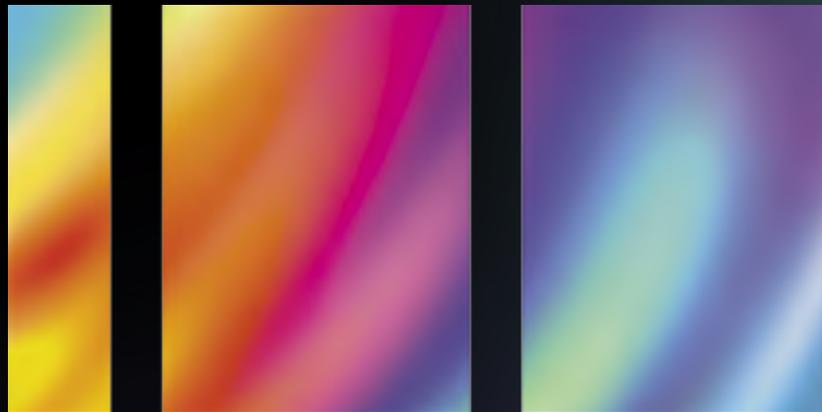


B B C



100 YEARS OF OUR BBC

BBC Group Annual Report
and Accounts **2021/22**

BBC Group Annual Report and Accounts **2021/22**

Presented to Parliament by the Secretary of State for Digital,
Culture, Media and Sport by Command of Her Majesty

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1922



—

The British Broadcasting Company formed on 18 October 1922, and a month later it made its first transmission, beginning with its famous call sign: *2LO calling...* Over the next ten decades, BBC broadcasting would transform all of our lives, defining us personally and as a nation.

1927

**BBC Proms**

—

The BBC made classical music accessible to all, diversifying over time to celebrate music of every genre, from classical and country to folk and jazz.

1932

**BBC Empire Service**

—

Launched by King George V, it will become one of the world's largest newsgathering operations as the World Service, setting the standard for impartial news around the globe.

For 100 years the BBC has been informing, educating and entertaining the nation. Here we look at some of our milestone moments...

100 years of our BBC

1936

**BBC Television begins at Alexandra Palace**

—

A pioneering moment, this was the world's first regular "high-definition TV service", creating the grammar of television as we still know it today. Prior to 1936 a low-definition experimental 30-line system was in operation.

1939



World War II, the first broadcast war

On BBC radio, Neville Chamberlain announced the outbreak of war, Churchill motivated the nation with his speeches and trusted news was disseminated to the occupied world.

1958



Blue Peter

The famous ship set sail, to become the world's longest running children's programme, inspiring generations of children to be creative and make a difference.

1963



Doctor Who

The Doctor arrived in the Tardis, regenerating every few years and in the process becoming the star of the longest running sci-fi TV series in the world.

1979



Life on Earth

David Attenborough opened up the world of natural history in this spell-binding milestone series, which set the standard for documentary making in this genre.

1985



EastEnders

The nation's favourite soap began, drawing huge audiences weekly with its cliff-hanger moments and resonantly topical storylines.

1997



BBC Online

Broadcasting – and our lives – changed forever, as the BBC became part of the worldwide web, followed in 2007 by the game-changing iPlayer.

2007



BBC iPlayer

BBC iPlayer launched as a download-only 7-day catch-up service – before going on to become one of the UK's best-loved and most-used streaming platforms.

2020



BBC Bitesize Lockdown Learning

The hugely successful BBC Bitesize expanded to offer a comprehensive home schooling service, supporting children and their parents during the pandemic.

At a glance
Inform, Educate, Entertain

Inform

The BBC provides an unrivalled level of local, regional, national and international news and current affairs. We remain the most trusted source of news in this country and the most trusted international news broadcaster. We play an important role in helping to counter the misinformation and confusion that now so often proliferate.

8/10

Pan-BBC News reach
Number of UK adults (16+) who use BBC News services each week – making BBC News the UK's most used news provider by far.

Source: Compass by Ipsos MORI. 16+

Educate

Education and learning has been at the core of the BBC's public purposes for almost 100 years, starting with School Radio in 1924. Today, our programmes on CBeebies and CBBC, plus services and initiatives such as BBC Teach, BBC Bitesize and BBC Young Reporter are loved and valued by students, teachers and parents across the UK.

75%

of secondary school pupils used BBC Bitesize in 2021/22.

Source: DJS

Entertain

Over 27 million people come to the BBC for evening entertainment on an average day. We provide much needed escapism and when asked, our audience value us entertaining them the most.

6.6^{bn}

programmes streamed on BBC iPlayer, a new record and up 8% on the previous year.

Source: AT Internet

70%

% of UK adults who think BBC News/Current Affairs is effective at helping them understand what is happening in the UK/world today (ineffective: 15%).

Source: Ipsos MORI. 16+

492m

Record global weekly audience

The BBC now reaches a record global audience of 492 million people.

Source: Global Audience Measure



Steve Rosenberg reporting from Moscow

72%

of primary school teachers surveyed said they show Newsround in class at least once a week.

Source: Teacher Tracker

400k

Students visited as part of BBC 100 Share Your Story project.



Newsround, 1982

1.54bn

UK plays of radio, music and podcasts on BBC Sounds in 2021/22, a new record and up 23% on the previous year.

Source: AT Internet

13m

viewers of *Vigil* – the UK's most watched drama launch in three years.

Source: BARB



BBC One's *Vigil*

The BBC in 2021/22

Over the past year we have continued to deliver our value for all strategy. We have strengthened our commitment to impartiality; provided high-impact content; and improved our digital offer, whilst increasing the BBC's commercial income and creating a modern and efficient organisation fit for the future.

The world's most trusted international news broadcaster

The BBC is a crucial part of the UK's soft power. It is the UK's best-known cultural export, with 60% awareness across the world – higher than other UK cultural exports such as British sports, universities and technology.

Reaching 492 million people each week across the world, including the UK

This is more than both Netflix and Disney's global subscribers combined and gives the UK an extraordinary platform to champion British culture, democracy and values across the world.

Bringing a positive influence on global perceptions of the UK

Over 50% of global users say consuming the BBC makes them perceive the UK more positively.



The BBC is at the heart of UK life

No.1

The UK's number one brand for media.

Source: Compass by Ipsos MORI. 16+

260^m

The UK public chooses the BBC 260 million times per day

Source: Compass (16+) and Kids Cross-Media Insight by Ipsos MORI

90%

of UK adults used BBC services on average per week in 2021/22. Over a month almost all UK adults – 97% – use the BBC.

Source: Compass by Ipsos MORI

81%

of 16-34s used BBC services on average per week in 2021/22, with a monthly figure of 94%.

Source: Compass by Ipsos MORI

73%

Among under 16s – with an average weekly reach of 73% – the BBC is the only UK provider used by the majority of this age group per week and ahead of both Netflix and Disney.

Source: Kids Cross-Media Insight by Ipsos MORI

53^{bn}

Across 2021/22 the people of the UK spent 53 billion hours consuming BBC content.

Source: BARB, AT Internet, RAJAR, Ipsos MORI, ONS

Left top to bottom

Lyse Doucet reporting from Kyiv, Ukraine / BBC One's *Time* / BBC One's *The Green Planet*.

Right top to bottom

Filming BBC One's *The Responder* / *The Zoe Ball Breakfast Show*, BBC Radio 2 / BBC One's *The Tourist*.



Providing significant positive economic impact across the UK

£1 > £2.63

The BBC has wide ranging economic impacts on the UK economy. For every £1 of the BBC's economic activity, £2.63 is generated in the economy.

Commercial income

£1,718^m

2021/22: £1,384 million.

Cumulative savings

£1^{bn}

Delivered since 2016/17.

Industry leading overheads

within

5%

of the public service cost base.

There is strong support for the BBC's role and mission

86%

In this, the BBC's centenary year, there is considerable public recognition of the role that the BBC has played in UK life. 86% of the UK public say that the BBC has been important to the people of the UK over this period, and 75% think the BBC has provided a necessary service over this time.

Source: Ipsos MORI. 18+

78%

Today – with the vast choice available – the BBC continues to be a treasured source of information, education and entertainment with strong public support that this should stay the mission of the BBC. Overall, 78% of UK adults believe in the BBC's overall mission, with a clear majority across all audience groups regardless of age, gender, socio-economic group, ethnic origin and location.

Source: ICM Unlimited. 18+

75%

Three-quarters of the UK public says the BBC provides a valuable public service for people in the UK today

Source: Ipsos MORI. 16+

No.1

Across a range of stories, BBC News is overwhelmingly the first place the UK public turns for impartial news coverage.

Source: Yonder. 18+

A leader in video, audio and news

In video, 73% of people in the UK watch BBC TV in a week on average – more than any other TV or SVOD provider.

In audio, 62% of adults listen to BBC Radio on average per week – ahead of any broadcast radio company or audio on-demand providers.

In news, the BBC is the UK's go-to source – chosen more than any other provider.

Source: Compass by Ipsos MORI, BARB, RAJAR, Yonder

A strategy to deliver value for all



Renewing our commitment to impartiality

Impartiality is fundamental to the trust that audiences have in the BBC. It is the cornerstone of who we are and what we do, and the reason we are valued as an independent voice throughout the world.

Impartiality has never been easy, but our audiences are right to expect the highest possible standards. At the BBC we know that we need to earn our reputation for impartiality every day, in everything we do.

This year we have strengthened our commitment to impartiality by:

- responding to the Dyson report by launching the Serota Review which examined the BBC’s editorial processes, governance and culture
- publishing a comprehensive ten-point plan to further raise standards across the organisation, including regular thematic reviews of our output in key areas of debate
- continuing to roll out impartiality training across the BBC and uphold new staff guidelines and rules on social media and declaring external engagements
- providing trusted coverage of the Ukraine invasion which has been relied upon by audiences in their millions at home and around the world



Focusing on unique high-impact content

The BBC must deliver great value for everyone, wherever and wherever they are. That means focusing our resources on producing the unique, high-impact work that resonates most strongly with our audiences.

To offer great value we need to make outstanding content in every genre, but we cannot afford to spread ourselves too thinly. Today’s BBC needs to do less than in the past, but we must never compromise on quality.

This year we have been focusing on high-impact content by:

- reallocating funds to where they generate most value and make our output utterly distinctive
- continuing to produce landmark distinctive hits – these pages are full of examples, from *The Tourist* to *Time*, *The Green Planet* to *The House of Maxwell*, *MasterChef* to *Motherland*, *Forgotten Composers* on Radio 3 to *Things Fall Apart* on Radio 4
- investing £112 million of our video and audio commissioning budget over three years into diverse and inclusive content, like *Uprising* and *Then Barbara Met Alan*
- bringing back BBC Three as a broadcast channel – backing success, brave ideas and new talent, like Sally Rooney’s *Conversations With Friends* and Kayleigh Llewellyn’s BAFTA-winning *In My Skin*



Extracting more value from online

A digital-first BBC must ensure that it has world class online products and services, giving the best possible experience to audiences in the UK and globally.

We have made great progress with BBC Online, with News, Sport, iPlayer and Sounds. But we need to go further and make sure our offer is joined up across everything we do. The more of our distinctive content audiences can discover, the more value they will get from the BBC.

This year we have worked hard to drive more value from online by:

- updating our services and apps for a more coherent and seamless online experience, and to make it easier for audiences to discover everything we offer
- breaking new records for iPlayer with 6.6 billion programmes streamed in 2021, up 8% on 2020/21
- serving 1.54 billion plays of radio, music and podcasts on Sounds in 2021, up 23% on 2020/21
- reaching one-in-three adults on average per week with BBC News Online, above target

6.6^{bn}

programmes streamed on iPlayer in 2021/22.

Source: AT Internet

1.54^{bn}

UK plays of radio, music and podcasts on BBC Sounds in 2021/22.

Source: AT Internet



Look for these symbols throughout the strategic report to see how everything we do is underpinned by these six priorities.



Building our commercial income

Building our commercial income is critical to our strategy in the years ahead. We are determined to substantially increase financial returns so we can maximise value for licence fee payers.

BBC Studios is at the heart of our plans. It is the number one international TV distributor outside Hollywood, with exports valued at £800 million in 2021/22. It continues to create unmistakably BBC content whilst generating competitive returns.

This year we have proven our ability to grow commercial and global income by:

- achieving record sales and profits for BBC Studios in 2021/22, with profits of over £200 million for the first time
- topping £400 million in content sales for the third consecutive year
- exceeding our target for BBC Studios to deliver £1.2 billion in returns over the first five years of the current Charter
- reaching record audience share for UKTV in 2021, with advertising significantly boosting revenues
- providing the highest-ever return from BBC Studioworks of £3 million back to the BBC

£1.2^{bn}

exceeding our target for BBC Studios to deliver £1.2 billion in returns over the first five years of the current Charter.

£274^m

delivering £274 million of savings in-year.

5%

improving our overhead rate to within 5%, once again placing the BBC in the top quartile of comparators.



Creating a modern, highly efficient BBC

A modern BBC is more efficient, more agile and more representative of the country we serve. It has simpler ways of working, with none of the barriers that can get in the way of delivering the maximum possible value to our audiences.

That is why we are working hard to create a stronger and more effective organisation, and one that is able to deliver the unique value on which our future success depends.

This year we continued to create a modern BBC by:

- delivering a net reduction of 409 public service roles and £274 million of savings in-year
- improving our overhead rate to within 5%, once again placing the BBC in the top quartile of comparators, and setting out plans to drive organisational efficiencies further
- driving our ambition to create a 50:20:12 organisation which reflects more accurately the society we serve, and introducing a new 25% target for socio-economic diversity
- expanding our 50:50 Equality Project to help achieve equity in gender, ethnicity and disability representation across the BBC
- setting out our path to reaching Net Zero by 2030 with science-based targets for reducing our emissions



The BBC 'Across the UK'

'Across the UK' is our plan to radically transform the BBC by shifting much more of our people, power and decision-making to the UK's nations and regions.

It is part of our commitment to making sure the BBC reflects the whole of the UK, with all its views and voices. But it is also a plan to ensure that the social, cultural, and economic benefits of the BBC are felt in every community.

This year we have advanced our 'Across the UK' plans by:

- making new and returning shows across the nations and regions – *Shetland*, *The Pact*, *Bloodlands*, *Gentleman Jack*, *The Responder*, *Peaky Blinders*, *Waterloo Road*
- moving major BBC brands across the UK – *MasterChef* to Birmingham, *Top Gear* to Bristol, *Morning Live* to Greater Manchester
- putting BBC Scotland at the heart of our COP26 coverage, launching an official partnership between the BBC and Creative Wales, and reflecting the centenary of Partition with a mix of landmark programmes from Northern Ireland
- announcing the BBC's biggest investment in North East England in decades – £25 million over the next five years
- opening a new Apprentice Hub in Birmingham and doubling our overall commitment to apprenticeships to have 1,000 by 2025

Statement from the Chairman



Above:
Jeremy Bowen reporting from Kyiv, Ukraine / Olympics coverage



100 years and beyond

This year the BBC celebrates its centenary, and with it one hundred years at the heart of the UK's national life.

When the BBC was founded in 1922, it was at the dawn of an extraordinary new era of communication. Many feared that broadcasting would be so pervasive, and persuasive, that it could damage society. Propaganda from home and abroad might disrupt democracy. Commercial interests could distort the national conversation. The new technology would foster division and discord.

The BBC's pioneers believed that this powerful new tool needed to be harnessed in the public interest. A number of ideals should be preserved. Information should be trustworthy. Broadcasting should benefit everyone. Programmes should enrich people's lives. Lord Reith's mission "to inform, educate and entertain" was born.

Today the digital revolution has plunged us into a whole new communication era, and the impacts on our society are only starting to become clear.

Commercial media providers now compete in a landscape in which they must chase engagement above all. News providers are increasingly incentivised by the rewards of partisan viewpoints. Social media has evolved around the principle that information is less satisfying than affirmation, and the endorphin kick we get from our online behaviour is so potent that corporations naturally wish to monetise it, and bad actors exploit it.

Alarm bells have been ringing for some time about the dangers to democracy of this new information environment; this year the Russian invasion of Ukraine laid the stakes bare.

I am immensely proud of how BBC news teams led the coverage of the invasion – whether our correspondents on the ground in Ukraine and Russia, our staff in BBC Monitoring, or our specialist disinformation reporters working to analyse claims from both sides in real time (see summary on page 19).

I am particularly proud of those working for our language services, and their commitment to serving audiences in Ukraine and Russia in the most challenging of professional and personal circumstances.

The information war in Ukraine serves as testimony to the growing assault on truth and democracy that we are witnessing worldwide. But it also speaks clearly to the unique position the BBC occupies in the global media landscape.

Today the BBC reaches a weekly audience of 492 million people around the world, a figure which has more than doubled in the past decade. It is the best-known British cultural export, with 60% awareness across the globe. It is also the world's most trusted international broadcaster, relied on in particular wherever freedom is constrained.

This combination of trust and scale gives the BBC a unique ability to take on disinformation and promote British democratic influence around the world. What that achieves for the UK abroad has long been recognised.

In order to deliver on this international remit, as well as its public service mission at home, the BBC is dependent on one thing: its commitment to, and reputation for, the highest standards of impartiality.

The Board has consistently held up impartiality as the BBC's first priority. It is our critical accountability to make sure that the BBC's standards are underpinned by the correct systems of governance.

I believe the case for harnessing the power of technological change in the public interest is as strong today as it was one hundred years ago. In fact, faced with the rapidly-growing threats of disinformation, malign state influence, and assaults on democracy, it is even stronger.

This year saw the publication of Lord Dyson's investigation into the circumstances around the BBC's 1995 Panorama interview with Diana, Princess of Wales. It highlighted past unacceptable failures. The Board responded by commissioning a far-reaching review of the BBC's editorial processes, governance and culture, led by Sir Nicholas Serota.

The Serota Review was published in October and made clear recommendations which the BBC accepted in full. The Director-General and the BBC responded with a ten-point plan to embed the highest standards across the organisation and address concerns regarding unconscious bias and groupthink, including regular thematic reviews of BBC output in key areas of public debate.

Much has been achieved in this area. We need a BBC that is beyond reproach when it comes to standards, processes and transparency. Our reputation for impartiality needs to be earned each and every day.

I believe the case for harnessing the power of technological change in the public interest is as strong today as it was one hundred years ago. In fact, faced with the rapidly-growing threats of disinformation, malign state influence, and assaults on democracy, it is even stronger.

In this context, it is important that the BBC now has the certainty of a six-year licence fee settlement. The Board welcome the strategy recently set out by the Director-General to operate within that settlement and accelerate the transformation of the BBC into a more modern, efficient, and digital-focused organisation. We also look forward to engaging closely with the public debate around future funding of the BBC beyond 2027.

I want to thank Tom Ilube, Baroness Tanni Grey-Thompson, Steve Morrison and Fran Unsworth who all left the Board this year. I was also pleased to welcome four new members – Sir Robbie Gibb, Shumeet Banerji, Sir Damon Buffini and Muriel Gray (see page 84).

During the year, the Board approved the creation of a new Commercial Board which, under the chairmanship of Damon Buffini, will focus on growing the BBC's commercial income as a key pillar of the organisation's overall strategy to deliver more value to all. This will build on the work of the Commercial Holdings Board and I want to thank Elan Closs Stephens for all her work in chairing the Board to the end of March 2022.

I am proud of the record of achievement this report outlines. It demonstrates that the BBC has a clear vision of how to deliver public service value to everyone in the digital age, as well as to the UK as whole.

It also shows a BBC that is highly focused on delivery – whether it's organisational efficiency (see page 52), trusted news and information (page 18), world-class British content (page 26), or spreading the economic benefits of the BBC across the UK (page 34).

I am confident in the future of the BBC. This report shows that we are in the process of building a digital media organisation that can continue to inform, educate and entertain all audiences, and be every bit as important to the UK's national life and global influence in its second century as it was in its first.



Richard Sharp
Chairman
23 June 2022

Delivering value for all



The BBC's centenary is a very special landmark. We are celebrating 100 years at the core of the UK's creative and cultural life. But today's BBC is not just about looking back. We are focused firmly on the future, and our goal of delivering outstanding value for all audiences in the digital age.

This year has been one of major reform to ensure that we remain relevant and keep delivering the critical benefits of public service broadcasting – social, economic and cultural – for the long term.

This report highlights our progress. It shows our determination to adapt and succeed as a digital-first organisation in today's global media marketplace, while staying faithful to the values which have underpinned the BBC for a century.

I am proud of how our teams have worked tirelessly to deliver for audiences this year. They once again showed extraordinary resilience in the face of Covid constraints and challenges. And whether delivering trusted news or educational support or world-class British content, they have demonstrated the enduring importance and relevance of the BBC's public service mission and values.

It is vital that we now have the clarity of a six-year licence fee settlement. Of course, it is disappointing to face a two-year freeze on our licence fee income, meaning that we will have to absorb the considerable costs of inflation in this period. This presents us with significant challenges, especially given that the BBC's income for UK services is already 30% lower than a decade ago in real terms.

However, we have financial stability in the UK for the rest of the current Charter period. Alongside the potential to grow commercial revenues, this means the BBC can focus on the future and on delivering against our clear priorities.

This is about much more than living within our financial settlement. It is about transforming the BBC into an organisation that can succeed despite the extraordinary pace and scale of market change, capable of building relevance to our audiences despite the fierce competition for time in an online world.

Our first priority is impartiality and trust. Here we can point to good progress in rolling out new rules and guidelines across the organisation. This year we also responded to the Serota Review by introducing a comprehensive ten-point plan which recommits us to the very highest standards.

Now the challenge for the BBC is to take an even more assertive approach to impartiality.



Left:
BBC One's *Peaky Blinders*

Above:
Clive Myrie reporting from Kyiv, Ukraine / The ARIA winning *Woman's Hour* presented by Emma Barnett

Now the challenge for the BBC is to take an even more assertive approach to impartiality. We need to hold firm against the growing assault that truth and media freedom are coming under worldwide.

We need to hold firm against the growing assault that truth and media freedom are coming under worldwide.

Back in February, on the eve of the Ukraine invasion, a report from Freedom House in the US found that a total of 60 countries suffered democratic decline in 2021, while only 25 improved. Around 20% of people now live in what are considered to be free countries – a proportion that has halved in the past 10 years.

Meanwhile, the latest World Press Freedom Index finds that journalism is completely or partially blocked in over 70% of the 180 countries it ranks. The situation is ranked as “very serious” in a record 28 countries.

The way audiences at home and abroad responded in record numbers to our coverage of the Ukraine invasion showed how much they value impartial news and analysis (page 18). It was also a reminder of the role the BBC can play in standing up for British democratic values in today's disinformation world.

We continue to build our editorial focus on getting to the truth and delivering world class analysis – from Reality Check and viral explainers to podcasts such as *UkraineCast* and *The War on Truth*. We also understand the impact that the BBC's unique global network can have when it comes to supporting media education across the globe. I recently saw this at first hand in India, where our BBC Young Reporter media literacy scheme has reached over 8,000 students in 160 schools across 27 states.

I welcome the fact that the BBC's role in helping to combat disinformation and promote British democratic values worldwide has once again been recognised by the Government in their decision to extend support for the World Service for a further three years. This report shows how hard our global news teams are working to make that responsibility count across the globe (page 44).

1st

place audiences turn to for impartial news across a range of stories.

Source: Yonder. 18+

9

BAFTA wins and 13 ARIA gold awards.

141^m

Total streams for the Tokyo and Beijing Olympic games.

Source: AT Internet

Our second priority is to deliver outstanding, distinctive content across all genres. This year we have seen broadcast audiences of over 10 million for programmes like *Vigil*, *Strictly* and *Line of Duty*. We have seen more than 30 million iPlayer streams for shows like *The Tourist*, *Peaky Blinders* and *The Apprentice*.

We have seen the impact of documentaries like *The Green Planet*: nearly half of viewers surveyed said it made them value the environment more, while over a quarter said it inspired them to take action. And we have seen millions flock to the BBC to share an extraordinary summer of sport, with 25 million watching the Euro 2020 final on BBC One and 7.8 million tuning in for the Wimbledon Men's Final on the same day.

The BBC's creative excellence was also widely recognised by the industry. This year brought nine BAFTA wins, including for *Time*, *Uprising*, *Motherland*, *In My Skin* and *Alma's Not Normal* – as well as the “must-see moment” award for Rose and Giovanni's silent dance on *Strictly*. It also saw the BBC pick up 31 ARIAs, with 13 Gold awards including two for *Woman's Hour* and one each for BBC Radio Merseyside and BBC Radio Kent.

Our job is not to simply compete with the big global streamers on volume of content but to maximise our unique value to audiences by focusing on distinctive British storytelling of outstanding quality. To inform, educate and entertain. This report shows how we are doing just that (page 26).

Director-General's review continued



Of course, offering great value in the digital age is not just about what we offer, but how we offer it. That is why we are doubling down on our strategy to transform our digital products and ensure they are world class. Quite simply, the success of our online services will define the success of the BBC in the years ahead.

This year we can point to considerable progress (page 32). BBC iPlayer broke new records, with programmes streamed 6.6 billion times – up 8% on last year. BBC Sounds served up 1.54 billion plays of radio, music and podcasts – up 23% on 2020/21. BBC News Online reached 34% of UK adults on average per week – that is 18 million people weekly and ahead of our target.

Audiences will also have noticed that we have introduced a much more coherent and seamless experience across our online offer, making it easier for them to discover everything we do. The more of our distinctive content they can find, the more value they will get from the BBC.

Lastly, a major priority continues to be boosting our commercial income. It is vital that the BBC can secure the investment and the partners to make the best programmes possible in a highly competitive marketplace, and also that we can generate maximum returns for licence fee payers.

BBC Studios has seen record sales and profits this year, with content sales topping £400 million for the

third consecutive year and profits over £200 million for the first time. We have now exceeded our target for Studios to deliver £1.2 billion in returns over the first five years of the current Charter. And we have also secured agreement from Government for an increase in our commercial borrowing limit which gives us more flexibility to compete internationally as we need it.

Global News and Children's in-house production have now joined BBC Studios, which means that all our international commercial activities are under a single leadership, overseen by the new BBC Commercial Board (page 79).

Alongside these audience-facing priorities is the transformation that we are delivering in where we make our content and how we run the organisation. One area where we have seen perhaps the most obvious evidence of this is in our plan to shift the BBC out of London and across the UK.

The goal of the 'Across the UK' plan which we set out last year was to bring us much closer to our audiences and help us reflect them better. It was also to make sure that the BBC could play its fullest possible role in supporting economic growth in every corner of the UK. Today, half of the BBC's economic contribution is outside of London, over half our employees are based outside the M25, and over half of our network TV production is in the nations and regions. But we can do more.

In recent months I have been on Tyneside to announce a £25 million investment in the region over the next 5 years. I have visited the West Midlands where we launched our new apprentice hub to help more people get work in the creative sector. We have announced that we are doubling our commitment to apprenticeships UK-wide, with plans to recruit 1,000 by 2025, 80% based outside London.

This year has brought important changes to some of our biggest programmes, like the production of *Top Gear* moving to Bristol, *MasterChef* moving to Birmingham, and *Morning Live* moving to Manchester.

It has also seen more of our news teams shift out of London, and more of our news and current affairs programmes being broadcast from around the UK.

We know how much audiences value programming from their nation or region, with shows like *Bloodlands*, *Shetland*, *Guilt*, *The Pact*, *The Responder*, *Sherwood* and *Gentleman Jack*, and much more to come like *Happy Valley* and the return of *Waterloo Road*.

53k

jobs across the UK supported by our investment in the creative economy

Source: KPMG, Economic Impact of the BBC Report

700m

Hours of content played through Sounds across 2021/21

Source: AT Internet/ BBC Account data

£1.2bn

Over £1.2 billion returns from BBC Studios in the first five years of the Charter.

We also know how important it is that the BBC's output truly reflects every community in the UK, which is why we committed £112 million of our video and audio commissioning budget over three years to diverse and inclusive content, like *Uprising* and *Then Barbara Met Alan*. We are determined to invest in people, places, opportunities and stories from every part of the UK, and this year has proved that we are delivering (page 34).

A major part of our responsibility to the whole country is making sure the BBC is representative of all communities, off-screen as well as on. That is why I set a clear target of a 50:20:12 organisation – meaning gender balanced, with at least 20% black, Asian and minority ethnic staff and at least 12% disabled staff. This year we also committed ourselves to reaching a new target for lower socioeconomic diversity of 25% by 2027.

These are the targets against which I am holding all BBC leaders to account in order to drive change at every level of our organisation, and our latest progress is set out in these pages (page 59).

All this is part of our broader effort to make sure that we are a truly modern BBC. That means a highly-efficient BBC, set up to deliver maximum possible value for the licence fee.

This year we have reduced our overhead rate to within 5% of our total costs. We have delivered a net reduction of 409 public service roles, following the reduction of over 1,200 roles we announced last year. We have also delivered over £274 million

of savings in-year (page 57). We will soon set out further plans to reduce costs and streamline the BBC.

A modern organisation is also one that seeks to lead the way on environmental sustainability, and this year we set out our path to reaching Net Zero by 2030. Our science-based targets (page 69) commit us to reducing our scope 1 and 2 emissions by 46% in that timeframe, and to reducing our scope 3 emissions by 28%.

There is much work to do in this area, but I am proud that this year the BBC also became one of 12 broadcasters and streamers to sign up to a new Climate Content Pledge. Together the signatories represent over 70% of the time UK audiences spend watching TV and film, and we are committed to using all our content – not just our specialist output – to engage and inform audiences on this critical issue.

This report demonstrates that there is a clear opportunity for the BBC in today's highly-competitive global media market. It is an opportunity to secure something important for the UK: world-class public service content and services in a fully digital age, freely available universally, for the good of all.

The BBC continues to be the UK's number one brand for media, used by 90% of adults on average per week. We are overwhelmingly the first place UK audiences turn for impartial news. We are the world's most trusted international broadcaster, and reach almost half a billion people each week across the world.

This report demonstrates that there is a clear opportunity for the BBC in today's highly-competitive global media market. It is an opportunity to secure something important for the UK: world-class public service content and services in a fully digital age, freely available universally, for the good of all.

£112m

of video and audio commissioning budget for diverse and inclusive content.

1,000

apprenticeships by 2025, 80% outside London.

We remain the cornerstone of the creative industries across the UK. Every £1 of the BBC's economic activity generates a total of £2.63 for the wider economy. We support over 53,000 jobs, over half outside London. Our investment in the creative sector supports 14,000 organisations around the UK, over 8,000 of which are SMEs.

There is much more we must do to transform the BBC into a truly modern, digital-first organisation, but this report shows we have a clear plan in place and we are delivering against it. Our focus is on building the BBC into a leading global digital media organisation, capable of delivering social, economic and cultural benefits for the UK well into our second century.



Tim Davie CBE
Director-General
23 June 2022



Opposite page:
BBC Three's BAFTA award-winning drama In My Skin / BBC podcasts / MasterChef / The Weakest Link

Above:
Filming BBC One's Gentleman Jack

Delivering our public purposes

The BBC's public purposes are enshrined in the Royal Charter and Agreement. They are at the core of everything we do.

The BBC's mission, as set out in our Royal Charter, is "to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain." Also enshrined in our Royal Charter are the BBC's five public purposes. These outline the values we hold when striving to achieve our mission and they provide a clear framework through which we are held to account.

Over the coming pages, we set out our performance in delivering against our purposes, and more detailed reporting on our commitments and regulatory quotas can be found on page 137 and page 168.

In 2021/22, on average 90% of adults overall used the BBC per week and 81% of young adults – more than any other brand for media. Among under 16s – with an average weekly reach of 73% – the BBC was the only UK provider used by the majority of this age group per week.

Each year Ipsos MORI surveys the UK public to gauge whether they think we are delivering our mission and purposes. With the easing of restrictions, this year's survey was conducted face-to-face again. Because of the difference in method, we cannot compare results with the 2020/21 survey (undertaken via telephone/mobile because of the pandemic) but can compare back to the 2019/20 face-to-face survey.

This year 68% of UK adults rated the BBC as effective in delivering the mission,* broadly steady on 70% in 2019/20, despite the media changes over the past two years (14% say ineffective).

Across all audience groups regardless of age, gender, social grade, ethnic origin or geography, the largest

number of people continue to feel that we have delivered the mission and purposes. The highest scores are for helping people understand what is going on in the UK and world, and for the quality of content and services. There are scores we are working to improve, especially impartiality perceptions, and differences we wish to lessen, especially in how well we reflect different people and different parts of the UK.

Our aim is to offer great value for all. Our mission and public purposes guide our work at every step and, in the following pages, we set out detail on what we have done in the last year to deliver that value.

* Ipsos MORI, UK adults 16+, February-April 2022. Average score across informing, educating and entertaining people in the UK and them

69%

% of UK adults who agree that people in the UK would miss the BBC if it wasn't there (disagree: 20%).

Source: Ipsos MORI. 18+

68%

% of UK adults who say the BBC is effective at informing, educating and entertaining me/people in the UK (ineffective: 14%).

Source: Ipsos MORI. 16+

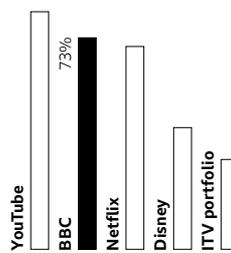
67%

% of UK adults who agree the BBC is a crucial part of UK culture (disagree: 21%).

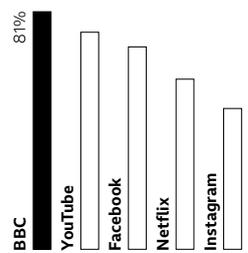
Source: Ipsos MORI. 18+

Top five brands most used for media in 2021/22 Average weekly reach

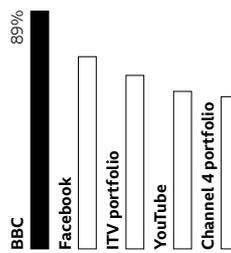
Under 16s



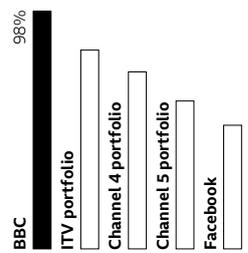
16-34 year olds



35-54 year olds



55+ year olds



Source: Compass by Ipsos MORI based on 15-min accumulated average weekly reach (on-platform), Kids Cross-Media Insight by Ipsos MORI



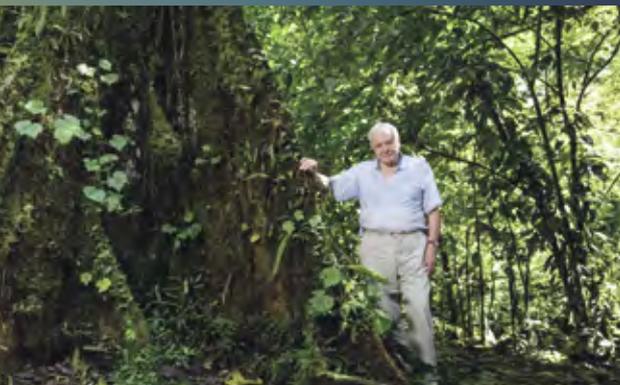
1 To provide impartial news and information to help people understand and engage with the world around them

→ **p.18** for more



2 To support learning for people of all ages

→ **p.22** for more



3 To show the most creative, highest quality and distinctive output and services

→ **p.26** for more



4 To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom

→ **p.34** for more



5 To reflect the United Kingdom, its culture and values to the world

→ **p.44** for more

Delivering our creative remit
Public purposes





Reeta Chakrabarti presenting in the TV news studio, New Broadcasting House

Purpose 1: To provide impartial news and information to help people understand and engage with the world around them

These pages demonstrate ways in which the BBC met its obligation to provide impartial news and information over the last year.

Today, the BBC provides an unrivalled level of local, regional, national and international news and current affairs. We remain the most trusted source of news in this country and we play an important role in helping to counter the disinformation that now so often proliferates in our national and international debate.

BBC News continues to come out way ahead of any other news provider when audiences are asked to pick the one source they are most likely to turn to for impartial, trusted and accurate news.

The importance of what we do to ensure that everyone has access to news and information they can trust has been repeatedly highlighted this year, and in particular as Russia invaded Ukraine. During the week that the war in Ukraine started, an estimated audience of over 280 million people came to the BBC's online news output. We have seen record use of BBC services in Ukraine and Russia, with our Ukrainian language platforms reaching 6 million people and our Russian language platforms reaching 17 million people before services were blocked. Meanwhile, our regional news bulletins on BBC One continue to be collectively the most-watched news programme on TV.

280^m

During the week that the war in Ukraine started, an estimated audience of over 280 million people came to the BBC's online news output.

Source: Ipsos MORI/Compass; Piano Analytics/Social Media Analytics

Delivering our creative remit
Public purposes

Purpose 1: To provide impartial news and information to help people understand and engage with the world around them



Ukraine

In times of crisis, people turn to the BBC in their millions for accurate, impartial information – and this is proving the case with the war in Ukraine.

Coverage of Russia’s invasion of Ukraine has utilised the depth and breadth of the BBC’s expertise – from the journalists, producers and operations staff making powerful on-the-ground reports to specialist teams such as BBC Reality Check painstakingly fact checking misinformation.

Clive Myrie has anchored the nightly news bulletins from Kyiv, at times from the bunker where he and the BBC team were sheltering.

In the face of punitive Russian media laws, newly promoted Russia editor Steve Rosenberg and his team have continued to tell the story from inside that country.

This expertise was gathered together on the BBC’s live web pages, which became an essential destination for hundreds of millions of people worldwide, as well as on new podcast, *UkraineCast*, launched on the first day of the invasion.

8/10 ^{20/21}
8/10

Pan-BBC News reach
Number of UK adults who use BBC News services each week.

Source: Compass by Ipsos MORI. 16+

63%

% of UK adults who think the BBC is effective at providing news and current affairs that is trustworthy (ineffective: 20%).

Source: Ipsos MORI. 16+

63%

% of UK adults who think the BBC is effective at providing news and current affairs that is accurate (ineffective 18%).

Source Ipsos MORI. 16+

51%

% of UK adults who think the BBC is effective at providing news and current affairs that is impartial (ineffective 25%).

Source Ipsos MORI. 16+

83%

of adults support the BBC’s mission to inform (disagree 5%).

Source: ICM Unlimited. 18+



Regional TV news in England

England news bulletins at 6:30pm on BBC One continue to be collectively the most watched news programme on TV. The 15 local editions break news stories that matter most to our audiences. It has been a landmark year with Coventry City of Culture, supporting audiences through a tough news agenda with Covid still present, the impact of the war in Ukraine where we live and the cost of living crisis. Combined figures for the 6:30pm slot average out at 3.7 million viewers.



Fighting Disinformation

At a time of international upheaval, disinformation flourishes, making trusted news more vital than ever. Throughout the pandemic, the BBC’s specialist disinformation and social media reporter, Marianna Spring, has reported tirelessly on the misleading information around Covid-19 and the ‘anti-vax’ movement. Along with a wider team of disinformation specialists, she has been debunking conspiracy theories, exposing fake news, and talking to people who’ve been affected, notably on her radio and podcast series *Death by Conspiracy?* Her recent focus has been the information war over Ukraine, presenting the podcast *War on Truth*.



Top to bottom

Former political editor *Laura Kuenssberg’s* RTS award-winning interview with *Dominic Cummings / UkraineCast / Chris Mason / The Cost of Covid-19*





We remain the most trusted source of news in this country and we play an important role in helping to counter the disinformation that now so often proliferates in our national debate.



Cost of Covid-19

Alongside the continuing expert analysis of Covid-19 from health and science reporters came a compassionate exploration of the human costs of the crisis.

For a year, a BBC team was embedded with faith leaders in one of the most deprived parts of Burnley. The Cost of Covid explored the shocking inequalities exposed by the pandemic, with extended reports on the News at Ten and across the BBC.

The series prompted spontaneous audience donations of nearly a million pounds to the community. It won an RTS award and a Sandford St Martin Trustees' award.



COP26

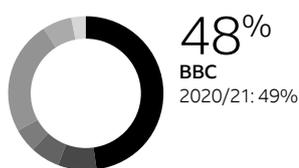
The BBC's news modernisation programme was designed to reduce duplication and make as much impact as possible with audiences.

The BBC's coverage of the United Nations Climate Change Conference – COP26 – exemplified our new way of working. TV and digital teams worked together with the new Climate and Science team on live coverage of the event, and the digital live pages attracted 15 million page views. We offered tailored push alerts through the UK news app.

In all, a total of 16 million unique visitors came to COP coverage, reading an above-average number of stories.

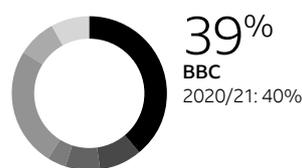
Of all the news sources (TV, radio, newspaper, magazine, website, app or social media) which one source are you most likely to turn to...

... for news you trust the most



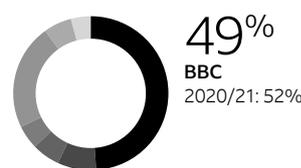
- BBC 48%
- Sky News 8%
- ITV News 6%
- Guardian 5%
- Other 24%
- None 6%
- Don't know 3%

... if you want impartial news coverage



- BBC 39%
- Sky News 9%
- ITV News 7%
- C4 News 4%
- Other 25%
- None 8%
- Don't know 8%

... if you want accurate news coverage

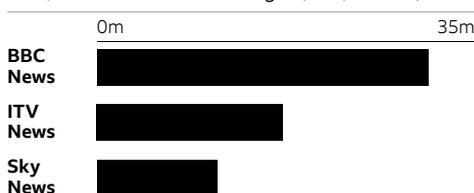


- BBC 49%
- Sky News 8%
- ITV News 6%
- Guardian 5%
- Other 22%
- None 6%
- Don't know 4%

Source: Ipsos MORI, 928 adults 18+ who follow the news, March 2022.

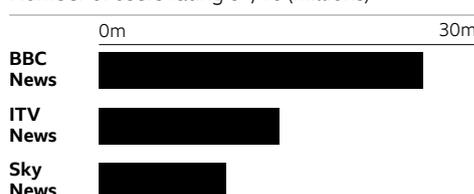
Top three news sources for trust rated by their users

To what extent do you trust... as a source of news? (Scale: 1 = do not trust at all; 10 = trust a great deal). Number of users rating 6+/10 (millions)



Top three news sources for impartiality rated by their users

How biased or impartial do you think this news source is? (Scale: 1 = very biased; 10 = very impartial). Number of users rating 6+/10 (millions)



Source: Ipsos MORI, users per provider from a nationally representative sample of 993 UK adults 18+, March 2022. % rating 6+/10 converted into the equivalent population figure. Population figures from ONS. BBC calculations.

→ p.169

For the full list of statistical information on Public Purpose 1



Purpose 2: To support learning for people of all ages

The following pages demonstrate the breadth of content that the BBC provides to support learning for all.

Education has always been in the DNA of the BBC. This year our education and learning mission has continued to support students, teachers and parents still dealing with the exceptional educational challenges of the Covid pandemic.

Our BBC Bitesize educational service was used by 64% of primary school pupils this year, as well as 75% of those at secondaries. 82% of under 16s who use Bitesize say that it helps them understand their studies more whilst 65% of secondary school users say it helps them to achieve better grades. Following on from last year's "Lockdown Learning" initiative, BBC Education produced over 80 new hours of Bitesize Daily content for transmission on CBBC during the 2021 Summer term, whilst 2021/22 was the first year of a three-year plan aimed at increasing Bitesize's contribution to learner outcomes for 5-16 year olds.

The BBC's education and learning offer continues to reach far beyond Bitesize and our focus on those at school. Our goal is to help people, whatever their stage of life, to achieve their full potential through educational content, services and participative experiences from the BBC, from partners and from each other.

No.1

The UK public spend more time viewing factual programming from the BBC than from any other provider.

Source: BARB

Delivering our creative remit
Public purposes

Purpose 2: To support learning for people of all ages



Dodger

Dodger is a rip-roaring comedy adventure following a gaggle of irrepressible Victorian street urchins with showrunners Rhys Thomas and Lucy Montgomery giving new life to a handful of characters from *Oliver Twist* and adding a host of their own. The show premiered on CBBC and BBC iPlayer, with a further run on BBC One. A collaboration with BBC Education also created films for BBC Teach and Live Lessons on children and work in the Victorian era. *Dodger* was filmed in stunning locations across northwest England, and had a cast including Christopher Eccleston, David Threlfall, Alex Kingston and Danny John Jules.



