funding where required
- Out of London commissions are tracked and monitored monthly so that where one sub-genre over achieves the minimum quota, greater commissioning flexibility is afforded across the rest of the sub-genre if necessary
- The guarantees are allocated across the slates to ensure we deliver the highest quality content for our audiences within the BBC’s strategic objectives. In addition the slates are constructed based on supplier centres of excellence which ensures maximum efficiency in delivering this strategy. Where our strategy changes during the year we re-allocate the guarantees across the slates to ensure both our strategy and the purpose of the guarantees continue to be achieved.

The BBC constantly reviews the simplicity within slates to ensure flexibility is built into the planning process.
## Stakeholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Business</th>
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</thead>
<tbody>
<tr>
<td>Bal Samra</td>
<td>Director, Vision Operations Rights and Business Affairs</td>
<td>BBC</td>
</tr>
<tr>
<td>Ben Stephenson</td>
<td>Controller, Drama Commissioning</td>
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</tr>
<tr>
<td>Beverley Salt</td>
<td>Business Information Manager</td>
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<tr>
<td>Craig Holleworth</td>
<td>Senior Investment and Business Manager, Fiction</td>
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</tr>
<tr>
<td>Dave Gregory</td>
<td>Head of Planning and Business Analysis</td>
<td>BBC</td>
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<tr>
<td>Dominic Parry</td>
<td>Chief Operating Officer, Childrens Commissioning</td>
<td>BBC</td>
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<tr>
<td>Doug Whitelaw</td>
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<td>Emma Swain</td>
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<td>Fiona Clarke</td>
<td>Head of Business, Factual Production</td>
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<tr>
<td>Gill Charnley</td>
<td>Finance Partner, Drama</td>
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<tr>
<td>Helen Blenkinsop</td>
<td>Head of Network Supply</td>
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<td>Janet Shaw</td>
<td>Senior Operations and Business Manager, Comedy</td>
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<td>Jez Nightingale</td>
<td>Head of Production, Comedy</td>
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<td>Joe Godwin</td>
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<tr>
<td>Kate Harwood</td>
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<td>Kristian Smith</td>
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<td>Neil Land</td>
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<td>Pat Younge</td>
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<td>Tristan Knight-Spence</td>
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<tr>
<td>Dawn McCarthy-Simpson</td>
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<tr>
<td>Emily Davidson</td>
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<td>John McVay</td>
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<td>Andrew Jackson</td>
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<td>Raise the Roof Productions</td>
</tr>
<tr>
<td>Claire Hungate</td>
<td>Chief Operating Officer</td>
<td>Shed Media Group Ltd</td>
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<tr>
<td>Daniel Isaacs</td>
<td>Chief Operating Officer</td>
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<tr>
<td>David Smith</td>
<td>Managing Director</td>
<td>Matchlight</td>
</tr>
<tr>
<td>David Strachan</td>
<td>Co-founder and joint Managing Director</td>
<td>Tern TV</td>
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<tr>
<td>Ed Stobart</td>
<td>Producer and Director</td>
<td>Alleycats</td>
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<td>Jane Muirhead</td>
<td>Managing Director</td>
<td>Raise the Roof Productions</td>
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<td>Sunset + Vine</td>
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<td>Jimmy Mulville</td>
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<td>Hat Trick Productions</td>
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<td>John Geraint</td>
<td>Creative Director</td>
<td>Green Bay Media</td>
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<td>Katie Lander</td>
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<td>Paul Islwyn Thomas</td>
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<td>Peter Lowe</td>
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<td>Screen Channel Television</td>
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<td>Richard Thompson</td>
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<td>Wall to Wall Media</td>
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<td>Stephen Stewart</td>
<td>Managing Director</td>
<td>Green Inc. TV</td>
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