Newsround

As the BBC turns 100, we are also celebrating 50 years of *Newsround*. *Newsround's* value has perhaps never been clearer than in recent times, with record audiences coming for information during the pandemic, and now with war in Ukraine. *Newsround* delivers child-appropriate, impartial and trusted information about current events via online bulletins, the *Newsround* website, the CBBC channel, and social media. Over 72% of primary school teachers surveyed said they show *Newsround* in class at least once a week. (Source: Teacher Tracker)



Tiny Happy People

Education is at the core of the BBC's public service output, allowing us to support children and parents throughout the UK. *Tiny Happy People* helps to address the shortfall in language acquisition that leaves those in the poorest areas of the UK playing catch-up from the day they start school. This forms part of the BBC's Levelling Up Goals to help increase equality of opportunity across the UK. The BBC has partnered with local authorities and national governments to place *Tiny Happy People* at the heart of local efforts, with BBC resources used by childcare professionals, and endorsements from organisations such as the Royal College of Speech and Language Therapists, who recommend our work to members and parents across the UK.



Bitesize Careers

BBC Bitesize Careers provides over 300 high-quality job profiles featuring contributors from fields such as crafts, construction, engineering and TV alongside up-to-date salary, skills and career pathways from the National Careers Service. The site won Best Employment Advice Website in the 2021 NORA Awards, and 2022/23 will see an expansion of profiles in partnership with the Open University and a new series of 'Careers Panels' featuring early career professionals across a host of sectors such as healthcare and sport from high-profile employers including AstraZeneca, Electronic Arts, Aston Villa FC and the BBC itself!

B B C
BITESIZE

64% ^{20/21} 67%

Primary pupils
% of primary school pupils who use Bitesize.

Source: DJS

75% ^{20/21} 77%

Secondary pupils
% of secondary school pupils who use Bitesize.

Source: DJS

82% ^{20/21} 80%

% of under-16 users who say Bitesize helps them understand their studies/learning more.

Source: DJS

65% ^{20/21} 57%

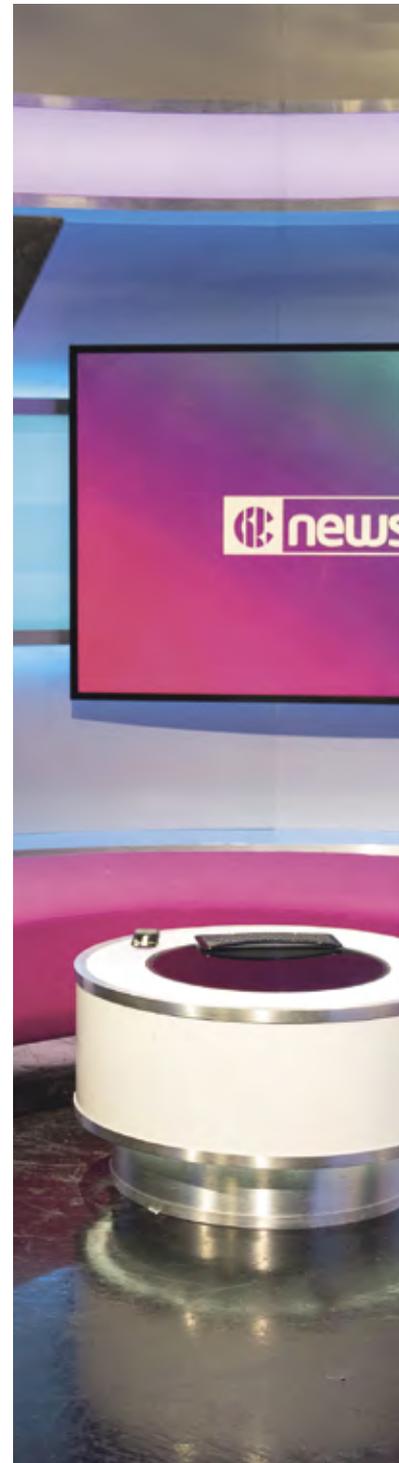
% of secondary school users who say Bitesize helps them to achieve better grades.

Source: DJS

1.8m ^{20/21} 2.7m

Unique browsers
Average number of unique UK browsers accessing Bitesize on average per week.

Source: AT Internet



Top to bottom
CBBC's *Newsround* / BBC Young Reporter Q&A event



Top to bottom
Tiny Happy People
 ambassador Dani Dyer /
CBeebies' Biff & Chip /
 Radio 1 presenter Greg
 James speaking at the Share
 Your Story schools tour



BBC Young Reporter
 BBC Young Reporter continues to support young people's engagement with and understanding of the media industry and provides opportunities for 11-18 year olds to tell their own stories. This BBC News, BBC Academy and BBC Education partnership initiative works with schools, colleges and youth groups across the UK, involving BBC volunteers in sharing skills in news literacy, content creation and insights and advice about careers in broadcasting.

To mark the BBC's centenary, the Share Your Story schools tour and annual BBC Young Reporter Competition will source 100 stories for broadcast across BBC programmes and platforms in 2022.

→ **p.170**

For the full list of statistical information on Public Purpose 2

We have continued to support students, teachers and parents still dealing with the exceptional challenges of the Covid pandemic

04:33 ^{20/21} 05:00

Under 16s pan-BBC time
 Length of time under 16s spend with the BBC per head on average per week (hours:mins).

Source: Kids Cross-Media Insight by Ipsos MORI

73% ^{20/21} 77%

Under 16s pan-BBC reach
 % of under 16s who use BBC TV/ iPlayer, Radio or Online on average per week.

Source: Kids Cross-Media Insight by Ipsos MORI

60%

% of parents who think the BBC is effective at supporting children and teenagers with their learning (ineffective 17%).

Source Ipsos MORI. 16+

61%

% of UK adults who think the BBC is effective at helping them learn new things (ineffective 18%).

Source Ipsos MORI. 16+

62%

% of UK adults who think the BBC is effective at exploring subjects that they would know less about otherwise (ineffective 17%).

Source Ipsos MORI. 16+





Purpose 3: To show the most creative, highest quality and distinctive output and services

These pages provide examples of the range of creativity and quality, distinctive content produced across the BBC last year.

The BBC is here to make great programmes and services. It is why audiences come to us and value us. What we have produced this year – across factual, arts, drama, entertainment, comedy, sport and music – once again demonstrates our commitment to offering outstanding value for everyone by maintaining the highest production and editorial standards across the broadest range of output.

A BBC that entertains is the public's top priority in return for their licence fee when they prioritise. We have delivered across every genre this year, with huge audiences for programmes like *The Tourist*, *Vigil*, *Peaky Blinders* and *The Apprentice*, major acclaim for shows like *The Green Planet*, *Uprising*, *UkraineCast*, and *The House of Maxwell*, and nine BAFTA awards for shows like *Time*, *Motherland*, *In My Skin*, as well as Rose and Giovanni's unforgettable silent dance on *Strictly*.

We continue to put British creativity, quality and risk-taking at the heart of the BBC. This is what helps set us apart in the media landscape: high-quality output on TV and radio that is unique in its distinctiveness and its focus on British content from across the UK.

83%

of UK adults support the BBC's mission to entertain (disagree 5%).

Source: ICM Unlimited. 18+

BBC One's *The Green Planet* presented by Sir David Attenborough

Delivering our creative remit
Public purposes

Purpose 3: To show the most creative, highest quality and distinctive output and services



The Green Planet

The Green Planet, presented by Sir David Attenborough and produced by BBC Studios' Natural History Unit used pioneering new filmmaking technology and the very latest science to reveal the strange and wonderful world of plants like never before. It is the most watched factual series of the year so far, with episode one attracting 8.7 million viewers in its first 30 days. With overwhelming critical acclaim, it was called a 'glorious visual spectacle' by The Guardian and 'a miracle of film-making' by The i.



Uprising

From Academy Award winner Steve McQueen, *Uprising* is a vivid and visceral three-part series which examines three key events from 1981 and how they affected race relations in Britain. It was hailed as 'a fierce, urgent and eloquent document of racial history' in the Daily Telegraph and 'brilliant and furious and human' in The Guardian. *Uprising* won the RTS Programme Award for Best History Programme and a BAFTA for Best Factual Series.



Return of major sport events

2021 saw the return of coverage of major sports events. The long-awaited Euro 2020 Finals involved three out of the four home nations; England, Scotland and Wales, and after a 12-month delay, there was plenty of excitement and expectation.

The BBC provided extensive coverage across TV, radio and online, breaking live-streaming records and delivering a peak TV audience of 25 million as Gareth Southgate's England team suffered more penalty shoot-out heartache.



BBC Proms

In 2021, the BBC *Proms* celebrated the return of live music on a scale not seen since before the pandemic with 61 concerts over 44 days, featuring more than 2,000 musicians. *The Proms* overcame the challenges of the pandemic and every planned concert went ahead with live audiences – and as always, every note was broadcast on BBC Radio 3 and BBC Sounds whilst more than 9.7 million people tuned into the 20 Proms on BBC TV and BBC iPlayer. British orchestras and artists were at the heart of the festival, showcasing the breadth of talent across the UK. Amongst the 50 artists who made their Proms debut were a brand new orchestra, the Proms Festival Orchestra, consisting exclusively of freelance musicians highlighting the difficulties faced in the sector due to the pandemic.



High: Confessions of a Drug Mule

High: Confessions of a Drug Mule, directed by multi-award winning director Stuart Bernard, told the story of Michaela McCollum who tried to smuggle £1.5 million of cocaine through Lima airport and failed. The five-part series averaged 2.6 million viewers, with 58% of its audience coming via BBC iPlayer, making it the biggest BBC Three Factual title in 2021/22.

90% ^{20/21}
90%

Pan-BBC reach
% of UK adults who use BBC TV/iPlayer, Radio or Online on average per week.

Source: Compass by Ipsos MORI. 16+

17:30 ^{20/21}
18:02

Pan-BBC time
Length of time UK adults spend with the BBC per head on average per week (hours mins).

Source: Estimated from BARB, BARB Establishment Survey, AT Internet, RAJAR, ONS. 16+

67%

% of UK adults who think the BBC is effective at providing content/services that set a high standard for quality (ineffective 14%).

Source Ipsos MORI. 16+

Top to bottom

BBC One's Vigil / BBC Proms / BBC One's BAFTA award-winning Uprising





It was also successful in bringing new and infrequent audiences to iPlayer: in its week of release over 12,000 people came to BBC iPlayer for the first time in at least 13 weeks.



Vigil

Made and set in Scotland, *Vigil* had the UK gripped as DCI Amy Silva played by Suranne Jones arrived by helicopter aboard the nuclear submarine HMS Vigil to investigate a mysterious death among its crew. The six-part series for BBC One and iPlayer was the most-watched new drama launch on UK television in three years, attracting an audience of over 13 million viewers, with a full series average of 12.6 million viewers (30-day consolidated figures). A second series has been confirmed.



New talent on BBC Radio 1

Radio 1 has continued to support and develop new talent on its airwaves. Six promising new presenters have landed their own shows on the network after taking part in Radio 1's *Christmas Takeover*, where new DJs and presenters are given a once-in-a-lifetime opportunity to broadcast on the UK's biggest youth radio station during the festive period. Sian Eleri, Dean McCullough, Sarah Story and Victoria Jane permanently joined Radio 1 in 2021, and in September 2022, Alyx Holcombe and Charlie Tee will also join the station.

Top to bottom

Euro 2020 final / BBC
Three's High: Confessions of a Drug Mule / BBC One's *Vigil* / BBC Radio 1 DJ *Victoria Jane* / Filming BBC One's *The Green Planet*



We continue to put British creativity, quality and risk-taking at the heart of the BBC: TV and radio that is unique in its distinctiveness and its focus on British content from across the UK



61%

% of UK adults who think the BBC is effective at providing content/services that set a high standard for creativity (ineffective 17%).

Source Ipsos MORI. 16+

61%

% of UK adults who think the BBC is effective at providing content/services that are distinctive (ineffective 15%).

Source Ipsos MORI. 16+

70%

Approximately 70% of the 16+ UK population consumed at least 15 mins of BBC radio or TV content outside of News bulletins reflecting environmental themes

Source Compass. 16+



Delivering our creative remit
Public purposes

Purpose 3: To show the most creative, highest quality and distinctive output and services



Survivors: Portraits of the Holocaust

An incredibly moving film on BBC Two commissioned by BBC Arts for Holocaust Memorial Day, this programme followed seven artists who were commissioned by HRH The Prince of Wales to paint the portraits of seven Holocaust survivors, to form part of the Royal Collection. This film captured the magical relationship that developed between the artists and sitters, and the extraordinary stories of the survivors illuminated the art as much as the art was illuminated by their stories.



A richer service for football fans

BBC Sport launched an improved offer for Premier League teams on the website and app, bringing audiences more news and information on their favourite club from across the BBC. Users now get the best of network sport and local radio content in one place. Since launch, the average time spent by users on the pages has doubled during this football season, and frequently more than one million users are now visiting the pages in a week.



Top to bottom
BBC Radio 4's *Things Fell Apart* / Fieri Consort performing Maddalena Casulana for BBC Radio 3 / Rose Ayling-Ellis and Giovanni Pernice performing their "Must See Moment of the Year" tribute to the Deaf community on *Strictly Come Dancing*



Alma's Not Normal

The Caroline Aherne Bursary was established in 2017 and was designed to find, develop and support great new comedy talent, with Sophie Willan winning the inaugural award and going on to develop a script for a deeply personal comedy, *Alma's Not Normal*, which follows Boltonian wild-child Alma Nuthall (played by Sophie) and her family of eccentric, unruly women.

A pilot episode was commissioned under the New on Two strand for BBC Two and a full series followed in September 2021 which received critical acclaim. Sophie won the 2022 BAFTA for best Female Performance in a Comedy Programme.



BBC Radio 2's Big Bee Challenge

Radio 2's Big Bee Challenge raised awareness about the plight of bees through a competition for 6-12 year olds to design a bee-friendly garden. The winner's design was built at an NHS site for young people with mental health needs. Big Bee Challenge Weekend encouraged listeners to do one thing to help bees, and a BBC Sounds podcast, *Bees In A Pod*, had entertaining insights into bees and how we can help them, presented by Rob Beckett. The Royal Horticultural Society built engagement with schools, and other national organisations and shows across the BBC joined in.



Forgotten Composers on BBC Radio 3

BBC Radio 3 is widening the traditional classical music canon and exposing listeners to works by figures that in the past have been overlooked. In addition to an ongoing collaboration with Arts and Humanities Research Council, where the station supports academic research into forgotten historical composers from diverse ethnic backgrounds, Radio 3 marked International Women's Day 2022 with the broadcast of Renaissance composer Maddalena Casulana's 1583 First Book of five-voice madrigals, with its recently discovered Alto part, as performed for the first time in 400 years by vocal ensemble Fieri Consort.





Top to bottom
BBC Two's Survivors: Portraits of the Holocaust /
BBC Radio 2's Big Bee Challenge / *BBC Two's BAFTA award-winning Alma's Not Normal*

→ **p.171**

For the full list of statistical information on Public Purpose 3



Things Fell Apart

Radio 4's *Things Fell Apart* was a landmark series and podcast from international bestselling author and podcaster Jon Ronson. It told eight unexpected and deeply human stories from the history of the so-called 'culture wars'. As well as garnering rave reviews across the board, it was one of the most popular podcasts on BBC Sounds with listeners of all ages. Each episode was a gripping listen and across the series they illuminated one of the most turbulent dimensions of our recent history.



Strictly Come Dancing

Strictly continued to entertain the nation in 2021. One of the stand out moments from the series featured Rose Ayling-Ellis, the show's first ever deaf contestant and winner of the 2021 Glitterball Trophy. She defied stereotypes to prove that deafness need not be a barrier. That electrifying moment in the middle of primetime TV when she covered Giovanni's ears and danced without sound – for ten seconds, as ten million people experienced the world through Rose's eyes and ears. It was mesmerising and an extraordinary tribute to the deaf community. Rose and Giovanni went on to win the publicly voted 2022 BAFTA for Must See Moment of the Year.

Sustainable programming

Last financial year saw the BBC grow its reach for programming with environmental themes. Approximately 70% of the 16+ UK population consumed at least 15 mins of radio or TV content outside of News bulletins reflecting the topic.

A key factor in this was the wide range of programming that engaged with November's UN Climate Change Summit, COP26, in Glasgow. There was content for all audiences; from *The One Show's* Glasgow residency (with a set made entirely from recycled, reused or borrowed materials) to local radio, Radio 1, the World Service and Young Reporter teaming up for *Climate Voices* to reflect young people's hopes and fears. Between July and mid-November claimed knowledge of COP26 jumped from under 20% to over 80%.

COP26 also saw the BBC, along with 11 other broadcasters and streamers, sign the Climate Content Pledge, committing us to considering climate themes, where appropriate, in all our content. This builds on work already underway to explore the topic in a light-touch, relatable way for the broadest of audiences, from green business opportunities in *The Apprentice*, to sustainable prizes in *Richard Osman's House of Games*.

Our acclaimed specialist content continues to inspire, with Sir David Attenborough's *The Green Planet* peaking at 8.7 million viewers in 30 days for the most watched episode, and almost half of viewers surveyed saying that it made them value and feel more connected to nature. Solutions were the focus of *The Earthshot Prize: Repairing our Planet* and Radio 4's *39 Ways to Save the Planet*, whilst *Shop Well for the Planet?*, Radio 2's *Big Bee Challenge* and BBC Education's *The Regenerators*, all showcased practical steps for audiences to make a difference. BBC News continues to be a vital place to source impartial information and the latest updates.

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For more information on sustainability

Delivering our creative remit
Public purposes

Purpose 3: To show the most creative, highest quality and distinctive output and services



BBC iPlayer

The growth and transformation of BBC iPlayer continues to be core to our strategy as we give audiences more choice and more control over their viewing experience. The changes we made to the service in 2021/22 continued to deliver for viewers building on the strong growth of recent years. 2021/22 was iPlayer’s best ever year with a record 6.6 billion programmes streamed – up 8% on the year before.

2022 has started more strongly than any other year on BBC iPlayer – with January seeing all-time records for reach and hours of viewing (average weekly signed-in accounts at 13.3 million and weekly hours at 54 million) – and February breaking reach records again, up +2% on January’s record, to 13.5 million.

The year saw BBC iPlayer offer viewers more than ever before – with more box sets of returning and classic shows to binge on, live sport – from the Olympics to the Euros and the FA Cup – as well as all the news, including the latest about the pandemic and the most recent updates about the war in Ukraine.

The epic return of *Line Of Duty* saw millions of us flock to iPlayer as the identity of “H” was finally revealed. It topped the charts as iPlayer’s biggest box set of 2021 with all of its series combined streamed 137 million times and the first episode of the sixth series on its own was streamed 9.2 million times, making it the biggest single episode of 2021.

Quality British drama was hugely popular on iPlayer with many brand new success stories including *Vigil*, *Time*, *The Tourist* and *The Responder* all watched by millions and all four commissioned for another series.

Other hugely popular titles included the postponed Olympics in Tokyo, which was streamed over 100 million times, US smash-hit *Pretty Little Liars*, which was streamed over 80 million times – as well as all the action from the Euros, with matches streamed 68 million times in 2021.

The year also saw iPlayer roll-out a brand new look and feel. On internet-connected TVs, we modernised how the service looks with a navigation bar created on the left hand side of the screen for easy access to a richer depth of choice in the genre category areas. We reduced clutter elsewhere on the screen and provided space for eye-catching thumbnails to help draw viewers towards something new to watch. We updated the way that the content rails work and introduced many new ones helping viewers to find the programmes that are most relevant to them.

For children, we built on the recent work that enables them to have their own profiles and we continued to refine how the service works for them as they grow up, ensuring age appropriate promotions that will be most relevant to them at the different stages of life.

We also made significant improvements to the way viewers can control subtitles on iPlayer. The new position of the subtitles and settings menu makes it easier than ever to turn subtitles on or off, as well as making it easier to choose the audio described and signed versions where available; plus, we also added the ability to change and control the size of the subtitles.

And we made it easier for people to find iPlayer from many other locations including streaming sticks and multiple TV platforms, working with partner organisations so that viewers can experience easier journeys into iPlayer from wherever they start.

Signed-in reach of BBC iPlayer

Average weekly accounts signing in to iPlayer

Accounts overall

12.1m

Under 35 year olds’ accounts

3.8m

(2020/21: 10.7 million overall; 3.2 million under 35).

Source: AT Internet/BBC Account data

BBC iPlayer streaming time

44.5m

Average weekly hours played through iPlayer (2020/21: 39.7 million).

Source: AT Internet/Sky catch-up data.

All

16%
20/21 13%

16-34

43%
20/21 34%

% of BBC TV viewing that is delivered by iPlayer.

Source: BARB/AT Internet/Sky catch-up data. 2020/21 restated based on changes to calculation method.

16+

8/10
20/21 8/10

16-34

8/10
20/21 8/10

Weekly users’ rating of BBC iPlayer (mean score/10).

Source: YouGov. 16+

16+

81%
20/21 81%

16-34

77%
20/21 78%

% of weekly users rating iPlayer as effective at helping the BBC to deliver the mission overall (10% of 16+ and 15% of 16-34 users say ineffective).

Source: Ipsos MORI

16+

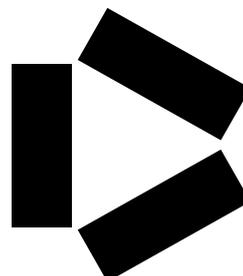
83%
20/21 81%

16-34

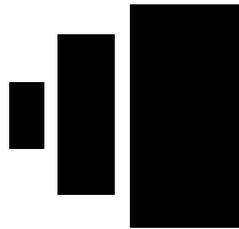
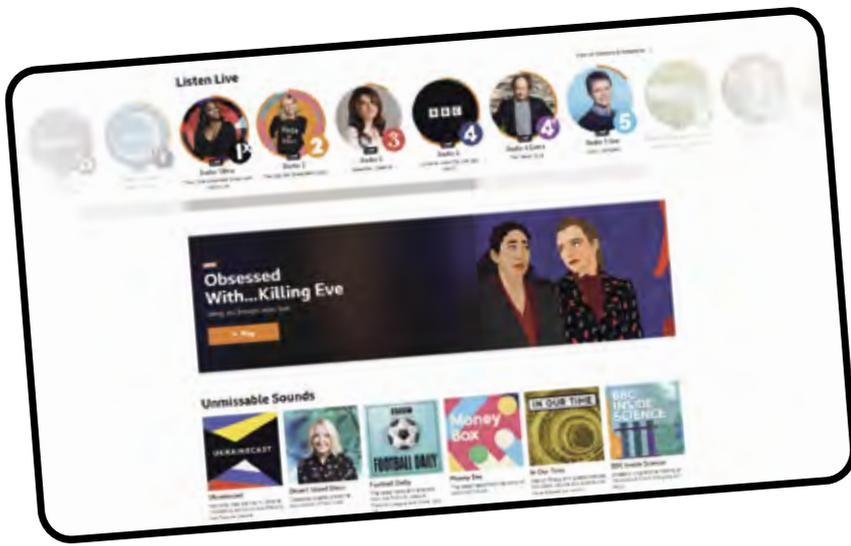
79%
20/21 79%

% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes overall (7% of 16+ and 9% of 16-34 users say ineffective).

Source: Ipsos MORI



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For the full list of statistical information on BBC iPlayer



BBC Sounds

This year has seen continued growth, creative ambition and product developments for BBC Sounds. More people are using BBC Sounds to listen to all of the BBC's audio when and where they want to, which is increasingly on mobiles, smart speakers and connected TVs. In 2021/22 there were 1.54 billion UK plays of radio, music and podcasts on BBC Sounds, an increase of 23% on the previous year.

Some of the world's best podcasters and the BBC's expert journalists have given listeners extraordinary analysis of the most important events and stories of our time, as quick turnaround podcasts *UkraineCast*, *Putin*, and *War on Truth* did after Russia's invasion of Ukraine. Radio 4's *Things Fell Apart* by Jon Ronson and *The Coming Storm*, which explored the culture wars and development of QAnon, respectively, also proved hugely popular with listeners.

Over the past 12 months, we have expanded ways in which fans can indulge in the BBC's biggest TV shows on Sounds, including our *Obsessed With...* podcast series for shows like *Line of Duty* and *Strictly Come Dancing*, *Bad People* specials for *The Tourist* and *A Very British Scandal*, and increasingly popular TV soundtracks such as *The Sound of Peaky Blinders*. We also launched *My Sounds* music mixes to mark the BBC's Centenary with some of the BBC's most loved names sharing their top tunes including Louis Theroux, Stacey Dooley, Ade Adepitan and Ruth Madeley.

We have brought a range of great voices to podcasting, from influencers Mariam and Adeola on *Pressed*, the ex-boxing champ on *Tony Bellew is Angry*, to Marian Keyes and Tara Flynn on *Now You're Asking*.

We have had Callum Wilson and Michail Antonio on *Footballer's Football Podcast*, Danny Robins on *The Battersea Poltergeist* and *Uncanny*, to Michelle Visage and Marianna Spring on *Death by Conspiracy*. We also launched the first BBC Sounds Audio Lab creators, our new initiative to amplify the next generation of podcasters from underrepresented groups.

Our on-demand music has gone from strength to strength, and great series with Fearnie Cotton, Cillian Murphy, Arlo Parks, Big Narstie, Sophie Ellis-Bextor and Romesh Ranganathan have proved popular with listeners. We've continued to find new ways for people to easily discover relevant music from across the BBC, and we launched Radio 1 Relax, helping younger listeners to discover a range of content to help with wellbeing.

We keep making improvements to the BBC Sounds website and app listening experience, including this year giving listeners the ability to add, sort and delete items in the play queue so they can easily choose what is played next for them. We improved the music and podcast pages with new categories such as Stay in the Know, True Crime, Life Stories and Feel Good Tunes, better showcasing a huge range of audio across different genres to help people find what interests them. We also launched BBC Sounds in the Sonos app this year, giving people another way to enjoy brilliant BBC live and on-demand audio.

How audiences used BBC iPlayer and BBC Sounds in 2021/22

BBC iPlayer requests by device and type

Out of 6.6 billion requests:

TV device	70%
Tablet	12%
Computer	9%
Mobile	9%

Live	21%
On-demand	79%

BBC iPlayer weekly signed-in accounts

% age profile	
Under 35s	31%
35-54 year olds	31%
55+ year olds	28%
Unknown age	9%

Plays on BBC Sounds split by type

Out of 1.54 billion plays:

Live	55%
On-demand	45%
Live speech	
Live music	24%
On-demand speech	37%
On-demand music	7%

Due to rounding, figures may not sum to 100%
Source: AT Internet

8/10 ^{20/21}
8/10

Weekly users' rating of BBC Sounds (mean score/10).

Source: YouGov. 16+

All **3.8m** ^{20/21} 3.5m **570k** ^{20/21} 572k **16-34**

Average weekly accounts using BBC Sounds.

Source: AT Internet/BBC Account data

13.2m ^{20/21} 10.9m

BBC Sounds streaming time
Average weekly hours played through Sounds.

Source: AT Internet/BBC Account data

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For the full list of statistical information on BBC Sounds

Delivering our creative remit
Public purposes





Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and support the creative economy

The following pages demonstrate the BBC's commitment to serving all audiences across the UK.

The BBC has the privilege of a funding model which means we must offer great value to everyone, whoever and wherever they are. That means making sure we represent the whole country, portray its diverse communities authentically across our output and ensure all its views and voices are heard. This report details the work we are doing to make sure the BBC reflects the full diversity of the UK in all we do.

Today, over half of the BBC's network TV production is in the nations and regions, and we have major production centres throughout the UK. Over half of our employees are based outside the M25, and half of the BBC's total economic contribution is outside of London compared to the sector average of 20%.

But we know we can do more. That's why, at the start of last year, we set out ambitious plans for our biggest transformation in decades: to shift the BBC's people, power and decision-making to the UK's nations and regions. This report shows how those plans are now translating into concrete delivery in every part of the UK.

54%

Over half of network television production is in the nations and regions, with 54% from outside London.

53%

We remain committed to locating at least 50% of our employees outside London and some 53% are currently based outside the M25.

Delivering our creative remit
Public purposes

Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and support the creative economy



Top to bottom
 BBC Three's Angels of the North / The Audio Lab Class of 2022

54%

% of UK adults who think the BBC is effective at reflecting people like them (ineffective 24%).

Source: Ipsos MORI. 16+

58%

% of UK adults who think the BBC is effective at providing content/services relevant to them (ineffective 21%).

Source: Ipsos MORI. 16+

Dedicated services

The BBC provides a range of dedicated, cross-genre output specifically for Scotland, Wales, Northern Ireland and the English Regions across television, radio and online. Each area makes television and radio programmes and online content for their local audience and for the network.

We have major production centres in Glasgow, Cardiff, Belfast, Salford, Bristol, Birmingham and London.

Network supply

Over half of network television production is in the nations and regions, with 54% from outside London and 19.8% from Scotland, Wales and Northern Ireland.

Network television programming spend by region as a percentage of eligible spend

	2021	2020
London	46.4%	52.1%
Scotland	8.6%	6.5%
Wales	7.2%	8.2%
Northern Ireland	3.9%	1.7%
Total nations	19.7%	16.4%
Midlands	2.0%	2.5%
North of England	17.4%	17.4%
South of England	10.2%	10.1%
Multi-region*	4.3%	1.5%
Total regions excl. London	33.9%	31.5%
Total nations and regions	54%	47.9%
Grand total	100%	100%

BBC Local Radio and nations radio hours of output**

	2021	2020
England (excl. London)	243,251	243,417
London	7,283	7,789
Scotland	12,036	11,843
Wales	14,771	14,806
Northern Ireland	8,041	7,875

Network television spend based on Ofcom definitions by calendar year.

* Multi-region covers programmes made outside London but which cannot be attributed to any one region or nation.

** The BBC Local Radio and nations radio hours of output only includes BBC original programmes and excludes any repeat programmes.

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For the full list of statistical information on Public Purpose 4.



Above:
 BBC One drama *The Responder*. The character of Chris Carson, played by Martin Freeman, was developed as part of the BBC Northern Voices Writersroom project.

Opposite page:
 BBC Scotland's *Disclosure: Should I Tell You I'm Trans?* / BBC Three's *Dreaming Whilst Black*



No media provider does more than the BBC to serve the UK's nations, regions and communities. Our investment in the creative economy supports economic growth and 53,000 jobs across the UK.

54%

% of UK adults who think the BBC is effective at reflecting the part of the UK they live in (ineffective 22%).

Source: Ipsos MORI. 16+

55%

% of UK adults who think the BBC is effective at catering for the part of the UK they live in (ineffective 21%).

Source: Ipsos MORI. 16+

59%

% of UK adults who think the BBC has programmes, content and services that raise awareness of the different ways of life and perspectives in UK society (ineffective 19%).

Source Ipsos MORI. 16+

UK PSB staff by nation

We also remain committed to locating at least 50% of our employees outside of London and some 53% are currently based outside of the M25.

UK PSB staff by nation (equivalent full time) % (excl. BBC Studios in 2021)

Nation	31 March 2022	31 March 2021
England (excl. London)	34	33
London	47	48
Scotland	8	8
Wales	7	7
Northern Ireland	4	4



Delivering our creative remit
Public purposes

Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and support the creative economy

90% 20/21
92%

Pan-BBC reach
% of adults in Wales who use the BBC TV/ iPlayer, radio or online on average per week.

Source: Compass by Ipsos MORI. 16+

71%

% of adults in Wales who think the BBC informs, educates and entertains people in the UK/them (ineffective 14%)

Source: Ipsos MORI. 16+

50%

% of adults in Wales who think the BBC is effective at reflecting people like them (ineffective 26%)

Source: Ipsos MORI. 16+



The BBC in Wales

Authentic, homegrown and high-impact drama continued to be a big part of our story this year. *The Pact* was enjoyed by millions across the UK over the summer months and the return of the popular BBC Wales and S4C co-commission, *Hidden* delighted audiences. Hard-hitting documentary *A Killing in Tiger Bay* was broadcast across the UK to critical acclaim, retelling the story of one of the biggest miscarriages of justice in the UK whilst *Slammed* told the story of Welsh rugby during a tumultuous decade in its history.

Comedy continued to be a priority for Radio Wales and TV with *A Festival of Funny* season on TV and as a collection of stand-out laugh out loud programmes on BBC iPlayer followed by the second series of *The Tuckers* broadcast in January.

We followed the Wales football team across all platforms during the rescheduled UEFA European Football Championship finals, with coverage, commentaries and highlights as well as additional content for fans including the transfer of *Elis James’ Feast of Football* from podcast to TV.

September saw the launch of an official partnership between the BBC and Creative Wales, which has resulted in effective collaboration and commissions. And as the pandemic continued to impact Wales’ cultural events across the country, BBC Wales worked with partners such as the Urdd and the National Eisteddfod on new, innovative



Top to bottom
A Killing in Tiger Bay / The Pact / Slammed

formats which brought the cultural highlights to audiences via TV, Radio Cymru and online platforms.

As coverage of the pandemic continued, audiences tuned in for comprehensive coverage and critical information across our news services on TV, Radio Cymru, Radio Wales and online. Our reporters and correspondents provided up-to-date, impartial information and insights as Wales navigated the public health crisis over 12 months.

Providing trusted and impartial coverage of the Welsh Senedd elections in May for new and existing voters in Wales and for audiences across the rest of the UK was also a priority. Our digital news services provided continuous coverage, supplemented by political podcasts such as *Walescast* along with coverage on television and radio. There was also specially commissioned content for young people who were eligible to vote for the first time. With the counting taking place during the daytime, our programmes attracted larger audiences than usual, tuning in to see democracy in action. Over 1.1 million tuned in to our programmes about the election which is almost half of the adult population in Wales.

As part of our slate of content for network radio, BBC Wales continued to make the major strand *Composer of the Week* for Radio 3, and produced several documentary series for Radio 4 including *Young Farmers* and *Past Forward: a Century of Sound*, marking the BBC100 celebrations. Our drama team worked with BBC Scotland to produce *United Kingdoms*, a major series of micro dramas from writers and producers across the nations. Other drama highlights included *The Miser* for Radio 3 starring Toby Jones to mark 400 years since Molière’s birth.

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For the full list of statistical information on Wales.

→ **p.131**

To read more about how the Wales Committee has monitored and reviewed performance in Wales.



The BBC in Scotland

BBC Scotland was at the heart of global climate conference COP26, adjacent to our Glasgow Pacific Quay broadcast centre, in autumn 2021. In addition to special news coverage, other content included: *Our Planet Now – Scotland Climate Change Special* examining how Scotland’s people, innovators and experts are tackling the climate emergency; Radio Scotland’s *Climate Tales* enabling young people to express hopes, fears, aspirations and opinions around climate change; *Black Black Oil* examining Scotland’s historical and emotional entanglement with North Sea oil; and *The Hermit of Treig* sharing a life of solitude in rural Scotland.

The shadow of the Covid-19 pandemic continued to generate audience demand for impartial Scottish news, health information and analysis, ranging from coverage of Scotland’s varying lockdown restrictions to two full days of Scottish Parliament election results, and analysis of the formation of Scotland’s first coalition government since 2007.

As live events returned, BBC Scotland delivered significant audience value. BBC ALBA and Radio Scotland simulcast the final stages of *BBC Radio Scotland Young Traditional Musician*. A scaled-down Edinburgh International Festival, Fringe and Book Festival were covered on TV, radio and online; and output from Glasgow’s *TRNSMT* Festival and *Celtic Connections* enabled audiences to reconnect with live music.

Meanwhile, over one million Scots brought the 2022 New Year in with BBC One Scotland and the BBC Scotland channel – over 60% of all viewing in Scotland at the time – with *Hogmanay* fronted by Edith Bowman. Over the 12 months from April 2021 to March 2022, the BBC Scotland channel was the largest digital channel in Scotland, outside the 5 main channels, with more than one in six watching weekly, and requests via iPlayer for Scottish content rose by more than 18%.

88%^{20/21}
88%

Pan-BBC reach
% of adults in Scotland who use the BBC TV/ iPlayer, radio or online on average per week.

Source: Compass by Ipsos MORI. 16+

66%

% of adults in Scotland who think the BBC informs, educates and entertains people in the UK/them (ineffective 10%).

Source: Ipsos MORI. 16+

55%

% of adults in Scotland who think the BBC is effective at reflecting people like them (ineffective 25%).

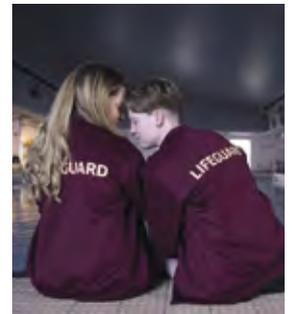
Source: Ipsos MORI. 16+

The BBC reflected the atmosphere as Scotland hosted four *Euro 2020* matches, and with the Scotland men’s team at their first international tournament since 1998, we commissioned special content in Gaelic and English. This included the *Euros Breakfast Show*, a unique mix of analysis, football banter, live music and comedy, not available anywhere else in Scotland at breakfast.

Our focus on high-impact content this year also included the second series of drama *Guilt* which has had over 11 million streams on iPlayer since it began; *#CancelKarenDunbar*, with the comedian navigating taste and offence issues; investigative journalism strand *Disclosure*; *The Hunt for Bible John*, re-examining murder cases from 1968; and *Scotland’s Home of the Year* reached a quarter of adults across the country. Black History Month was marked with *Trusadh Afro-Gàidheil*, a powerful exploration of Gaelic speakers of African heritage; a special edition of *Eòrpa* explored gender identity; and children’s short-film, *Cùm Sùil Orm (Keep an Eye on Me)* saw a 10-year-old Syrian refugee telling the story of a young asylum-seeker.

Growing our digital offer, BBC Scotland drove further value from online, including: *Float*, a 6x10-minute drama series for iPlayer; red button offering more women’s football; streaming of live sport including netball and curling; and podcasts such as *Sacked in the Morning* and *Podlitical*.

SpeakGaelic, a partnership project, delivered a suite of learning resources including a website, podcasts, and radio and TV programmes launched digitally-first, on BBC iPlayer, Sounds, online and on social media platforms to engage a worldwide audience of Gaelic learners and lapsed speakers. Find out more at: <https://speakgaelic.scot/>.



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Float / *Guilt* / *SpeakGaelic*

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For the full list of statistical information on Scotland.

→ **p.131**

To read more about how the Scotland Committee has monitored and reviewed performance in Scotland.

Delivering our creative remit
Public purposes

Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and support the creative economy

91% ^{20/21}
88%

Pan-BBC reach
% of adults in Northern Ireland who use the BBC TV/iPlayer, radio or online on average per week.

Source: Compass by Ipsos MORI. 16+

67%

% of adults in Northern Ireland who think the BBC informs, educates and entertains people in the UK/them (ineffective 8%).

Source: Ipsos MORI. 16+

57%

% of adults in Northern Ireland who think the BBC is effective at reflecting people like them (ineffective 16%).

Source: Ipsos MORI. 16+



The BBC in Northern Ireland

Across the year the BBC in Northern Ireland delivered programmes with breadth, depth and wide appeal – reflecting diverse needs and providing points of connection during difficult times.

The effects of Covid-19 and its impact on community life was reflected across our news output, providing BBC audiences with essential information and a forum for debate. Our journalists explained difficulties linked to the Northern Ireland Protocol, political tensions at Stormont, and issues affecting the health service and economy.

Co-commissions with BBC network television provided moments of high-impact content, including the popular daytime soap *Hope Street*, which was filmed in Donaghadee and tractor driving spectacle from Ballymoney in *The Fast and the Farmer-ish*. This was in addition to local involvement with BBC network dramas like *Bloodlands*, *Conversations With Friends* and *Blue Lights* and the benefits they’ve provided for the creative industries in Northern Ireland.

Television programmes captured the stories of local people and places and the diversity of contemporary life. Outdoor and environmental themes were a feature of *Barra’s Wild Days Out* and *The Chronicles of Strangford*; *True North: Pride of Place* told the story of Cookstown’s first Pride parade; we celebrated playwright Brian Friel’s genius as part of a special Arts season in *Brian Friel* –



Top to bottom
Patrick Kielty: One Hundred Years of Union / The Fast and the Farmer-ish / Hope Street

Shy Man Showman; and viewers were able to enjoy a virtual caravan holiday in *Ulster By The Sea*. Long-running comedy panel show *The Blame Game* took its recordings to regional venues and a new generation of comedy and performing talent was showcased in *Dry Your Eyes* and *Comedy Pilots*.

The centenary of Partition and the establishment of Northern Ireland was reflected in a mix of landmark programmes. These included *Patrick Kielty: One Hundred Years of Union*, *The Road to Partition* and live coverage of an inter-denominational religious service from Armagh Cathedral – all of which were shown on BBC network television. The complexities and contemporary resonances of the past were also explored through a suite of online and audio resources, some of which were developed in partnership with Queen’s University.

BBC Radio Ulster and Foyle maintained their reach and popularity, and locally produced programmes secured increased audiences both in Northern Ireland and UK-wide on BBC Sounds. These programmes included the innovative podcast series’ *Assume Nothing* and *Nolan Investigates: Stonewall*. We also delivered a range of content for BBC network radio, including drama, short stories, documentaries and classical music.

The easing of Covid-19 restrictions allowed us to resume some outside broadcast activity, including an extended series of programmes from the Balmoral Show. We showcased diverse musical talent in *Where Music Matters Day*, the Young Musician Platform scheme (which is run in association with the Arts Council) and a new initiative, the *BBC NI School Soloist of the Year*.

Our local sport coverage was refreshed and extended, expanding our use of the BBC’s digital platforms to do new things and to reach a wider audience. And we played our part in contributing to the cultural wealth of the region through joint initiatives with strategic partner organisations including Northern Ireland Screen, the Ulster Orchestra and Libraries NI.

→ **p.178**
For the full list of statistical information on Northern Ireland.

→ **p.132**
To read more about how the Northern Ireland Committee has monitored and reviewed performance in Northern Ireland.



The BBC in England

Our services in England continued to bring our audiences impartial information and analysis throughout the pandemic as well as high-impact content to entertain and support people through difficult times. We offered trusted news and familiar voices right across the country alongside the latest local news.

As it has throughout the Covid-19 crisis, BBC Local Radio has been delivering audience value by connecting communities and providing vital services such as news, sport, entertainment, and religious services. The latest figures show our 39 local stations in England are reaching over six million listeners each week.

The BBC's Make A Difference campaign reached communities across England – acting as a virtual notice board in towns and cities across the country. We've launched a number of initiatives under the Make A Difference umbrella including a new community awards scheme and Kit Out the Nation, which saw more than 50,000 sportswear items donated to young people in need. At the end of 2021, our stations broadcast a high-impact series of programmes called Christmas Together, which saw key workers across England honoured. Stars such as Ed Sheeran helped us thank people who've kept the country going during the pandemic. Singer Katie Melua helped us with a homeless campaign.

Across radio, TV and online, our local services have delivered real value by keeping people safe and informed through challenging times such as Storm Arwen, where audiences in the North East were left without power for weeks. As well as trusted, impartial local news we also delivered landmark, high-impact coverage of Coventry's City of Culture celebrations. We are now focused on big issues that matter to our audiences, particularly the cost of living crisis that is having such an impact on household budgets.

Providing value for all of our audiences across England, our regional news bulletins at 6:30pm on BBC One continue to be collectively the most-watched news programme on TV. Combined figures for the 6:30pm slot average out at 3.7 million viewers.

90% ^{20/21}
90%

Pan-BBC reach
% of adults in England who use the BBC TV/iPlayer, radio or online on average per week.

Source: Compass by Ipsos MORI. 16+

68%

% of adults in England who think the BBC informs, educates and entertains people in the UK/them (ineffective 14%).

Source: Ipsos MORI. 16+

54%

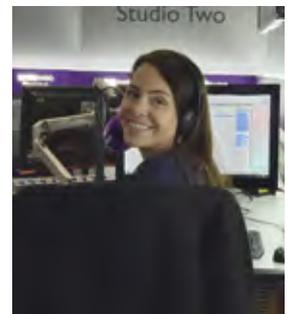
% of adults in England who think the BBC is effective at reflecting people like them (ineffective 24%).

Source: Ipsos MORI. 16+

We continue to explore new ways to engage audiences and are working to ensure all regional variants of BBC One in England will be available in HD. We have been trialling new technology to make our production facilities more efficient and resilient. We have started work refreshing gallery facilities and in Southampton we are using the first of a new generation of automated galleries to support our production.

Our weekly regional political programme adds considerable value as it continues to be the only show of its kind on TV in England, with 11 regional versions aired each Sunday. We have 12 political editors working on regional TV and a further 43 political reporters on local radio all working to provide impartial coverage of local politics affecting audiences across England.

We continue to commission programming across different genres and working with other parts of the BBC to make programming that reflects England. That's seen the likes of *Yorkshire Firefighters*, *Villages by the Sea*, *Winter Walks*, and *Chris Packham: The Walk That Made Me* broadcast throughout the year. At the beginning of this year, *We Are England*, a series looking at social issues through the eyes of communities across England, made from hubs in Leeds, Newcastle, Birmingham, Bristol, London and Norwich, went out on BBC One. The England commissioning team has announced creative partnerships in the West Midlands and in the North East working with indie production companies to produce compelling network programmes rooted in regionality for BBC Three.



Top to bottom
Yorkshire Firefighters / Villages by the Sea / BBC Radio Devon

→ **p.179**

For the full list of statistical information on England.

→ **p.132**

To read more about how the England Committee has monitored and reviewed performance in England.

Delivering our creative remit
Public purposes

Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and support the creative economy



Delivering representation and portrayal

For the BBC to deliver value for all, it is essential that it represents and authentically portrays the diverse communities across the UK. The voices we hear on-air and the people we see on-screen should reflect the breadth of the UK, whilst the diversity of the production talent behind-the-scenes is vital to delivering content which resonates with and authentically portrays the diverse communities right across the nations and regions.

On-screen and on-air representation

The BBC’s Diversity Commissioning Code of Practice sets out five principles that are key to ensuring that all of the UK’s diverse communities are represented in our content, and that their experiences and perspectives are authentically portrayed. The diversity commissioning annual report monitors the progress made by the BBC and its suppliers.

The BBC’s TV Supply Report 2022 will track how much of our Creative Diversity Commitment – to prioritise £100 million of existing commissioning budgets for diverse content which authentically portrays our audiences – has been spent so far.

The BBC’s 50:50 Equality Project is the biggest collective action on increasing representation in BBC content that there’s ever been.

150 teams for across the BBC’s platforms have chosen to measure and increase representation of women in their programmes. 61% of teams featured 50% women contributors during 50:50 Challenge Month in March – up from 34% when they first joined the project. For the first time, the BBC has also published its progress on disability and ethnicity representation.

There have been many stand out examples of diversity on-air this year, including *Extraordinary Portraits* which paired artists and subjects from across the UK. The sitters included those with disabilities, both seen and unseen, and paired subjects and artists who had experiences in common – including those who been through the care system, those who are LGBTQ and those that shared a similar cultural heritage. In Scotland, the investigative project *Disclosure – Should I Say I’m Trans?* was led by the trans presenter Jax Sinclair on BBC One.

In comedy too we have worked hard to portray communities in a knowledgeable way – including in *The Scotts*, which stars blind comedian Jamie MacDonald in the role of Uncle Ronnie, and in the award-winning *Dreaming Whilst Black* with Adjani Salmon.

Authentic portrayal of the UK’s diverse communities

The diversity of the BBC’s behind-the-scenes talent, and telling of stories from a wide range of perspectives, is key to the delivery of content that feels authentic in its portrayal of the UK’s diverse communities.

The BBC Sounds Audio Lab aims to amplify the next-generation of diverse UK podcasters and audio creatives.

The Audio Lab Class of 2022 is made up of seven podcasters from a range of diverse backgrounds who are transforming their ideas into podcasts and the scheme has also created opportunities for 14 Production Mentors and 12 Technical Producers. Radio 3 has continued its partnership with the Arts and Humanities Research Council in funding seven researchers to expand the breadth and diversity of what is accepted as belonging to the classical music canon.

Telling our nations’ and our communities’ stories involves identifying a range of voices. For example, *Angels of the North* followed professionals in the beauty industry in the North East of England as they adapted during the pandemic. And in drama, *Then Barbara Met Alan* told the story of two disability rights activists who led an unprecedented direct action campaign – and was written by disabled writers and featured a large ensemble disabled cast. We have also commissioned new programmes from Theresa Ikoko and Candice Carty-Williams, amongst others.

BBC Elevate is a scheme that aims to progress the careers of mid-level deaf, disabled and neurodivergent talent in the TV industry. In the last year, the scheme has supported placements including an Assistant Producer role on *Two Doors Down* and a Casting Producer on *Eating With My Ex*. BBC Three’s New Directors Scheme is focused on developing emerging talent, with successes including the observational documentary *Defending Digga D*.

Local representation

Throughout the BBC’s offering, we’ve represented local communities all across the UK. The drama *Three Families* told the compelling real stories of the families behind the controversial 2013 campaign against Northern Ireland’s abortion law. *Villages By The Sea* looked at the important historical roles villages have played around the coast of England. The latest series of *Our Lives* featured an episode entitled ‘The City of Horses’ which followed members of the longstanding horse communities in Swansea.

Network portrayal – nations and regions

The BBC is proud of its deep creative connections that spread right across the nations and regions of the UK. We have made strong progress on our commitment to commission 100 portrayal titles that represent communities in the nations and regions by 2024. This year they have included *Peaky Blinders* – the launch of which brought a record audience – and *Vigil* which became the UK’s most successful new drama launch in three years.

This year also saw a series of prime time dramas from the North of England that reflected a range of real-life experiences – from the thrills and heartache of *The Syndicate*, to the workplace conspiracies and tragedies of *Rules of the Game*. Martin Freeman’s morally compromised role in *The Responder* was a product of the BBC’s Northern Voices Writersroom project.

Elsewhere, the BBC has recommissioned a second series of *Hope Street*, a daytime drama series set in Northern Ireland, which follows the ups and downs of those working in the fictional seaside town of Port Devine police department, and of the Welsh workplace drama *The Pact*. We also broadcast three series set in the south west: *Chloe*, *Showtrial* and *The Offenders*.

Sector support

The strength of the creative economy of the UK is of central importance to the BBC. In 2021, the BBC entered a partnership with the North East Screen Industries Partnership (NESIP) with a commitment to invest at least £25 million of network television commissioning spend in the region over the next five years. NESIP has committed £11.4 million to develop skills, support new and growing independent production companies and establish a production fund for the region.



The Outlaws

Actual on and off-screen diversity

Data provided from contributions by individuals who have a role in eligible programmes.

	Actual off-screen 2021/22	Actual on-screen 2021/22	Actual off-screen 2020/21	Actual on-screen 2020/21
Female	54.5%	53.6%	55.0%	54.8%
Black, Asian and minority ethnic	10.5%	27.9%	10.4%	26.5%
Disabled	7.4%	8.9%	7.0%	8.2%
LGB	12.6%	12.9%	11.9%	12.0%
Transgender	0.2%	0.5%	0.3%	0.5%
Number of contributions*	260,254	78,493	230,582	73,878

* An individual may make multiple contributions to a programme or programmes

Perceived on-screen diversity

Data input by production companies taking a viewer’s perspective of what they see and hear.

	Perceived on-screen 2021/22	Perceived on-screen 2020/21
Female	47.0%	46.7%
Black, Asian and minority ethnic	26.5%	23.5%
Disabled	5.4%	5.9%
LGB	7.8%	6.8%
Transgender	0.1%	0.1%
Number of contributions*	424,393	431,255
% for whom diversity characteristics were determined	91.2%	89.3%

* An individual may make multiple contributions to a programme or programmes

Pan-BBC reach

% of each audience group who use BBC TV/iPlayer, Radio or Online on average per week

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	Black, Asian and minority ethnic 16+	Disabled 16+	Not Disabled 16+
2021/22	90%	90%	92%	88%	81%	89%	98%	92%	77%	91%	90%
2020/21	91%	89%	92%	87%	80%	90%	98%	92%	77%	91%	90%

% of each audience group who think the BBC informs, educates and entertains people in the UK/them

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	Black, Asian and minority ethnic 16+	Disabled 16+	Not Disabled 16+
2021/22											
Effective	66%	70%	75%	59%	64%	67%	72%	69%	62%	64%	69%
2021/22											
Ineffective	16%	12%	12%	16%	13%	16%	13%	14%	17%	17%	14%

% of each audience group who think the BBC is effective at reflecting people like them

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	Black, Asian and minority ethnic 16+	Disabled 16+	Not Disabled 16+
2021/22											
Effective	51%	57%	58%	48%	50%	51%	59%	54%	47%	46%	55%
2021/22											
Ineffective	26%	22%	23%	25%	24%	26%	22%	24%	27%	28%	24%

Source: Compass by Ipsos MORI. 16+. Ipsos MORI. 16+.

Delivering our creative remit

Public purposes



Purpose 5: To reflect the United Kingdom, its culture and values to the world

The following pages demonstrate how the BBC works to inform, educate and entertain people across the globe.

The BBC's global services are a priceless asset for the UK. Each week they carry the distinctive culture, voice and values of this country to an audience of 492 million worldwide. The BBC remains the UK's best-known cultural export, with 60% awareness across the world, whilst over 50% of global users say consuming the BBC makes them perceive the UK more positively.

The past year has repeatedly highlighted the growing danger that disinformation and constraints on media freedom pose to societies and democracies worldwide – from Covid vaccine conspiracy theories to the information war in Russia and Ukraine. The latest World Press Freedom Index shows that journalism is completely or partially blocked in 73% of the 180 countries it ranks, and the situation is ranked as “very serious” in a record 28 countries. With our coverage of the Ukraine invasion in particular, the BBC has shown how much we can do to stand up for integrity in news and promote democratic values worldwide.

The BBC's position as one of the world's most trusted and recognised media brands has always had a vital role to play for the UK, our cultural strength and our broader influence abroad. It has become even more vital in the global disinformation age.

60%

The BBC remains the UK's best-known cultural export, with 60% awareness across the world.

Source: Tapestry Research

51%

51% of global users say consuming the BBC makes them perceive the UK more positively.

Source: Tapestry Research

Delivering our creative remit
Public purposes

Purpose 5: To reflect the United Kingdom, its culture and values to the world

492m Up 1%

Global weekly reach
Including BBC News and BBC Studios.

Source: BBC Global Audience Measure

458m Up 0.3%

BBC News
Total international weekly audience.

Source: BBC Global Audience Measure

365m Up 0.3%

BBC World Service weekly reach
Includes TV, radio, online and social media in English and other languages.

Source: BBC Global Audience Measure

148m Up 4%

BBC World Service total digital reach
English and other languages.

Source: BBC Global Audience Measure

No.1

Ranked No.1 for Trust and Reliability amongst international news providers.

Source: BBC Brand Tracker 2021 (ex UK)

130m Down 1%

BBC World Service television weekly reach
Non-English languages.

Source: BBC Global Audience Measure

159m Up 1%

BBC World Service radio weekly reach
English and other languages.

Source: BBC Global Audience Measure

63%

% of UK adults who think that the BBC is effective at reflecting the UK to the world (ineffective 14%).

Source: Ipsos MORI (UK), 16+



Above
BBC Pashto's Sana Safi, presenter of *Afghanistan and Me* / *Ros Atkins On...* video explainers

Opposite page
A Wish for Afghanistan podcast presented by Lyse Doucet



Ukraine and Russian services

As the Russian invasion of Ukraine began, millions of people turned to BBC News in Russian and Ukrainian for independent, accurate information. Audiences to the Russian website more than tripled at the start of the war.

In the face of Russian attempts to block international news content, the BBC stepped up its efforts to reach audiences however it could. The BBC launched new TikTok channels, issued advice on circumvention tools enabling people to reach news websites, offered BBC TV news programmes free of charge to other European TV networks, and launched two new shortwave frequencies of World Service English programmes.



Afghanistan

BBC journalists have borne witness to extraordinary and shocking times in Afghanistan. Alongside tireless and brave reporting from all of the teams as Kabul fell to the Taliban came wider analysis about the country and its future, drawing on both expertise and personal experience.

In her podcast *A Wish for Afghanistan* Lyse Doucet interviewed Afghans, from presidents to poets, on how the last 20 years shaped them and their country. BBC Pashto's Sana Safi presented *Afghanistan and Me* – a documentary about how her own life has been intertwined with the fate of her country. Yalda Hakim carried out some eye-opening interviews with senior Taliban figures.

The BBC's global services are a priceless asset for the UK. Each week they carry the distinctive culture, voice and values of this country to an audience of 492 million worldwide



Ros Atkins

A series of explainer videos from Ros Atkins outlining the background to newsworthy topics was hailed for its innovative approach to impartiality. The videos became viral successes on social media, with millions of views.

Ros, the presenter of *Outside Source* on the BBC News Channel and BBC World News, drew on video, newspaper articles, and social media posts to illustrate his succinct and scrupulously impartial explanations of topics ranging from health to politics to economics.



Covid-19

The Covid-19 pandemic continued to dominate global headlines throughout the year. BBC World Service used all of its platforms, across its 41 language services, to educate and inform its global audiences on subjects from the latest scientific research to the very human cost of the pandemic.

Tackling disinformation about Covid has also been a huge part of the BBC's journalism, with expert teams like BBC Reality Check and BBC Monitoring exploring conspiracy theories about the virus which took hold around the world.

→ p.180

For the full list of statistical information on Purpose 5.



BBC World Service weekly reach across all platforms, by service

	2021/22 Millions	Year-on- year change %		2021/22 Millions	Year-on- year change %
World Service English	92.5	1%	Russian	4.7	-13%
Afaan Oromoo	1.7	1%	Serbian	1.0	19%
Afrique	20.9	10%	Sinhala**	0.3	-65%
Amharic	2.0	-2%	Somali	5.7	0%
Arabic	39.2	-6%	Swahili	27.6	11%
Azeri	0.4	25%	Tamil*	13.0	-4%
Bengali	12.6	4%	Telugu	9.5	2%
Brasil	9.2	-12%	Thai	1.4	-23%
Burmese	7.1	1%	Tigrinya	0.4	-6%
Chinese	2.2	-18%	Turkish	3.0	-14%
Dari	4.8	8%	UK China	0.1	-18%
Gahuza	2.0	-0.4%	Ukrainian	4.2	4%
Gujarati	3.7	-17%	Urdu***	5.3	-42%
Hausa	16.8	-1%	Uzbek	3.5	19%
Hindi*	32.3	31%	Vietnamese	1.5	14%
Igbo	1.8	-48%	Yoruba	6.3	9%
Indonesian	5.6	-5%			
Korean	0.7	13%			
Kyrgyz	3.1	-1%			
Learning English	2.4	-20%			
Marathi	5.4	12%			
Mundo	12.6	-11%			
Nepali	4.9	18%			
Pashto	10.6	2%			
Persian	18.9	2%			
Pidgin	7.9	-15%			
Punjabi	1.7	7%			

The Global Audience Measure is a measure of how many people are consuming the BBC weekly for all services in all countries across all platforms (television, radio, website and social media). Key to this is de-duplication i.e. ensuring that a person who consumes multiple BBC services or platforms or on multiple devices is not counted many times in the top level totals. For example, BBC World Service television, radio and online audience is less than the sum of its parts to ensure we do not count people more than once when looking at the total World Service audience.

* Adjusted figures in 2021 account for shortwave closure for these services at the time. Hindi: 2021 reported 28 million, 2021 adjusted 25 million. Tamil: 2021 reported 13.6 million, 2021 adjusted 13.5 million. Urdu: 2021 reported 9.25 million, 2021 adjusted 9.24 million.

** Sinhala reach decline driven by radio closure for the service.

*** Urdu reach decline driven by loss of syndicated TV distribution.

Delivering value for audiences

The BBC has continued to deliver high levels of audience value this year in a rapidly changing media market.

This has been a year of strong performance against our core audience targets, with 90% of UK adults using our services in 2021/22 on average per week. Our targets were also exceeded for each of the elements that contribute to the BBC being a valued part of people’s media lives: the regularity of interaction, the time spent and the number of BBC modes that people use in an average week.

The media market over the past two years

As with every part of life over the past two years, media usage has been substantially impacted by the Covid-19 pandemic.

In the first year of the outbreak – 2020/21 – the lockdowns meant that overall broadcast television viewing including the BBC – which had been dropping since 2013/14 – was up. Viewing of subscription video on-demand (SVOD) services such as Netflix, Amazon Prime Video and Disney+ was super-charged. Staying up-to-date amidst a global crisis meant news consumption, especially online, spiked. At the same time, disrupted daily routines and fewer journeys led to a dip in radio listening.

In the second year and focus of this report – 2021/22 – the impact on media continues. Some pre-pandemic trends have re-emerged – overall broadcast TV viewing, for example, is well down on both last year and pre-Covid times. As the pandemic accelerated existing trends, SVOD viewing and news online usage dropped versus locked down 2020/21 – but are still up on pre-Covid 2019. Radio listening has increased year-on-year as commutes and routines are restored. The recent propositions of Disney+ and TikTok are now among the top five video providers for under 25s by time spent.

Now – in 2022/23 – with the cost of living rising, new influences are emerging. Analysts are predicting households will reduce the number of subscriptions they can pay for.

How do we assess the performance of the BBC within this evolving media landscape?

Looking at our performance in 2021/22 in the wake of Covid, we continue to feel the effects, like the rest of the market.

BBC viewing is down year-on-year, but less than the broadcast TV market overall. The number of people using BBC News Online weekly is down on Covid news-heavy

2021/22 but up on pre-pandemic times. Weekly usage of BBC Bitesize is now back to 2019/20 levels after the home-schooling peaks of 2020/21, and as examinations return, more secondary school users are crediting the service with helping them achieve better grades. BBC Radio listening is up on Covid times but not over the longer term while Commercial Radio is steadier, aided by its expanded number of services in recent years.

Looking at our performance in 2021/22 by the targets we set, all but one have been achieved.

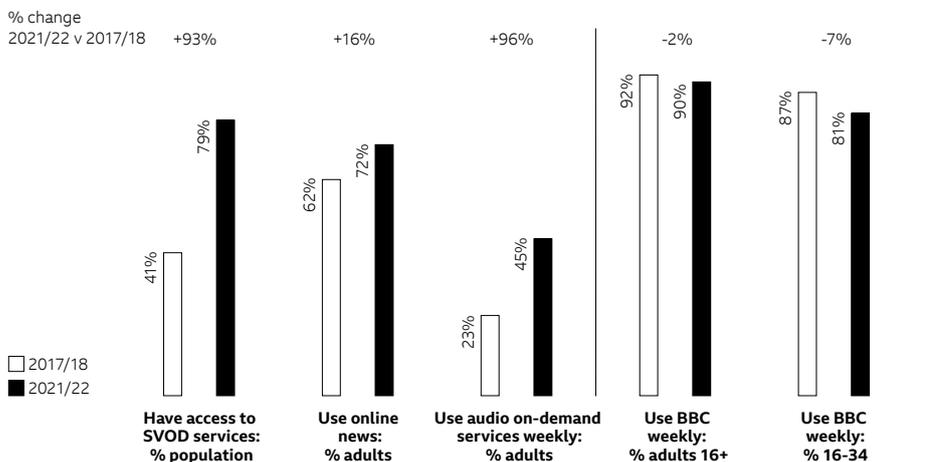
As part of our targets to ensure delivery of value for all, 90% of UK adults used the BBC on average per week during 2021/22 – in line with our goal. This is similar to the 92% weekly reach at the start of this Charter in 2017/18 despite the striking changes in media behaviour over this time. Adoption of SVOD and audio on-demand services have both almost doubled since 2017 – that means 26 million more people with access to SVOD now and 12 million more adults using audio on-demand products like Spotify.

As part of our focus on key audience challenges, an above-target 81% of 16-34s used the BBC on average per week in 2021/22. This is steady over the past three years despite the ferocity of competition. This age group is very positive about our delivery of the mission and their rating of the personal relevance of the BBC is in line with the target but they score us lower on these than older audiences.

Among under-16s, 73% used the BBC overall and 53% used our children’s and education services on average per week in 2021/22 – both in line with targets. Our performance is trending down though, especially among 7-12s, amidst the focus of global media companies on under-16s.

The BBC is the only UK provider to contend with YouTube and Netflix among under 16s and 16-34s. Our recently announced plans re-invest £300 million towards a digital-led approach, including shifting significant amounts of money into new programmes for iPlayer. We are focused on helping to

Media over the Charter period so far



The role of the BBC endures considering the extent of media change in the past five years
 Source: BARB Establishment Survey; Ofcom; RAJAR/MIDAS; Compass by Ipsos MORI

maintain the impact of UK content and PSB for all ages, especially when an estimated three-quarters of the time UK audiences spend with SVOD comprises watching US titles, rising to near 80% for UK 16-24s.

Among our online products, targets were achieved for iPlayer, up on the year, and exceeded for BBC News Online. Sounds achieved the ambition set for the number of accounts overall accessing the service weekly but was shy of the target for accounts belonging to 16-34 year olds. It has since been meeting this goal in the early weeks of 2022/23 though. To reflect our digital-first strategy, from our next Annual Report we will enhance performance reporting of BBC digital services and their contribution to the mission and purposes.

Looking at the public's assessment of our performance in 2021/22, this is the opinion that matters to us most.

In 2021/22, 58 million people in the UK continued to use the BBC on average per week. With the choices available today, adults spent 17½ hours with us on average per week. This compares with the lockdown-boosted 18 hours of 2020/21 and 17¾ hours of 2019/20. The creative draw and ability of the BBC to bring us together endures: in 2021, 15 of the 18 broadcast TV drama transmissions with an audience over ten million were from the BBC, up from 2019 when eight dramas were over ten million, (all BBC). Adults' average rating of value for money stayed at five out of ten and general impression at seven out of ten.

Overall, 75% of UK adults rate the BBC as providing a valuable public service for the people in the UK. The BBC is named most often when the public is asked to select the one provider that sets the standard for media in the UK – well ahead of the next nearest. But we are not complacent.

Every interaction will be increasingly hard-won, with the strength of choice available to all; fast-moving media trends, now especially among older audiences; and the cost of living. We need to work continuously to ensure we deliver something for everyone. There are differences in how well we serve different audience groups that we seek to narrow. This is especially the case among those who are more likely to be from less well-off backgrounds, people belonging to ethnic minorities, people who are disabled and younger people relative to their comparative groups. There is also too much variation in performance in different parts of the UK. We remain focused on improving perceptions of impartiality.

As our recent commitments show, we have set out our ambitions to build a digital-first public service media organisation. This Annual Report sets out how our Across the UK plans are already underway to reflect all parts of the country better as well as to represent different voices and perspectives more effectively. The implementation of our ten-point action plan on impartiality is also in progress.

In the year ahead, we will build on successes from 2021/22 and keep striving to serve the public better.

Performance against 2021/22 audience targets Ensure delivery of value to audiences overall

The reach of the BBC % of UK adults 16+ who use BBC TV/iPlayer, Radio or Online on average per week Source: Compass by Ipsos MORI	90% Target 85-90%
A valued habit with the BBC % of UK adults 16+ who use the BBC for 5+ days on average per week Source: Compass by Ipsos MORI	72% Target 65-70%
% of UK adults 16+ who use the BBC for 5+ hours on average per week Source: Compass by Ipsos MORI	62% Target 55-60%
% of UK adults 16+ who use two or more BBC modes on average per week Source: Compass by Ipsos MORI	71% Target 65-70%
Maintain focus on key audience challenges	
Young adults The reach of the BBC % of UK 16-34s who use BBC TV/iPlayer, Radio or Online on average per week Source: Compass by Ipsos MORI	81% Target 75-80%
Personal relevance UK 16-34s' rating of 'the BBC is for me' (mean score out of 10) Source: Kantar Media	6/10 Target 6/10
Under 16s The reach of the BBC % of UK under 16s who use BBC TV/iPlayer, Radio or Online on average per week Source: Kids Cross-Media Insight by Ipsos MORI	73% Target 70-75%
The reach of BBC Children's/Education services % of UK under 16s who use BBC Children's/Education services on average per week Source: Kids Cross-Media Insight by Ipsos MORI	53% Target 50-55%
Accelerate activity central to continued and future delivery of value to audiences	
Signed-in reach of BBC iPlayer Average weekly accounts signing into BBC iPlayer Accounts overall Source: AT Internet/BBC Account data	12.1^m Target 12-12.5m
Under 35 accounts Source: AT Internet/BBC Account data	3.8^m Target 3.5-4m
BBC iPlayer time spent per head per week Average weekly time spent per head per week Source: Deduplicated viewer mins modelled from BARB/AT Internet	01:00^{h:m} Target 1 hour
Rating of BBC iPlayer Weekly users' rating of BBC iPlayer (mean score out of 10) UK adults 16+ weekly users Source: YouGov	8 out of 10 Target 8 out of 10
UK 16-34 weekly users Source: YouGov	8 out of 10 Target 8 out of 10
Signed-in reach of BBC Sounds Average weekly accounts signing into BBC Sounds Accounts overall Source: AT Internet/BBC Account data	3.8^m Target 3.8-4.1m
16-34 accounts Source: AT Internet/BBC Account data	0.57^m Target 0.6m+
Reach of BBC News Online % who use BBC News Online on average per week UK adults 16+ Source: Compass by Ipsos MORI	34% Target 30%+
UK 16-34s Source: Compass by Ipsos MORI	33% Target 30%+

→ p.168

For more information on the BBC's performance please see the performance data packs.

Delivering our creative remit Engaging with audiences



It's never been more important for the BBC to deliver value for all – and our strategy is underpinned by a deep understanding of audiences across the UK.

The BBC has many ways to gather audience insight and feedback – and it uses this intelligence to inform decision making across the organisation; through content commissioning, journalism, digital product development, marketing and beyond.

The sources we draw on range from the observational – through media measurement and digital analytics, to more reflective insight – where we ask the UK for their considered view of what they value from the BBC. These sources include:

- industry-leading measurement of the UK's media choices across all platforms (TV, Radio, Online)
- continued investment in the UK's media measurement currencies
- deep digital analytics: with a comprehensive digital data set helping us to understand how people are using our digital products
- regular surveying and polling to understand UK attitudes and responses to our offer

— daily contacts from our audience – with more than 630,000 webforms, emails, letters and calls to our contact centres each year

Collectively, this data helps us to build a rich understanding of life across the UK; but we also know that nothing beats meeting our audience in real-life – and for this reason we've developed an organisation wide programme of audience engagement ('BBC Virtual In Person') – which allows us to regularly connect our staff with members of the public.

Before Covid this type of activity was delivered face-to-face, however, after delivering sessions online throughout the pandemic, it became clear that working 'virtually' was a very impactful and cost effective way of talking to audiences from across the UK. BBC Virtual In Person (VIP) was created at the start of the first national lockdown – and offers a programme of live, video discussions between audience members and BBC staff, that are observed by content makers, journalists, senior leaders and board members.

Over the past 12 months we have run 122 individual Virtual In Person sessions where 3,192 BBC attendees have met 738 audience members. We have talked to them about a wide variety of subjects, from local and national news stories, local and national radio, podcasts, the types

of television content they enjoy, plus topic-specific sessions including climate change, the cost of living and authentic on-screen portrayal.

The VIP sessions enable us to talk to people in their own homes, meaning they are more comfortable and confident about voicing their honest opinions about BBC content, products and services. Furthermore, we are able to talk to audiences from all four corners of the UK, from different ethnicities and social backgrounds and both young and old, much more easily than in the past.

Sessions have been attended by members of the BBC Board, the BBC Executive Committee, the BBC Nation's Committees and the Senior Executive Group, along with decision makers from News, Content, Nations and other corporate areas.



Virtual in Person participants



OPERATIONAL REPORT

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Partnerships and collaboration

Chief Operating Officer's review

As this report demonstrates our key focus is to provide value for all audiences. We continue to build a digital-first BBC in order to deliver this ambition in a changing world.



Key Headlines for 2021/22

Licence fee income

£3,800^m

2021/22: £3,750m

Commercial income

£1,718^m

2021/22: £1,384 million

Cumulative savings

£1^{bn}

delivered since 2016/17

Industry leading overheads

Within

5%

of the public service cost base

Ensuring the licence fee remains value for audiences is our key priority – at just 44p per day we continue to deliver world-class content and services to our audiences.

We end the year in a financially strong position with a group surplus of £206 million. As a result of careful control of our finances and operations and the delivery of savings initiatives and inflation mitigations, our public service cash reserves at 31 March 2022 are £573 million. Licence fee income reached £3.8 billion, demonstrating the commitment of audiences to pay the licence fee. We invested £3 billion in content and digital services, delivering high-quality programming and services to audiences including coverage of major sports events including the 2020 Tokyo Summer Olympics and the European Football Championships.

Increasing commercial income is one of our four key priorities, alongside a renewed commitment to impartiality, a focus on unique, high-impact content and extracting more value from online. This year we saw record performance in our commercial subsidiaries with BBC Studios exceeding their target of £1.2 billion returns to the BBC Group with their highest-ever in-year returns totalling £353 million. The Commercial Group achieved 24% growth in income to £1,718 million and 57% growth in EBITDA to £226 million.

We plan to build on the successes of our commercial operations, taking advantage of the growing demand for high-quality content. The reformed Commercial Board will assist by increasing our attention on growth and long-term value.

In January 2022, the Secretary of State for Digital, Culture, Media and Sport announced the licence fee settlement until the end of the Charter. The licence fee will be frozen for two years from 2022/23 and then rise in line with CPI inflation for the following four years. As a result, we anticipate annual savings of £285 million will be required by 2027/28 to mitigate the loss of inflationary increases to the licence fee over the next two years. This comes at a time of high general economic inflation and industry super-inflation (where competition for limited production resources is driving up content prices at a faster rate than in the broader economy) in the extremely competitive media landscape, which we continue to monitor closely.

However, we have a proven track record for savings delivery and will continue to identify mitigating savings as risks materialise. In 2016, in response to the 2015 licence fee settlement, the BBC started a programme of savings and reform targeting £800 million ongoing savings by 2021/22. This year we successfully delivered an additional £274 million of in-year savings bringing

total savings at the end of the plan to £1,029 million, including £38 million of one-off savings. The NAO's review of savings and reform in December 2021 concluded that we have consistently delivered savings over the past decade. This recognition of savings delivery to date is welcomed and we will continue to seek further opportunities to deliver efficiencies in the future. We continue to maintain our industry-leading overhead rates, within 5% of the public service cost base, putting us in the top quartile for comparable organisations.

We are committed to a leaner, more efficient BBC. The pandemic presented an opportunity to reshape and simplify the structure of the BBC as we initiated a voluntary redundancy programme and recruitment pause for non-business critical roles. We continued to see the impact of these actions this year and, along with savings initiatives, our public service full time equivalents at 31 March 2022 reduced by 409 year-on-year to 17,781. As part of the BBC's plans to support levelling up across the UK, we have committed to growing the number of apprentices to 1,000 by 2025. In February 2022 we opened our first apprentice hub, a new initiative creating a wide range of creative and digital opportunities based in and around the West Midlands.

We successfully dealt with the challenges presented by the Covid-19 pandemic with the safety of our colleagues being paramount. Along with the rest of the UK creative industry, Covid significantly disrupted our operations and materially impacted our plans and finances in 2020/21. Government lockdowns led to production delays and postponement of live and sports events. We continued to see an impact in 2021/22 as strict health and safety protocols and social distancing requirements remained in place, resulting in additional costs. We also incurred additional spend for delayed major sports events and production spend from 2020/21.

After experiencing a second full year of the response to the Covid-19 pandemic, the BBC has started to move to new innovative ways of working; this has been done in conjunction with responding to several international crises. We have carefully withdrawn the majority of our people from Afghanistan and Ukraine and have set out further contingencies to support our colleagues in our Moscow Bureau. Throughout these events, we have managed to continue to report independent and impartial coverage to millions of people safely and securely.

On behalf of the whole Executive Committee, I want to thank all of our staff for the extraordinary flexibility, dedication, and resilience they have shown. I am enormously proud of the outstanding content, creativity and innovation that our teams both deliver and enable every day. I would also like to add my personal thanks to our suppliers and contractors who have continued to support our operations and output throughout this period.

This report provides detail on BBC Group performance over the past year and specific matters such as pension contributions, tax and the continued delivery of efficiencies. We also set out detail on the support we offer to our people; our core staffing metrics; a summary of our equality information reporting; and our pay gap reporting. Information on our support for charitable giving can be found on page 73, along with how we have engaged with audiences (page 50) and partners (page 74). We report on our progress against environmental sustainability targets on page 69.

Looking ahead, we are in a financially strong position to withstand continued financial pressures and mitigations are in place to manage the first year of the licence fee settlement and increasing inflation in the market. Over the coming year we must continue to carefully manage our operations and finances to ensure long-term financial sustainability. We will continue to look for new ways to transform the organisation and become more efficient. Our focus remains to fulfil our strategic ambitions, whilst delivering value for all audiences.



Leigh Tavaziva
Chief Operating Officer
23 June 2022

Operational report

Our finances

Through careful management of our finances, we end the year in a strong financial position to help to mitigate the financial challenges presented by the recent licence fee settlement in 2022/23.

Income

We continue to see a strong commitment from audiences to pay the licence fee. Paid-for licences in force have increased year-on-year. However, following the expiry of the general notice, put in place as part of the transition to the new over 75 policy, overall total licences in force have declined. The annual licence fee increased by CPI inflation from £157.50 to £159.00 in April 2021. We collected £3.8 billion of licence fee income during the year, an increase of 1% compared to 2020/21. The recent licence fee settlement determined that the licence fee will remain at £159.00 until March 2024, rising by inflation for the following four years. Further detail on licence fee income can be found in note B2 of the financial statements.

Other income includes the contribution of our commercial operations and third-party sales income. Other income increased year-on-year by 16% to £1,530 million, driven by a year of significant commercial growth despite Covid causing ongoing disruption and uncertainty, and intense competition in the market for talent and customers. BBC Studios achieved record

sales as a result of increased production revenues, content sales topping £400 million for the third consecutive year, UKTV experiencing record audience share in 2021, and significant advertising revenues as the market recovered from Covid.

In light of the escalating situation in Ukraine and increasing demand for fact-based impartial journalism, the BBC World Service received additional funding of £4 million from HM Government. The funding is helping to create content to counter disinformation and to continue delivering impartial and accurate news coverage in Ukraine and Russia via a range of channels.

Licence fee collection

Effective financial management is a key part of the BBC's unique relationship with our audiences. This includes spending the licence fee efficiently and collecting a television licence fee from everyone who is required to purchase one. The collection of the licence fee is underpinned by a legal requirement to buy a licence if watching or recording programmes as they're being shown on TV; viewing live streams via an online TV service; or by downloading or watching BBC programmes on iPlayer (live, catch up or on-demand).

The BBC has a number of contractual arrangements covering the collection, administration and enforcement of the

1% increase in licence fee income
24% commercial income growth
£3 billion investment in high-quality content and expansion of digital services
Over 95% of public service spend directed to content and its delivery
£1 billion of savings delivered since 2016/17
Cash reserves help manage the first year of the licence fee settlement

licence fee, marketing, payment channel management and retail networks. The majority of the administration is contracted to Capita Business Services Ltd. We are now in the tenth year of the current collection contract, which has been extended by a further 5 years from July 2022.

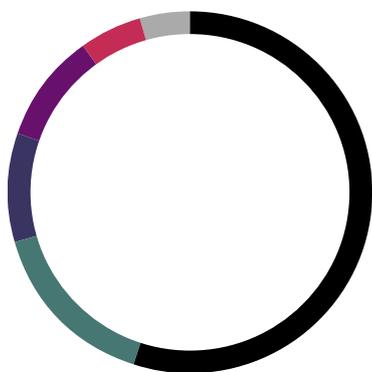
The current collection method remains fair, effective and good value for money. We offer a variety of payment methods including instore, by telephone and online. We continue to support those in financial difficulty by offering the Simple Payment Plan, a flexible payment scheme that spreads the cost of the licence fee over

Income Statement

Income statement	What is it?	2021/22 £m	2020/21 £m	What has happened?
Licence fee income	The total of licence fees collected	3,800	3,750	1% increase due to CPI increase and commitment of audiences to pay the licence fee
Other income	Commercial income and grant income	1,530	1,314	Record commercial performance has led to a 16% increase in income
Total income		5,330	5,064	
Operating costs	The cost of producing all content and of running the BBC	(5,231)	(4,799)	Increase in spend due to a strong year of content delivery and commercial growth
Share of results of associates and joint ventures	Our share of the profit of businesses where we control 50% or less	25	25	Results include BritBox International and BBC America
Operating surplus		124	290	
Gains on disposal	Profit/loss on disposal of operations and fixed assets	28	(1)	Includes Llandaff property sale and deemed disposal of House Productions Ltd
Other losses	Net loss on movements in financial instruments	(13)	(2)	Reflects changes in the fair value of derivatives and exercised put options
Net financing income/costs	The net interest on the BBC's pension assets and liabilities, interest on loans and fair value movements on derivatives	47	(74)	Net gain on financial instruments as a result of favourable market movements.
Taxation	The net tax credit for the year	20	14	Includes high-end television tax credits, partially offset by corporation tax charges
Group surplus for the year		206	227	

How your monthly licence fee is spent

2021/22 £13.25 per household (2020/21: £13.13)



	2021/22	2020/21
● Television	£7.29	£6.42
● Radio	£2.09	£2.29
● Online	£1.27	£1.32
● BBC World Service	£1.30	£1.28
● Other services and production costs	£0.72	£1.10
● Licence fee collection and pension deficit cost	£0.58	£0.72

reserves to accommodate the timing of cash flow for day-to-day operations.

Our borrowing limits are set by the Department for Digital, Culture, Media and Sport (DCMS). At 31 March 2022, our net debt was £1,199 million, which was well within our borrowing limits of £2,750 million, which includes £2,200 million specifically for leases. The BBC Group is finalising arrangements with HM Government to increase the borrowing limit for the BBC's commercial arm to £750 million (excluding leases) over time. This will allow BBC Studios, as the BBC's principal commercial subsidiary, to invest in growth initiatives to build commercial income. Further detail on our borrowings can be found in notes G2 and G3 of the financial statements.

Commercial subsidiaries

One of our four key strategic priorities is to build our commercial income. Our commercial activity will become increasingly important in the future as we expand our operations to achieve the highest possible returns to the BBC Group. Effective from 1 April 2022, our newly formed BBC Commercial Board (formerly BBC Commercial Holdings Board) will oversee the delivery of our ambitions with a focus on driving growth by bringing together additional commercial, financial and digital experience from the newly appointed board members. The BBC Commercial Group achieved an EBITDA (earnings before interest, tax, depreciation and amortisation) of £226 million, compared to £144 million in 2020/21.

BBC Studios, the BBC's main commercial subsidiary, experienced strong growth over the past year as the business recovered from the pandemic. BBC Studios recorded income of £1,630 million, an increase of 30% year-on-year, resulting in a 50% increase in EBITDA to £226 million. BBC Studios became responsible for the management of BBC Global News on 1 July 2021, aligning international commercial activities under single leadership, enabling a holistic approach to international audiences. To capitalise on our UK production model, BBC Three in-house activity transferred to BBC Studios on 1 April 2021, and BBC Children's Productions Limited transferred to the Studios Group on 1 April 2022. BBC Studios continues to drive value for money to licence fee payers through high quality programme production and distribution and its financial contribution to the BBC Group.

BBC Studioworks provides studio and edit facilities to the BBC and a large number of external clients. BBC Studioworks delivered EBITDA of £8 million, a £2 million increase year-on-year. Covid impacted the utilisation of studio space in the first half of 2020/21.

12 months. In August 2020, we successfully began collecting the licence fee from eligible over-75s. Free licences were previously provided by the Government, however, the provision passed to the BBC as part of the last licence fee settlement. Free TV licences, funded by the BBC, remain available to anyone aged over 75 who is in receipt of Pension Credit*.

A fire at a TV transmitter in the North East of England in August 2021 impacted TV and radio services for a number of viewers in the area. Licence fee payers who were unable to receive Freeview TV coverage for more than one month were able to claim a partial refund or an extension to their TV licence.

Licence fee statement

We prepare an annual licence fee revenue statement which is audited by the Comptroller and Auditor General.

* Licence holders who are over 75 and resident in an ARC scheme with Preserved Rights are also eligible for a free licence. For the Crown Dependencies, equivalent arrangements were put in place, starting from 1 January 2021, based on local benefits.

This statement sets out the amounts collected and paid over to HM Government during the year. Alongside their audit work, the National Audit Office examines our collection arrangements and reports on them to Parliament. More on the licence fee revenue statement can be found at: tvlicensing.co.uk/about/bbc-trust-statement-AB21.

Content spend

We invested £2,956 million in content spend in 2021/22, an increase of 17% year-on-year. Production activity was severely disrupted by Covid in 2020/21 with productions paused for a number of months and additional health and safety protocols in place to ensure the safety of our teams. As a result some spend intended for 2020/21 was delayed to 2021/22. We also incurred costs for the postponed 2020 Tokyo Summer Olympics and European Football Championships. Although Covid restrictions were relaxed during the year, we continue to see an impact on productions as we operate within strict guidelines, which increases costs. During the year we made significant investment in new content for audiences, funded by cash conserved in the early years of the licence fee settlement and by ongoing savings plans.

We continue to carefully manage our spend to ensure that we invest available resources into high-quality content and services. Our overhead rate continues to be within 5% of the public service cost base and therefore over 95% of our spend is directed to content and its delivery.

Cash and net debt

The public service cash balance at 31 March 2022 was £573 million. This is an increase of £308 million on the prior year driven by delivery of savings initiatives, including one-off savings, and the timing of spend. Our cash reserves put us in a strong financial position to manage through the first year of the licence fee settlement, whilst retaining sufficient cash

How we use the licence fee

The way in which the BBC is funded places significant responsibilities on the organisation:

- to ensure effective and efficient collection of the licence fee;
- to maximise funding from other sources in a manner consistent with the terms of its Charter and other obligations;
- to provide value for money by focusing expenditure on the programmes and services the public most want from the BBC; and
- to ensure that the output is then delivered as cost efficiently as possible.

Operational report

Our finances continued

By creating Covid safe working environments, activity increased in the second half of the year and this continued in 2021/22. Additionally, further easing of social distancing and lockdown measures helped to drive growth.

More information on our commercial performance this year can be found on pages 75 – 82.

Dividends

During the year BBC Commercial Limited declared and paid a dividend of £144 million to the public service (2020/21: £73 million), as a result of the strong performance of BBC Studios.

BBC Studios achieved their highest-ever level of returns to the BBC at £353 million, more than doubling that of the previous year (2020/21: £137 million). As a result, the business has exceeded its target of £1.2 billion in returns to the BBC over the first five years of the current Charter, delivering significant investment in programming. BBC Studios has committed to grow this total by a further 30% to a new target of £1.5 billion in the five years from 2022/23. BBC Studioworks also provided their highest-ever returns to the BBC of £3 million.

Pension costs

We are currently reviewing our future pension provision, with the aim to understand how we might reform our pensions to ensure that the BBC provides a fair and consistent pension provision to all employees, whilst offering value to licence fee payers. Spending on pensions has increased significantly in recent years and this trend is expected to continue, putting increasing pressure on the licence fee. We will work closely with employees and unions in shaping our future pension provision. Any changes proposed will not be implemented before 2024 at the earliest and will only impact future benefits from that date onwards.

The most recent triennial actuarial valuation, as required by law, was completed in June 2020 and showed a funding shortfall of £1,138 million as of 1 April 2019. A repayment plan was agreed between the BBC and the Pension Scheme Trustees which runs until 31 December 2028. In 2021/22 the BBC paid £173 million into the Pension Schemes. The next formal actuarial valuation, performed as at 1 April 2022, is currently underway and will appraise the pension fund’s assets and liabilities based on a range of financial and demographic assumptions to ensure the scheme is adequately funded to meet its liabilities going forward.

Accounting standards (IAS 19 Employee Benefits) require an annual accounting valuation to be performed, which at 31 March 2022 resulted in a surplus of £1,241 million (2020/21: £190 million). This valuation does not impact the actual cash cost of recovering the actuarial pension scheme deficit and therefore does not impact the repayment plan currently in place. The accounting valuation only provides an accounting ‘snapshot’ at the year end and is sensitive to short-term market fluctuations, which is why it does not impact the repayment plan or the pension benefits for members. The accounting valuation often presents a more favourable funding position due to the discount rates that are required to be used.

Tax strategy

We are committed to paying the right amount of tax at the right time in all the jurisdictions in which we operate, including but not limited to employment tax, VAT and corporation tax. We recognise the importance of paying the right amount of tax for the communities in which we operate and take our tax compliance obligations seriously.

We manage our tax affairs within the framework of the taxes legislation for the UK and the other jurisdictions in which we

operate. The BBC has a low tolerance to tax risk, as demonstrated by our attitude to tax planning and governance. Our assessment of tax risk considers not only the financial amount at stake, but also the reputational consequences of the matter in question.

In 2021/22 we recognised a net tax credit of £20 million (2020/21: £14 million) as a result of high-end television tax credits, which vary year on year, partially offset by corporation tax charges. We publish our tax strategy in accordance with the Finance Act 2016, which can be found on our website: bbc.co.uk/aboutthebbc/documents/bbctaxstrategy_2022.pdf

Delivering efficiencies

Our goal is to ensure that the organisation is run efficiently and effectively in order to direct as much funding as possible towards content for our audiences. As identified in the NAO’s review of savings and reform in December 2021, we have already made significant progress in reforming the BBC. In 2021/22 we delivered £274 million of in-year savings. This takes our total savings delivered since 2016/17 to £1,029 million, including £38 million of one-off savings, exceeding our original target of £800 million.

In the early years of the plan, savings were focused on productivity efficiencies, to maximise our spend on content. As a result we reduced our overheads to industry leading levels at just 5% of the PSB cost base, placing us in the top quartile for comparable benchmarked organisations. Savings have been delivered through production and operational efficiencies, restructuring and careful management of contracts. In response to the pandemic we identified new efficiencies including changes to our ways of working and making better use of technology allowing us to reduce our property footprint and create a more dynamic workplace.

Content

As demand for high-quality content grows, the media industry is experiencing increasing competition causing the cost of talent and content to rise faster than inflation. This puts intense pressure on our commissioning budgets. In order to continue delivering impactful content and value for audiences, we strive to make content delivery savings through careful management of production pipelines and reprioritisation of spend away from low performing programmes into new offers to the audience. Super-inflation to date has been addressed by managing costs, increasing third party investment and securing more favourable cash flow terms with producers.

Commercial subsidiaries

BBC Studios EBITDA

£226m
2020/21: £151 million



BBC Studioworks EBITDA

£8m
2020/21: £6 million



EBITDA is derived from reported operating profit, adding back production tax credits (following market practice for production companies), depreciation and amortisation (with the exception of amortisation relating to distribution rights or programming). The depreciation and amortisation that is added back includes any impairments or write-downs of assets. We believe that ‘EBITDA’ is the non-statutory measure of financial performance that best provides guidance to help understand performance on a comparable basis year on year. The intention of this is to illustrate an underlying profitability that can be benchmarked relatively easily and gives a reasonable base from which to link through to cash flow measures.

Property

We remain intent on creating modern and efficient working environments for our staff. Reducing our property estate is an important aspect of our business strategy. In the last five years we exited a number of properties, reducing the size of the portfolio by more than 22,000m². Additionally we are consolidating existing London sites, which is expected to reduce our footprint by a further 16,000m² in 2022/23. This will be achieved as part of the Across the UK strategy with the goal to balance BBC activity in each of the UK's nations and regions to represent the diversity of our audiences. The strategy includes transferring News and Radio teams to new bases in Salford, Leeds, Glasgow and Cardiff, launching new TV commissions and productions in the UK regions, and supporting regional initiatives to grow key skills and talent.

Reducing the estate also helps us to achieve our net zero commitments. Fewer, more efficient, buildings will reduce our emissions. Investment is targeted at making our buildings more sustainable and reducing energy consumption such as initiatives to reduce our carbon footprint with new chillers, LED lighting and Photovoltaic power generation where appropriate.

Procurement

Global events continued to place a strain on supply chains during the year, increasing the risk of supplier failure. We closely monitored the stability and capacity of our key suppliers and, where necessary, responded quickly to ensure there was no interrupted supply.

Whilst there was a recovery in third-party expenditure, especially in content-related areas, the demand for goods and services continued to be depressed, ending the year 0.3% down. Despite this, savings of £54 million were secured on the purchase of goods and services in 2021/22, and suppliers played a key role in operationally supporting the events in Afghanistan and Ukraine.

Technology

We delivered £45 million of savings across the technology portfolio in 2021/22. The ongoing pandemic resulted in continued use of remote working solutions, along with associated benefits, by reducing technology consumables such as telephony and printing. We also kept working on rationalising the connected network, which offered additional savings this year.

The transformation of our technology and engineering operations started towards the end of the year, with opportunities identified to streamline our services whilst keeping the BBC on-air and online 24/7 and adaptable to new technologies. It also allows us to continue re-prioritising funding and workloads to support the digital strategy of the BBC. In the year ahead we will continue to invest in and develop our digital services, including improvements in personalisation and user experience, and building critical capabilities such as data science and machine learning.

Efficiency savings

In-year savings

£274m
2020/21: £272m

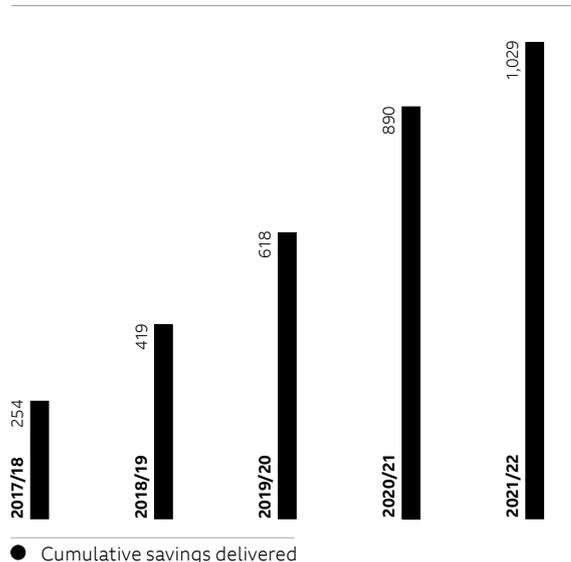
Cumulative savings

£1,029m
2020/21: £890m

Savings delivered in 2021/22:

- Production efficiencies, remixing and reprioritisation of programmes
- Better cash flow terms with producers
- Flat pricing and third-party investment
- Headcount savings and staff efficiencies
- Operational efficiencies
- Renegotiation of contracts

Efficiency savings (£m)



Cumulative savings reflect both ongoing and one-off savings delivered in year.

Operational report

Public Service Broadcasting expenditure

The table below illustrates how licence fee funds have been spent during the current and prior year, including the Charter requirement for the BBC to report on expenditure on the UK Public Television Services by genre (as defined in accordance with industry standards). Total content spend represents the cost of making content across the BBC's services. The total service spend represents the full cost of producing, supporting and delivering BBC content to audiences.

World Service Operating Licence

The BBC committed to protect its annual spend on the World Service for a period of five years from 1 April 2017 to ensure it remains a valued public broadcaster for the future. Including content, distribution, general support costs and spend incurred on World News TV, £277 million (2021: £251 million) was spent on the BBC World Service Operating Licence.

World Service grant funding

In 2016/17 the Foreign, Commonwealth & Development Office (FCDO) awarded a grant to the BBC of £291 million, to be spent over the following four years, to assist in the expansion of the World Service. In April 2022, following the conclusion of the 2021 Government spending review, the FCDO confirmed further investment in the World Service of £283 million for the three years to March 2025. In response to the invasion of Ukraine, the FCDO provided additional funding of £4 million to help deliver independent and impartial news coverage in Ukraine and Russia, countering disinformation.

PSB expenditure

	2021/22 £m	2020/21 £m
News and Current Affairs	314	310
Factual and Learning	235	216
Arts and Music	31	30
Film and Drama	376	289
Entertainment and Comedy	214	182
Sport Production	94	49
Children's	90	74
Other television content spend	431	251
Television services by genre	1,785	1,401
Radio	477	474
BBC Online and Red Button	247	236
Content spend on services by platform	2,509	2,111
Orchestras and performing groups	25	23
S4C (service spend)	24	21
Development spend	58	61
BBC World Service grant	97	88
BBC World Service Operating Licence*	243	214
Other service spend	447	407
Total content spend	2,956	2,518
Distribution costs	185	191
Content and distribution support	395	404
General support	158	161
Total service spend	3,694	3,274
Licence fee collection costs	122	136
Other obligations (S4C)	75	75
Monitoring	4	4
PSB Group pension deficit reduction payment	50	63
Costs incurred by PSB to generate non-licence fee income	183	159
Restructuring costs	13	102
Total PSB Group expenditure	4,141	3,813
Items reported outside of operating expenditure**	(70)	(54)
PSB Group expenditure	4,071	3,759

* The BBC World Service Operating Licence includes distribution spend of £30 million (2021: £33 million).

** In order to reflect the full cost of the PSB Group expenditure by service certain costs are included above which are reported outside of operating expenditure. For example, finance lease interest is included to reflect the full cost of property, although it is not included in the Group operating expenditure.

Our people: working at the BBC

Whilst the challenge of coronavirus remained ever-present in 2021/22, we have nonetheless made significant progress in delivering changes to our workforce, our ways of working and our culture in line with our Value for All strategy. We continue to support all Divisions and the organisation as a whole to build a modern, inclusive BBC. All of this has been delivered while supporting staff through critical news coverage in Afghanistan, Ukraine and Russia.

Reshaping our workforce

Throughout 2021/22 we have worked with all Divisions on workforce planning to support their change and restructuring programmes and their plans to achieve their 50:20:12 targets. Those targets are to create a gender balanced organisation, with at least 20% black, Asian and ethnic minority staff and at least 12% disabled staff.

All Divisional workforce plans are based on three BBC Group principles:

- transforming our approach to recruiting;
- a more robust approach to succession planning;
- a commitment to increase apprentices (internal and external) to 1,000 by 2025

We set out our new Talent Acquisition strategy in March 2022, centred around proactive talent sourcing, greater consistency and improved capability within our resourcing team.

We have agreed a long-term talent and succession strategy and completed the first phase, including building succession plans for critical roles. We are working with the Executive Committee as a group and individual Divisional and HR Directors to review our talent pipelines. Our approach is founded on the principle of inclusivity and is designed to improve the diversity of our succession plans through a number of activities including developing specific and tailored development plans. The approach is aligned to the Accelerator programme detailed below.

We have achieved our first year target to grow our apprentices to 1,000 by 2025, contributing to the BBC's ambitions to increase equality of opportunity across the UK. We have worked with each Division to create space for apprentices, refreshing the Divisional workforce and addressing key skills gaps. This year our Early Careers team are managing over 30 different apprenticeship standard schemes and over 260 Early Careers apprentices across the organisation. The 21/22 Early Careers Apprenticeship cohort has a diversity profile of 61% female, 23% black, Asian and minority ethnic and 15% disabled staff.

Our application to the Education and Skills Funding Agency (ESFA) to set up an Apprentice Hub in the West Midlands was approved in January 2022. The BBC Apprentice Hub is a brand-new initiative creating apprenticeship opportunities in a wide range of creative, gaming, cultural and digital businesses based in and around the West Midlands. In February 2022 we signed our first employer contracts and our Hub site went live, advertising for 20 apprentice roles on six different apprenticeship standards: bbc.co.uk/apprenticehub.

Our apprenticeship opportunities are also open to BBC staff, and in February 2022 we relaunched our internal staff apprenticeship programme, as part of our comprehensive career and leadership development strategy. Staff were offered the chance to gain qualifications in many areas, such as Business Administration, Broadcast Systems Engineering, Data Science, Digital Products, Finance and Production Management (designed either by the BBC or with other commercial and government organisations). Successful applicants spend at least 20% of their working time in training, either in an academic setting, or using guided virtual e-learning.

We are committed to reducing the public service headcount to create a leaner more efficient organisation. In response to the pandemic in the prior year we paused recruitment for non-business critical roles and initiated a voluntary redundancy programme with the intention to deliver savings quickly in the face of the growing financial challenge. This created an opportunity to reshape and simplify the structure of the BBC, and this strategy continued into 2021/22.

The BBC group average full-time equivalents decreased to 21,125 in 2021/22, a year-on-year reduction of 156. When comparing the number of employees at 31 March, the group full-time equivalents reduced by 241 to 21,252.

There were further leavers in 2021/22 through the voluntary redundancy scheme and other savings initiatives, resulting in a total decrease of 409 full-time equivalents year-on-year with the public service headcount at 17,781 at 31 March 2022.

More detail about our people and headcount can be found on page 62.

Career development and leadership

Through our learning and development team, the BBC Academy, we continue to support the BBC's workforce in acquiring the skills they need to develop their careers through a wide range of formal and informal learning interventions (see page 6 for more detail). As well as supporting BBC staff and freelancers the Academy has provided

learning opportunities for the wider creative sector through a variety of events, conferences and partnerships.

This year we have significantly enhanced our career development offer for staff. We launched the myCareer site, which provides a one-stop shop for all support, resources and opportunities to enable staff to thrive at the BBC and to develop broad and fulfilling careers. There have been over 70,000 views of this site since it launched in September 2021, making it the most viewed site on the learning platform. We also formally launched our 80/20 initiative after a successful pilot in 2020/21. This scheme helps staff gain experience working in other areas across the whole organisation, offering placements where 20% of their normal working time is spent in another role, for up to six months.

Our Hot Shoes scheme was refreshed in 2021/22, with 300 placements on offer. This scheme offers a mix of in-person, virtual and hybrid placements across the BBC, giving staff an opportunity to spend between two days and two weeks in another part of the organisation. More than 1,150 people applied for one of the 120 placements on offer in Round 1.

Across the year, we've run a series of Careers Live events. These events have combined the magic of BBC brands – *Strictly*, *Glastonbury*, *Line of Duty*, BBC Three and *The Apprentice* – with practical advice on careers from industry experts and career development professionals. All events are available to view on the myCareer site.

In recent months, we've sought to bring our Career Path Framework to life with the launch of the Living Library (the table on page 62 gives details of the Career Path Framework). The library is made up of 120 (and growing) job role ambassadors from the main job families. These ambassadors are available for informal chats about their role, a day in their life and to give an insight into the skills and experience needed to do their job.

For the next generation of senior leaders we launched the Accelerator programme – an ambitious programme to identify up to 30 BBC leaders with the potential to move into more senior roles in the organisation and bring a greater diversity of thinking, approach and experience into those roles. 903 people applied to join this programme, and 25 colleagues were selected to form the first Accelerator cohort in February 2022.

We successfully introduced the Senior Leader Index in June 2021, enabling leadership impact to be measured alongside other performance metrics. Every Senior Leader received an individual report, measuring their leadership against

Operational report

Our people continued

engagement, performance and development, and diversity and inclusion, and comparing their score with the average in their Division and across the BBC.

In January 2022 we introduced an annual 360° feedback process for Senior Leaders and will now extend this to all B and F leaders.

Our commitment to creating a high performance and development culture is underpinned by myConversation. This gives all employees the opportunity to have a high-quality discussion with their line manager twice a year about their performance, goals and career development. It was initially introduced in March 2021, with 85% of employees completing the process, and this increased to over 90% in October 2021.

Our commitment to impartiality

Throughout 2021/22 the BBC Academy, working closely with Divisions and Editorial Policy, has delivered impartiality training across the whole of the BBC. The programme of training – based around real case studies and a culture of discussion – focused first on editorial staff and presenters and was then expanded to all staff. By March 31 2022, 92.6% of all staff had completed one of the suite of the Safeguarding Impartiality courses. In the 2022 staff survey, 94% of employees said they understood why impartiality is important for the BBC.

As part of the ten-point plan on impartiality and editorial standards announced in October 2021, the Academy will support the roll-out of this training more widely to independent producers and freelancers.

We have added impartiality as a measure to our Senior Leader Index. The 'Impartiality Index' involves using ratings linked to four specific questions in our twice-yearly employee survey to assess how effectively our leaders champion impartiality.

Refreshing our values

We refreshed the BBC's Values for our centenary year, strengthening our commitment to them and aligning each with a set of agreed behaviours:

- AUDIENCES are at the heart of everything we do;
- CREATIVITY is the lifeblood of our organisation;
- TRUST is the foundation of the BBC – we're independent, impartial and truthful;
- We RESPECT each other – we're kind, and we champion inclusivity;
- We are ACCOUNTABLE and deliver work of the highest quality;
- We are ONE BBC – we collaborate, learn and grow together

Divisional Senior Teams took part in 'Leading and Living the Values' sessions and are developing their own action plans and interventions based on staff survey feedback.

In the last year we have begun to transform the way we communicate and engage with BBC colleagues. We have introduced a new monthly BBC-wide broadcast to share our strategic priorities and have enhanced the effectiveness of our communications channels. Throughout the year we have delivered a series of sessions and campaigns to bring our strategy to life for colleagues, to promote our values and our new enhanced careers proposition, and to inform and equip our senior leaders.

We carried out our BBC-wide employee engagement survey in February 2022. Our participation rate rose by 18 percentage points to 75%. 83% of our staff said they feel proud to work for the BBC and 70% would recommend the BBC as a great place to work. Accessing support during difficult times, team collaboration, open and honest communication and an inclusive team environment all scored highly, and more favourably than in the previous 2021 survey. Although there has been a rise of seven percentage points since the previous survey in staff feeling they have opportunities to develop their career (up to 45%), they feel less clear about how to go about this (a drop of five points to 33%). Areas for future focus are to develop a more comprehensive action plan and understand how we can improve confidence in those areas of the business that have undergone recent significant changes.

International support

Since the change of regime in Afghanistan in August 2021 we have offered extensive support for BBC colleagues (170 staff and freelancers) who were based in Afghanistan. The BBC worked closely with the UK FCDO to help staff and their immediate families move to the UK over the following months, providing transport costs, accommodation, food and other assistance.

Since the war in Ukraine started in February 2022 we have given substantial relocation, employment, mental health and wellbeing support to BBC colleagues based in Ukraine and Russia. We have supported some colleagues and their families in moving to safer locations and in relocating to Poland, Serbia and Latvia. As a result of the ongoing political situation within Russia we have stopped output from Moscow and have relocated the Russian language service permanently to Riga, Latvia.

Employee relations and remuneration

Working closely with all our colleagues, our recognised Unions and our staff networks remains a core priority. By working in partnership and reviewing feedback through

Non-Financial Reporting Information (NRI) Statement

We acknowledge the non-financial reporting requirements of the Companies Act 2006 and have disclosed relevant associated information throughout the strategic report. For ease of reference, information relating to the five matters covered by the regulation can be found on the following pages: environmental sustainability (pages 69 to 72); our people (pages 59 to 63); human rights, modern slavery, anti-bribery (below). Further information can also be found in our business model (page 84), our principal risks (pages 110 to 126) and our non-financial performance (throughout the strategic report).

Human rights, modern slavery, anti-bribery

We are committed to respecting the human rights of all those who work for or with us. Our Terms of Trade require any suppliers we work with, and any sub-contractors they use, to adhere to the codes of practice published by the Equality and Human Rights Commission and the Equality Commission Northern Ireland. In addition, suppliers, and sub-contractors, are required to abide by our Code of Ethical Policy. The full code can be found here: downloads.bbc.co.uk/supplying/pdf/BBC_Ethical_Policy.pdf

We recognise the need to prioritise tackling the most severe human rights abuses, including modern slavery. We abide by the Modern Slavery Act 2015 and publish our Modern Slavery Statement in accordance with this. The full statement is available at: downloads.bbc.co.uk/aboutthebbc/reports/reports/modern-slavery-statement-2021.pdf

We are committed to a zero-tolerance approach to bribery and corruption. We expect all of those representing the BBC to abide by the BBC's Anti-Bribery Code of Conduct. The full code can be found here: downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/policiesandguidelines/pdf/bbc_anti_bribery.pdf

employee surveys, we have built a strong employee proposition under a single heading of Working at the BBC.

In 2022/23 our work will build on all the key elements of the Working at the BBC framework including implementing our new approach to pay progression and focussing on how we can help support the BBC's net

zero ambitions by reflecting the importance of sustainability in goal setting, development reviews and in the employee benefits that we can provide to staff.

Looking forward

We have faced a significant number of challenges over the past year and have made some big changes as we look to the future of

the BBC. Over the next year we look to embed these changes and continue to build a high-performance culture, and deliver an industry-leading employee proposition.

Data tables

On the following pages, we provide further data to support the information reported in this section.



Case study: Apprentices at the BBC

This year the BBC increased its intake of apprentices by over 200 as part of its commitment to deliver 1000 apprentices into the BBC each year by 2025.

Miriam, a former BBC apprentice, was passionate about journalism from a young age but never felt the BBC was for someone like her – mixed-race, gay, and from a low socio-economic background.

In 2019, Miriam decided to follow her passion and apply for the BBC Digital Journalism Apprenticeship scheme.

On the scheme she went from strength to strength, finding new stories for all News platforms, that connected to her background. She went on to receive the Apprentice of the Year Award in the QSA Awards 2021 and in September 2021 secured a permanent Journalist role with BBC Wales News and Current Affairs.

Miriam said, “The apprenticeship changed my life. I thought my chosen career in journalism was a write off, but I can honestly say, that if it wasn’t for the apprenticeship I wouldn’t be sat here today – working on content across BBC platforms and having the privilege of getting peoples stories heard.”



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Our people continued

Total average headcount 2021/22 (equivalent full time)

	2022			2021
	Staff excluding apprentices	Apprentices	Total	Total*
PSB Group	17,738	152	17,890	18,977
BBC Studios	3,155	4	3,159	2,723
Other commercial businesses	232	0	232	519
Group total	21,125	156	21,281	22,219

Within the averages above 2,606 (2021: 2,998) part-time employees have been included at their full-time equivalent of 1,683 (2021: 1,923). In addition to the above, the Group employed an average full time equivalent of 1,521 (2021: 1,067) persons on a casual contract.

* Apprentices data is not separable for the whole of the prior year to calculate the average.

Career Path Framework

Employee roles are mapped across 27 job families and seven career bands (ranging from Band A to senior leaders).

BBC Group EFT/Headcount by CPF Band (excluding Performing Groups, Trainees and Apprentices and Non-CPF).

CPF Band	EFT		Headcount	
	EFT	EFT (%)	Headcount	Headcount (%)
A	231	1%	294	1%
B	2,089	11%	2,235	11%
C	5,921	33%	6,356	33%
D	6,403	35%	6,784	35%
E	2,131	12%	2,227	12%
F	875	5%	888	5%
FP	94	1%	105	1%
SL	306	2%	309	2%
Total	18,050	100%	19,198	100%

UK senior leader headcount by salary band (PSB only)

Salary band	2021/22 Actual	2020/21 Actual
£50,000 – £99,999	28	42
£100,000 – £149,999	102	100
£150,000 – £199,999	74	70
£200,000 – £249,999	21	22
£250,000 – £299,999	3	4
£300,000 – £349,999	5	1
£350,000+	1	2
Total*	234**	241

* Total excludes BBC Board members and pension directors

** Represents 1.3% of the total workforce

Spend on on-air roles*

	2021/22		2020/21		Variance £000s
	Spend £000s	Volumes	Spend £000s	Volumes	
Less than £40,000	33,222	19,163	33,503	21,538	281
£40,000 – £100,000	61,963	1,030	64,739	1,092	2,776
£100,000 – £150,000	14,412	118	12,371	100	(2,041)
£150,000 – £500,000	17,878	72	17,045	70	(833)
£500,000 – £1m	982	1	–	–	(982)
£1m – £5m	1,350	1	2,497	2	1,147
Total	129,807	20,385	130,155	22,802	348

* An individual is deemed to have an on-air role where they have significant (i.e. 80% or more) on-air responsibilities. During 2021/22, spend on on-air roles represented 8% of total internal creative content spend (2020/21: 9%).

Severance payments

Our redundancy policy is one month's pay for each year of service up to a maximum of 12 months' pay (for those who joined before January 2013 it is a maximum of 24 months' pay). Employees must have two or more years' continuous employment on cessation to be eligible for payment. We have maintained a cap on redundancy and severance payments of £150,000. Where redundancy pay is paid, notice is served. If an individual wishes to leave earlier than the end of their notice period, they must waive the remaining notice period and they do not receive payment in lieu.

In 2021/22, exceptionally we paid one payment in lieu of notice (PILON) with severance pay for health-related reasons.

Payment band	2021/22		2020/21	
	Spend £000s	Volumes	Spend £000s	Volumes
Under £10,000	402	70	364	56
£10,000 – £50,000	5,733	200	10,381	336
£50,000 – £75,000	8,369	134	15,310	245
£75,000 – £100,000	11,502	131	21,807	251
£100,000 – £150,000	26,473	210	26,649	218
Total	52,479	745	74,511	1106

BBC Academy and BBC Studios learning and development

Reach	2021/22
Total training completions*	107,452
BBC staff who completed one or more course	92%
Total learning and development hours	175,663
Number of learning and development days per EFT	1.2
Value for money	2021/22
Training delivery spend (£m)**	£11.68
Learning and development cost per EFT***	£556

Training data and EFT figures are BBC-wide, including PSB, BBC Studios and other commercial subsidiaries.

* Total individual face-to-face, virtual classroom and online completions. In 2020/21, due to Covid-19, the majority of completions were virtual classroom or online.

** Total BBC Academy and BBC Studios training delivery spend excluding major projects.

*** Total BBC Academy and BBC Studios training delivery spend divided by total EFT.

Information provided in line with the Trade Union (Facility Time Publication Requirements) Regulations 2017 – schedule 2 (1 April 2021 – 31 March 2022)

We have continued to work closely with our recognised trade unions in the last 12 months, managing the ongoing challenges posed by the pandemic and the strategic, transformational programmes detailed in this section. We continue to value and build on our positive and constructive relationships with our unions. No strike action was taken in 2021/22.

As part of the Trade Union (Facility Time Publication Requirements) Regulations 2017, public authorities are required to report information about facility time taken by trade union officials for a 12-month period. (Facility time refers to the time taken for our recognised trade unions to represent members both individually and collectively in a range of issues across the BBC.) This is detailed in the table.

Relevant union officials

	2021/22
Number of union officials	340 (EFT: 323)
Percentage of time spent on facility time	
0%	0
1% – 50%	331*
51% – 99%	7*
100%	2*
Total cost of facility time	£783,308
Total eligible PSB paybill	£1,205.7m
Percentage of total paybill spent on facility time	0.06%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	20%

* There were 10 union representatives seconded to represent their union, of which two worked full time for the union, eight were job shares working both for BBC and representing their union with 1 of the job shares working less than 50% of their time on facility duties.

**Volume of internal complaints
Complaints made and investigated**

	2021/22	2020/21
Bullying and harassment Grievance complaints notified either direct to HR, via a grievance being raised, or via the confidential bullying and harassment helpline.	53 formal cases — 1 sexual harassment — 52 bullying and harassment — 30 closed — 21 ongoing — 2 withdrawn Average time to close case: 103 days	62 formal cases — 4 sexual harassment — 58 bullying and harassment — 48 closed — 9 ongoing — 5 withdrawn Average time to close case: 84 days
Whistleblowing cases Whistleblowing allegations are received either via Expolink, who manage an independent whistleblowing hotline on our behalf, via senior management including a designated non-executive director, or directly to the Investigations teams.	33 cases in total (a range of issues covering safety, theft, fraud): — 1 upheld — 1 partially upheld — 3 unsupported — 17 not upheld — 11 ongoing	22 cases in total (a range of issues covering safety, theft, fraud): — 5 upheld — 16 unsupported — 1 ongoing

Raising a concern at the BBC

The majority of concerns raised by staff will be addressed by the BBC Grievance Policy or the BBC Bullying and Harassment Policy. Concerns should be raised, where possible, directly to line management, however support to take things further can also be provided directly by an HR Business Partner, or via the Bullying and Harassment helpline and the Care First support line and website. Whistleblowing – Whistleblowing allegations, also known as ‘Protected Disclosures’, can be made by anyone with genuine concerns about serious malpractice at the BBC, which are believed to be in the public interest to disclose. Whistleblowing is governed by the Public Interest Disclosure Act and covers matters that fall under the following six specific strands:

- Criminal offence(s)
- Failure to comply with legal obligations
- A miscarriage of justice
- Endangering the health and safety of an individual
- Damage to the environment

— Actions to cover up any of these.

The BBC Protected Disclosure (Whistleblowing) Policy enables the anonymous reporting of serious allegations in an appropriate and effective way, including:

- via the Corporate Investigations Team;
- via the Director of Safety, Security and Resilience;
- via the Divisional Director of Quality, Risk and Assurance;
- via our external independent third party provider Navex Global, either online or through their dedicated reporting line available in 43 different languages.

If an allegation relates to a member of the BBC Board or Executive Committee, it can also be reported directly to the nominated non-executive director responsible for this area, Nicholas Serota. Concerns relating to breaches of BBC Editorial Policy should be reported directly to the Director of Editorial Policy and Standards.

Whistleblowing

A Protected Disclosure policy is in place, supported by a ‘whistleblowing’ hotline, administered by an independent external company to ensure anonymity. This is available in 43 languages. Other whistleblowing reporting routes include: the Corporate Investigations Team (where a dedicated Head of Whistleblowing was introduced in February 2022) – the Director of Safety, Security and Resilience – the Director of Quality, Risk and Assurance, and – the nominated non-executive Director.

Following the recommendations of the Serota Review, in 2021/22 the BBC has worked to update its Whistleblowing policy and framework. The updated policy, which will be introduced in 2022/23, expands the scope of concerns that can be reported through the BBC’s whistleblowing mechanisms to a cover a broader range of serious misconduct. Among other things, this will include misconduct issues likely to cause, or expose a risk of, significant harm to the BBC (i.e. reputational, legal, or financial), and serious breaches of editorial guidelines.

Operational report

Equality information report

Each year, we set out in detail information about the diversity of our staff, across a range of different characteristics and broken down by a range of categories. The full information can be found online alongside this annual report, and on this page we set out our overall performance this year and some of the steps we have taken to improve our workforce diversity and inclusion.

Overall, we continue to make significant progress against the strategic commitments set out in our three-year Workforce Diversity and Inclusion Plan.

This year, we launched our ground-breaking Inclusion Toolkit, using creative talent within and outside the organisation; this has equipped staff and leaders with a broad range of tools to build an inclusive culture. Centred around core topics such as curiosity, self-awareness and action, the Toolkit curates the best externally available content, alongside original BBC guides.

Our Disability Allies initiative launched in March 2022 to help staff become effective allies to disabled colleagues, building on the success of the LGBTQ+ Allies initiative. Nearly 200 colleagues were trained as allies in the first week.

We have expanded our Accessible First programme which sets out to ensure that accessibility for disabled staff and audiences remains at the forefront of our decision-making in all areas. In March 2022 we relaunched our disability passport scheme for staff. We have also partnered with six other broadcasters who have adopted passports following the BBC's launch, making information about support and adjustments transferable as people move their careers around the industry.

We have taken concrete steps to examine and improve our commitment to inclusivity in our hiring processes, looking at specific areas where we can modernise and improve our assessment and selection frameworks. We have also started a pilot of Inclusive Hiring training for recruiters and Interview Champions.

The BBC is committed to increase our cultural awareness and understanding to ensure we have an inclusive and reflective organisation.

We delivered a series of training programmes to achieve that goal including Diverse leadership training and 'it's time to talk about race' 90-minute sessions delivered face to face aimed at senior leaders.

We have also run 'Mentor up', a reverse mentoring programme connecting black and Asian minority ethnic colleagues with our senior leaders to better understand the barriers of underrepresented groups.

In September we organised a 'Leaders of Colour' Round Table to consider two specific questions: the BBC's greatest challenge to achieving racial equity (in terms of both workforce and output), and what meaningful and achievable commitments the BBC could make to better include black, Asian and minority ethnic audiences, creative talent and staff.

In April 2021 we worked with other broadcasters and industry partners to commission the Sir Lenny Henry Centre for Media Diversity to carry out a research project reviewing the validity and relevance of the word 'BAME' as a way to describe a group of individuals from black and Asian ethnic minorities. The findings and recommendations were published in December.

In October 2021 we were awarded Large Employer of year at the B.A.M.E. Apprenticeship Awards against a field of 25 nominees including Sky, Virgin, Google, Ernst & Young and Lloyds. We were also recognised again by the Social Mobility Foundation in their top 75 employers list.

We have made significant progress towards achieving our Year 1 50:20:12 targets towards 50% female, at least 20% black, Asian and ethnic minority and at least 12% disabled staff. In April this year we introduced a new target of 25% for social and economic diversity to ensure our organisation better reflects the audiences that we serve. The table below shows our progress against our core targets in the last year.



Pan-BBC – All staff and leadership: 31st March 2022

Characteristic	Workforce	March '22	March '22 target	March '26 target
Women	All Staff	49.5%	48.8%	50%
	Leadership	47.5%	46.4%	
B.A.M.E	All Staff	16.4%	15.9%	20%
	Leadership	13.1%	13.0%	
Disability	All Staff	9.3%	9.7%	12%
	Leadership	7.9%	8.4%	

➔ Detailed data on these and other characteristics, including divisional breakdowns, can be viewed at: bbc.co.uk/aboutthebbc/documents/equality-information-report-2022.pdf

BBC Pay Gap Report 2021/22

Introduction

We continue to make pay fairness and transparency a key principle of our approach to managing pay at the BBC. In 2017 we published the first BBC Gender Pay Gap report, setting out the difference in hourly pay between men and women across BBC Public Service Broadcasting. Since then, we have continued to lead the market by adding other protected characteristics to our reporting and publishing data on pay gaps by career band, with a view to ensuring the highest levels of transparency in our reporting beyond that which is required by the legislation.

What is the difference between the gender pay gap and equal pay?

The gender pay gap is not the same as equal pay. Ever since the Equal Pay Act of 1970, it has been illegal to pay different amounts to men and women doing the same work, unless there is a 'genuine material factor' for the difference. Equal pay is the law and we are fully committed to it.

The gender pay gap measures the difference in the hourly pay of all men and women in an organisation, and is expressed as a percentage of male employees' hourly pay. It is reported on a mean and median basis.

The mean is the overall average of all employees' salaries and can therefore be skewed by any extremely high or low salaries. The median involves listing all salaries in order, from lowest to highest, and picking the salary in the middle.

BBC Public Service Broadcasting gender pay gap

	Mean	Median
2022	5.1%	5.9%
2021	5.0%	5.2%
2020	6.3%	6.2%
2019	6.8%	6.7%
2018	8.4%	7.6%
2017	10.7%	9.3%

Since we started reporting, we have seen a steady reduction in our median and mean gender pay gaps. This year, although our mean ethnicity pay gap has stayed the same, we have seen slight increases in our other pay gaps. We expect some small fluctuations in the numbers each year and this is borne out in the experience of other organisations in the industry. We also recognise that our pay gaps may increase due to variations in attrition, more diverse hiring rates into entry level positions and as a consequence of initiatives that support our wider organisational objective to achieve a 50:20:12 BBC by 2026. We are aiming for a gender balanced organisation, with at least 20% black, Asian and minority ethnic staff and at least 12% disabled staff. This strategy also commits us to increasing the number of LGBTQ+ staff and the number of staff from more diverse socio-economic backgrounds. We have seen progress across all these targets and this year we have also introduced a target for socio-mobility to focus and measure our work in this area.

Pay gaps at the BBC are primarily due to representation at different levels of the organisation so we also need to pay close attention to diversity by organisational level as well as the overall proportions. This year we have increased the proportion of females hired into our most senior roles. We have also hired a record number of apprentices with a significant proportion of female and black, Asian and minority ethnic apprentices joining us; this helps to ensure we have a strong pipeline of diverse talent coming into the organisation.

We have also invested in pay in a number of critical skill areas where we are competing for talent with organisations from all industries; some of these functional areas currently have a higher proportion of men (both in the BBC and externally) and as such these pay

interventions may have a negative impact on our gender pay gaps. We are actively working to improve our diversity in these functional areas.

The BBC's gender pay gap continues to be significantly lower than the national average median gap of 15.4%* and we compare favourably with others in the media industry. We're committed to ensuring that we have robust pay governance and structures in place to manage pay, maintaining the highest level of scrutiny across all our pay decisions, and supporting managers to manage pay in a fair and consistent way.

What does this report include?

The BBC's Pay Gap Report sets out the difference in hourly pay between men and women, on both a mean and median basis. As before, we have included voluntary disclosures of other pay gaps at the BBC. Statutory calculations and results have been assured by the BBC's Internal Audit team.

This report provides both the statutory disclosures required of BBC Public Service Broadcasting, as well as further context around gender pay at the BBC. BBC Public Service Broadcasting for staff based in England, Scotland and Wales includes the World Service but excludes our commercial subsidiaries, BBC Studios, BBC Global News, BBC Studioworks, Children in Need and Media Action.

We have included data for people on staff contracts (both permanent and fixed-term). This includes our on-air presenters who have BBC staff contracts, but not presenters on freelance contracts.

As in previous years, the BBC also excludes from its pay gap reporting agency workers who were engaged full-time for the BBC but employed through third-party agencies. This is because they will be included in the Pay Gap Report submitted by the agency that employs them.

Pay gaps

A pay gap is the difference in average gross hourly earnings between two defined categories of employees – for example, female and male employees for the gender pay gap or disabled and non-disabled employees for the disability pay gap. It is based on salaries paid directly to employees before income tax and social security contributions are deducted.

The following sections examine the pay gaps for BBC public service employees in the UK, excluding Northern Ireland, for the following specific categories:-

- Female and male employees
- Black, Asian and minority ethnic employees
- Disabled employees
- LGBTQ+ employees

In line with statutory requirements, the gender pay and workforce figures shown in this report are for BBC Public Service Broadcasting staff based in England, Scotland and Wales. The gender pay gap including Northern Ireland is 5.9% (median) and 5.2% (mean).

BBC Studios reports on its gender pay gap separately as it has over 250 employees, and therefore is not included in this report.

Gender pay gap

The median gender pay gap at the BBC has increased this year to 5.9% from 5.2% last year. The mean gender pay gap has increased to 5.1% from 5.0% last year.

The gaps, when compared on a Career Band basis (i.e. comparing jobs of a similar size to each other), are smaller and are reviewed as part of our focus on pay positioning through the Annual Pay Check and the introduction of data visualisation tools to help inform managers when making pay decisions.

* Office for National Statistics, 2021

Operational report

BBC Pay Gap Report 2021/22 continued

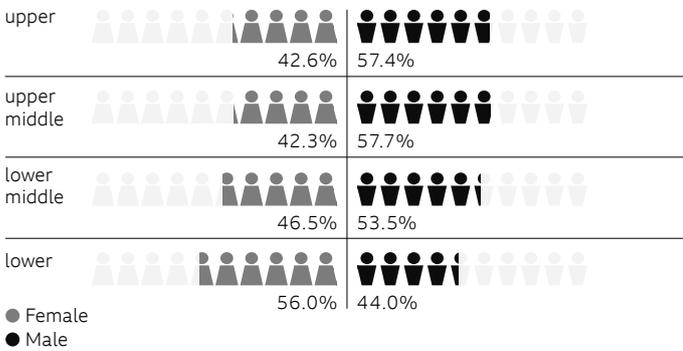
This table breaks down the median gender pay gap across our seven career bands

A	5.2%
B	-0.9%
C	3.1%
D	1.2%
E	2.2%
F	1.0%
SL	-7.6%

Pay split by quartile

When reviewing our pay gaps, we draw up a list of our employees' earnings – from the highest to the lowest – and split it into four even groups, or quartiles. The graph below shows the proportion of women and men in each group.

Gender staffing split by quartile



Black, Asian and Minority Ethnic pay gap

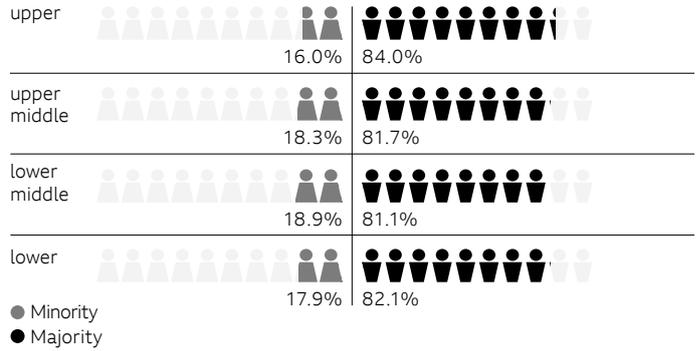
The median pay gap at the BBC for black, Asian and minority ethnic staff is has increased to 1.6% from 0.0% last year. The mean pay gap remains 3.3%.

	Mean	Median
2022	3.3%	1.6%
2021	3.3%	0.0%
2020	3.0%	-0.3%
2019	3.2%	-1.1%
2018	4.0%	-1.1%
2017	5.7%	0.4%

The table below shows the median pay gaps for our black, Asian and minority ethnic employees for career band.

A	-2.7%
B	-4.1%
C	-4.2%
D	-3.2%
E	-4.1%
F	0.4%
SL	-8.8%

Black, Asian and minority ethnic staffing split per quartile



The following table breaks down black, Asian and minority ethnic staff into four specific categories of ethnicity. This breakdown shows the pay gap for black employees is still noticeably higher than for the other categories of ethnicity at 8.6%.

	Mean	Median
Asian	0.2%	0.3%
Black	10.4%	8.6%
Mixed	5.1%	3.7%
Other	-2.5%	-6.8%

Disability pay gap

Our median Disability pay gap at the BBC is 5.9% and the mean is 7.4%. Both have increased since last year's report.

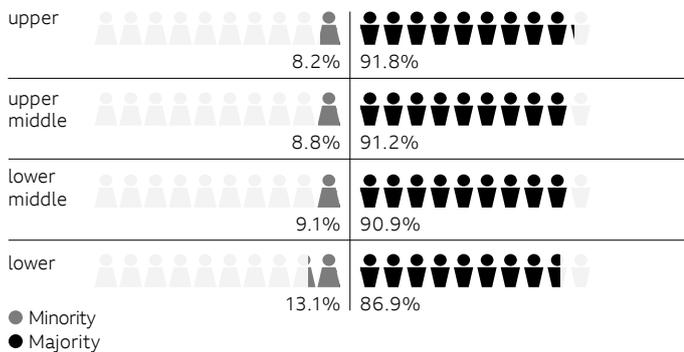
	Mean	Median
2022	7.4%	5.9%
2021	5.6%	4.0%
2020	4.9%	3.6%
2019	4.8%	3.1%
2018	4.9%	4.0%
2017	5.2%	3.3%

The following table shows our median Disability pay gap by BBC pay band where we have more than 20 employees with a disability in the band.

A	1.4%
B	1.5%
C	2.3%
D	0.2%
E	-1.8%
F	7.8%
SL	-

As with the previous categories, we have used the four even pay quartiles to show the proportion of disabled employees in each group.

Disability staffing split per quartile



LGBTQ+ pay gap

Both the median and the mean pay gaps for our LGBTQ+ employees have increased this year, to 4.9% and 4.2%, respectively.

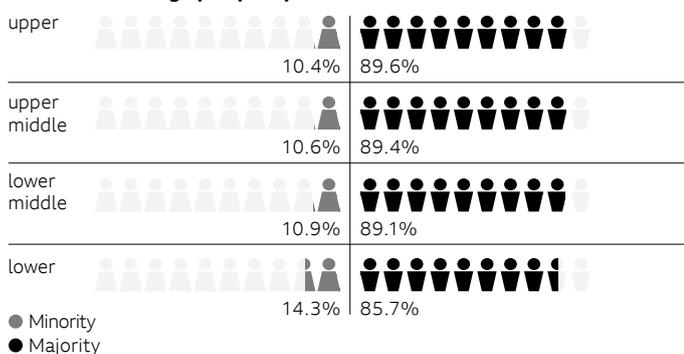
	Mean	Median
2022	4.2%	4.9%
2021	2.5%	2.7%
2020	-0.3%	0.8%
2019	-0.7%	0.7%
2018	-	-
2017	-	-

The following table shows our median LGBTQ+ pay gap by BBC pay band where we have more than 20 LGBTQ+ employees in the band.

Pay Band	Median (%)
A	1.6%
B	5.5%
C	3.7%
D	-0.4%
E	-2.3%
F	2.8%
SL	-9.0%

Using the four even pay quartiles, this table shows the proportion of employees identifying as LGBTQ+ and those who do not.

LGBTQ+ staffing split per quartile



Overview

Pay gaps 2021/22 for all five categories

This table summarises the headline pay gap figures for the five categories covered in detail in the report as well as the category for part-time employees.

	Mean 2021/22	Median 2021/22	Mean 2020/21	Median 2020/21
Gender	5.1%	5.9%	5.0%	5.2%
Black, Asian and minority ethnic	3.3%	1.6%	3.3%	0.0%
Disability	7.4%	5.9%	5.6%	4.0%
LGBTQ+	4.2%	4.9%	2.5%	2.7%
Part-time	2.6%	2.6%	2.3%	1.6%

Additional payments at the BBC

BBC Public Service Broadcasting does not pay bonuses. Licence fee-funded discretionary bonuses for senior management and executives stopped in 2009.

The statutory requirements for reporting on gender pay include a “bonus gender pay gap”. In line with that guidance, we calculate the figures below on our voucher recognition scheme and long-service awards although we do not consider these to be bonus payments. The voucher-based recognition scheme allows staff in bands A to F to be rewarded for exceptional performance. During the year **3,054** staff received vouchers, with the median amount being **£200**. **154** staff received long-service awards and the average payment was **£4,614**.

This year we are again voluntarily publishing details of black, Asian and minority ethnic staff in receipt of the voucher recognition scheme.

The proportion of female staff receiving a payment was **51%**, whilst the proportion of men was **49%**. The proportion of black, Asian and minority ethnic staff receiving a payment was **18%**. We expect this number to vary year-on-year, depending on the recipients, but we continue to monitor it to ensure staff are being rewarded fairly.

	Mean	Median
Gender bonus gap	13.3%	0.0%
Black, Asian, minority ethnic bonus gap	20.0%	0.0%
Disability bonus gap	13.1%	0.0%
LGBTQ+ bonus gap	34.2%	0.0%

Operational report Consultations

The BBC’s Charter requires the BBC Board “to have regard to the benefits of consultation with interested persons” as part of our commitment to openness, transparency and accountability and is a key element in our engagement with stakeholders

Public Interest Test consultation on the return of BBC Three to linear TV

We reported last year that the BBC, as part of a Public Interest Test, had consulted on proposals for the return of BBC Three as a broadcast TV channel as well as an online destination. This move was part of the BBC’s drive to deliver more value to audiences – a broadcast channel and BBC iPlayer in tandem would help grow our offer and deliver more value to younger audiences. It would also deliver greater public value by further increasing the diversity and creativity of our output and build on the strengths of BBC Three’s online performance.

The consultation asked for views on the potential public value of the proposals and their potential competitive impact. In June 2021 the BBC Board concluded that the proposals had met the Public Interest Test and would be referred to Ofcom for a final determination.

At the end of November 2021, following a Competition Assessment which included further consultations, Ofcom decided that the BBC could proceed with the launch of the channel, concluding that it would deliver additional public value to a key, underserved audience by offering them increased access to BBC Three content, including a high proportion of original content with a UK focus across a range of genres including news, current affairs and factual content, as well as drama, entertainment and comedy. Ofcom set several conditions around their decision which included Operating Licence conditions on the new channel for news and first-run content and to require 75% of all broadcast hours be UK originations.



Public Interest Test consultation on changes to BBC iPlayer

In May 2022, we unveiled plans that will see content and services reshaped to build a digital-first BBC. As part of this the BBC proposes to expand boxsets and archive, to have more BBC series available on BBC iPlayer on-demand. As a potential material change to a BBC public service the Board has required a Public Interest Test to assess its public value and market impact.

This plan is part of our drive to deliver more value to audiences. We believe that the Public Interest Test will find that these changes will better enable the BBC to deliver its mission and promote its public purposes, serving all audiences including those with a strong on-demand viewing habits. The ability to publish more archive content will enable the BBC to introduce audiences to a wider range of highly distinctive programmes across a broad range of genres and better serve all demographic groups.

We believe that it will also promote industry value – publishing more BBC commissioned content on BBC iPlayer will be done under the previous or existing terms of trade and as such will be beneficial for the production and talent sector.

To give stakeholders an opportunity to comment, the BBC opened a consultation in June 2022. The results of the consultation, together with other research and analysis, will help inform the BBC’s final proposals, expected in the Autumn of 2022. Should the BBC Board decide that the proposals meet the Public Interest Test, they will be submitted to Ofcom for a Competition Assessment and final determination, in line with our requirements under the Charter and Agreement.

BBC Three returned to linear TV

(L-R) *RuPaul’s Drag Race / The Catch Up / Mood / The Fast and the Farmer-ish*

Environmental sustainability

The BBC Group has approved science-based targets to reduce its greenhouse gas emissions to Net Zero and is committed to producing content in a cleaner and greener way. Our long-term goal is to be a Net Positive organization, giving back more to the planet than we take out. We continue to play a prominent role within our industry, promoting sustainable production in the UK and around the world.

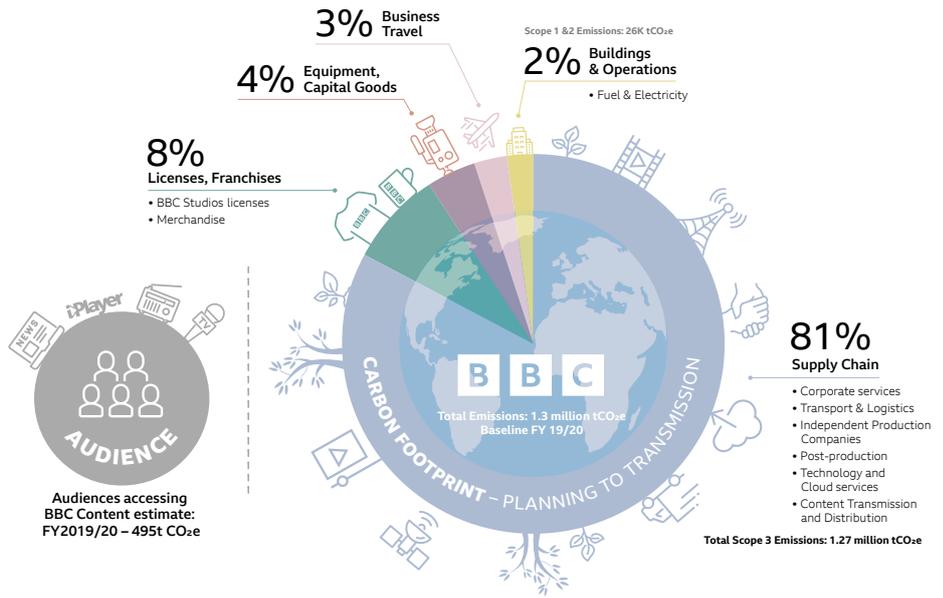
Net Zero strategy and targets

Our Net Zero (NZ) strategy and targets were announced in October 2021, to reduce, by 2030, the greenhouse gas (GHG) emissions from our direct operations (Scopes 1 and 2) by 46% and in our value chain (Scope 3) by 28%. These near-term targets were approved by the Science Based Targets initiative (SBTi) sciencebasedtargets.org and are aligned with the UN's 2015 Paris Agreement to limit global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. In February 2022, the BBC also committed to calculate long-term NZ emission reduction targets within two years, meeting the SBTi's standard to nullify our climate impact from GHG emissions by 2050.

These challenging goals are the appropriate approach for a global media organisation but external factors from third parties will always impact our ability to deliver against these targets. Investment will be focused on deep decarbonisation and emission elimination rather than a heavy reliance on offsetting, as outlined on our Environmental Sustainability website: bbc.co.uk/sustainability/our-plan. We are, however, committed to offsetting our TV production emissions as required by the BAFTA albert industry standard.

The BBC Group's GHG emissions for 2019/20 were 1.3 million tonnes CO₂e, aggregated from the areas over which we have control and influence. This is the baseline from which reductions will be made to reach our NZ targets.

We are currently calculating the BBC Group's GHG emissions for 2020/21 and 2021/22 to assess trends and identify challenges. We are also implementing a sustainability reporting system to collate the BBC's environmental data, to allow consistent performance tracking across all of the BBC Group and to simplify external reporting.



a. Target boundary exclusions: Use of sold products and employee commuting
 b. Categories with < 2% of emissions are omitted in this diagram but are included in the target boundary and cover: fuel and energy related activities, upstream transport and distribution, downstream leased assets, investments and waste in operations. They add up to 100% of the total footprint of 1.3M tCO₂e

Greener Broadcasting strategy and targets

Our Greener Broadcasting strategy, launched in 2018, committed the BBC to environmental targets for 2022 set against our 2015/16 baseline, as shown in the table below. This is the last time we will be reporting our performance against these targets, having now replaced them with our NZ targets outlined here: bbc.co.uk/sustainability/

Greener Broadcasting BBC Targets and Measures	Targets/Measures by 2022 (baseline 2015/16)	Progress 2021/22
Greenhouse gas emissions ¹	Reduce 24%	Reduced 77%
Energy ²	Reduce 10%	Increased 3%
	Reduce 10%	Reduced 51%
	Recycle 75%	Recycled 38%
	Zero waste to landfill	Waste to landfill 1%
Programmes ⁴	No single-use plastic by 2020	See footnote 3
	100% albert footprint calculation	93%
	25% output albert certified	53%

- CO₂e reduction target follows a science-based methodology addressing scope 1 and 2 emissions and uses a sectoral decarbonisation approach.
- UK electricity consumption in 2021/22 is in accordance with the SECR reporting guidelines 162,604 MWh. UK gas consumption in 2021/22 is in accordance with the SECR reporting guidelines 80,425 MWh. Fuel consumption for transport in 2021/22 is in accordance with SECR reporting guidelines. Diesel and petrol used in fleet cars operated for business and company cars on business 583,120 litres. Data on fuel used in personal/hire cars on business is not available. Operational changes introduced during Covid-19 have had both positive and negative impacts on our environmental targets. Remote working and reduced travel significantly cut carbon emissions from production and business travel. The results presented do not capture emissions arising from home working. Our gas usage across the UK estate rose because of extra heating needed to keep ambient building temperatures comfortable while air circulation was increased to reduce Covid infection risk amongst staff. Despite more staff working from home during lockdown, our buildings remained open to deliver essential broadcasting services which prevented significant reductions in electricity use. Many older buildings also lack effective insulation but our ongoing strategy of closing more inefficient buildings and moving to newer properties built to a higher environmental specification, as well as targeting energy efficiency opportunities, will drive down our Scope 1 and 2 emissions. Energy usage has also risen partly as a result of greater and more complete data collection from international offices and BBC Group subsidiary companies.
- Waste data is for UK only. Covid-19 increased the volume of non-recyclable hygiene waste and many of these products were plastic, which hampered efforts to reach our single use plastic (SUP) target. As Covid-19 restrictions have now been lifted, we will be actively removing SUP going forward.

Operational report

Environmental sustainability continued

4. BBC Content commissions only, consistent with methodology for 2020/21. The 100% albert footprint target was not met because of exceptional circumstances in a live production environment as well as engagement challenges with some BBC Divisions and suppliers, which are being addressed.

Greenhouse gas emissions 2021/22	Gross emissions	Net emissions
Greenhouse gas emissions (tonnes CO ₂ e emissions, Scopes 1 and 2)	54,181	22,230
Carbon intensity (tonnes of CO ₂ e emissions/total group income £m)	10.1	4.2

Greenhouse gas data is for UK sites and managed international bureaux. 'Gross' emissions use location-based grid average factor. 'Net' accounts for renewable electricity purchased in the UK. Data has been produced in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Engaging our supply chain

We are working with suppliers and partners to reduce our supply chain emissions, which equate to 85% of our carbon footprint baseline including capital goods and equipment. We have asked significant suppliers to participate in the Carbon Disclosure Project (CDP), a global disclosure system for organisations to manage their environmental impacts. We will support them through this process as they accompany us on the transition to Net Zero.

We continue our focus on responsible procurement by choosing suppliers who share the BBC's objective of putting social, environmental and economic sustainability at the heart of their operations. Our Sustainable Procurement Strategy: downloads.bbc.co.uk/supplying/pdf/Responsible_Procurement_Strategy_2021.pdf, focuses on the three P's – Planet, People and Pound – to emphasise our sustainability

and social value goals and to deliver value for licence fee payers.

TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) Framework was adopted by the BBC in 2021 for reporting on future climate-related risks and opportunities that could impact the organisation. The project workstream is explained below:

Governance: The role of the Audit and Risk Committee is to assist the Board in providing oversight of corporate governance within the BBC, particularly with respect to financial reporting, internal control and risk management which includes sustainability risk and our alignment to the TCFD recommendations. The Sustainability Steering Group, comprised of senior BBC divisional leaders, is responsible for reviewing progress against the BBC's sustainability strategy and performance

using key metrics and targets, while also developing climate-related opportunities. BBC divisions are taking responsibility for their own environmental actions, led by their senior management teams, and developing bespoke sustainability and decarbonisation plans. Once our pan-BBC sustainability reporting platform is active, each division will be able to monitor their own progress against BBC emissions and environmental targets.

Strategy: Building on our work last year to identify and quantify physical and transition risks and opportunities for the BBC, we have further refined our list of priority risks and opportunities and undertaken climate scenario analysis to understand their potential impact under two future temperature scenarios: "Net Zero" (1.5°C warming equivalent) and "Business as Usual" (3.5-4.5°C warming equivalent) in order to test the resilience of our current business plan. We have considered short (2022 to 2029), medium (2030 to 2039) and long-term (2040 to 2059) time horizons, aligned with our business planning and asset life cycles, and assessed when each risk is likely to materialise and the relative financial impact. Multiple sources of scenarios were considered to achieve this that included the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), the United Nations Principles for Responsible Investment (UN PRI), as well as local information from different BBC departments and functions.



Climate-related risks

Transition risks

Increased costs associated with carbon pricing, offsets and taxation

UK and international net zero commitments will likely result in the acceleration and implementation of carbon pricing mechanisms including emission caps with offsetting requirements and carbon taxes

Reduced talent attraction and retention

The BBC's decarbonisation strategy and reputation on climate-related matters will affect attraction and retention of BBC employees and contractors

Limited access to capital

Providers of capital increasingly have their own net zero commitments resulting in a higher cost of capital for organisations that are perceived to not be taking sufficient climate action

Reputation risk from greenwashing

Public perception of mismatch between strong content messaging and poor performance against targets or suppliers/employees misaligned with BBC's climate strategy.

Physical risks

Flood risk causing damage and service disruption

Increased precipitation and event intensity will likely increase the risk of flooding, thereby increasing the risk of both damage to assets and infrastructure, as well as disruptions to service provision

We have assessed the relative quantitative impact of potential material risks and opportunities under Net Zero scenario, equivalent to 1.5 degrees. This involves identifying the underlying financial factors and drivers which could have a material impact for the BBC, such as impacts on cost and revenue, regulatory requirements such as carbon pricing and taxation, or changes to the accessibility of capital. The outcomes of this analysis are helping us identify climate-related risks and opportunities which could have the most damaging impacts over the short to long term, such as physical damage and service disruption attributed to extreme weather events, and reputational damages from real or perceived inaction on climate change. This process is aligned to BBC's existing risk management framework, and the outcomes from this analysis are used to inform our internal strategic decision-making.

We have also identified a potential strategic response and risk mitigation activities for each material climate-related risk and opportunity. These include measures such as accelerating decarbonisation activities through increased resources and innovation, aligning to industry and market expectations, and strengthened monitoring and governance. We intend on providing financial disclosures in the next reporting round to enhance transparency once these have been internally validated.

Risk Management: Environmental sustainability and climate change is identified as operational risk by the BBC Group, as described in the Principal Risks section of this report on page 125. Please note that this excludes some more recently identified risks in the table on page 71.

Metrics and Targets: Our ambitious targets to reduce GHG emissions and other environmental impacts are outlined on page 69 together with our progress against those targets. Following our scenario analysis and understanding of the potential financial impact of the risks and opportunities, we will develop metrics to monitor the development of risks and our progress to capture climate-related opportunities.

Future plans: We recognise that the potential impacts of climate-related risks and opportunities are likely to change over time. Therefore, our strategy and risk management framework will also evolve to address these changes and to improve the resilience of our operations and strategy as well as remaining aligned with current guidance and leading practice.

Sustainable production and operations

The BBC continues to play an active and prominent role in the collaborative pan-industry BAFTA albert consortium and Directorate, which originated from the BBC's carbon foot-printing activities for

Climate-related opportunities

Savings from energy efficiency

Opportunity to roll out energy efficiency improvements to BBC buildings, operations and behaviours will likely enable energy and cost savings

Decarbonisation of BBC products and services

Shifting consumer preferences and demands for lower carbon services provide an opportunity for BBC to meet audience needs and add brand value by evolving our product and service offering.

Reputation of climate leadership

BBC has the opportunity to demonstrate climate leadership in the media industry, both through climate strategy and targets, as well as by engaging, informing and inspiring audiences through our content

Please note: Some of our risks and opportunities were revised as part of this TCFD activity from our previous disclosures in our 2020/21 Annual Report.

productions in 2011. The Consortium continues to promote positive action to tackle climate change in film and TV production across all genres, both on and off screen.

The BBC has mandated the use of the BAFTA albert sustainable production certification tools for all new TV content commissions, recommissions and continuing series from January 2022, with the exceptions of very low budget productions or content acquired as completed productions. The BBC continues to hold previously commissioned TV productions to account with the mandatory completion of the BAFTA albert carbon foot-printing tool.

BBC production teams across all genres continue to make content with concern for the environment, employing low carbon working methods. Travel often creates high carbon emissions and our NZ emissions targets reflect that. Covid-19 travel restrictions showed that remote filming and employing local crews significantly cut emissions and was often more feasible than had previously been assumed.

Production teams also learnt that this was often more feasible than had previously been assumed and that, in addition to this, it could also save them money.

Operational report

Environmental sustainability continued

Domestic travel patterns are also changing: BBC staff going to Glasgow for the COP26 climate conference were strongly discouraged from flying, apart from in exceptional circumstances, and almost all News teams and all senior leadership travelled by train. As a result, the BBC deployment's travel emissions were only 29.5 tonnes, just over half that would have been expected if staff had been able to fly.

Greater use of low-carbon energy is also critical to our operational NZ aims. BBC Workplace installed solar photo-voltaic (PV) systems and charging points for electric vehicles (EVs) at the Glasgow Pacific Quay building and BBC Scotland also installed charging points at four other BBC Scotland sites to cater for the new operational EV fleet. Work is in progress to install chargers at key bases around the UK which will enable the wider BBC operational fleet to begin decarbonising. Transitioning to full EVs across the BBC estate could achieve an 8% cut in the BBC's Scope 1 emissions.

BBC News has developed a satellite news gathering (SNG) vehicle with battery powered, on-board broadcast systems to avoid using diesel generators. All-day news events with up to three cameras and two uplink paths can be mixed on location using only battery power for 16 hours without the need to re-charge.

The Natural History Unit's *Watches* series from BBC Studios continue to use hydrogen and battery powered generators for their live outside broadcasts which is a significant innovation for the TV industry.

Look East, BBC Cambridge's 18.30 news programme on 5th July 2021, was the first carbon neutral BBC regional news show, broadcast outdoors with studio lights swapped for sunlight and using solar and hydrogen to power their equipment.

Waste is the third key pillar of our sustainable productions. Most productions continue to cut back significantly on single-use plastic and some productions have been piloting exciting new opportunities to remove waste, working with organisations who can reuse this within a circular economy. Many productions which use location catering have opted for more plant-based meals to reduce GHG emissions.

Sustainable technology

Across both television and radio, audience consumption of content is still the biggest driver of energy use. BBC Research and Development has repeated their modelling of the energy footprint of BBC television and radio services for 2019/20 and 2020/21. This showed a small decrease in television's energy footprint, and early indications that a move to internet-

only distribution in the future may have a positive environmental impact.

The BBC is a member of the DIMPACT project, which commissioned the Carbon Trust to publish a paper on the carbon impact of video streaming. Comparisons with BBC Research and Development's own work have emphasised how important industry collaboration is on this topic. A sustainability audit of our technology innovations, conducted to embed sustainability principles within them, resulted in a much more granular approach to assessing the impact of cloud-based solutions.

Sustainable culture

Our BBC HR division continues to prioritise colleagues' engagement with our sustainability and NZ strategies, working to embed the principles of respect for people and planet in our BBC Values. Staff training in sustainability has been a priority this year. BBC Content has set a target for all editorial staff to attend workshops explaining climate and sustainability themes. BBC News also has sustainability training targets for staff and ensured that both UK based and international journalists received training ahead of the COP26 climate conference. Internal briefing sessions are held to support and inform BBC editorial staff from all genres in this fast-moving space. BBC Content, in partnership with the BBC Academy, delivered a Climate Creatives Festival for both BBC staff and wider industry colleagues ahead of COP26.

The BBC partners with Cranfield University, which delivers a Business MSc CPD course for our staff that includes a 'Leading Corporate Sustainability' module. This project has produced very effective engagement with more than 150 senior BBC leaders.



In July 2021, Look East broadcasted the BBC's first carbon neutral regional news show episode

Charitable work



Children in Need's Great Rickshaw Relay Challenge

Rider Olivia and presenter Matt Baker in Liverpool, taking the Rickshaw on a ferry across the Mersey. Five young riders travelled through their hometowns in England and Scotland to raise money for the charity

The charity appeals broadcast on the BBC this year have seen exceedingly generous audience responses with millions of pounds being raised to benefit individuals, communities and organisations across the UK and around the world.

The BBC's Access Appeals on Radio 4 and BBC One gave airtime to 60 charities, selected through a rigorous quarterly application process. These appeals told a wide range of diverse stories from across the UK and internationally. Audiences can read about these appeals and their impact here: bbc.com/charityappeals/what-your-money-does.

In Northern Ireland there were ten appeals on BBC Radio Ulster/Foyle and four Community Life appeals on BBC Northern Ireland television. Applications were also invited from local charities for upcoming appeal slots and all of this activity was supported by a dedicated website and developing social media presence.

In December, the annual Radio 4 Christmas Appeal with St Martin-in-the-Fields Charity was broadcast. It has raised £4.7 million to date, helping people across the UK to find a safe place to call home and access to the support they need.

The BBC broadcast two appeals for the Disasters Emergency Committee (DEC). The first, in December 2021, raised funds to bring aid to people in Afghanistan at risk of starvation and malnutrition. The second Appeal in March 2022 was for the Ukraine Humanitarian crisis.

The DEC reported that this appeal was one of its most successful, raising £200 million in the first fortnight and continuing to grow over the following weeks.

BBC Children in Need

The BBC's UK charity currently funds over 2,400 local charities and projects across the four nations, helping to improve the lives of 460,000 children and young people in the past year alone. Colleagues across the BBC supported the 2021 Appeal, sharing these powerful stories and inspiring the British public to respond with extraordinary generosity yet again. Special programming included: *Countryfile Ramble*; *The Great Rickshaw Relay Challenge*; *DIY SOS: The Big Build*; *The One Show's Surprise Squad*; *Dr Alex: Our Young Mental Health Crisis*; *BBC Breakfast's Drumathon* and Radio 2's *Kitchen Disco Danceathon*. An incredible fundraising total of £40 million was announced at the end of the Appeal campaign, a figure that has continued to rise. For more information, visit: bbc.co.uk/Pudsey.

BBC Media Action

BBC Media Action, the BBC's international charity, worked with more than 100 local media partners to reach more than 118 million people around the world last year, through radio, television, digital and social media and community outreach in some of the world's poorest and most fragile countries. Alongside a second full year of global pandemic response, Media Action's programmes focused on health, media development and media freedom, governance, equality

and inclusion, resilience and climate action. Our international charity was proud to play a significant role alongside the BBC at COP26 in Glasgow. Media Action has continued to work under challenging conditions in Myanmar, Ethiopia, Afghanistan and Ukraine, delivering health and humanitarian information and supporting local media partners. For more information, please see bbcmediaaction.org.

Comic Relief

Red Nose Day 2022 raised an amazing £42.7 million and had strong support across the corporation including *The One Show*, *BBC Breakfast*, *Countryfile*, and *Glow Up*. There were two epic challenges covering many parts of the UK with BBC Radio 1's Jordan North's 100-mile row and Olympic Champion Tom Daley's unbelievable 290-mile cycling, rowing, swimming and running feat from London to Plymouth. Both challenges featured in special BBC documentaries.

The fun-filled night of TV saw a host of celebrity presenters, spoofs and top musical performances. The Great Comic Relief Prizeathon gave viewers the chance to win extraordinary prizes. Powerful appeal films reminded viewers of how their donations are changing lives in the UK and around the world. Read more at: comicrelief.com comicrelief.com/rednoseday.

Operational report

Partnerships and collaboration

The BBC has a rich and diverse portfolio of organisations with whom we partner to deliver value to audiences across the UK and beyond. Over the past year we have strengthened our focus on the contribution these partnerships make to the national interest and to the delivery of our strategy, with a small central team building on the work of the existing Partnership Group, to ensure that partners gain optimal value whilst collaborating with the BBC. We are unifying the BBC's approach to delivering and evaluating partnerships by identifying and supporting best-practice methods, and we have laid out a clear strategy to further strengthen the BBC's partnerships portfolio's contribution to Value For All.

Across the UK

As part of our Across the UK initiative, we have developed two key regional production and skills partnerships across England in the West Midlands and North East. The BBC is already delivering the West Midlands partnership in collaboration with Create Central and the West Midlands Growth Company including two BBC Three Factual commissions, a pipeline of Scripted commissions, and most recently, the announcement in February 2022 that *Masterchef* would relocate to Birmingham.

Alongside this, the BBC has partnered with Google to set up The BBC Apprentice Hub, a pilot flexi-job apprentice agency that will see the BBC act as a host employer drawing on the diverse talent in the region, addressing the skills gaps in local creative, cultural and digital businesses.

In September 2021, the BBC agreed a Memorandum of Understanding (MOU) to set up the North East Screen Industries Partnership (NESIP), with Tees Valley, North

Tyne and North East Combined Authorities. As part of this, the BBC will commit at least £25 million of network television commissioning spend across the region over the next five years. This will be supported by a further £11 million of funding from regional partners to support the sustainable growth of production, skills and infrastructure. Within the first nine months of the partnership, we announced six commissions for the North East. We also partnered with Creative Wales to build on the success of the Welsh creative industries and our partnership with Creative Scotland was also extended to December 2024.

Digital and online partnerships

In January 2022, we expanded a previous partnership with Learning on Screen, Planet eStream and ClickView, enabling students, teachers and academics to freely request any programme from the BBC digitised broadcast archives. Over 800,000 BBC programmes were viewed in the last year by students in formal education under this scheme.

BBC History is collaborating with the Science Museum Group, a major museum partner, which has started its year of public engagement by showcasing a digital release of 1,000 programme-related objects and items of technology from the BBC Collection. BBC History is also supporting 'Story of Us' projects with key museums across the UK, and a refreshed BBC History website also offers a new interactive timeline with three new collections: Objects of the BBC, Faces of the BBC and Voices of the BBC.

High impact creative partnerships

Our partnership with the National Film and Television School allows us to further contribute to the development of new

talent. The partnership is primarily designed to develop a talent pipeline into the BBC by offering support to diverse students (black, Asian and minority ethnic, low socio-economic background, or disabled) and those from Across the UK. Throughout 2021/22, the BBC is supporting 24 students and offering the NFTS production space in BBC Scotland and BBC Wales. NFTS graduates have played key roles in the delivery of unique and high-impact BBC content in the last year, including Alice Seabright, Writer/Director of *Chloe*; Annetta Laufer, Robin Whenary and Segun Akinola, who the shot and composed New Year's Day *Doctor Who* episode; and finally, the documentary *Black Power: A British History of Resistance* was directed by George Amponsah.

We partnered with Coventry to shine a light on the UK City of Culture 2021 which kicked off in the midst of the pandemic. BBC coverage meant the opening event could be shared with audiences across the UK and globally. The opening was featured on a number of BBC programmes including *The One Show*, *BBC News at Ten*, *BBC World News*, and across local radio and regional TV programmes. Other highlights include three bespoke BBC Arts documentaries, co-productions involving Coventry City of Culture Trust, and Coventry will round off its year by hosting Radio 1's Big Weekend in May 2022.

Supporting impartiality

To support our renewed commitment to impartiality, we retendered the contracts that underpin our partnership with UK regional news providers as part of the Local Democracy Reporting Service. There are now 18 different companies employing Local Democracy Reporters in 165 posts across the UK. Reporters have created 275,000 stories in the public interest since January 2018.

Partnerships and collaborations across the BBC in 2021/22

BBC Area	Number of Partnerships
Academy	4
Archive	23
Arts	20
Centenary	15
Children's and Education	76
Content TV	25
Creative Diversity	13
Media Action	7
News	19
Research and Development	14
Sport	3
England	135
Northern Ireland	3
Radio & Music	119
Scotland	9
Wales	9
Total	494



Case study: Share Your Story

To mark the BBC's 100th year, in early 2022 we launched Share Your Story, an ambitious storytelling initiative across 700 UK schools, to empower year 7-9 students with the confidence and creative tools to tell their life story. Delivered via a suite of resources on BBC Teach with training led by our partners, National Literacy Trust, Voice 21 and the BFI, Phase 1 of Share Your Story ran from February – March 2022, reaching 60,000 students, with a goal to engage with 400,000 students and 4,000 teachers face-to-face by the end of 2022.

COMMERCIAL OPERATIONS

A man and a woman are dancing on a stage. The man is wearing a grey suit and a pink shirt with a dark tie. The woman is wearing a long, flowing, light purple dress with intricate detailing. They are both smiling and looking towards the camera. In the background, there is a large Christmas tree decorated with many small, glowing lights. The scene is lit with warm, golden light, creating a festive atmosphere.

The BBC's commercial subsidiaries support the BBC public service mission and generate income for the BBC Group. These companies maximise the value of the BBC's intellectual property, funding high-quality, distinctive content for the licence fee payer, whilst supporting the UK's television industry on the world stage.

BBC One's award-winning Strictly Come Dancing made by BBC Studios

Commercial operations

Commercial activities

The BBC has two wholly owned commercial subsidiaries which complement the BBC's public service remit:



BBC Studios operates two lines of business: Production and Distribution, and Channels and Streaming. It creates, invests, develops, produces, commercialises and distributes content which sits at the heart of the BBC schedule, as well as across multiple platforms and around the world, delivering better value back to the licence fee payer through support for programme funding and cash dividends.

For more on BBC Studios activities, see pages 77 to 81.



The BAFTA award-winning The Earthshot Prize ceremony produced by BBC Studios



BBC Studioworks provides TV studio facilities, equipment, crew and post-production services from locations in the UK. It supports UK public service broadcasting through annual cash dividends. See more on what Studioworks delivers for the BBC on page 82.



Developing talent at BBC Studioworks

The commercial criteria:

The BBC's commercial subsidiaries deliver quality creative content for audiences and increase the value of BBC intellectual property (IP), as well as providing critical support for the wider creative industry, both in the UK and around the world. They do this whilst promoting and protecting the BBC brand and reputation worldwide, according to the commercial criteria as set out in the Charter and Agreement:

1. the activities must fit with the Mission and the Public Purposes;
2. the activities must exhibit commercial efficiency;
3. the activities must not jeopardise the good reputation of the BBC or the value of the BBC brand; and
4. the activities must not, as a result of the relationship of the activity with the UK Public Services, trading activities or non-service activities, distort the market or create an unfair competitive advantage.

During 2021/22, the BBC's commercial subsidiaries were overseen by the Commercial Holdings Board, which was responsible for setting strategy in line with overall BBC Group company goals, agreeing business plans and ensuring compliance in regulatory and legal matters. A report from the Chair of the Commercial Holdings Board is on page 128. From 1 April 2022, the new BBC Commercial Board was put in place, with a new Chair and a majority of external non-executive directors, bringing additional insight and expertise to drive commercial growth for the BBC.

BBC Studios: Chief Executive Officer's Review



I am very proud to say that BBC Studios achieved record sales and profits in 2021/22, despite the ongoing disruption and uncertainty caused by the Covid-19 pandemic and intense competition for talent and customers.

Sales for our production business increased by 56%, whilst UKTV gave a very strong performance, with a record audience share in 2021 combining with a buoyant advertising market, to boost its sales significantly.

Our content sales topped £400 million for the third consecutive year, reflecting continued success with key brands, including the Planet series, *Doctor Who* and *Top Gear*, as well as the benefits of increased investment in new titles, which included *The Outlaws*, *Pursuit of Love*, *This is Going to Hurt* and *The Mating Game*. Programmes like *Strictly*, Jimmy McGovern's award-winning *Time* and the launch of the *Earthshot Prize* got audiences talking.

Overall sales were £1,630 million (2020/21: £1,255 million). EBITDA (earnings before interest, taxes, depreciation and amortisation: the preferred measure of profit) was £226 million (2020/21: £151 million), 50% higher than 2020/21 and the first time we have achieved EBITDA of over £200 million.

Our cash generation remained strong with free cash flow of £198 million (2020/21: £201 million), resulting in a cash dividend of £135 million to the Group. This, combined with investment in programming, meant we exceeded our target of £1.2 billion in returns over the first five years of the current Charter. Year-on-year, our returns figure more than doubled to the highest-ever level of £353

million (2020/21: £137 million), delivering significant investment in programming.

With a focus on putting people first, which has intensified to support our employees throughout the pandemic, the culture of the business continued to transform. Global News joined in July 2021, with Children's in-house production to join in the next financial year, and production moves bolstering existing bases in Salford, Bristol and Glasgow. Having served on an interim basis, I was honoured to be confirmed as permanent CEO in October, with Lorraine Burgess joining as CFO to create a new permanent leadership team for the business.

As part of its Autumn Budget, the Government announced an increase in the net borrowing limit for the BBC's commercial arm, subject to confirmation of oversight arrangements. Consistent with the BBC's overall aim of building commercial income, this increase will allow us, as the BBC's principal commercial subsidiary, to invest in growth initiatives.

A handwritten signature in black ink that reads "Tom Fussell". The signature is written in a cursive, slightly slanted style.

Tom Fussell
CEO, BBC Studios
23 June 2022

Commercial operations BBC Studios continued

Production and Distribution

Production and Distribution covers all of BBC Studios' production activity in the UK and globally, and its labels – along with content sales, co-production, consumer products and licensing.

Creative health

BBC Studios production businesses around the world delivered over 2,400 hours of content and a 56% increase in sales on last year. BBC Studios is the UK's most

commissioned maker of new content and most awarded producer, winning 55 awards for creativity and craft in the year from 288 nominations. 104 new commissions were won during the year, of which 26 were for third parties, including series two of *Good Omens* for Amazon.

In entertainment, *Strictly Come Dancing*, was the number one entertainment show across all TV in the UK for 2021, with Rose Ayling-Ellis's moving dance tribute to the

deaf community voted TV moment of the year and winning a BAFTA after year end. There were unmissable real life stories from BBC Studios Documentary Unit: *Life in Ten Pictures*, which took a fresh look at famous faces from Elizabeth Taylor to Tupac Shakur, whilst feature-length documentary *Grenfell: The Untold Story* for Channel 4, highlighted residents' safety concerns, filmed in the years before the devastating fire in a tower block in west London.

BBC Studios' Natural History Unit launched its five-part landmark series *The Green Planet*, taking a closer look at five distinct habitats on Planet Earth, whilst the Science Unit made *Universe* with Brian Cox, which gave a new perspective on time and space.

Despite Covid-19 restrictions, nearly 70 hours of premium drama were made, in addition to hundreds of hours of continuing drama. Titles included *Time* by Jimmy McGovern, Irish thriller *Smother*, which has been recommissioned for a second season, the 100th episode of *Father Brown*, and the 25th anniversary for *Silent Witness*, as Amanda Burton returned to reprise her role as Sam Ryan. *Casualty* won Best Soap at the Broadcast Awards, *EastEnders* moved on to its new set, enabling HD production, and the business said farewell to *Holby City* after 23 years on screen.

In comedy, BBC Studios delivered a second series of *Trying* for Apple TV+, series two of *Ladhood* and Diane Morgan's *Mandy* for BBC Three and series six of the four-times BAFTA award-winning *Inside No. 9* for BBC Two.

Elsewhere, the Digital Originals team made new format *Gassed Up* for BBC Three, where rapper and self-confessed petrolhead Mist subjected celebrity guests to a series of ambitious challenges, and *Hot Property* saw young singletons check out the homes and friends of potential suitors as part of a strong pipeline of content aimed at younger audiences.

BBC Studios' scripted labels (wholly, or majority owned) had a successful year. Short-form comedy drama *Cheaters* from Clerkenwell Films aired on BBC One and *The Witchfinder* with Daisy May Cooper, made by Baby Cow for BBC Two was its biggest new comedy launch in seven years. Lookout Point made the second series of fan favourite *Gentleman Jack* with Suranne Jones, which aired on BBC One and HBO shortly after year end. BBC Studios increased its stake in House Productions, maker of *Sherwood* and the Kate Atkinson adaptation *Life After Life*, to 100%. The business sold its equity holdings in Mighty and 72 Films in the year.



Case study: Making programmes across the UK

BBC Studios has vibrant production hubs in the nations and regions of the UK, including Aberdeen, Birmingham, Bristol, Cardiff, Glasgow and Salford. During 2021-22, the business relocated some key shows and brands, to help increase creative spend and decision-making outside of London and build skills across the UK, as part of BBC Group strategy.

Children in Need, *Sports Relief*, *Comic Relief* (with Sir Lenny Henry, pictured above) and *Eurovision* moved from the capital to Salford and *Top Gear* moved to Bristol,

creating new editorial and production jobs in each region. In addition to this, *Dragons' Den* production will transfer to Glasgow later in 2022.

BBC Studios has also invested in a new home for the world-leading Natural History Unit and Factual Entertainment production in Bristol, which will open in 2022. With cutting-edge production technologies, electricity from sustainable sources and a new central location, these new offices will support and grow the team as they continue to compete successfully in the global market.

For indies where BBC Studios holds a minority stake, Moonage's adaptation of Nancy Mitford's *The Pursuit of Love* went out on Sunday nights for BBC One and across the rest of the world on Amazon. Expectation's *Alma's Not Normal*, made for BBC Two, won Broadcast and BAFTA TV Craft Awards.

In unscripted, BBC Studios' first look indie partners had a good year, with Steve McQueen's three-parter *Uprising*, a Rogan, Turbine and Lammas Park production, winning an RTS award. Rogan also made *Freddie Mercury: The Final Act* for BBC Two, which garnered RTS, BAFTA and Rockie nominations and achieved the highest ratings in its slot across the whole year. *The Earthshot Prize* inaugural live event, hosted by Sir David Attenborough and Prince William, produced by BBC Studios alongside Silverback Films who made the series for BBC One, picked up an RTS award.

Reaching international audiences

Content sales of £402 million were in excess of £400m for the third straight year, but down 7% due to the impact of pauses in production activity in 2020.

The international success of *Dancing with the Stars* continues, with the format winning its timeslot in eight countries around the world. The US edition shone with an average audience of 6 million viewers and 7.6% share, putting it into ABC's top five entertainment shows in 2021.

Series 13 of *Doctor Who: Flux* is the number one show on BBC America, with continued strong appeal for younger audiences. *Top Gear's* 31st series was in the top five shows on BBC-branded channels in North America.

Global hit animation *Bluey* from Ludo Studio was Disney Junior's top ratings driver of 2021 with kids aged two to five in the US and wowed audiences in more than 60 countries. As well as picking up awards and a number one album in Australia, a tie-in with Airbnb saw the Heeler's house recreated for real life. The brand's success drove consumer products sales up 9%. A sales and distribution deal to outsource the management of BBC Studios' physical catalogue was signed with Spirit Entertainment just before year end.

The business had some successful co-production deals, including the biggest new UK comedy of 2021, *The Outlaws*, written by and starring Stephen Merchant, with series two already shot. Channel 4's *Stath Lets Flats* with Jamie Demetriou made it onto HBO Max and a reformat is in the pipeline with Fox in the US. HBO also came on board to co-produce Cash Carraway's *Rain Dogs*, starring Daisy May Cooper.

Internationally, BBC Studios Productions' scripted formats have proved popular. The partnership with Lionsgate in the US has resulted in successful remakes of British comedies – *Ghosts* for CBS and Paramount+ which was the year's biggest comedy launch and *Welcome to Flatch*, inspired by *This Country* which aired on Hulu in March. Elsewhere, local versions of popular dramas enjoyed success across many markets including *Luther (Rudra – The Edge of Darkness)* in India on Hotstar, which was its most-watched drama ever in the first month of launch; *The Split* in Turkey and Italy; *Uncle* in South Korea and *Doctor Foster (The Broken Marriage Vow)* in the Philippines.

Channels and Streaming (formerly Branded Services)

Channels and Streaming includes UK broadcaster UKTV, international BBC-branded channels operated by BBC Studios, the BritBox International joint venture with ITV plc, BBC.com and other streaming activities.

The UKTV channel network had an excellent year, with its record share of commercial impacts (SOCl) ensuring that it outperformed the market, driving audience share and record levels of profit (up 105%) as the advertising market made a quicker than expected pandemic recovery. The network's channels performed very well, with Drama, Gold and Alibi increasing their share by 11%, 7% and 5%, respectively, in the 2021 calendar year, and Dave upping its share of 16-34 year olds by 14%.

Audiences responded enthusiastically to an investment in new programmes, with six out of the top ten network shows being original content. *Annika*, starring Nicola Walker, was UKTV's most successful show of 2021 and Alibi's top-performing title of all time. Other original titles included *Meet the Richardsons* (Dave), *Secrets of the London Underground* (Yesterday) and *Hornby: A Model World* (Yesterday).

Streaming service UKTV Play added one million registered users in 2021 as the business invested in its video on demand (VOD) strategy, upgrading technology, adding staff and carrying out audience research. Just before year end, the W channel went free to air, offering an immediate boost to its audience, and the network acquired a new Freeview programme guide slot, enabling Drama+1 to move to a more prominent position.

BBC Studios has deep and reciprocal partnerships with its global customers, supporting their businesses and audiences around the world. Global channels had a good year, with the renewal of the StarHub contract, a new deal with Singtel and Astro for BBC-branded channels in south-east Asia and a long-term renewal with Canal+ in Poland.

Direct-to-consumer streaming services BBC Select and BBC Podcasts Premium launched in the US, and BritBox International (the global British streaming service owned by BBC Studios in partnership with ITV) continued to grow, with 2.4 million subscribers in four countries.

BBC America is a branded linear channel in the US, jointly owned with AMC Networks as the operating partner. As well as airing the latest seasons of *Doctor Who* and *Top Gear*, a highlight for the year was the launch of the final season of BBC America original *Killing Eve*. As in the UK, linear viewership continues to decline across the US market, but a very good ad sales performance means the channel continues to deliver strong profits.

As part of the Group strategy to build commercial income, in July 2021 BBC Global News (GN) joined the business, bringing the BBC's commercial news operations into BBC Studios and opening up further opportunities to develop its news services for international audiences. Editorial control and operation of the BBC World News channel became part of the public service news operation, with its international advertising and distribution provided by GN.

The BBC.com website and brand made a strong recovery back to pre-Covid-19 levels, as advertising sales bounced back quickly in many regions – particularly Europe, Middle East, Africa and North America, and the team signed a major licensing deal with Meta for news and sports content outside the UK. Major news events in Afghanistan and Ukraine resulted in record breaking engagement with the BBC News website, as audiences sought trusted, impartial and authoritative journalism. Audiences continue to increase for the premium video destination BBC Reel, with growth of 9% on last year.

BBC.com invested in talent in the year, reflecting the increased appetite for digital news content. Jennie Baird was appointed into the newly created role of MD and EVP of Digital News and Streaming, Katty Kay returned to the BBC as Presenter-at-Large, BBC Studios, and US Special Correspondent for BBC News, and the BBC announced plans to double the size of its digital journalism team in the US and Canada.

Commercial operations BBC Studios continued

Culture

Already a key focus, putting people first became the business's overriding priority in the pandemic. Alongside protecting wellbeing, BBC Studios worked on building leadership, developing talent and increasing both diversity of voices and a culture of inclusion, as well as operating more sustainably.

Talent development across the business stepped up a gear to help people learn and thrive in their roles, with a review identifying over 50 future leaders with high potential who could benefit from career fast-tracking over the coming year. The popular ScriptWorks and TalentWorks programmes (see case study) focused on scripted and digital talent, respectively, whilst the Assistant Producer Accelerator Programme was extended in January, now providing work placements in factual entertainment, natural history, entertainment and music, documentaries and science for nearly 30 young people.

Over the last year BBC Studios has elevated diverse voices and ensured a strong network for the recruitment of new talent into every area of the business through its three-year Diversity and Inclusion strategy, 'Valuing Difference'. The business has made progress against its workforce diversity targets, and has formed a Diversity and Inclusion Council chaired by Production CEO Ralph Lee to check and challenge inclusion work.

A team of nine Global Inclusion Advocates were appointed across BBC Studios internationally to set up staff affinity networks across all diverse communities. New employment-based partnerships have been formed with Evenbreak, Leonard Cheshire, the National Autistic Society, and Black Young Professionals around improving ethnic diversity, and inclusive leadership workshops have been delivered to over 600 managers across the globe.

Sustainability continues to be at the heart of operations. The business remains committed to reducing its carbon emissions and has aligned to the BBC-wide Net Zero science-based targets. Productions continue to measure and reduce their emissions, with 99% albert footprinted and 98% creating an albert carbon action plan and achieving albert certification in 2021/22. Teams also innovate, such as for the Earthshot Prize ceremony, which delivered an outstanding RTS award-winning global event for less than five tonnes of carbon emissions.



Case study: Nurturing the best emerging creative talent

A creative business is only as good as its creative people, and nurturing the next generation is key. The TalentWorks team actively looks for emerging talent. Its Creator Residencies pair promising recruits with experienced producers from the BBC Studios family for a paid placement of around six months, to develop new content and ideas. TalentWorks co-produced Mariam Musa and Adeola Patronne's weekly entertainment podcast *Pressed* (pictured above), which recently secured over one million downloads and the highest proportion of young listeners on BBC Sounds.

ScriptWorks works directly with budding writers. Its prestigious Writers Academy has a track record for training the most successful TV writers, with nearly 5,000 episodes of TV created. In the last year alone, 13 of its alumni have secured commissions or had episodes broadcast. The Thousand Stories competition helps writers from under-represented groups start a TV writing career: in 2021, it had over 500 entries to win a package of mentoring, development and networking opportunities. The new Writers' Workshop Scheme develops showrunners of the future, creating original pilot scripts for the wider BBC Studios family.

BBC Studios also signed the Climate Content Pledge at COP26, along with the BBC Group, committing to responsible onscreen portrayal of sustainability across all of its content, as illustrated by sustainability soap storylines run across *EastEnders*, *Casualty* and *Doctors* during COP26. Programmes such as *The Green Planet*, *Dynasties*, *Greta Thunberg: A Year to Change the World*, *Climate Change: The Facts* and *Cook Clever Waste Less* raised awareness of important climate issues, and sustainable behaviour is portrayed in other programming, with storylines and segments across high-rating BBC One properties including *Doctor Who* and *The One Show*.

Summary of financial performance

Financially, both sales and EBITDA reached record levels this year. Sales were up £375 million on 2020/21, driven by an increase of 56% in production sales, after production activity resumed following the shutdowns of 2020. EBITDA was up £75 million, through strong margins on production sales and the highest-ever profits for UKTV, up £49 million on the prior year.

Content investment increased by 67% to record levels and the cash position remained strong with the business well positioned for future growth. Net debt at year end, excluding leases, was £135 million (2020/21: £15 million) and free cash flow £198 million (2020/21: £201 million).

Looking ahead

BBC Studios has begun the 2022/23 financial year in a favourable position: amidst continuing demand for high-quality content, a large proportion of sales from long-term multi-year carriage deals and a robust production slate, the business has solid cash reserves and balance sheet. Whilst not immune from wider geo-political and market dynamics, where audience habits continue to shift and competition increases, BBC Studios is a business in good shape with strong prospects for growth.

In addition to coverage of the Queen's Platinum Jubilee in June 2022, major content deliveries in the current year are expected to include *Prehistoric Planet* for Apple TV+, series two of *Good Omens* with Michael Sheen and David Tennant on Amazon Prime Video and BBC One's *Here We Go*, produced by BBC Studios Comedy, with an all-star cast including Alison Steadman, following a successful pilot under the title *Pandemonium* in 2020. BBC Studios' scripted labels have a busy year ahead, with series three of *Happy Valley* for the BBC coming from Lookout Point, and dark comedy *The Birth Of Daniel F Harris* for Channel 4, made by Clerkenwell Films.

Performance by operating segment

	Sales		EBITDA	
	2021/22	2020/21	2021/22	2020/21
Production and Distribution	1,150	929	93	66
Channels and Streaming	536	383	135	85
Eliminations	(56)	(57)	(2)	0
Total	1,630	1,255	226	151

Note: The Studios Executive Committee tracks its performance across two lines of business, Production and Distribution and Channels and Streaming (formerly Branded Services).

Internationally, BBC Studios is distributing Steven Moffat's four-part drama *Inside Man*, made by Hartswood Films for the BBC and Netflix, and James Graham's six-part drama *Sherwood*, made for BBC One by BBC Studios scripted label House Productions, about a series of murders in a Nottinghamshire mining village, and featuring an all-star cast including Joanne Froggatt and Stephen Tompkinson.

2022/23 will also be the first year for BBC Studios Kids and Family, formerly Children's In-House Production, as a commercial production unit, and the first full year of BBC Global News as an integrated part of BBC Studios Global Distribution.

It is a stated BBC priority to build commercial income, and BBC Studios' future creative and financial success will be vital to the BBC's continuing impact in the years ahead. With this new level of commercial ambition, new governance arrangements through the BBC Commercial Board, and additional borrowing capacity, the business has a stretching target for international growth over the next five years. To drive long term revenue and profit growth, BBC Studios expects to significantly increase investment in content and services, which in may in some cases depress short-term profitability.



A tie-up with Airbnb saw the house from Ludo Studio's global hit animation *Bluey* recreated for real life. Photo by Hannah Puechmarin

Commercial operations

BBC Studioworks

Overview

BBC Studioworks is a wholly owned commercial subsidiary of the BBC, providing television studios and post production services to all the major UK broadcasters and production companies. The past 12 months (2021/22) were an extraordinary year which saw the business achieve its best commercial performance of the past decade.

Sales exceeded expectations at £44 million, an increase of 18.3% year-on-year, delivering EBITDA of £8 million. This robust financial performance means BBC Studioworks is providing its highest-ever return back to the BBC of £3 million.

Strategy

Whilst attention was naturally placed on the Covid-19 recovery, with emphasis on the welfare of its employees and clients, BBC Studioworks made solid progress against its strategic priorities with a multi-million-pound investment across its footprint and its people.

The business announced its expansion across the UK, becoming the operator of a new multi-camera TV studio in Kelvin Hall, Glasgow, opening in autumn 2022. This marks stage one of its ambitions to open additional studios across the country and further drive commercial income. Kelvin Hall will support the development of a skilled and diverse Scottish workforce,

boosting local jobs, and is in direct response to growing industry demand to make more TV shows in Scotland.

Significant focus was placed on evolving the company's workforce and skillset, with substantial investment in learning and development to enable progression, enhance culture and create a modern and efficient business. To inspire and develop the next generation of talent, BBC Studioworks invested in local communities via outreach to schools. It worked in partnership with Rise and The Prince's Trust to deliver live broadcasting workshops to help make the TV production industry more accessible, and a mentoring scheme in collaboration with ScreenSkills and Elstree Screen Arts provided much-needed support for school leavers from underrepresented groups.

The company also invested heavily in its core footprint via new equipment purchases and a refresh of its facilities to enhance its employee and customer experience.

Acute attention was paid as to how it can provide solutions to reduce the negative environmental impacts arising from TV production. As a result, the business has increased its ambition and action by launching its sustainability strategy outlining its aim to be net zero by 2030. Good progress has been made against its core sustainability goals which include

reducing carbon footprint by 80% over the next three years and using 100% renewable energy across the footprint by 2024.

Bringing ideas to life

Over the past year the company continued to facilitate unique, high-impact content for BBC Studios and multiple independent production companies. Returning productions included *Strictly Come Dancing* and *The Graham Norton Show* for BBC One, *Saturday Night Takeaway*, *Good Morning Britain*, *This Morning* and *The Jonathan Ross Show* for ITV, *The Last Leg* for Channel 4 and *A League of Their Own* for Sky Max.

The business won a host of new productions including *Ant and Dec's Limitless Win* for ITV, *Would I Lie to You?* for BBC One, *Never Mind The Buzzcocks* for Sky Max and *Question Team* for Dave, and continued to provide services to BBC's *EastEnders*, *Holby City*, Programme Acquisitions and Persian Television.

The post-production team edited a number of productions including *Strictly Come Dancing*, *It Takes Two* and *The Goes Wrong Show* for the BBC, *The Martin Lewis Money Show* and *Saturday Night Takeaway* for ITV and *The Russell Howard Hour* for Sky Max.

Forward view

BBC Studioworks begins the new financial year in a solid position, but the industry is facing a skills crisis which is a real and long-term threat. To deliver its growth ambitions and continued operational excellence, the business requires new skills and talent. Strengthening its talent pipeline to ensure a diverse and inclusive workforce fit for the future will be a core priority into 2022/23 and beyond.

With the inexorable rise in streaming still driving demand for UK studio space, the company continues to operate in an increasingly competitive market. This backdrop will shape future plans as the business assesses where additional growth will come from and focuses on driving commercial income through best-in-class customer service and further expansion across the UK.



BBC Studioworks' new multi-camera TV Studio at Kelvin Hall, Glasgow



GOVERNANCE

This section looks in detail at the role of the BBC Board and includes reports from the Board's delegated sub-committees. The section also includes detail on our overall approach to corporate governance, our regulatory position and affirmation of the Board's duties in relation to the Annual Report.

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BBC Board

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Remuneration report

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Pay disclosures

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Audit and Risk Committee report

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Commercial Holdings Board report

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Editorial Guidelines and Standards report

Introducing our Board

The Board is constituted under the terms of the BBC's Royal Charter and Agreement. It is responsible for ensuring the BBC fulfils its mission and public purposes, as set out in the Charter and Agreement.

The Charter sets out the Board's responsibilities, its membership and the requirement for a number of Committees to support its work. The Board is responsible for the proper, effective and independent exercise of all the functions of the BBC. It sets the strategic direction for the corporation and approves the creative remit and the budgets for the BBC's services.

The Board is chaired by Richard Sharp and consists of up to ten non-executive directors – including the Chairman – and four executive directors, including the Director-General. The Chairman and the four nations' non-executive directors are appointed by HM The Queen, on the recommendation of Ministers across the UK. The remainder of the Board are appointed by the BBC, through the Board's Nominations Committee.

Full biographies of all Board members, including their other roles, can be found on the BBC's website: bbc.com/aboutthebbc/whoweare/bbcboard.

The Board delegates some of its responsibilities to a number of sub-committees. It is required to have a Remuneration Committee, a Nominations Committee and an Audit and Risk Committee. The work of these committees is complemented by the work of a number of other committees, established by the Board – these include the Fair Trading Committee, the Editorial Guidelines and Standards Committee, and committees for each of the four nations of the UK. The Commercial Board oversees the BBC's commercial subsidiaries on behalf of the Board.

This section includes reports from those committees, which are chaired by and predominantly made up of non-executive directors, as required by the Charter.

These pages show the membership of the Board as at June 2022.

During the year, there have been a number of changes to Board membership. Tom Ilube stepped down from the Board at the end of June 2021. Baroness Tanni Grey-Thompson and Steve Morrison left the Board in December 2021 and January 2022 respectively, at the end of their terms of appointment. Fran Unsworth also left her role as Director, News and Current Affairs in January 2022 and stepped down from the Board on her departure.



Richard Sharp
Chairman



Tim Davie CBE
Director-General and
Editor-in-Chief



Shumeet Banerji
Non-executive director



Sir Damon Buffini
Non-executive director



Dame Elan Closs Stephens DBE
Non-executive director
Member for Wales



Shirley Garrood
Non-executive director



Sir Robbie Gibb
Non-executive director
Member for England



Muriel Gray
Non-executive director
Member for Scotland



Ian Hargreaves CBE
Non-executive director



Charlotte Moore
Chief Content Officer



Sir Nicholas Serota CH
Senior Independent Director



Leigh Tavaziva
Chief Operating Officer

Robbie Gibb joined as the member for England in May 2021 and the Board was joined by three new members in January 2022. Muriel Gray replaced Steve Morrison as the member for Scotland. Shumeet Banerji and Damon Buffini joined in place of Tanni Grey-Thompson and Tom Ilube. Deborah Turness will join the Board later in 2022, when she takes up her role as CEO, BBC News. There is currently no Board member for Northern Ireland. This appointment is the responsibility of DCMS and requires the involvement of the Northern Ireland Executive. A recruitment process for the role is currently underway.

Detail on members' attendance at Board and sub-committee meetings is set out on page 104.

Corporate compliance report

We comply with corporate governance best practice

The BBC's corporate governance framework is defined in its Charter and the accompanying Framework Agreement. The Charter and Agreement can be found on the BBC website at: <https://www.bbc.com/aboutthebbc/governance/charter>.

The Charter requires the BBC to have regard to generally accepted principles of good corporate governance. Although the BBC is not a listed company, it has opted to apply best practice and follow the provisions of the Financial Conduct Authority's Listing Rules and the UK Corporate Governance Code 2018 ("the Code"), where appropriate. This delivers the governance standards applicable to companies quoted on an EU-regulated stock market.

During the year, an external Board Effectiveness Review was conducted, which included an assessment of the Chairman's performance.

There are a number of components of the Code that are either not appropriate to the circumstances of the BBC or are overridden by compliance with the BBC's Charter or Agreement.

This relates to:

- provision 3, 4, 36 and 37, relating to engagement with shareholders and alignment to their interests which, given that the BBC does not have shareholders in the same way as a company, does not apply. However, the BBC does have a wide range of measures in place to ensure engagement with external stakeholders.
- provision 5, matters set out in section 172 of the Companies Act 2006, which is relevant to companies only and overridden by the Public Purposes of the BBC as described in the Charter.
- provision 18, membership of the Board, which is governed by the articles of the Charter
- provision 25 and 26, approach taken to the appointment or reappointment of the external auditor, which is governed and determined by clause 55 of the Agreement.

However, the BBC has fully complied with the corporate governance requirements of the Charter and Agreement and has also fully complied with the Code.

Cost of compliance

In order to ensure that we complied with all relevant legislation that the BBC is subject to as a broadcaster and a public body, in 2021/22 we incurred compliance costs estimated at £19 million (20/21: £15 million). This figure includes the BBC's £12 million fee to Ofcom.

Regularity

The management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers. Transactions that meet the intended purposes and are in line with relevant authorities are considered to be 'regular'; those that do not meet these criteria are considered 'irregular'. Fraudulent transactions and fines or penalties are treated as 'irregular'. In addition to the NAO's review of regularity, Internal Audit conducted a review of the BBC's regularity compliance framework, including the processes, controls and assurance mechanisms in place to manage the regularity risk in areas assessed as being at greatest risk of irregularity. The scope of the review considered the appropriate use of licence fee money, the assessment of material changes, operating within borrowing limits and the risk of fraud.

No material exceptions were identified as a result of this review and management are not aware of any transactions that could be considered as irregular.

Governance

Executive Committee

The Director-General chairs an Executive Committee, which is responsible for the day-to-day running of the BBC.

The Executive Committee is responsible for delivering the BBC’s services, in accordance with the strategy agreed by the Board, and for all aspects of operational management.

The Executive Committee meets regularly and oversees key strategic projects and proposals of importance to the whole organisation. It takes regular reports on

audience and financial performance, as well as maintaining oversight of pan-BBC policy and operational issues. Information on the remuneration arrangements of the Executive Committee in 2021/22 can be found in the Remuneration report on pages 87 to 95.

In January 2022, Fran Unsworth stepped down from her role as Director, News and Current Affairs and was replaced on the Executive Committee by Jonathan Munro as

the interim Director, pending the arrival of Deborah Turness as CEO, News. Bob Shennan also stepped down from the Executive Committee at the end of March 2022 and the role of Managing Director was closed. Full details on the membership of the Executive Committee can be found at: bbc.com/aboutthebbc/whoweare/exco.

These pages show the membership of the Executive Committee as at June 2022.



Tim Davie CBE
Director-General and Editor-in-Chief



Kerris Bright
Chief Customer Officer



Tom Fussell
CEO, BBC Studios



Charlotte Moore
Chief Content Officer



Jonathan Munro
Interim Director, BBC News and Current Affairs



Gautam Rangarajan
Group Director of Strategy and Performance



June Sarpong
Director, Creative Diversity



Rhodri Talfan Davies
Director, Nations



Leigh Tavaziva
Chief Operating Officer

Next Generation Committee

The BBC Next Generation Committee (NGC) was established by the Director-General in late 2017 with the purpose of advising senior leaders and ensuring younger people’s voices and ideas are heard at executive level. The NGC is composed of approximately 15-16 younger members of staff from across the organisation, usually for a period of 12-15 months. In last year’s Annual Report we noted that the Committee’s work had been significantly impacted by the Covid-19 pandemic. We extended their term until July 2021 and we reported on their work in last year’s Annual Report.

The new cohort of Committee members started in January 2022 and their work focusses on advising the Executive Committee around recruitment and retention; how to build networks to maximise internal resources; supporting disabled staff; and strategies for improving local representation in content.

Committee members in 2020/21

- Becca Bryers (chair)
- Freya Bronwin
- Malachi Butt-Mukete
- Aaron Cooper
- Beth Dinnall
- Jordan Dunbar
- Simone Eubanks (joined October 2020)
- Emmanuella Kwenortey
- Lina Mar
- Shannon McGowan
- Drew Miller Hyndman (joined November 2020)
- Louise Ogunnaike (retired from the Committee in November 2020)
- Madusha Pallawela
- Ahmed Razek (retired from the Committee in October 2020)
- Jacob Rickard
- Ben Tattersall Smith
- Keely Watson

Committee members in 2022

- Georgina Pearce (co-chair)
- Sam Ripman (co-chair)
- Emma Arbuckle
- Becky Bailey
- Myles Bonnar
- Jemma Clarke
- Adam Clarkson
- Liz Clements
- Ryan Dobney
- Adam Eland
- Simone Eubanks
- Rachel Griffith
- Drew Hyndman
- Daniel Kassim
- Euan Sime
- Dillon Wilson
- Julie Yoonnyung Lee

Remuneration report

It has been a pleasure to Chair the Remuneration Committee during the last year, as the BBC continued to adapt to post-pandemic ways of working whilst also continuing the work to embed clear and consistent pay processes and principles across the organisation. As a Committee, we noted the huge changes in working patterns across the nation, which have also been replicated in the BBC. The commitment and effort of employees across the organisation has been remarkable during this period and confirms that the enduring mission of the BBC remains a key driver for those working here.

During the year, we met formally as a Committee five times, with other business conducted offline as necessary. We were joined, most helpfully, by Dame Elan Closs Stephens as Chair of the Commercial Holdings Board for discussion of commercial matters. Steve Morrison and Tanni Grey-Thompson continued as members of the Committee until both departed the Board at the end of 2021. I want to thank them for their work and support over the past four years. They have both made such a positive contribution to remuneration matters in the BBC. I was then joined on the Committee by Richard Sharp and Muriel Gray, both of whom will remain as members in the coming year, when Sir Robbie Gibb will take on the Chair. Sir Damon Buffini, as Chair of Commercial Board will also join the Committee for discussion of commercial issues.

During the past year, our focus as a Committee was largely on those commercial matters. The Remuneration Committee has oversight of all incentive schemes in the BBC, and we must approve the arrangements for any scheme that includes a member of the Executive. Over the year, we have worked with the Executive to conduct a strategic review of incentive schemes in BBC Studios. After much positive debate, we reached agreement on a new structure that will seek to incentivise those eligible for the company bonus scheme to focus on long-term commercial growth and which will reward those who perform exceptionally in driving success against robust and stretching overall targets. I know the Remuneration Committee will continue to work closely with the new Commercial Board on these issues and will ensure a clear and consistent process for reward in Studios.

As part of our regular business, we monitored data and reports on the BBC's headcount, pay gaps and overall pay bill. As this annual report shows, the BBC has reduced headcount overall by 938 this year, with a reduction in senior leaders of seven. We also discussed in detail the data behind the BBC's black, Asian and ethnic minority pay gap as well as the disability pay gap. Detail on all the BBC's pay gaps can be found on pages 65 to 67. Generally, gaps at the BBC are significantly smaller than those in the wider media world, but there is still room for improvement. Lastly, we also undertook our annual review of the BBC's disclosures of those paid over £150k from licence fee funds and the list can be seen on pages 96 to 103.

It has been a privilege to chair the Committee during the past few years. I am confident that my successor, Sir Robbie Gibb, and the new members of the Committee are well placed to guide policy on remuneration during what will be a critical phase for the BBC. With a new licence fee deal in place, it will be crucial that the BBC – both public service and commercial – continues to be able to attract and retain the best creative talent, to ensure that the greatest value is delivered to audiences in the UK and around the world.

Nicholas Serota

Chair, Remuneration Committee
23 June 2022

Governance

Remuneration report continued

This report sets out the BBC's remuneration policy for executive directors and senior leaders and details the annual remuneration received by the members of the BBC Board and Executive Committee for the 2021/22 financial year. This includes our annual disclosure of pay as required by the BBC's Charter.

It has been prepared on the basis that the requirements of the Large and Medium- sized Companies and Groups (Accounts and Reports) Regulations 2013 and Listing Rules apply to the BBC wherever these disclosure provisions are relevant. The sections on pensions and remuneration received by this group have been audited by the BBC's external auditors.

The Remuneration Committee's constitution and operation

The Board's Remuneration Committee, since 1 April 2017, has been responsible for setting the remuneration strategy for the BBC Group and for all aspects of the remuneration of the Executive Committee and Board executive directors. Its members are non-executive directors: Robbie Gibb and Muriel Gray, and BBC Chairman Richard Sharp. Robbie Gibb has chaired the Committee since May 2022.

The Remuneration Committee takes specialist advice from external professional advisers on some matters, particularly those relating to market practice. During the year, independent advice was received from Willis Towers Watson on matters related to executive remuneration and periodically in the form of market assessments, and from PricewaterhouseCoopers LLP on broader incentive design in relation to our commercial subsidiaries.

The Committee makes sure that executive remuneration is aligned to the BBC's purpose and values. It ensures our arrangements are transparent and easily understood, and that remuneration levels are proportionate to contribution.

The Committee has oversight of pay trends via regularly quarterly reports from management on Reward activity, key annual metrics and data relating to the monitoring of senior leader pay and severance approvals.

BBC pay principles

There has been a continued focus on pay at all levels of the BBC allied to an increased focus on fair pay. Several initiatives have been undertaken to ensure our Fair Pay Principles are embedded throughout the organisation and to provide a framework in which fair and consistent pay decisions are taken.

1. Fair
2. Consistent
3. Transparent
4. Competitive
5. Clear

The BBC operates within a fast-changing market with intense competition for talent, and dramatic growth among some new media, streaming and digital technology companies offering highly attractive packages. We therefore continue to balance market-competitive pay with the need to demonstrate value for money to the licence fee payer. This balance is reflected in our market informed job pay ranges which continue to be discounted against the market, where external analysis support this.

We believe that these Pay Principles ensure the BBC continues to be able to appeal to all those who are excited about the opportunities of working in public service broadcasting.

More detail on this can be found in the Our People section on pages 59 to 63.

Senior Leadership Remuneration Policy

The Remuneration Committee is committed to setting appropriate levels of pay for executive directors that attract, motivate and retain the best people to lead the BBC and provide value for the licence fee payer. The Committee agreed that the BBC's pay principles should apply to all staff, executive directors and senior leaders across the BBC Group. The pay principles will apply as set out in the table on page 62.

The BBC has extended its union-negotiated Career Path Framework to include an additional non-union negotiated career level band called SL (senior leader). This includes job pay ranges for the most senior jobs. In framing the BBC's pay policy the Committee gives full consideration to the best practice provisions of the UK Corporate Governance Code.

Executive directors and senior leaders are not entitled to the annual pay increase agreed with the Joint Unions and are not automatically entitled to any form of annual increment or progression payment. Pay decisions for executive directors can only be taken by the Remuneration Committee and pay decisions for senior leaders by the Exceptions Committee, to ensure consistency and fairness.

A summary of the remuneration policy for Senior Leaders is provided on the following page.

Component	Purpose and link to strategy	Operation	Maximum opportunity
Base pay	<p>For executive directors, base pay is defined by reference to the market median for total direct remuneration (salary, annual bonus and annualised long-term incentive). It is expected that this will result in remuneration being significantly discounted to market as no long term incentives are offered at the BBC.</p> <p>For senior leaders, job pay ranges are informed by market median total target cash (base salary, allowances and target bonus) which guide pay decisions.</p> <p>No senior leader is paid below the job pay range minimum for their role and pay ranges are transparent to both senior leaders and the wider BBC workforce.</p>	<p>The following factors are used to determine the level of base pay set for an executive director or senior leader:</p> <ul style="list-style-type: none"> — scale and complexity of role — knowledge, skills and experiences — performance and contribution — market factors and affordability <p>Salaries are reviewed annually, with increases taking effect from 1 August. A budget is agreed and distributed according to the above factors.</p> <p>Pay ranges for senior leaders are reviewed annually and updated as required.</p>	<p>No prescribed maximum salary or maximum increase for executive directors.</p> <p>Senior leaders have job pay ranges with a minimum and maximum; where an individual is above the maximum of their pay range owing to legacy or commercial reasons their pay will not increase further.</p>
Variable Pay	<p>Executive directors and some senior leaders employed in the BBC's commercial businesses are eligible for a performance-related annual bonus. Such bonuses are wholly funded by the commercial businesses and not the licence fee. It is reward for the achievement of short-term strategic goals and profit growth.</p>	<p>Executive directors and senior leaders in the Public Service are not entitled to receive a performance bonus.</p> <p>Payments of a bonus in the BBC's commercial businesses are subject to the achievement of an overall target based on a mix of headline profit and cash flow for their business.</p>	<p>No executive director in the Public Service has received a bonus since 2008.</p> <p>For 2021/22, one executive director – CEO, BBC Studios – participated in a bonus scheme. The incentive scheme has a target bonus of 40% and a maximum of 50%.</p>
Benefits – Pension	<p>Pensions are offered in accordance with the pension arrangements offered to all BBC employees.</p> <p>In addition to pensions, life assurance is provided in line with arrangements provided to all BBC employees.</p>	<p>Executive directors and senior leaders can elect to join the BBC's defined contribution scheme LifePlan.</p> <p>The BBC's defined benefit scheme is closed for new joiners.</p> <p>Executive directors are provided with death in service life assurance cover of four times their basic salary.</p>	<p>Current policy provides a defined contribution scheme with no salary cap and a maximum employer contribution of 10% of salary.</p> <p>Existing members of a defined benefit pension scheme are capped at the maximum salary for their pension scheme or are subject to a cap in pensionable salary growth.</p>
Benefits – Transport/travel	<p>In April 2012, the BBC removed the car allowance benefit for all new executive directors to ensure that future policy aligns with arrangements for all BBC employees.</p> <p>Car allowance benefit for Senior Leaders was removed in 2012 for all new starters.</p>	<p>Some senior leaders are still in receipt of a legacy car allowance.</p> <p>The Director-General is entitled to the use of a car and driver but has no entitlement to a personal car allowance or fuel allowance. The Chairman is subject to the same arrangements.</p>	<p>There is no prescribed maximum as this is an historic benefit which has not been offered to new starters since 2012.</p>
Benefits – Private Medical Insurance (PMI)	<p>In April 2011, the BBC removed the private health care benefit for all new executive directors and senior managers and aligned to arrangements for all BBC employees.</p> <p>Following consultation, it was agreed to remove the PMI benefit for executive directors and senior leaders from 1 April 2019.</p>	<p>All executive directors now receive a legacy allowance in lieu of PMI.</p>	<p>The maximum level of cover offered is family cover.</p> <p>This is an historic benefit.</p>
Employment contracts and severance	<p>Employment contracts of executive directors have a maximum notice period of six months, but are subject to earlier termination for cause.</p>	<p>There is no contractual entitlement to any additional remuneration in the event of early termination other than in the case of termination for reason of redundancy.</p>	<p>In the event of redundancy, all executive directors are entitled to payments equal to one month per year served up to maximum payment of £150,000.</p>

Governance

Remuneration report continued

Component	Purpose and link to strategy	Operation	Maximum opportunity
Other remuneration	There is no entitlement to any other remuneration, so no such payments were made in the year.	Should any additional remuneration be proposed, full consideration is given to the reputational risk to the BBC and any such payment would require the approval of the Remuneration Committee, prior to implementing.	There is no prescribed maximum.

Pension

Executive directors who joined the BBC before 1 December 2010 are eligible to continue to participate in the BBC Pension Scheme ('the Scheme'), which provides for pension benefits on a defined benefit basis. Executive directors who joined the BBC on or after 1 December 2010 are eligible to join LifePlan, which is the BBC's defined contribution arrangement. The BBC pays matching contributions to LifePlan for employee contributions at 5%. Employee contributions between 6% and 7% are matched plus an additional 1%.

Employee contributions of 8% or more receive the maximum employer contribution of 10%. There is no maximum pensionable salary for contributions to LifePlan.

Executive directors who decide not to join LifePlan or are not already an existing member of the Scheme are, subject to meeting the relevant criteria, automatically enrolled into the National Employment Savings Trust (NEST). The BBC paid 3% and employees paid 5% of qualifying earnings to NEST in 2021/22 in line with statutory requirements. Individuals can choose to opt out of this.

Executive directors' pension arrangements may be reviewed and amended in response to changes in legislation or similar developments.

Features of the BBC's pension arrangements that our executive directors participate in alongside other BBC employees are provided in the table below.

Details of the BBC Pension Scheme are available at www.bbc.co.uk/mypension/.

Scheme	BBC Pension Scheme defined benefit				LifePlan defined contribution	National Employment Savings Trust (NEST) defined contribution (auto enrolment arrangement)
	Old benefits	New benefits	CAB 2006	CAB 2011		
Date closed	30 September 1996	31 October 2006	30 November 2010	1 January 2012	Open to all eligible employees	Open to all eligible employees
Accrual	60ths accrual	60ths accrual	1.67% accrual Adjusted in line with inflation	1.67% accrual Adjusted in line with CPI	BBC will contribute a maximum of 10% of salary if employee contributes 8% with lower sliding scale	BBC will contribute 3% of qualifying earnings (2021/22)
Salary	Final pensionable	Final pensionable	Career average revalued earnings	Career average revalued earnings		
Normal pensionable age	60	60	65	65	N/A	N/A
Earnings cap	Joined before 1 June 1989 uncapped, capped otherwise £172,800	Capped at £172,800	Capped at £172,800	Capped at £159,000	Uncapped	Minimum earnings £6,240p.a. Maximum earnings £50,270p.a. (2021/22)
Pensionable salary growth before the earnings cap is applied	Limited at 1% p.a.	Limited at 1% p.a.	Limited at 1% p.a.	No restriction	N/A	N/A
Employee contribution (% of pensionable salary)	7.50%	7.50%	4%	6%	Minimum employee contribution is 5%	5% of qualifying earnings (2021/22)

Annual remuneration of the BBC Board and Executive Committee – detail of remuneration received

The table on the following page provides full details of the remuneration received by all BBC Board members for 2021/22.

Details of the chairs of each of the various BBC committees can be found on page 84. Each Chair receives £5,000 per annum in addition to their base fees. These fees are included in the table below. All fees are shown pro-rata where appropriate.

BBC Board (audited)

Details of remuneration received (values in £000s)

	Appointment term start date	Appointment term end date	Year	Base pay ¹	Taxable benefits ²	Pension related single figure	Performance related	Total
Non-executive directors								
Richard Sharp ³	16/02/2021	15/02/2025	2021/22 2020/21	£160 £20	£7 £1	£0 £0	£0 £0	£167 £21
David Clementi ⁴	16/02/2017	15/02/2021	2021/22 2020/21	£0 £88	£0 £5	£0 £0	£0 £0	£0 £93
Shumeet Banerji ⁵	07/01/2022	31/12/2025	2021/22 2020/21	£8 £0	£0 £0	£0 £0	£0 £0	£8 £0
Damon Buffini ⁵	01/01/2022	31/12/2025	2021/22 2020/21	£8 £0	£0 £0	£0 £0	£0 £0	£8 £0
Shirley Garrood	03/07/2019	02/07/2023	2021/22 2020/21	£38 £38	£0 £0	£0 £0	£0 £0	£38 £38
Robbie Gibb ⁶	07/05/2021	06/05/2024	2021/22 2020/21	£38 £0	£0 £0	£0 £0	£0 £0	£38 £0
Muriel Gray ⁵	03/01/2022	02/01/2026	2021/22 2020/21	£9 £0	£0 £0	£0 £0	£0 £0	£9 £0
Tanni Grey-Thompson ⁷	03/04/2021	31/12/2021	2021/22 2020/21	£25 £33	£0 £0	£0 £0	£0 £0	£25 £33
Ian Hargreaves	03/04/2020	02/04/2023	2021/22 2020/21	£38 £38	£0 £0	£0 £0	£0 £0	£38 £38
Tom Ilube ⁷	03/04/2020	30/06/2021	2021/22 2020/21	£10 £38	£0 £0	£0 £0	£0 £0	£10 £38
Steve Morrison ⁷	03/04/2021	02/01/2022	2021/22 2020/21	£29 £38	£0 £0	£0 £0	£0 £0	£29 £38
Nicholas Serota ⁸	03/04/2021	02/04/2024	2021/22 2020/21	£38 £38	£0 £0	£0 £0	£0 £0	£38 £38
Ashley Steel ¹⁰	03/04/2017	01/12/2020	2021/22 2020/21	£0 £25	£0 £0	£0 £0	£0 £0	£0 £25
Elan Closs Stephens ⁹	20/01/2021	20/07/2023	2021/22 2020/21	£43 £43	£0 £0	£0 £0	£0 £0	£43 £43
Total non-executive directors			2021/22 2020/21	£444 £399	£7 £6	£0 £0	£0 £0	£451 £405
Executive directors								
Tim Davie ¹¹	01/09/2020	n/a	2021/22 2020/21	£494 £429	£2 £1	£26 £41	£0 £0	£522 £471
Tony Hall ¹²	03/04/2017	30/09/2020	2021/22 2020/21	£0 £188	£0 £2	£0 £0	£0 £0	£0 £190
Ken MacQuarrie ¹²	03/04/2017	31/12/2020	2021/22 2020/21	£0 £244	£0 £2	£0 £0	£0 £0	£0 £246
Charlotte Moore	01/09/2020	31/08/2022	2021/22 2020/21	£425 £402	£2 £2	£39 £34	£0 £0	£466 £438
Leigh Tavaiva ¹³	01/02/2021	31/01/2023	2021/22 2020/21	£400 £67	£0 £0	£0 £0	£0 £0	£400 £67
Fran Unsworth ¹⁴	01/04/2019	27/01/2022	2021/22 2020/21	£280 £340	£2 £2	£0 £0	£0 £0	£282 £342
Total executive directors			2021/22 2020/21	£1,599 £1,670	£6 £9	£65 £75	£0 £0	£1,670 £1,754
Total Board			2021/22 2020/21	£2,043 £2,069	£13 £15	£65 £75	£0 £0	£2,121 £2,159

Governance

Remuneration report continued

- 1 Fees are shown pro-rata where members left or joined during the year.
- 2 Taxable benefits: car allowance, private medical insurance/legacy allowance and other taxable expenses. The Chairman and the Director-General are entitled to the use of a car and driver but have no entitlement to a personal car allowance or fuel allowance. In 2021/22, the current Director-General has used the services of car and driver for business purposes only.
- 3 Richard Sharp receives a fee of £160,000 per annum, set by the DCMS, as Chairman of the BBC Board. This is donated to charity by the BBC, paid after National Insurance Contributions, and is administered through the BBC payroll giving scheme.
- 4 David Clementi stepped down from the Board and as Chairman on 15 February 2021 and therefore received no remuneration in 2021/22.
- 5 Damon Buffini, Muriel Gray and Shumeet Banerji joined the Board on 1, 3 and 7 January 2022 respectively. No remuneration was therefore received in 2020/21.
- 6 Robbie Gibb joined the Board on 7 May 2021 and therefore no remuneration was received in 2020/21.
- 7 Tom Ilube stepped down from the board on 30 June 2021. Tanni Grey-Thompson stepped down from the Board on 31 December 2021 after her initial term had been extended. Steve Morrison stepped down on 2 January 2022 after his initial term was extended.
- 8 Nicholas Serota's original term on the board was extended to 2 April 2024.
- 9 Elan Closs Stephen's original term on the board was extended to 20 July 2023.
- 10 Ashley Steel stepped down from the Board on 1 December 2020 and therefore received no remuneration in 2021/22.
- 11 The role of Director-General is a permanent position on the Board. Tim Davie was appointed as Director-General on 1 September 2020. His salary for 2020/21 reflects the proportion of his time spent as CEO, BBC Studios and as Director-General. His salary for 2021/22 is pro-rated to reflect an increase in September 2021.
- 12 Tony Hall stepped down from the Board and as Director-General on 30 September 2020. Ken MacQuarrie stepped down from the Board on 31 December 2020, and in September 2021 received a contractual severance payment of £150,000 redundancy.
- 13 Leigh Tavaziva was appointed to the Board on 1 February 2021.
- 14 Fran Unsworth stepped down from the Board on 27 January 2022.

The table below provides full details of the remuneration received by all BBC Executive Committee members for 2021/22, compared to the previous year. Remuneration for members shown below relates solely to the period of time when they served on the Executive Committee. For full annual amounts, please refer to the Disclosures section on page 100.

BBC Executive Committee members (audited)

Details of remuneration received (values in £000s)

	Date appointed to Committee	Year	Base pay	Taxable benefits	Pension related single figure ¹	Performance related	Total
Tim Davie ²	01/11/2012	2021/22	£494	£2	£26	£0	£522
		2020/21	£429	£1	£41	£0	£471
Charlotte Moore ³	06/07/2016	2021/22	£425	£2	£39	£0	£466
		2020/21	£402	£2	£34	£0	£438
Leigh Tavaziva ⁴	01/02/2021	2021/22	£400	£0	£0	£0	£400
		2020/21	£67	£0	£0	£0	£67
Fran Unsworth ⁵	01/01/2018	2021/22	£280	£2	£0	£0	£282
		2020/21	£340	£2	£0	£0	£342
Wendy Aslett ⁶	01/11/2019	2021/22	£0	£0	£0	£0	£0
		2020/21	£63	£1	£15	£0	£79
Kerris Bright	18/06/2018	2021/22	£360	£0	£0	£0	£360
		2020/21	£360	£0	£0	£0	£360
Rachel Currie ⁶	01/11/2019	2021/22	£0	£0	£0	£0	£0
		2020/21	£63	£1	£3	£0	£67
Tom Fussell ⁸	01/09/2020	2021/22	£421	£1	£0	£210	£632
		2020/21	£230	£1	£0	£27	£258
Tony Hall ⁹	02/04/2013	2021/22	£0	£0	£0	£0	£0
		2020/21	£188	£2	£0	£0	£190
Glyn Isherwood ⁶	09/04/2018	2021/22	£0	£0	£0	£0	£0
		2020/21	£294	£0	£0	£0	£294
Sarah Jones ⁵	01/05/2019	2021/22	£0	£0	£0	£0	£0
		2020/21	£116	£1	£0	£0	£117
David Jordan ⁶	01/04/2018	2021/22	£0	£0	£0	£0	£0
		2020/21	£76	£0	£0	£0	£76
Ken MacQuarrie ⁷	22/09/2016	2021/22	£0	£0	£0	£0	£0
		2020/21	£244	£2	£0	£0	£246
Jonathan Munro ¹⁰	28/01/2022	2021/22	£60	£0	£6	£0	£66
		2020/21	£0	£0	£0	£0	£0
Matthew Postgate ⁶	01/04/2016	2021/22	£0	£0	£0	£0	£0
		2020/21	£133	£0	£6	£0	£139
James Purnell ⁶	19/03/2013	2021/22	£0	£0	£0	£0	£0
		2020/21	£131	£0	£13	£0	£144
Gautam Rangarajan	01/06/2018	2021/22	£210	£0	£44	£0	£254
		2020/21	£199	£0	£41	£0	£240
June Sarpong ¹¹	01/11/2019	2021/22	£225	£0	£0	£0	£225
		2020/21	£267	£0	£0	£0	£267
Bob Shennan ⁶	08/04/2019	2021/22	£310	£2	£44	£0	£356
		2020/21	£310	£2	£41	£0	£353
John Shield ⁶	01/04/2018	2021/22	£0	£0	£0	£0	£0
		2020/21	£92	£0	£5	£0	£97
Clare Sumner ⁶	01/04/2018	2021/22	£0	£0	£0	£0	£0
		2020/21	£74	£0	£6	£0	£80
Rhodri Talfan Davies ⁴	01/01/2021	2021/22	£263	£0	£44	£0	£307
		2020/21	£65	£0	£3	£0	£68
Total Executive Committee		2021/22	£3,448	£9	£203	£210	£3,870
		2020/21	£4,143	£15	£208	£27	£4,393

Governance

Remuneration report continued

- Employee pension contributions are ordinarily made via a salary sacrifice arrangement as an employer contribution, with a corresponding reduction in salary. Base salaries for executive directors have not been adjusted to reflect the impact of salary sacrifice to enable like-for-like comparison with prior years before salary sacrifice was introduced. The pension-related single figure is generally calculated at 20 times the increase in the accrued pension over the year net of inflation, less the directors' defined benefit contributions, plus the employer's defined contributions. This is also shown in detail in the defined benefits pension prospective entitlements table.
- Tim Davie's salary for 2020/21 reflects the proportion of his time spent as CEO, BBC Studios and as Director-General. His salary for 2021/22 is pro-rated to reflect an increase in September 2021.
- Charlotte Moore received a pay increase on her promotion to Chief Content Officer and appointment to the Board in September 2020.
- Leigh Tavaziva joined the BBC and was appointed to the Board and Executive Committee on 1 February 2021. Rhodri Talfan Davies was appointed to the Executive Committee on 1 February 2021.
- Fran Unsworth stepped down from the Executive Committee on 27 January 2022.
- Wendy Aslett, Rachel Currie, Sarah Jones, David Jordan, Matthew Postgate, James Purnell, John Shield and Clare Sumner stepped down from the Executive Committee on 1 September 2020. Glyn Isherwood and Bob Shennan stepped down on 31 January 2021 and 31 March 2022, respectively.
- Ken MacQuarrie stepped down from the Board on 31 December 2020 and in September 2021 received a contractual severance payment of £150,000 arising from redundancy.
- Tom Fussell was appointed interim CEO, BBC Studios and joined the Executive Committee on 1 September 2020 and was confirmed permanently in role in October 2021. His role is funded entirely by the BBC's commercial revenues and not paid for, or subsidised by, the licence fee. Payment of any bonus is subject to the achievement of performance targets.
- Tony Hall stepped down as Director-General and from the Executive Committee on 30 September 2020.
- Jonathan Munro was appointed interim Director of BBC News and Current Affairs and joined the Executive Committee on 28 January 2022 and so the pay shown here covers that period only. Details on full pay can be found in the Disclosure report on page 100.
- June Sarpong is engaged on a PAYE freelance basis until 31 October 2022 with a 1 month notice period by either party. There are no further provisions for additional remuneration in the event of early termination of the contract. Reported earnings include £6,000 funded and paid by BBC Studios.

Total remuneration – Board and Executive Committee (audited)

There has been a decrease in the overall total annual remuneration for the Board and Executive Committee in 2021/22, predominantly as a result of the decrease in membership of the Executive Committee in 2020/21 to ten members (previously 18 in 2019/20).

Total remuneration (values in £000s)	2021/22	2020/21
Total Executive Committee (including Board executive directors)	£3,870	£4,393
Board non-executive directors	£451	£405
Total annual remuneration	£4,321	£4,798

Defined benefit pension prospective entitlements (values in £000s)

	Age at 31 March 2022	Section	Accrued pension 31 March 2022 (or retirement/leaving the Board if earlier)	Accrued pension 1 April 2021 (or joining the Board if after)	Director DB contributions (via salary sacrifice) 2021/22	Pension related single figure
Tim Davie	54	CAB 2011	25	24	6	26
Charlotte Moore	53	New benefits	39	37	12	39
Gautam Rangarajan	50	CAB 2011	25	23	10	44
Bob Shennan	60	CAB 2011	27	24	10	44
Rhodri Talfan Davies	51	CAB 2011	26	24	10	44

Notes:

Tim Davie was an active member of the CAB 2011 section from January 2012 to 31 October 2021 and retains a deferred benefit in the New Benefits section for service up to that date. The accrued pension shown relates to CAB 2011 only.

Charlotte Moore joined the BBC on 1 May 2006. The pension figures shown include the period before she was appointed as an executive director.

Gautam Rangarajan is an active member of the CAB 2011 section from January 2012 and retains a deferred benefit in the Old Benefits section for service up to that date. The accrued pension shown relates to CAB 2011 only.

Bob Shennan re-joined the BBC in February 2009 and was appointed as an executive director on 8 April 2019. The pension figures shown include the period before he was appointed as an executive director. He is an active member of the CAB 2011 section from December 2011 and transferred out his previous benefits. The accrued pension shown relates to CAB 2011 only. Rhodri Talfan Davies is an active member of the CAB 2011 section from January 2012 and retains a deferred benefit in the New Benefits section for service up to that date. The accrued pension shown relates to CAB 2011 only.

Comparative pay across the BBC

The Committee agreed that from 2020/21, the ratio of the Director-General's pay to the lower quartile, median and upper quartile pay of UK employees would be voluntarily disclosed annually. This replaces the previous voluntary disclosure using the Hutton multiple and brings the BBC disclosure in line with listed companies who report their CEO pay ratio compared to UK employees under the Large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('Regulations').

Director-General ratio

Financial year	Method used	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021/22	Option A	12.8	9.7	7.3

Under the Regulations, companies are required to identify the employee pay and benefits at the 25th, 50th and 75th percentiles of all UK Public Service Broadcasting employees for the relevant financial year and compare to the total remuneration of the Director-General. The company has chosen Option A to identify the employees at the 25th, 50th and 75th percentile and their respective pay and benefits, as it is recognised that this is the most accurate approach. All UK Public Service Broadcasting employees as at the financial year end, have been included in the reporting, with employees ranked based on their remuneration for the 2021/22 financial year.

The table below sets out the total pay and benefits value received by employees identified at the 25th, 50th and 75th percentile during the 2021/22 financial year.

2021/22	25th Percentile	50th Percentile	75th Percentile
Total Pay and Benefits	£40,924	£54,373	£71,854

The data assumptions included in our reporting are as follows:

Element	Description
Base salary	The Regulations require that full-time equivalent salaries are used to identify the P25, P50 and P75 in order to ensure comparability across the organisation. At the BBC, over 2,200 employees or c.12% work part-time so we have, therefore, used the full-time equivalent, as at year end, as the salary figure to rank our employees. Basic salary amounts also include any increased, temporary, allowances for attachments within other departments/roles within the organisation.
Allowances and benefits	This includes a range of location, role-based, allowances and employee benefits included on a pro-rata basis for part-time colleagues.

The table below provides a summary of the changes to the Director-General's cash earnings for 2021/22 versus the change in pan-BBC median earnings over the same period. The Director-General's remuneration had remained at £450,000 since 2012 and was increased to £525,000 when Tim Davie was appointed in September 2020. However, as all senior managers at the BBC were on a salary freeze in 2020 this increase was not actioned until September 2021.

	2021/22 (values in £000s)	Change from 2020/21
Director-General earnings	525	17%
Pan-BBC median earnings	46.4	1%

Severance

No severance was paid to executive directors during the year ended 31 March 2022.

Outside interests

With the prior agreement of the Director-General, executive members of the BBC Board may hold remunerated external directorships. The prime purpose of the external directorship should be to support personal and career development and thereby give back to the BBC.

Remuneration which arises from external directorships may be retained by the individual, but is subject to formal approval. Executive directors may also hold non-remunerated posts outside the BBC. No more than one to two days per month are permitted to fulfil all external duties.

The BBC's commercial businesses

During 2021/22, the BBC had staff employed with four main commercial subsidiaries:

- BBC Studios
- BBC Studioworks
- BBC Global News (transferred into BBC Studios in July 2021)
- UKTV Media Ltd

Remuneration within the commercial subsidiaries is subject to the BBC's governance and approval processes. The remuneration policy for the subsidiaries includes the contractual provision of an annual bonus available to eligible staff, including directors, and it varies between commercial entities. The full cost of base pay and annual bonus are self-funded by the commercial revenues of each subsidiary company and are not subsidised by the licence fee.

BBC Studios Company Bonus Scheme

The Remuneration Committee has oversight of the design and outturn of the BBC Studios Company Bonus Scheme. The 2021/22 scheme was broadly similar to previous years with two key financial measures (EBITDA and free cash flow) and non-financial/ personal objectives.

2021/22 results

For 2021/22, both financial measures exceeded the targets set for stretch performance, resulting in a maximum payment for this element of the bonus. The Remuneration Committee reviewed the performance of the CEO, Studios against his personal objectives, and he was assessed as having performed at the highest level. The combination of financial results and personal performance resulted in a bonus payment of 50% (£210,000) to the CEO, BBC Studios in respect of the year's performance.

Governance

Pay disclosures

Report from the BBC Remuneration Committee of people paid more than £150,000 from licence fee revenue during 2021/22 for services provided in the year.

In the following pages, we set out details of those individuals who received more than £150,000 from licence fee revenue in the year. The Charter requires us only to publish amounts paid during the year for these individuals, set out in bands. We go beyond that requirement by publishing more detail of the work that individuals appearing on-air carried out for the remuneration they received.

The on-air environment is returning to stability after the delays to productions and the cancellation of live events, especially sport, caused by the coronavirus pandemic. The gender split for the year in on-air talent has improved once again to 55:45 and it is expected that we will improve this further in the forthcoming year as we move towards a 50:50 balance on a gender basis.

It is also worth noting that, both on-air and off, we continue to operate in extremely competitive markets for talent, with inflation levels for pay often well above the average for the UK economy. This pressure, taken with the fixed £150,000 entry point to the list, suggests that more individuals will appear on these lists over time. Nevertheless, we continue to monitor the total cost of the individuals earning over £150,000 working in on-air roles.

On-air talent pay tables

Individuals on this list are shown by category: News, Radio, Sport, and presenters who work regularly across multiple parts of the BBC including Television. These figures include payments from licence fee revenue during the year ended 31 March 2022 for services provided in the year. These figures exclude any recharges, amounts paid, and investments into programmes made by our commercial entities – for example BBC Studios. Payments made by independent producers, royalties, repeat fees, contractual and other recoverables and expenses are also excluded. Programme commitments have been drawn from contractual commitments or other patterns of work, and have generally been stated to the nearest ten. These have been consistently disclosed for each principal programme or genre. Single episodes have been excluded, unless this represents a significant part of an individual's work.

On-air talent

Principal programme	Name	Programme commitments	Pay
News and Current Affairs			
<i>Today</i>	Mishal Husain	c.140 presentation days c.20 presentation days for BBC One	£275,000-£279,999
	Nick Robinson	c.140 presentation days c.25 episodes of <i>Political Thinking</i>	£270,000-£274,999
	Justin Webb	c.135 programmes	£255,000-£259,999
	Martha Kearney	c.140 programmes	£255,000-£259,999
<i>World at One</i>	Sarah Montague	c.180 presentation days	£245,000-£249,999
<i>PM</i>	Evan Davis	c.200 programmes <i>The Bottom Line</i> on Radio 4	£270,000-£274,999
<i>BBC News at Six and BBC News at Ten</i>	Huw Edwards	c.180 presentation days for BBC One and News Channel News Specials	£410,000-£414,999
	George Alagiah	c.180 presentation days for BBC One	£325,000-£329,999
	Sophie Raworth	c.180 presentation days for BBC One Sunday Morning show (from January 2022)	£305,000-£309,999
<i>Question Time</i>	Fiona Bruce	c.40 episodes of <i>Question Time</i> c.50 presentation days for BBC One	£410,000-£414,999
<i>The Andrew Marr Show</i>	Andrew Marr	c.30 programmes c.15 editions of <i>Start the Week</i> (until January 2022)	£265,000-£269,999
<i>Newsnight</i>	Emily Maitlis	c.140 presentation days for <i>Newsnight</i>	£325,000-£329,999
	Kirsty Wark	c.90 presentation days for <i>Newsnight</i> Cover for <i>Start the Week</i> and Election programming	£245,000-£249,999
<i>BBC News Channel</i>	Clive Myrie	BBC News Channel, BBC One and location and filming work <i>Panorama</i>	£255,000-£259,999
	Reeta Chakrabarti	BBC News Channel, BBC One and location work	£200,000-£204,999
	Victoria Derbyshire	BBC News Channel, BBC One and location work <i>Panorama</i> Radio 2 Jeremy Vine cover	£240,000-£244,999
	Ben Brown	BBC News Channel, BBC One and location work	£170,000-£174,999
	Joanna Gosling	BBC News Channel and BBC One	£155,000-£159,999
<i>BBC Breakfast</i>	Naga Munchetty	c.180 programmes c.140 5 live Naga Munchetty shows <i>Panorama</i>	£365,000-£369,999
	Dan Walker	c.180 programmes BBC Sport presentation	£220,000-£224,999
	Charlie Stayt	c.180 programmes	£190,000-£194,999
<i>On-air editors and correspondents</i>	Laura Kuenssberg	Political Editor	£260,000-£264,999
	Amol Rajan	Media Editor Amol Rajan interviews BBC Television documentaries c.40 editions of <i>Today</i> on Radio 4 Radio 4 <i>Rethink</i>	£325,000-£329,999
	Faisal Islam	Economics Editor c.30 editions of <i>Newsnight</i>	£240,000-£244,999
	Jeremy Bowen	Middle East Editor	£230,000-£234,999
	Jon Sopel	North America Editor	£225,000-£229,999
	Katya Adler	Europe Editor	£215,000-£219,999
	Fergal Keane	Special Correspondent	£210,000-£214,999
	Simon Jack	Business Editor and Radio 4 <i>Today</i> cover	£205,000-£209,999

Governance

Pay disclosures continued

Principal programme	Name	Programme commitments	Pay
	Sarah Smith	Scotland Editor c.30 editions of <i>Today</i> on Radio 4 North America Editor (from February 2022)	£190,000-£194,999
	Mark Easton	Home Editor	£190,000-£194,999
	Orla Guerin	International Correspondent	£160,000-£164,999
	Lyse Doucet	Chief International Correspondent	£150,000-£154,999*
<i>Westminster Hour</i>	Carolyn Quinn	Lead presenter on <i>Westminster Hour</i> and cover for <i>PM</i>	£150,000-£154,999
<i>HARDtalk</i>	Stephen Sackur	<i>HARDtalk</i> interviews and BBC World News presentation	£175,000-£179,999

Principal programme	Name	Programme commitments	Pay
Radio			
BBC Radio 1	Scott Mills	c.230 editions of <i>The Scott Mills Show</i> c.45 editions of <i>Scott Mills and Chris Stark Show</i> on Radio 5 live Cover on Radio 1 and Radio 2 Radio 1's Pop 101	£400,000-£404,999
	Greg James	c.220 Radio 1 Breakfast Show <i>Rewinder</i> on Radio 4 <i>Radio 1's Big Weekend</i> <i>Radio 1's Out Out! Live</i> <i>BBC Sports Personality of the Year</i>	£390,000-£394,999
	Clara Amfo	c.180 editions of Radio 1 <i>Mid Morning Show</i>	£155,000-£159,999
BBC Radio 2	Zoe Ball	c.210 editions of <i>The Zoe Ball Breakfast Show</i>	£980,000-£984,999
	Steve Wright	c.220 editions of <i>Steve Wright in the Afternoon</i> c.50 editions of <i>Sunday Love Songs</i>	£450,000-£454,999
	Ken Bruce	Radio 2 <i>Mid Morning Show</i> Radio 2 <i>Eurovision</i> and <i>PopMaster Special</i>	£385,000-£389,999
	Jeremy Vine	Daily show on Radio 2	£290,000-£294,999
	Jo Whiley	c.150 editions of Radio 2 <i>Evening Show</i> Cover on Radio 2	£265,000-£269,999
	Sara Cox	c.230 editions of Radio 2 <i>Drivetime Show</i>	£275,000-£279,999
	Claudia Winkleman	Weekly show on Radio 2	£155,000-£159,999
	Trevor Nelson	c.180 editions of <i>Rhythm Nation</i> c.50 Weekend Shows on Radio 1Xtra	£210,000-£214,999
BBC Radio 4	Emma Barnett	c.180 editions of <i>Woman's Hour</i> c.20 editions of <i>Newsnight</i>	£215,000-£219,999
BBC Radio 5 live	Nicky Campbell	c.110 editions of 5 live <i>Breakfast Show</i> c.110 editions of <i>Your Call</i> c.90 editions of 5 live <i>Nicky Campbell Show</i>	£295,000-£299,999
	Rachel Burden	c.200 editions of 5 live <i>Breakfast Show</i> c.15 editions of <i>BBC Breakfast</i> Cover for <i>Your Call</i>	£180,000-£184,999
	Colin Murray	c.150 editions of 5 live <i>Colin Murray Show</i> c.40 editions of 5 live <i>Fighting Talk</i>	£160,000-£164,999
	Nihal Arthanayake	c.180 editions of 5 live <i>Early Afternoon Show</i> Summer Olympics	£150,000-£154,999
	Tony Livesey	c.230 5 live Drive programmes	£150,000-£154,999
BBC 6 Music	Lauren Laverne	c.205 editions of 6 Music <i>Breakfast Show</i> c.40 6 Music <i>Recommends</i> c.40 <i>Desert Island Discs</i> on Radio 4	£380,000-£384,999
	Steve Lamacq	c.230 editions of 6 Music <i>Afternoon Show</i> c.50 6 Music <i>Recommends</i>	£150,000-£154,999
BBC Asian Network	Harpreet Bhullar	c.190 editions of Asian Network <i>Breakfast Show</i> c.40 editions of <i>Saturday Mash-Up!</i> on CBBC	£160,000-£164,999

Principal programme	Name	Programme commitments	Pay
Multiple stations	Vanessa Feltz	c.190 editions of Radio 2 <i>Early Breakfast Show</i> c.220 editions of Radio London <i>Breakfast Show</i> Radio 2 cover	£400,000-£404,999
	Stephen Nolan	<i>The Nolan Show</i> on Radio Ulster <i>Nolan Live</i> on BBC 1 (NI) 5 live <i>Stephen Nolan Show</i> <i>Nolan Investigates Stonewall</i>	£415,000-£419,999
Principal programme	Name	Programme commitments	Pay
Sport			
Men's football	Gary Lineker	<i>Match of the Day: Premier League, FA Cup and European Football Championship</i> <i>Sports Personality of the Year</i>	£1,350,000-£1,354,999
	Alan Shearer	<i>Match of the Day: Premier League, FA Cup and European Football Championship</i>	£450,000-£454,999
	Jermaine Jenas	<i>Match of the Day: Premier League, FA Cup and European Football Championship</i> MOTDx	£220,000-£224,999
	Micah Richards	<i>Match of the Day: Premier League, FA Cup and European Football Championship</i> 5 live Sport	£200,000-£204,999
	Chris Sutton	5 live Sport, <i>Monday Night Club</i> , and 606 Podcast <i>European Football Championship</i>	£155,000-£159,999
Men's and Women's football	Alex Scott	<i>Football Focus, Women's Super League, European Football Championship, Olympics, Sports Personality of the Year</i>	£195,000-£199,999
Cricket	Michael Vaughan	TV and Radio cricket (Test, one-day and Twenty20 series) <i>Tuffers and Vaughan Podcast</i>	£225,000-£229,999
	Jonathan Agnew	International test, one-day and Twenty20 series BBC Cricket Correspondent	£175,000-£179,999
	Isa Guha	TV and Radio cricket (Test, one-day, Twenty20, The Hundred)	£155,000-£159,999
Tennis	Sue Barker	<i>Wimbledon, Queens, Australian Open</i>	£185,000-£189,999
	John McEnroe	<i>Wimbledon</i>	£180,000-£184,999
Multiple sports	Mark Chapman	c.105 editions of 5 live sport Weekly Premier League highlights <i>European Football Championship</i> Rugby League	£250,000-£254,999
	Clare Balding	<i>Boat Race</i> Cycling <i>Eastbourne and Wimbledon</i> <i>Summer Olympics and Winter Olympics</i> <i>Sports Personality of the Year</i>	£205,000-£209,999
	Gabby Logan	Athletics Football and <i>European Football Championship</i> <i>Six Nations</i> <i>Olympics</i> <i>Sports Personality of the Year</i>	£200,000-£204,999

* On 1 July 2021 BBC Global News Ltd was transferred into BBC Studios Group. At the same time the editorial operations of the BBC World News Channel were transferred into BBC Public Service. The disclosure above represents payments made since that date, i.e. for the period 1 July 2021 to 31 March 2022.

Governance

Pay disclosures continued

Multiple genres and television

There are a small number of individuals who have pre-existing multi-year relationships with BBC commissioning. Payments from BBC Studios have been removed from the disclosure, and they may also receive payments from independent producers. We also include in this section presenters who spend close to 50% of their time in more than one of TV, Radio, News and Sport.

Principal programme	Name	Programme commitments	Pay
Radio and Sport	Jason Mohammad	BBC Radio Wales (Monday-Wednesday)/ <i>MOTD Wales Final Score</i> UK/Masters Snooker 2021/22 BBC Radio 2 (<i>Good Morning Sunday</i>)	£285,000-£289,999
Television	Mary Berry	BBC fee for a range of programmes and series	£215,000-£219,999
Television	Louis Theroux	BBC fee for a range of programmes and series	£200,000-£204,999

Senior executives

We already publish on our website the pay and expenses for all senior leaders earning over £150,000 in the BBC's public services. Under the terms of our Charter, we are required to publish a report from the Remuneration Committee listing all senior executives of the BBC paid more than £150,000 from licence fee revenue for services in the financial year, set out in pay bands. These figures exclude any recharges or amounts paid from our commercial entities.

Pay	Name	Role
Director-General		
£490,000-£494,999	Tim Davie	Director-General
Executive Committee		
£425,000-£429,999	Charlotte Moore	Chief Content Officer
£400,000-£404,999	Leigh Tazaviza	Group Chief Operating Officer
£360,000-£364,999	Kerris Bright	Chief Customer Officer
£310,000-£314,999	Bob Shennan	Group Managing Director*
£260,000-£264,999	Rhodri Talfan Davies	Director, Nations
£230,000-£234,999	Jonathan Munro	Interim Director, News and Current Affairs
£215,000-£219,999	June Sarpong	Director, Creative Diversity
£210,000-£214,999	Gautam Rangarajan	Group Director, Strategy and Performance
Corporate Functions		
£340,000-£344,999	Glyn Isherwood	Chief Financial Officer
£310,000-£314,999	Sarah Jones	Group Legal Counsel
£220,000-£224,999	John Shield	Director of Communications
	Peter Ranyard	Director, Corporate Legal
£215,000-£219,999	Balram Veliath	Director, Quality, Risk and Assurance
£210,000-£214,999	Shirley Cameron	Group Financial Controller
	Andy Baker	Director, Technology Operations
£205,000-£209,999	Robin Pembroke	Director, Content Production, Product and Systems
	Stuart Page	Director, Corporate and Commercial, Product and Systems
	Jatin Aythora	Director, Research and Development
£190,000-£194,999	Kieran Clifton	Director, Distribution and Business Development
	Ellie Runcie	Chief Design Officer
£185,000-£189,999	David Curley	Group Corporate Finance Director
	Clare Sumner	Director, Policy
	Richard Cooper	Controller, Digital Distribution
£180,000-£184,999	David Jordan	Director, Editorial Policy and Standards
	Sophie Garnham	Director, Commercial Rights and Business Affairs
	Phil Harrold	Company Secretary and Chief of Staff
	Sarah Gregory	HR Director

* Bob Shennan stepped down from the Executive Committee at the end of March 2022 and the role of Managing Director was closed.

Pay	Name	Role
£175,000-£179,999	Sarah Burns	HR Director
	Rhona Burns	Divisional Finance Director
	Alan Bainbridge	Director of Workplace
	Storm Fagan	Chief Product Officer
£170,000-£174,999	Chris Rowsell	Controller, Regulation
	Andrew Kaczor	Finance and Operations Director
	Simon Morrissey	Legal Director
	Sarb Nijjer	Divisional Finance Director
£165,000-£169,999	Natasha Wojciechowski	HR Director
	Isabel Begg	Director, Commercial Rights and Business Affairs
	Claudia Giles	Legal Director
	Jo Korn	Director, Commercial Rights and Business Affairs
£160,000-£164,999	David Attfield	Legal Director
	Nick Wilcox	Legal Director
	David Andrade	Director, Product Engineering
£155,000-£159,999	Deborah Copeland	Director of International Communication and Engagement
	Zoe Baker	HR Director
	Ben Thornton	Chief Information Security Officer
	Claire Hetherington	Head of Product
	Noreen Adams	Director, Archives and Technology
£150,000-£154,999	Simon Adair	Director, Safety, Security and Resilience
	Jim Hemmington	Director, Procurement
	Stephen Wheatcroft	Senior Head of Finance
	Wendy Aslett	Group HR Director
	Rachel Currie	Group HR Director
	Mike Griffiths	Director, Commercial Rights and Business Affairs
	Matthew Percy	Head of Architecture
Marketing and Audiences		
£185,000-£189,999	Paul Davies	Director, Marketing and Audiences
£175,000-£179,999	Justin Bairamian	Director, BBC Creative
	Nick North	Director, Audiences
£155,000-£159,999	Holly Goodier	Director, Marketing and Audiences
£150,000-£154,999	Nicki Brown	Director, Marketing and Audiences
Nations		
£195,000-£199,999	Peter Johnston	Director, Nations
£165,000-£169,999	Helen Thomas	Director, Nations
	Steve Carson	Director, Nations
£155,000-£159,999	Chris Burns	Senior Head of Local Radio Commissioning
Content		
£285,000-£289,999	Piers Wenger	Director, Drama Commissioning
£240,000-£244,999	Patrick Holland	Commissioning Director, Factual, Arts and Classical Music
£235,000-£239,999	Kate Phillips	Director, Entertainment Commissioning
£230,000-£234,999	Dan McGolpin	Director, iPlayer and Channels
£225,000-£229,999	Barbara Slater	Director, Sport
	Fiona Campbell	Channel Controller
	Patricia Hidalgo	Director, Children's and Education

Governance

Pay disclosures continued

Pay	Name	Role
£220,000-£224,999	Rose Garnett	Commissioning Director, BBC Film
£215,000-£219,999	Graham Ellis	Controller, Radio Production
£205,000-£209,999	Lucy Richer	Senior Commissioning Editor (Drama)
£185,000-£189,999	Jonathan Wall	Controller, Radio
	Mohit Bakaya	Controller, Radio
£180,000-£184,999	Clare Sillery	Senior Head of Factual Commissioning
	Alan Davey	Controller, Radio
	Lorna Clarke	Controller, Radio
	Helen Bullough	Head of Children's Production
£175,000-£179,999	Philip Bernie	Head of Sport
	Ben Irving	Commissioning Editor Drama
	Manda Levin	Senior Commissioning Editor, Drama
	Lindsay Currie	Head of Portfolio Scheduling
	David Pembrey	Chief Operating Officer
	Heidi Dawson	Controller, Radio
£160,000-£164,999	Carla-Maria Lawson	Channel Editor
	Mona Qureshi	Commissioning Editor Drama
£155,000-£159,999	Tommy Bulfin	Commissioning Editor Drama
	Jo McClellan	Commissioning Editor Drama
	Catherine Catton	Senior Head of Factual Commissioning
	Jo Wallace	Senior Commissioning Editor, Entertainment
£150,000-£154,999	Ben Gallop	Head of Sport, Digital and radio
	Gaynor Holmes	Commissioning Editor Drama
	Simon Young	Commissioning Editor Factual
News and Current Affairs		
£205,000-£209,999	Jamie Angus	Senior News Controller
£200,000-£204,999	Alan Dickson	Chief Financial and Operating Officer
£180,000-£184,999	Naja Nielsen	Senior News Controller
£175,000-£179,999	Joanna Carr	News Controller
£160,000-£164,999	Jon Zilkha	News Controller
£155,000-£159,999	James Gray	Head of Journalism
	Tarik Kafala	Controller, News
	Sam Taylor	Senior News Controller
Former Staff		
£340,000-£344,999	Francesca Unsworth	Director, News and Current Affairs
£155,000-£159,999	Ian Haythornthwaite	Chief Financial and Operating Officer

Richard Sharp receives a fee as Chairman of the BBC Board, which is donated to charity by the BBC. Further details are available in the Remuneration Report on pages 87 to 95.

Comptroller and Auditor General's opinion on pay disclosures

Independent Assurance Report to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

I have conducted independent assurance procedures on the disclosures included in the British Broadcasting Corporation (BBC) Annual Report arising from the requirement under the Royal Charter for the continuance of the BBC (the Royal Charter) to publish the names of all senior executives of the BBC paid more than £150,000 from licence fee revenue in that financial year; and the names of all other staff of the BBC paid more than £150,000 from licence fee revenue in that financial year set out in pay bands for the year-ended 31 March 2022. These disclosures comprise the Pay Disclosures as set out on pages 96 to 102 of the BBC's Annual Report (the subject matter) (the "Pay Disclosures").

My work is conducted in accordance with International Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historic Financial Information.

Respective responsibilities of the BBC Board and the Comptroller and Auditor General

For the reporting year covered by this report, the BBC Board was responsible for publishing information required by the Royal Charter as follows:

- the names of all senior executives of the BBC paid more than £150,000 from licence fee revenue in that financial year; and
- the names of all other staff of the BBC paid more than £150,000 from licence fee revenue in that financial year set out in pay bands for the year-ended 31 March 2022.

I am responsible for providing an opinion on whether, in all material respects, the subject matter is complete and accurate and has been properly prepared in accordance with the basis set out therein.

In conducting this work, my staff and I have complied with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the BBC in accordance with the ethical requirements that are relevant to my procedures. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My staff and I have applied International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

My approach

I have performed a reasonable assurance engagement as defined in ISAE 3000. A reasonable assurance engagement is to perform such procedures as to obtain information and explanations which I consider necessary to express an opinion on whether, in all material respects, the Pay Disclosures (the subject matter) are complete and accurate and have been properly prepared in accordance with the basis set out therein.

My work consisted of:

- Understanding the process adopted by the BBC to derive the Pay Disclosures, in particular the completeness and accuracy of information used;
- Testing the completeness of disclosures, including:
 - Cross-reference to my BBC Group audit procedures relating to payroll and expenditure;
 - Comparison to the prior year and my understanding of the BBC;
 - Review of individuals paid in the subsequent month who have been paid close to the disclosure threshold in 2021/22;
- Agreement of staff disclosure to payslips or, where staff are not paid via BBC payroll, agreement of spend back to other evidence such as contracts;
- Agreement of the spend per individual paid more than £150,000 of Licence Fee revenue into the appropriate salary banding;
- Recalculation of the volume of individuals included within each £5,000 band; and
- Review of the accompanying commentary for reasonableness and clarity around the basis of disclosure.

Inherent limitations

My assurance procedures have been designed to provide reasonable assurance. The objective of a reasonable assurance engagement is to reduce engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of my conclusion. It does not, however, eliminate this risk entirely. In particular, in preparing the disclosures, the BBC Board is required to make a number of judgements which inherently introduces an element of risk.

My work has been undertaken so that I might state to the BBC Board and Parliament those matters I am required to in this report and for no other purpose.

Opinion

Based on the results of my procedures, in my opinion, in all material respects the Pay Disclosures included on pages 96 to 102 are complete and accurate and have been properly prepared in accordance with the basis set out therein. This opinion has been formed on the basis of the matters outlined elsewhere in this independent assurance report.

Gareth Davies

Comptroller and Auditor General
National Audit Office

157-197 Buckingham Palace Road
London
SW1W 9SP

28 June 2022

Governance

Nominations Committee report

Board appointments

The Board Nominations Committee is responsible for making recommendations on appointments to the Board (with the exception of the Chairman and the nations' members) and Board Committees.

I took on the Chair of the Committee when I joined the Board and the members during the year were the Director-General, Tim Davie, Nicholas Serota, the senior independent director; and, non-executive directors Elan Closs Stephens and Shirley Garrood.

In addition to its responsibility for nominating appointments to the Board, the Committee is also responsible for nominating members to the sub-committees of the Board, and its main commercial subsidiaries. The Committee considers and reviews the independence of Board members, including any conflicts of interest, which this year we did in November. It also ensures compliance with the Board's Code of Practice, which the Committee recommended for review and re-adoption by the Board this year. The Code of Practice was re-affirmed by the Board with no changes at its January meeting. The Committee also assesses the composition of the Board and its associated committees in terms of the balance of skills and experience required, and to develop a succession planning strategy.

This year the Nominations Committee met five times. The continuing Covid pandemic restrictions meant that our meetings took place by video conference rather than in person. The Committee's work on appointments focussed on the appointment of two new non-executive directors to the Board, Damon Buffini and Shumeet Banerji, who were formally appointed at the Board's November meeting. The Committee also recommended the appointment of the new CEO, News and Current Affairs, Deborah Turness, as an executive member of the Board and the reappointment of the Chief Content Officer, Charlotte Moore as an executive member of the Board for a further two years.

During the year we also considered the governance of the BBC's commercial businesses, and recommended the transfer of governance, assurance and oversight responsibilities from the BBC's Commercial Holdings Board to a new non-executive led Commercial

Board. A number of changes to the composition and membership of the new Board were also approved, which included transferring the newly appointed non-executive directors to the Commercial Holdings Board – Gunjan Bhow and Bhav Singh – to the new Commercial Board along with its existing non-executives and appointing Damon Buffini, non-executive director on the main Board as its Chair. These changes came into effect on 1 April 2022.

Following the appointment of two new Nations members by the DCMS, Robbie Gibb as the Board member for England, and Muriel Gray, as the Scotland member, by the DCMS, the Committee reviewed the membership of the Board's sub-committees. This resulted in a number of changes designed to make effective use of the range of skills and expertise across the Board's membership. The membership of the Board's sub-committees will be reassessed on the appointment of the Board member for Northern Ireland.

The Nominations Committee supported the implementation of the recommendations of the Serota Review by considering the role description and recruitment of two external editorial advisers to the Editorial Guidelines and Standards Committee, for approval by the Board.

In fulfilling our responsibility for evaluating the performance of the Board and its associated sub-committees, we commissioned a full survey, which was undertaken by an independent reviewer this year. The Committee also commissioned a Governance Assessment which would review the overall performance of the new unitary governance structure implemented by the 2016 Charter. The findings from both reviews will go forward to the full Board in the next financial year.

Richard Sharp

Chairman
23 June 2022

Board and Committee attendance

	Board Ordinary	Audit and Risk Committee Member	Fair Trading Committee Member	Nominations Committee Member	Remuneration Committee Member	Editorial Guidelines & Standards Member	Nations Committee – England Member	Nations Committee – Scotland Member	Nations Committee – Wales Member	Nations Committee – N. Ireland Member
Number of meetings for the period	10	6	3	4	4	7	2	4	3	2
Non-executives										
Richard Sharp	10	4 of 4		4	1 of 1			2 of 2		
Shumeet Banerji*	2 of 2	1 of 1								
Damon Buffini*	2 of 2									
Shirley Garrood	10	6		3						
Robbie Gibb*	9 of 9		2 of 2			5 of 6	2			
Muriel Gray*	2 of 2				1 of 1			1 of 1		
Tanni Grey-Thompson*	8 of 8				3 of 3	4 of 4	1 of 1			
Ian Hargreaves	10		3			7			3	
Tom Ilube*	3 of 3	2 of 2	1 of 1							
Steve Morrison*	8 of 8		2 of 2		3 of 3			3 of 3		
Nick Serota	10			4	4	7	1 of 1			
Elan Closs Stephens	10			4					3	2
Executives										
Tim Davie	10			4		7				
Leigh Tavaziva	10									
Charlotte Moore	10									
Fran Unsworth*	9 of 9					4 of 4				1 of 1

This table does not include extraordinary meetings or business conducted offline.

* Shumeet Banerji and Damon Buffini joined the Board on 1 January 2022, Robbie Gibb joined the Board on 7 May 2021, Muriel Gray joined the Board on 3 January 2022, Tanni Grey-Thompson left the Board on 31 December 2021, Tom Ilube left the Board on 30 June 2021, Steve Morrison left the Board on 2 January 2022, and Fran Unsworth left the Board on 27 January 2022.

Audit and Risk Committee report

I am pleased to introduce the annual report of the BBC Audit and Risk Committee (ARC) for 2021/22.

The role of the Committee is to assist the Board in providing oversight of corporate governance within the BBC, particularly with respect to financial reporting, internal control and risk management. During the year the Committee has sought to fulfil this responsibility by ensuring a wide and relevant Committee agenda, applying thorough review and scrutiny to agenda topics and, where appropriate, seeking the advice of subject matter experts.

I have continued to work with very experienced committee members who have provided valuable insight and support: Tom Ilube (who stepped down from his role in June 2021), the BBC Chairman, Richard Sharp, and Shumeet Banerji who joined the Committee in January 2022. Elan Closs Stephens also joined as a member, from April 2022.

The Committee has received effective advice from BBC teams, notably the Company Secretariat, Finance, and the Quality, Risk and Assurance function as well as from the NAO as the BBC's external auditor. I am satisfied, as a result, that the Committee has had the necessary skills and support in place to discharge its duties properly.

The Committee met six times during the year. Our work-plan for this year has included:

- reviewing and assuring the basis for the BBC Group's statements of going concern and viability;
- overseeing our relationship with the NAO, including approving their audit plan, reviewing their assessment of risk and accounting judgements, receiving updates on progress with their work at every meeting and monitoring the implementation of actions arising from work;
- providing oversight on the BBC's strategic and operational risks and the effectiveness of the risk management framework. The framework was further enhanced this year with papers on horizon scanning and the introduction of a dashboard for compliance with regulatory and legal obligations;
- conducting deep dives into risk areas, including risks relating to technology, sustainability, operational security, international operations and people and culture;
- undertaking reviews of key change and transformation activity, this has included: E20 (the *EastEnders*' set re-development), Across the UK (the BBC's initiative to move creative functions out of London), Diversity and Inclusion, Net Zero and the Technology Strategy. As a standing item, the Committee received updates from the BBC Project Management Office on all of the BBC's critical projects;
- ensuring the effectiveness of the BBC's whistleblowing policy including receiving reports on disclosures and investigations;
- monitoring the work of the Internal Audit team and the completion of actions from their work. 38 audits and assurance reviews were completed, as part of a risk-based plan, with 95 improvement actions raised (improvement actions are tracked to completion by the Committee). It was pleasing to note that there were no overdue actions at the end of the year.

The Committee has continued to provide scrutiny over the BBC's commercial operations. Whilst all Committee meetings have a Group remit, one meeting was dedicated to Commercial matters. The Committee reviewed items relating to BBC Studios' risks and controls, the performance of key investment decisions and the relevant internal and external audit work. The BBC Studios Chief Executive and other senior members of the Studios leadership team attended the meeting.

A formal review of the effectiveness of the external audit process was conducted by the Committee. A questionnaire was sent to selected members of the Committee, the Board, and staff involved in the audit. The NAO were found to be professional, providing appropriate challenge and advice. The overall conclusion was that the external audit process had been effective. With regard to the NAO's value for money studies, the Committee has ensured that suitable management responses are in place and monitored for completion. During the year, their report on the BBC's Savings and Reform was published.

Last year I commented on the Committee's role in monitoring the impact of the pandemic on the control and operating environment. The committee's agendas, items for discussion and priorities of the assurance teams have ensured that this monitoring has been fulfilled. This focus for the Committee will continue, particularly as the BBC moves to an established pattern of hybrid working and adjusts to working in a post-pandemic environment.

Looking forward, the outcome of the licence fee settlement and wider economic and political challenges, including the crisis in Ukraine, will be important considerations for the Committee. The Committee will be seeking to ensure that the BBC remains well governed and well run whilst dealing effectively with these challenges.

Having completed my second full year as the Chair of the Committee, I am pleased to report again that it has fulfilled its remit effectively, and has supported the BBC in delivering value for licence fee payers.

Shirley Garrod

Chair, Audit and Risk Committee
23 June 2022

Governance

Audit and Risk Committee report continued

Role

The Audit and Risk Committee's Terms of Reference set out the Committee's responsibilities in more detail. These were approved by the BBC Board in September 2018 and were reviewed by the Committee in September 2021. They can be read on our website: downloads.bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk/arc-tor-sep-2020.pdf.

The remit of the Committee is to review and maintain oversight of the BBC's corporate governance, particularly with respect to financial reporting, internal control and risk management. In order to gain this assurance, the ARC has responsibility for reviewing and overseeing:

- the effectiveness of the BBC Group's internal control and risk management processes;
- the BBC's systems for the detection and prevention of fraud and corruption;
- key risks facing the BBC Group and the actions being taken to mitigate those risks to an acceptable level;
- the activities and risks of the BBC's commercial subsidiaries, ensuring that risks are acceptably managed, and that assurance is independent and sufficient;
- the actions and judgements of management in relation to the BBC's Annual Report and Accounts and related formal statements;
- the work of the BBC's Internal Audit function and its effectiveness, meeting with Internal Audit senior management privately to discuss issues as necessary;
- the BBC's critical projects, including the composition of the critical projects' portfolio;
- BBC responses to the Public Accounts Committee and Value for Money reports by the National Audit Office, giving due consideration to Parliament's expectations of the management of BBC resources;
- the external auditor's proposed audit scope, ensuring no unjustified restrictions or limitations are made, meeting separately with the external auditor to discuss any matters the Committee or the auditor believe should be discussed privately;
- the external auditor's independence, quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements; and
- arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, illegality or other matters.

Membership

The ARC comprises three non-executive members, of whom one must have recent and relevant financial experience. The members who served during the past year are:

- Shirley Garrood (Committee Chair)
- Richard Sharp (BBC Chairman, appointed July 2021)
- Tom Ilube (resigned from the Board 30 June 2021)
- Shumeet Banerji (appointed January 2022)

Shirley Garrood, the Committee chair, has significant, recent and relevant financial experience. In addition, all of the members who served on the Committee during the year are individuals who hold or have held senior positions in similar sized organisations and have the experience and skills to fulfil their responsibilities. When appropriate, the skills and experiences of members are augmented with advice from internal and external professionals – for example on matters such as developments in financial reporting.

Committee meetings are also attended by the Director-General, the Chief Operating Officer, the Chief Financial Officer, the Director of Quality, Risk and Assurance and senior representatives from Internal Audit, Risk Management and the National Audit Office, as the BBC's external auditor.

The Committee also meets privately, without any member of management present, with Internal Audit and the external auditor, on a regular basis.

The Committee regularly assesses its own effectiveness. In 2021/22 the work of the Committee was part of the external review of BBC Board effectiveness, conducted by Chris Saul. The findings and recommendations from that review will be considered by the Committee.

Meetings

The Committee met six times during 2021/22, at key times in the reporting and audit calendar.

Minutes from the meetings are made available to the Board and summary minutes are published on the BBC website: bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk. Additionally, the Chair of the Committee reports back to the Board after each meeting on any issues where action or improvement is required. The Committee also provides views on the integrity of the financial statements before the Annual Report is approved by the Board as a whole.

Integrity of financial reporting

The Committee reviewed the integrity of the financial statements of the BBC. In doing so it:

- identified, through discussion with both management and the external auditor, the key risks of misstatement within the BBC's financial statements, including those areas where significant financial judgements were required, and which have influenced the financial statements;
- discussed these risks with the auditor as part of the agreement of the external auditor's audit plan and at the conclusion of the audit of the financial statements; and
- reviewed and challenged detailed papers received from management on those areas requiring significant financial judgement, taking account of the views of the auditor.

Set out below are the key areas of judgement and how the Committee has addressed them:

Revenue recognition

There is a risk that income is not recognised correctly in line with financial reporting standards. The nature of the risk varies between licence fee revenue in the public service and commercial income. Licence fee revenue is treated as grant-in-aid due from DCMS on the basis that amounts receivable from licence fee payers will be paid across.

Commercial revenue is more complex, with a number of different revenue streams including sale of content to global broadcasters, subscription income and revenue from the sale of physical and digital products. The complexity of contractual terms may require judgements in assessing when revenue can be recognised, which is based on the delivery of performance obligations and when control is transferred to the customer.

Committee response – The Committee receives reports from management on any material or particularly complex judgements. The Committee considers that the BBC's existing financial control systems should ensure that income is properly treated in the financial statements and has confidence that management understands the risks in this area and has suitable controls in place.

Property

The BBC holds a significant property portfolio, which continues to be rationalised in order to reduce costs. The estate includes properties held under freehold and those held under leases. Buildings which have been sub-let or which are available for sub-let may be classified as investment properties. Judgements relate to the future intentions for any vacant buildings and the related timescales. This can change the appropriate accounting treatment and affect the carrying value on the balance sheet.

During the year, the following changes took place:

Part of the Broadcast Centre within the White City complex in London was sublet to ITV during the year resulting in the reclassification of this element of the leased asset from right-of-use to lease receivable.

Two further properties (Crowsley Park and Leeds Unit 2) were also reclassified to investment properties in the year.

Caversham and Swains Lane were recognised as assets held for sale as at 31 March 2022 and the completion of these property sales is expected during 2022/23.

The derivative assets and liabilities connected to the underlying Broadcasting House lease structure are subject to sensitivities in market data in addition to an adjustment to the discount rate to take account of risk. As a result, net liabilities of £168 million have been recognised in relation to this arrangement. The transaction was implemented in a manner that limited any increase in the BBC's credit exposure to the derivative counterparties involved. The special purpose vehicle established to redevelop Broadcasting House, Daunus Limited, is accounted for as a joint venture following an assessment of control. The BBC's interest in the entity is at cost and no indicators of impairment have been identified.

Committee response – The Committee reviewed reports from management, which explained the treatment for the most significant buildings, including the projected timescales for future activity and rationale for treatment. The Committee was satisfied that the treatment of properties within the financial statements was consistent with management intention and in line with international financial reporting standards.

Programme assets

The BBC holds a significant amount of assets within inventories and intangibles (programme rights for future sale), including programmes under production, payments made in advance to acquire future rights to broadcast/sell and completed programmes that are ready to be made available to audiences. These assets are recognised at cost but assessed at each year end for their recoverability. Judgement is required in determining both the recoverability of these assets and their period over which, programme rights in particular, should be amortised.

An annual expenditure recognition review (given iPlayer and Sounds popularity and content being available for longer periods) concluded, based upon audience data, that it remains appropriate to continue to recognise costs when content is first made available to audiences on the main/linear channel for 2021/22.

Committee response – The Committee was satisfied that management's assessment of programme assets, including the impairment assessments performed, is in line with international financial reporting standards.

BBC Defined Benefit Pension Scheme

The financial statements include a surplus on the balance sheet of £1,241 million for the BBC's defined benefit pension scheme. Critical judgements are required regarding the assumptions used in calculating this position. Changes in these assumptions can result in large swings in the final numbers disclosed. The assumptions used for the latest accounting valuation are based upon the

recommendations of independent actuaries and are within an acceptable range according to the NAO.

Committee response – The Committee was satisfied that the assumptions used in the financial statements relating to the pension scheme were reasonable, appropriate to the BBC and supported by independent actuarial specialists. The Committee noted the improvement in the pension scheme valuation and was satisfied with the explanations and analysis provided by management and the scheme advisers.

Employment and taxation provisions

A number of employment and taxation-related provisions exist where the BBC has a present obligation as a result of a past event that is probable and can be reliably measured. Related provisions of £15 million are within the financial statements, including an amount for payments to, or on behalf of, presenters concerning the use of Personal Service Companies (PSCs).

Committee response – The Committee received reports on matters which could result in the recognition of potential liabilities and discussed the level of provisions with management. Management confirmed that they have applied a consistent approach to the identification, recognition and release of provisions across the BBC Group. The Committee is satisfied with the level of provisions carried and the disclosure in respect of those provisions.

Capital projects

The BBC undertakes multiple capital projects at any one time, which contribute to the overall strategy of the BBC. An assessment over the appropriateness of capitalisation, along with the valuation of any capitalised asset, is required. If a material capital project cannot be completed on time, or will not derive future benefit to the BBC, this could trigger an impairment charge. Reports from management were reviewed, which explained the status of major capital projects and the approach taken to assess whether any impairment charge was required.

Committee response – The Committee was satisfied that management's assessment of capital projects, including whether any impairment is appropriate, is in line with international financial reporting standards.

Ukraine and Russia

A review by Finance of all assets and liabilities associated with Ukraine and Russia has been undertaken, along with an assessment of the commercial impact to BBC Studios. The BBC holds two leased Bureau sites in Kyiv (Ukraine) and Moscow (Russia) which may become onerous depending on how the situation in those countries evolves. No financially material impact has been identified.

The risk of payments to sanctioned banks has been reviewed. Since 30 May 2022, news media services including the BBC have been authorised, through a UK Government licence issued by Office of Financial Sanctions Implementation (OFSI), to continue business operations in Russia involving provision of news media services which may otherwise breach sanctions. In the initial stages of the conflict and introduction of sanctions, continuing to operate safely and responsibly was very challenging. During this period, the BBC had a priority to continue to serve global audience demand for coverage of this story. Consequently, some contractual salary payments to staff and freelancers with Russian bank accounts and a small payment to a Russian service media provider were made between the start of the conflict and the grant of the OFSI licence. These have been notified to the UK Government.

Committee response – The Committee acknowledges that this is a sensitive and evolving area. It is satisfied that the BBC's approach to date has been well considered and proportionate.

Management confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditor

Governance

Audit and Risk Committee report continued

reported any misstatements that they had found in the course of their work and confirmed that no material amounts remain unadjusted. The Committee can confirm that it is satisfied that the external auditor has fulfilled its responsibility with diligence and professional scepticism.

After reviewing the presentations and reports from management and consulting where necessary with the external auditor, the Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

The Committee reviewed the group financial statements and how these are positioned within the wider Annual Report. To assist this review, reports from management and from Internal Audit and the and external auditor were considered, covering:

- the quality and acceptability of accounting policies, including their compliance with accounting standards;
- compliance with legal and regulatory requirements;
- the clarity of disclosures and their compliance with relevant reporting requirements; and
- whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the BBC's performance and strategy.

Effectiveness of internal controls and risk management framework

Internal controls assurance

The Committee reviewed the effectiveness of the BBC's system of internal controls, on behalf of the Board. To make this assessment the Committee relied primarily on the findings from independent assurance activity across the Group. Specific areas that were also considered during the year included:

- attestations from Executive Team members on controls within their business areas. For 2021/22 this process has been enhanced with the introduction of a controls self-assessment;
- the themes from internal audit activity, questioning representatives of Internal Audit on the outcomes and observations from their work. A summary of internal audit activity is presented annually that highlights trends and root causes. Key findings from every audit, including assurance ratings and corrective actions, are reviewed by the Committee;
- progress on the completion of actions from independent assurance activity, including internal and external audits and NAO value for money reviews. This is an area followed up at every meeting to ensure that agreed actions in respect of any weaknesses found are being properly addressed;
- further follow-up and scrutiny over the completion of any improvement plans or agreed actions for areas which are considered high profile or have received critical assurance findings;
- reviews of topical or high priority risk areas; for 2021/22 this included technology, operational security, people and culture, sustainability and international operations;
- regular progress reviews of critical projects provided by the BBC Project Management Office. The Committee also reviewed selected projects in more depth, with relevant senior management in attendance;
- reports on whistleblowing along with the mechanisms in place to minimise and prevent these;

- the findings and progress of actions from the audits of BBC commercial subsidiaries. The Chief Executive and Chief Financial Officer of BBC Studios attend annually to provide assurance on the control environment and management of risk in this subsidiary;
- review and approval of the BBC's Modern Slavery statement and review of the approach for ensuring compliance; and
- in anticipation of potential changes to the UK's corporate governance and financial reporting requirements, the Committee also received an assessment of the BBC's financial control framework.

The Committee is satisfied that the information presented by management, and the responses received to questions and further enquiries, is sufficient for the Board to take a view on the effectiveness of internal controls and risk management.

Risk management

The Committee considered the processes for managing significant risks within the BBC.

In particular, the Committee reviewed reports and challenged management on the BBC's major strategic and operational risks; reviewed the governance arrangements for risk reporting and oversight; and considered areas of emerging risk with potential to impact the BBC.

'Deeper dives' into selected risk topics were also conducted, as noted within this report.

The approach to risk management in the BBC continues to develop and the Committee was actively involved in reviewing progress. During this year the risk team undertook a risk appetite assessment for technology risk; conducted risk deep dives for targeted risk areas and critical projects; supported risk register development; and presented papers on risk horizon scanning and compliance metrics. For further detail please see page 110.

Effectiveness of Internal Audit

The work of Internal Audit is overseen by the Committee. This is a regular item at each meeting which the Director of Internal Audit also attends. During the year the Committee has:

- approved the plan of work for the coming year, ensuring that it is risk based and strikes a balance between providing assurance over core business processes and areas of emerging strategic risk;
- considered the findings from audit activity, focusing on audits with unsatisfactory outcomes and management's plans to address these;
- considered the resource requirements for Internal Audit and its capability; and
- assessed the impact of the pandemic on the internal audit plan and approved changes to the plan to ensure it remains relevant and proportionate.

In addition, the Committee Chair meets with the Director of Internal Audit and the Director of Quality, Risk and Assurance on a regular basis outside of formal Committee meetings.

The Committee continues to monitor the structure of the Internal Audit function and the operation of the current resourcing model, with a proportion of audits provided by an external partner. The Committee is satisfied that this arrangement continues to function well.

In line with good practice, an independent assessment of the Internal Audit function's effectiveness has been conducted within the last five years. The recommendations of this review have been implemented.

Independence and effectiveness of our external auditor

Under the 2016 Charter and Agreement, the Comptroller and Auditor General, and thereby the NAO of which he is head, is appointed the BBC's statutory auditor for the duration of the Charter period.

The Committee oversaw the relationship with the NAO, including the scope of and approach to their work. Specific areas of focus this year have included:

- the external audit process, including the reporting requirements of regularity and propriety;
- the NAO's assessment of areas of audit risk or judgement. For 2021/22 this included, but was not limited to, the pension scheme valuation; complex property transactions; programme assets; commercial revenue recognition and new accounting standards;
- with regard to Covid, the impact of remote working on the control environment as well as changes in fraud risk were considered;
- private discussions with the external auditor without management present; and
- a formal review of the effectiveness of the external audit process was conducted by the Committee.

Non-audit services

As one of the safeguards over the independence of the external auditor, the Committee has developed, and oversees, the BBC's policy on the commissioning of the external auditor to provide non-audit services.

This policy defines the types of services which the external auditor can and cannot provide. Additionally, it includes thresholds above which any proposed non-audit work to be carried out by the external auditor must be approved in advance by the ARC. It also defines when work must be submitted for competitive tender.

The NAO has stated that it does not provide non-audit services. Irrespective of this, the NAO would not be considered for work which might compromise its ability to give independent opinion on the BBC's financial statements. Recruitment from the NAO into any senior management position in the BBC would require the prior approval of the ARC.

Governance

Our principal risks

Risks affect the ability of the BBC to fulfil its Charter obligations and deliver our public purposes. Our approach to risk management needs to support the delivery of our strategic ambitions and operational objectives.

Our approach to risk management

The BBC continues to operate in a volatile and uncertain world as the challenge of a global pandemic was followed by geo-political crises including the fall of Afghanistan in August 2021 and the Russian invasion of Ukraine in February 2022.

Audiences both in the UK and across the world rely on the BBC for independent and impartial coverage of global events as we deliver our public purposes and provide value to all audiences. The BBC's services have had significant demand as people seek to be informed about such situations. An estimated audience of over 280 million people came to the BBC's online news output during the week that the war in Ukraine started.

Both the pandemic and the geo-political crises have brought significant challenges and risks to the safety and security of our people, our buildings, and our finances which are managed on a real time basis by specialist teams.

The UK and global media landscape continues to be shaped by a long-term shift from linear broadcast to online services. Consumers have never had so much choice and media providers are intensifying the competition for talent and high-end content.

Given these challenges, it is critical that risk management is embedded across the BBC. This means that careful consideration of risks contributes to both our creative ambition and desire to serve our audiences, in the UK and internationally, and to how we run the BBC.

Transforming the BBC into an organisation that can succeed despite the extraordinary pace and scale of market change, capable of building relevance to our audiences despite the fierce competition for screen time in an online world is a priority.

Risk governance – The Board, both directly and via the Audit and Risk Committee (ARC), reviews the BBC's principal risks and conducts regular deep dives into specific risk areas in the year. The BBC's Operations Committee which is a sub-committee of the Executive Committee has now been in operation for 12 months. The Operations Committee supports the Executive Committee in the delivery and execution of key strategic and operational priorities and pan-BBC projects.

Risk management – 2021/22 updates

Risk management at the BBC continues to evolve and develop. In 2021/22, we made the following improvements to our risk framework:

Enhanced risk governance – The creation of the Operations Committee has strengthened management accountability and responsibility over critical projects, operational and professional service areas and matters relating to compliance with financial, regulatory and operational obligations as reported to the Board and/or its Committees.

Risk Deep Dives – The Operations Committee has conducted deep dives in the year including into child protection and safeguarding; health and safety; technology and cyber risk; sustainability; bullying and harassment; and mandatory training. From a project perspective, the Operations Committee has conducted deep-dives into the East Bank programme, (relocation from the BBC's current live music studios in Maida Vale to a facility being constructed by the London Legacy Development Corporation (LLDC) within the new cultural quarter at Stratford, East London); Diversity and Inclusion baselining of position; Across the UK governance; and the BBC's Business Process Outsource (BPO) re-procurement.

The ARC has conducted deep dives in the year including technology risk; UK and international Security; sustainability and climate risk and BBC Studios commercial risks. From a project perspective, the ARC has conducted a deep dive on Across The UK; Diversity and Inclusion; Strategic Technology Review; E20 (re-development of the EastEnders site) as well as regular discussions on the critical project portfolio.

Risk reporting – Our regular Board risk report and the quarterly ARC risk report are discussed at the Executive Committee prior to the Board and ARC respectively. We have set the risk appetite of our key operational risk areas and undertook a risk appetite assessment for technology risk. Our risk reporting includes a focus on significant movements in the quarter, operational risk areas outside of appetite and provides a view on emerging risk and watchlist items.

Risk registers – In addition to the current set of registers for News, Nations and Content there has been further development on the risk registers for Technology, Cyber Security, Health, Wellbeing and Safety. Key risks are discussed at Divisional meetings and top-level risks are reported to the BBC Operations Committee.

Emerging risks – The Corporate Risk team, in collaboration with specialist teams scan the internal and external environment in order to identify emerging risks for the BBC. We consider such risks to be unknown or known threats but whose impact on our operation is unclear. The BBC's Strategy team continuously horizon scans for upcoming areas of interest, threats and opportunities. Such risks are also identified via working closely with the Divisions, embedding the consideration of risk into Board and Operations Committee and ARC papers.

Our emerging risks are broadly categorised as external/market facing, political, legal and regulatory, operational and technological. The timeframes considered for emerging risks are within the next three to six months, in the next 12 months and in greater than 12 months. The types of emerging risks we have considered include: the risks associated with the Government's Vision for the Broadcasting Sector; the impact of the Online Safety Bill on the BBC; the potential reforms of the UK's data protection regime; the impact of climate change on our audience behaviours as well as the impacts on our operations as we transition to a low-carbon economy.

Risk management – 2022/23 plans

In 2022/23, key improvement initiatives include refreshing our approach to monitor and report Strategic Risk; embedding risk ownership for our priority corporate risks in order to enhance risk oversight; identifying trends and themes from Divisional risk register and driving action.

Our principal strategic and operational risks are set out overleaf.

**Key to risk movement:
Movement in risk during 2021/22**

- ▲ Risk has increased in year
- Risk has remained static in year
- ▼ Risk has decreased in year

Public purposes

- | | |
|--|--|
| <p>1 To provide impartial news and information to help people understand and engage with the world around them.</p> | <p>4 To reflect, represent and serve the diverse communities of all of the UK's nations and regions and, in doing so, support the creative economy across the UK.</p> |
| <p>2 To support learning for people of all ages.</p> | <p>5 To reflect the UK, its culture and values to the world.</p> |
| <p>3 To show the most creative, highest quality and distinctive output and services.</p> | |

Strategic risks

1. Structural change in audience's behaviour and the external landscape

1 2 3 4 5 ▲

What is the risk?

There is a risk that the BBC does not adapt quickly enough as the transition from broadcast TV to online and from radio to digital streaming (Subscription Video on Demand SVOD) across all age demographics accelerates. As the UK creative industry emerges from the pandemic and its associated effects, the long-term effects of this structural shift may become permanent.

What is the impact?

Audience levels are not maintained across all BBC platforms. The BBC is not valued by all audiences and/or society and we do not meet the needs of underserved audiences, including younger audiences, nations and regions, and black, Asian and minority ethnic viewers.

How is this risk managed (current and planned mitigations)?

Pan BBC

— Our Across the UK strategy is aimed at ensuring the BBC reflects, represents, and serves all parts of the country.

Content

— The BBC continues to deliver high-impact content in line with our strategy of delivering value for all audiences. Over the next 12 months, key audience driving events include the Queen's Platinum Jubilee celebrations, the 2022 UEFA European Women's Football Championship in England, the Birmingham 2022 Commonwealth Games, the 2022 FIFA Men's World Cup in Qatar, and the return of Radio 1's Big Weekend.

— We will deliver a significant increase in editorial content in Bitesize including content for Key Stage 3 pupils and brand-new Reception content in English and Maths.

— The return of BBC Three as a broadcast channel with programmes aimed specifically at younger audiences.

News

— Our news coverage of critical events has continued to bring in huge audiences across the Six and Ten news bulletins – both reach more than 12 million adults a week on average.

— We will continue in-depth coverage of the Russian invasion of Ukraine, helping audiences to understand events as they unfold. We will continue to find ways to inform UK and international audiences about the conflict, such as the recently launched podcast *UkraineCast*.

▲ How has this risk changed during 2021/22?

The transition of audiences from broadcast media to online media has been a key trend for a decade. Whilst this adoption was initially associated with younger audiences, this is no longer the case, with increasing consumption for all audiences including older audiences.

Video: SVOD adoption for over 65s nearly doubled during the pandemic; homes that subscribe to two or more SVOD services are rising (up to 65% of SVOD homes in 2021 up from 55%) although early signs indicate that subscription rates may be levelling off. New SVOD services continue to launch.

Audio: Continued shift in listening towards online services with music streaming and podcasts growing rapidly.

1. Structural change in audience’s behaviour and the external landscape continued

Digital (including iPlayer, BBC Sounds, apps)

- We have a refreshed and updated user experience and functionality across BBC iPlayer, BBC News Online, BBC Sounds and BBC Sport Online.
- We have made a series of announcements relating to a digital first BBC outlining our plans and ambitions to increase investment into digital product and content development.
- We have put in place a new digital product operating model under the leadership of a new Chief Product Officer.
- We will focus this year on investing into platform capabilities that are shared across our product portfolio, such as personalisation, metadata, and content production tooling, as well as investing in specific skills such as data science and machine learning.
- We will continue to improve iPlayer, which is our top priority for the year ahead, by giving every user a relevant and rewarding experience on every visit, using our expertise in editorial curation and recommendations to improve content discovery, and making further improvements to the user interface.
- We will continue to ensure BBC Sounds is available where our audiences want to listen, whether it is at home via smart speakers, on the go via mobile devices, or via connected devices in the car.
- We will also continue to improve BBC Sounds with more effective personalisation, curation and search functionality. We will also trial making some BBC radio programme podcasts available for on-demand listening first on BBC Sounds.
- We will make local content more accessible on both the BBC News and BBC Sounds apps. We will complete the rollout of the redesigned and rebranded BBC News app, including a more personalised service.

Residual risk

There is a residual risk that the BBC is not able to adapt and accelerate its response to the long-term trend of audiences moving from linear TV to SVOD and radio to digital streaming services.

Specifically, we have identified the following to consider and/or address:

- Delivery of accelerated response to the digital needs of audiences.
- Harnessing and driving value from data e.g., personalisation.
- Making targeted investments into attracting and retaining digital skills to enhance our product portfolio.
- Enhancing our content proposition for TV, iPlayer, BBC Sounds and other digital services.

How is this risk monitored?

- Audience metrics including reach, use, breadth, and time spent with the BBC by demographics including younger audiences, black, Asian and minority ethnic, nations and regions.
- Unmatched viewing (consumption of non-broadcast content e.g. SVOD, gaming content on TV sets).
- Metrics measured across TV, Radio, Sounds and iPlayer.
- Performance and trends discussed at Executive Committee and Board meetings.

What is the risk?

The BBC does not maintain the quality and breadth of its content offerings, for example in high-end drama due to operating boundaries. This is against a backdrop where our vertically integrated competitors are investing heavily in content, generating their own intellectual property (IP) and prising away talent. Further, there is a risk that the BBC does not retain ownership and/or control of its IP in order to maximise audience, attribution and commercial value.

There is a risk that BBC Studios fails to develop and grow new IP for exploitation or loses rights to existing IP. Many global customers commission on a work for hire basis. This means that they take ownership of most or all the rights to the content produced. Customer budgets are also increasingly shifting from acquiring content, to creating their own content/IP, bypassing traditional producers.

How is this risk managed (current and planned mitigations)?

BBC Studios

- The BBC Studios business is restructuring this year and will bring together creative and commercial decision making into four distinct production genres. This creates one content portfolio and strategy designed to support the business's ambitions and growth plans and will see all creative and content investment decisions taken with a single strategic view across wholly and partly owned labels, BBC Studios Productions, and the independent producers which BBC Studios partners with for Content Sales.
- BBC Studios has investments in several independent producers. This enables the business to partner with key creative talent, whilst allowing them the freedom to focus on delivering priority content in key/underserved genre areas.
- BBC Studios has commenced its own global direct-to-consumer strategy focussing on British TV and film content. Services have successfully launched in North America, Australia and South Africa (with further launches planned). Ambitious plans are also in place for growing audio and digital global news services.
- The business continues to recruit into key roles, demonstrating that it remains an attractive proposition for talent. Incentives have been independently reviewed to establish what is required to support the commercial growth plans. The production management strategy has been refreshed to address recruitment and retention challenges in production with action being taken to implement recommendations.
- BBC Studios will continue to promote BBC and other British content to the world, through the selling of content, doing deals and making programmes with international partners.
- The transition of Children's production to BBC Studios will allow this critical genre to grow and generate additional income.

What is the impact?

Heightened competition from larger players results in being priced out of acquiring content that represents the UK, which impacts our ability to retain audiences in a highly competitive environment.

Loss of value across the Group if BBC Studios is unable to respond to market changes, win profitable new business and grow new IP for commercial exploitation.

2. Creativity and content continued

BBC Public Service

- We will continue our commitment to ensure diversity behind the camera across three protected characteristics: Ethnic Minority Groups, Disability and Socio-Economic Diversity (SED) in all new commissions, to drive change in off-screen representation.
- Our highly successful 50:50 gender equality programme designed to equalise female and male representation on screen and on-air will continue. We are ensuring representation also includes Disability and those from Ethnic minority groups.
- By establishing partnerships with Northern Ireland Screen, Screen Scotland, Creative Wales and Create Central in the Midlands, BBC Three will fund opportunities for regional independent production companies to develop and produce locally based content.
- We will continue to evolve BBC Four in line with the plans we set out this time last year to move BBC Four to being the home of both the BBC’s rich archive and arts and music performances.
- We will work with multiple independent producers to mentor and grow their capabilities, with a particular focus on diverse and regional talent and producers.
- We are investing in high-impact content for children, including extracting more value from *Newsround*, growing our programme brands to deliver audiences to iPlayer and value to the BBC Group, and future proofing our bitesize online offer. We are also boosting performance and engagement including developing iPlayer as a viable destination for children, boosting use of online products and making the BBC a destination for families with children.
- In 2022/23 we will commission our first three pilots from the Ignite initiative, which is supporting the creative economy by developing new UK animation talent from across the UK.

▲ How has this risk changed during 2021/22?

As global media giants increase their dominant positions in the industry, they bring significant investment and funding into the marketplace and lock in key talent into lucrative exclusive deals. Consolidation of the market continues, with mega mergers taking place e.g., the merger between Warner Brothers and Discovery and Amazon’s acquisition of MGM. Such deals strengthen the content pipelines across a range of genres.

From a BBC perspective, such activity significantly increases the competition for talent and continues to drive up the cost of content and erode margins for our commercial businesses.

Residual risk

The residual risk reflects intense competition for talent and continuing trend in the rising cost of creating content, that is unlikely to reset to pre pandemic levels.

Specifically, we have identified the following to consider and/or address:

- The licence fee settlement, particularly at a time of high inflation and media super-inflation will mean a reduction in the real-term investment we can make in the wider UK creative sector.
- Challenges on delivering value from investments, as costs rise, and the global market is dominated by a few large players who can heavily influence prices and rights positions.
- Vertical integration and market consolidation (e.g., Discovery/Warner merger) is likely to continue as more companies seek to establish power and create their own content and IP. This locks the BBC out of acquiring content and risks disintermediation for BBC Studios Production and Distribution businesses.
- The programme supply for sporting events is heavily reliant on the listed events regime.
- Retention of key creative talent in the BBC, in a highly competitive market.

How is this risk monitored?

- Results of annual commissioning surveys.
- Value and volume of BBC commissions across high-end productions.
- Third-party investment in BBC commissions.
- Measures of perceived and actual diversity on screen.
- Audience metrics for BBC programming.
- People/talent metrics are being tracked and are reported with the business working closely with HR to flag issues and take action.
- Quarterly Performance Review process looking at financial and strategic performance and interventions taken.
- Investment process and approvals set financial thresholds for investment and monitor performance and ROIs.
- Health of pipeline monitored against key content priority areas.
- Formats performance monitored across titles.
- Independent producer performance closely monitored across portfolio.
- Commissions won (BBC and third parties).

3. Impartiality, trust and accuracy

What is the risk?

The BBC does not provide impartial, accurate and trusted news content in the current environment, thereby not maintaining audience trust in the BBC. A risk that our editorial processes and procedures are not followed correctly on individual stories or within teams.

Further, there is a risk that we do not reflect the views, opinions and identities from across the UK.

How is this risk managed (current and planned mitigations)?

- Our ten-point plan on impartiality and editorial standards incorporates our response to the Serota review and represents our most significant push to ensure BBC content, not just in News but across all our output is fair, accurate and impartial, and reflects a broader set of viewpoints and perspectives from across the UK.
- The BBC’s Editorial Guidelines set the editorial values and standards for the BBC. The Guidelines reinforce the Charter requirement to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.
- Our impartiality and social media guidance support the BBC’s Editorial Guidelines; together, these set the highest standards in the industry.
- We will publish new BBC Board-led thematic reviews of content, the first of which will focus on the BBC’s coverage of UK public spending and taxation.
- We will begin the new programme of internal content reviews, assessing the extent to which news and factual content meets editorial standards; these reviews will cover other areas in addition to news and factual content.
- Our new Safeguarding Impartiality training has been rolled out to all staff and we will now roll it out more widely to include independent producers.
- Dedicated focus on impartiality training for new joiners, to ensure that a strong understanding of the essentials of impartiality is built into all BBC careers from the outset.
- We have included impartiality questions for the first time in the staff survey, and this is already incorporated into the Senior Leader Index for discussion with senior leaders when performance is reviewed.
- We have allocated more resource to Editorial Policy and included various measures to increase their profile and impact.
- We have updated the terms of reference for the Editorial Guidelines and Standards Committee (EGSC) to enhance their role in monitoring editorial risk, and two external editorial experts are being recruited.
- We are updating the Complaints Framework to include fast-track complaints handling and we will publish a process for self-initiated investigations into editorial breaches.
- Rules on external engagements have been in place since 2021, with an external event register requiring all journalists and senior leaders across the BBC to seek written permission for external speaking engagements and other public events. A register of paid external events is published each quarter.
- We will tackle misinformation, propaganda and the rise of state-backed narratives by continuing to play a leading role in the Trusted News Initiative, an industry collaboration of major news and global tech organisations.
- BBC Monitoring will continue to track misinformation and false narratives around the elections, the pandemic, and vaccines globally, investigating who is spreading online disinformation.

What is the impact?

Failure to deliver impartial, trusted and accurate news erodes trust in the BBC and leads to audience dissatisfaction and loss.

▼ How has this risk changed during 2021/22?

Our impartiality scores are still under pressure across the political spectrum. Polarised public opinion on national matters continues to remain a challenge.

However, this risk has decreased from last year based on audience research data, and a 92%+ Safeguarding Impartiality training completion rate for BBC staff. The staff survey results support this improvement with high scores for staff understanding of why impartiality is important for the BBC and how frequently managers champion impartiality. The implementation of our ten-point plan is designed to mitigate this risk further but is not fully in place yet, and some initiatives will take time to have effect. The Board and Executive Committee are prioritising and monitoring this more systematically than ever before.

Governance

Our principal risks continued

3. Impartiality, trust and accuracy



Residual risk

We have identified the following to consider and/or address:

- Continuing risk around providing impartial, trusted and unbiased news and content across BBC platforms.
- Continuing risk with misinformation in the UK and globally.
- Developing the next generation of on- and off-air talent and workforce who embody the BBC's values on impartiality.
- Challenges relating to depth of understanding and skills across the BBC in the increasingly complex and challenging external environment.
- Strong use of social media particularly for younger people leading to increased concerns regarding the spread of false or misleading information.

How is this risk monitored?

- Audience surveys and metrics measuring value and impartiality.
- Impartiality training statistics.
- External events register.
- A new public register of paid-for engagements, published quarterly.
- Enhanced roles of the Editorial Policy team and Editorial.
- Guidelines and Standards Committee.
- Staff survey results.

4. Global reach



What is the risk?

a) Global reach

There is a risk that our global reach ambition to reach 500 million people by the end of 2022 is impacted by global market conditions, with more choice for users and consumption turning to social media, and by constraints to our distribution in key territories.

b) BBC attribution

The high proportion of World Service reach delivered through syndication creates a risk that audiences in some parts of the world do not attribute content to the BBC.

What is the impact?

- a) Would result in an inability to meet the global audience targets set for the World Service.
- b) Audiences not correctly attributing content to the BBC could result in lower levels of recorded reach, as well as greater pressure on levels of trust in the content and/or service in local markets.

How is this risk managed (current and planned mitigations)?

- Output continues to be monitored and supported by primary research, to develop our local and global proposition and to understand how we can continue to reach a wider global audience, including a target for younger and female demographics.
- Research projects on drivers of audience impact, and the needs and behaviours of key demographics, have recently been implemented and will inform future content and product decisions.
- The performance of all platforms is tracked across all markets to ensure that editorial and strategic investment decisions locally are made within the wider global context and reach and impact goals.
- Syndication contracts are carefully managed to ensure that we can continue to reach the broadest audience through trusted and reliable partners, whilst maintaining strong, clear BBC branding.
- Having the right platform mix in different markets is key to delivering reach, influence and impact – distribution patterns are continually monitored to ensure there is the right balance in each market.
- We will accelerate the digital transformation of the World Service, improving our digital products, enhancing core live pages and video performance to provide a better experience aligned to audience needs.
- The BBC World Service, in English and more than 40 other languages, will continue to explore global themes such as how countries are attempting to move beyond the Covid-19 pandemic, how they are dealing with the challenge of climate change, and continue our coverage of critical world events, including the Russian invasion of Ukraine.
- We will deliver new investment in our digital news output in key global markets, and BBC Studios will continue to develop and grow direct-to-consumer digital subscription services, building on the North American launch of factual video streaming service BBC Select and BBC Podcasts Premium.

Residual risk

The residual risk reflects the growing ambition to build on strong global performance to deliver greater audience impact through content and services.

Specifically, we have identified the following to consider:

- Increasing the focus on strengthening engagement with key audience groups and building a more habitual relationship in key markets around the world – may place pressure on future reach growth (in outer years beyond 2022).
- Whilst World Service funding has been secured for 2022/23, longer-term funding remains uncertain.

▼ How has this risk changed during 2021/22?

There has been a strong increase in audience numbers, reaching 493 million. Much of this increase has been driven by growing our digital reach – both on our own platforms and across social sites.

Negotiations with Government over World Service investment have led to an extension of FCDO funding to 31 March 2023, with a continuation of the one-year uplift of £8 million to support the expansion of digital services and key initiatives tackling global disinformation – e.g., investigations such as *Africa Eye*, which help to build brand, reach and impact.

BBC World Service will receive an additional £4.1 million in emergency funding to help it continue to bring independent, impartial and accurate news to people in Ukraine and Russia and create content to counter disinformation about the war in Ukraine.

How is this risk monitored?

- Global reach vs target.
- Quality indicators of audience impression.
- Impact indicators of BBC on audience.
- Audience mix (syndication, online).
- Composition of global audiences (younger audiences, female).

Governance

Our principal risks continued

5. Our finances

<p>What is the risk?</p> <p>The risk that we do not effectively manage and/or offset the rising cost of producing and broadcasting the high-quality and creative output that our audiences expect and continuously invest to enhance our digital services.</p> <p>On the licence fee, the risks include licence fee decline e.g., a rise in licence fee evasion or increased cost of collection or a reduction in household growth. There is also a risk that the BBC does not continue to drive efficiencies in its operations and thereby does not deliver even greater value for money.</p> <p>There is a further risk that the BBC's commercial entities fail to respond to market challenges, therefore reducing financial returns.</p> <p>Future adverse changes to the actuarial valuation of the pension scheme represent a risk to financial stability, as would any further increase in the future service costs for the defined benefit pension scheme – further details are provided on page 56. A reduction in the BBC's credit rating would increase the cost of funding.</p>	<p>What is the impact?</p> <p>Reduction in licence fee income or returns from commercial entities or failing to mitigate inflationary pressures on the cost base will have a negative impact on services and the scope of what the BBC will be able to offer its audiences, staff and contributors.</p>
<p>How is this risk managed (current and planned mitigations)?</p> <ul style="list-style-type: none"> — Close monitoring of licence fee collection, evasion, including reduction in household growth rates. — Additional borrowing capacity granted to the commercial group, enabling greater investment and growth opportunities that will deliver additional financial returns. — Scrutiny of the BBC's financial position at the Board, Audit and Risk Committee, Commercial Board and Executive Committee, which has been further enhanced by the Operations Committee. — We continue to ensure our overheads remain low and have been externally benchmarked to be in the upper quartile. — A recovery plan has been agreed between the BBC and pension scheme trustees with a deficit payment plan agreed. — Finance team undertake longer-term planning and forecasting to aid spend decision making. — Annual going concern and viability reviews to assess ongoing financial stability. — Maintenance of a stable credit rating with no significant change 	<p>^ How has this risk changed during 2021/22?</p> <p>The financial challenges remain an elevated risk for the BBC. The licence fee will be frozen at its current price for two years from 22/23 and then rise in line with inflation for the following four years, at a time of high inflation, including in the energy markets and super inflation in the content and talent market.</p> <p>Viewing habits and falling audience share pose a financial risk as people are less likely to pay the licence fee if they do not view licensable content.</p> <p>There has been continued focus throughout the year to deliver efficiencies and savings plans. Additional savings and mitigations are planned going forward considering increased inflationary pressures to ensure continued delivery of high-quality outputs to the licence fee payer. This year we successfully delivered an additional £274 million of annual savings bringing total savings at the end of the plan to £1,029 million, including £38 million of one-off savings.</p>
<p>Residual risk</p> <p>The residual risk reflects ongoing potential adverse impacts on licence fee revenues and the financial returns targets for commercial subsidiaries.</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Current high levels of inflation which will have a significant impact on our staff and our suppliers as key contracts are re-negotiated as well as media super-inflation. — The recent licence fee settlement will require the BBC to find £285 million extra in annual savings by 2027/28. — Increased contributions from commercial activity. — Successful delivery of a revised operating model including delivery of savings to meet the reduced licence fee income. — Risks relating to post-2027 funding model. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Collection rates for licence fee revenue. — Regular reporting to external stakeholders e.g., Ofcom, DCMS, pension trustees etc. — External benchmarking of activities and use of procurement processes to deliver value. — Metrics on commercial entities performance including sales, EBITDA and free cash flow. — BBC credit rating. — Performance of BBC defined benefit pension scheme. — Regular reviews and reporting to the Executive Committee, Board, Audit and Risk Committee and Commercial Board.

<p>What is the risk?</p> <p>The extent of organisational and culture change in progress creates a risk that the organisation is placed under significant operational strain.</p> <p>There is a risk that we are not able to retain employees in key areas due to the increased level of change and disruption, difficulties implementing hybrid working, or disengagement from failure to meet our diversity and inclusion (D&I) targets.</p>	<p>What is the impact?</p> <p>Inability to retain and hire talent and disengaged staff impacting on productivity and increasing the potential of industrial action.</p>
<p>How is this risk managed (current and planned mitigations)?</p> <ul style="list-style-type: none"> — Placing utmost importance on the wellbeing of BBC staff by creating a safe environment, committed to hybrid working. — Clear diversity targets as set out in our new Workforce Diversity and Inclusion Plan 2021-23 including increasing the proportion of women, those from an ethnic and minority background and those with a disability. This plan will deliver an inclusive culture and supports our commitment to create a 50:20:12 BBC. — Plans to change the socio-economic mix of our staff to better reflect UK society. By 2027/28 we want 25% of our staff to come from a lower socio-economic background. — Continue the myConversation approach to staff performance and development focusing on goals, career and development. — Continued focus on the Senior Leadership Index Programme; a consistent way of measuring, valuing and supporting our leaders and ensuring they are held accountable for their performance. — Deliver the BBC's core apprenticeship programme with plans to introduce 1,000 apprenticeships by 2025, and the enrolment of the first cohort into the Apprenticeship Hub in the West Midlands. — Enhanced package of benefits to staff, which now include workplace savings products to support financial wellbeing. — Launch of the BBC Values Programme with a renewed focus on workplace culture to support colleagues. — Whistleblowing hotline in place and investigations conducted where appropriate. — Open and effective way of working with the unions. — Extensive staff communications, with engagement monitored via staff surveys. 	<p>^ How has this risk changed during 2021/22?</p> <p>Our people risk has increased due to several reasons as outlined below.</p> <p>The organisation continuing to adopt a hybrid way of working remains challenging, as we are transitioning the workforce back into the workplace environment.</p> <p>There is a high volume of organisational change, particularly with implementation of the Across the UK strategy, and changes are ongoing in News, Technology and Product groups.</p> <p>The level of culture change is underpinned by a radical process of transformation within each of the BBC's Divisions, introducing bold, long-lasting initiatives and structural innovation, creating a leaner and simpler organisation and ensuring every area meets the 50:20:12 targets.</p>
<p>Residual risk</p> <p>The residual risk relates to the impact of significant change across the organisation.</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Retention of key staff in the BBC. — Higher staff turnover in recent months following the pandemic. — Long-term impacts on organisational strain for a simplified BBC. — Level of change and the risk of industrial action as new initiatives and savings plans continue. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Employee satisfaction survey results. — Employee retention, turnover and 'reason for leaving'. — Black, Asian and minority ethnic, disability, gender, LGBTQ+ representation in leadership roles and all staff. — D&I targets monitored as part of the Senior Leadership Index. — Monitoring of whistleblowing hotline. — Completion rates of training courses. — Uptake of wellbeing resources.

Governance

Our principal risks continued

Operational risks

1. Health, safety and security ➤

What is the risk?

The risk that we fail to protect the health, safety, security and wellbeing of our employees and members of the public with whom we interact. This includes ensuring that those with whom we have a duty of care over are not put at harm from a significant single event or over a period. Risk that we fail to provide a Covid-secure environment within our workplace and sites.

How is this risk managed (current and planned mitigations)?

Health and safety:

- Covid-19 Risk Assessment and Covid Secure measures continually reviewed and updated throughout the pandemic to enable people to work safely in BBC workplaces.
- Senior Managers and Safety Advisors undertook a series of Assurance Monitoring Activity across the organisation specifically focussed on Covid-19 risk management to ensure controls were being adhered to and risks were suitably assessed.
- Health (physical and mental) and wellbeing support was increased to provide a range of services relevant to the challenges people were facing as a result of the pandemic.
- The BBC collaborated with other broadcasters to publish the Production Industry Covid-19 Guidance to enable productions (BBC and independent) to work safely through the pandemic.
- The reporting platform for incidents, risk assessments, assurance and inspections were improved to increase accessibility for the business and to mature the safety performance measurement capabilities.
- Mandatory training in Safety re-designed and made available online to ensure everyone can attend training in a way that works best for them and their ways of working.

Safeguarding:

- Safeguarding has successfully transitioned into its new Governance and Assurance model, focusing on assurance gathering of safeguarding mitigations both internally and across third-party engagements, ensuring risks are effectively managed.
- Safeguarding awareness training has been approved for expansion into all staff mandatory modules to be launched in June 2022, with higher level training already fully updated and relaunched to reflect safeguarding best practice within the broadcasting sector.
- Criminal records checking (CRC) guidance has been updated to broaden applicable regulated activity roles across the organisation thereby further strengthening current CRC provision across the BBC Group.
- Working with Children advisor network has been re-scoped and re-launched thereby enhancing provision of higher level safeguarding trained staff throughout the business.

Security/high-risk deployments:

- Specialised training in place for staff on high-risk deployments (and their managers) and each deployment subject to thorough risk assessment. Additional support provided on the ground to staff working in Afghanistan, Ukraine and Russia by specialist teams including the extraction of BBC staff.
- Scenario planning and simulation exercises conducted with key management teams.
- Ongoing security reviews for BBC premises and outside broadcasts, and close links in place with UK security authorities and cross-sector security forums.
- All reported incidents investigated to identify any corrective action.

What is the impact?

Inability to look after the physical and/or mental health of our people, contributors and visitors. Failure in this regard may also have a reputational, legal or regulatory and financial consequence on the BBC.

➤ How has this risk changed during 2021/22?

The pandemic provided a continuous challenge for businesses and short notice changes in response to new variants, new Government rules and an evolving risk profile. The BBC continues to risk assess to ensure that its measures were suitable and sufficient, and adapted to the changing risk profile.

With the introduction of the Government vaccination programmes and community controls, the severity of the virus has reduced to a level where controls can be reviewed and adjusted to facilitate a move to 'Living with Covid'.

BBC Safety has worked towards continual improvement of the Safety Management Systems making the ability to own and manage safety risks more user-friendly and thereby increasing capability in risk ownership.

Increased Criminal Records Checks at enhanced level for relevant talent and staff has provided greater scrutiny and as such is reducing risk. Safeguarding awareness training being embedded within new group wide mandatory training modules raises awareness of safeguarding and how to raise concerns across the organisation, broadening the culture of transparency and trust. A focus on Safeguarding assurance has improved the compliance culture across the business, with control measures and their successful implementation being further embedded across all divisions, which in turn pushes the risk trend down.

The pandemic limited international travel to hostile environments and where required, online training was delivered. Face-to-face training restarted in December 2020.

1. Health, safety and security continued ➤

<p>Residual risk The residual risk reflects the continued need to safeguard our people, our journalists and reporters as they report from the UK and internationally.</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Risks to our journalists physically and online, both in the UK and internationally. — Impact on mental health, wellbeing issues and occupational health longer-term impact. — Formal training and background checks on talent applied consistently. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Formal approach to reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). — Performance on health and safety risk assessments. — Completion rates of mandatory training. — Timeliness of CRC checks and completion rates.
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2. Business management and change ➤

<p>What is the risk? The risk that we do not effectively manage our business operations and change programmes impacting the delivery of strategic or operational goals. This includes the critical project portfolio, business continuity plans and third party suppliers.</p>	<p>What is the impact? The BBC is subjected to unexpected financial cost, a detrimental impact upon our reputation and/or regulatory intervention. Delays to critical change initiatives impacts the BBC's ability to deliver against key strategic and operational objectives as well as impacting financial sustainability and staff morale.</p>
<p>How is this risk managed (current and planned mitigations)?</p> <ul style="list-style-type: none"> — Major projects receive monthly oversight from Operations Committee (OC) ensuring management accountability. For the Critical Projects Portfolio, additional quarterly scrutiny is provided by the Audit and Risk Committee (ARC). — Executive champions have responsibility for all critical programmes on the Operations Committee portfolio. — The Corporate Project Management Office (PMO) assured the business benefits and outcomes of critical projects through its assurance framework and ongoing engagement until December 2021. A new Transformation Office and separate project Assurance function took over from 2022. — The Project Assurance function focuses on assuring both delivery risk and providing value to audiences. Assurance is evidence based and includes both point in time reviews and ongoing structured assurance across the BBC change portfolio. — Dedicated, skilled project teams applying project management disciplines (backed by a Project and Change job family). — Procurement monitors spend to ensure that supplier contracts are in place, and to assess the adequacy of supplier management to deliver value for money. — For the East Bank project, we are implementing a programme which explores commercial opportunities to utilise studio space to realise greater value from the facility. 	<p>➤ How has this risk changed during 2021/22? Major projects have weathered the impacts of the pandemic and are largely operating with greater certainty than this time last year.</p> <p>However, volatility in the macro-economic environment creates pressures on project budgets and contingencies, so close management attention is being maintained through the Operations Committee and ARC.</p>
<p>Residual risk The residual risk relates to the ongoing challenges in delivering the Critical Projects Portfolio (CPP).</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Inflation and increasingly volatile external environment and the impact on the high number of change initiatives with interdependencies. This is particularly evident in construction projects (E20 and East Bank) where the market volatility for materials and services remains a risk. — Risk of organisational strain and change fatigue is high. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Monthly status reporting of critical projects to the Operations Committee and BBC Board. — Operations Committee oversight of strategic change. — Independent assurance of CPP to Executive Committee, Board and ARC. — Formation of Transformation Office reporting into the Chief Operating Officer.

Governance

Our principal risks continued

3. Compliance



<p>What is the risk? The risk that we fail to comply with legal, regulatory and other standards/obligations (including counter fraud and internal requirements e.g., editorial compliance) pertaining to the BBC.</p>	<p>What is the impact? Inadequately managed compliance risk may result in reputational damage, loss of trust, legal action, fines or other penalties.</p>
<p>How is this risk managed (current and planned mitigations)?</p> <ul style="list-style-type: none"> — Policies in place, aligned with legal and regulatory requirements, supported by advice from subject matter experts, and detailed monitoring and reporting. — Mandatory training modules covering key compliance requirements (e.g., anti-bribery, bullying and harassment, disability confident, fair selection, fair trading). The mandatory training offering has been reviewed to streamline and re-launch the offer in 2022/23. — Established editorial policy in place with clear process to handle and respond to complaints within the BBC. — Process in place to ensure compliance with Ofcom regulatory requirements, also supported by reporting and monitoring. — Ofcom complaints monitored with regular reporting to the Director-General and Executive Committee, and monthly Board reporting. — Specialist teams in place to support compliance with tax, legal, employment, litigation, and other regulatory compliance requirements. — Timely completion of staff onboarding and renewals of relevant checks including eligibility/right-to-work and disclosure and Criminal Records Checks. — Due diligence and vetting checks on key suppliers and third parties to manage third-party risk, including those pertaining to modern slavery. — In October 2021 we published our ten-point plan on impartiality and editorial standards. This incorporates our response to the Serota review and represents our most significant push to ensure BBC content, not just in News but across all our output is fair, accurate and impartial. — A counter fraud awareness toolkit with supporting resources to report suspected fraud launched on the corporate intranet. 	<p>➤ How has this risk changed during 2021/22?</p> <p>There continues to be a high level of scrutiny in the regulatory environment and external interest in editorial judgements.</p> <p>The Serota review was completed in year and made recommendations on the BBC’s editorial processes, governance and culture.</p> <p>The trend of complaints volumes has continued due to polarised public opinion, the political landscape and the role of social media.</p> <p>Internal Audit have continued with a rolling programme of counter-fraud assurance activity, covering areas such as supplier payments, banking controls and IT asset usage. Development of a Control Self-Assessment (CSA) process for overseas bureaux has been completed.</p>
<p>Residual risk The risk of non-compliance with legal, regulatory requirements and other obligations remains and may increase as the focus of regulatory bodies returns to business-as-usual matters.</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Ofcom’s approach to regulating the BBC. — Management of the overall trend of increasing complaints levels. — Risk of fraud likely heightened e.g., with wider economic factors. — Divisional process level controls framework. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Compliance against Ofcom requirements. — Complaints (volume and management). — Legal cases and outcomes. — Tax proceedings and ongoing cases. — Grievance and disciplinary case numbers and trends. — Whistleblowing process. — Rolling Internal Audit fraud assurance plan. — ARC deep dives are conducted.

4. Technology



What is the risk?

The risk that we fail to provide a resilient broadcasting service across all distribution channels and/or protect the confidentiality, integrity or availability of the BBC's data through a cyber-attack.

What is the impact?

Potential to compromise our output to our audience as a result of lack of availability or quality.

Potential to compromise the availability, integrity and accessibility of information, which could result in reputational and financial damage and non-compliance with legal and regulatory requirements.

Potential to compromise the ability of our technology and services to enable us to perform effectively as an organisation.

How is this risk managed (current and planned mitigations)?

Broadcast and online technology:

- Resilience is designed into the BBC's systems and services, for example ensuring no single points of failure in critical systems. This multi-layered approach is a core component of the BBC's business continuity capability.
- Operational performance for both broadcast and online services is continuously monitored using a range of metrics, including service availability, outages and incidents. Targets for our critical services form part of our contractual agreements with our key partners.
- Well-rehearsed business continuity and disaster recovery plans in place. This year we took the opportunity to further refine and improve these plans, incorporating learning points from the Covid-19 pandemic and scenario planning and preparedness in response to UK National Risk Register risks. As part of this work we provided, in partnership with Arqiva, assurance to the DCMS of our ability to maintain resilient broadcasting systems.

Cyber security:

- The BBC's cyber risk profile is continuously evolving, and a multi-layered approach is used to reduce the likelihood of exploitation and impact to protect the BBC, its staff, its audiences and suppliers as far as practically possible.
- Our Information Security framework covers a range of measures, including identification and protection of assets; detection, response and recovery from cyber threats; ensuring software is licensed and supported; backing up business critical data, ensuring compliance with Information Security standards and procedures; training and awareness campaigns; operational controls such as patching and vulnerability management, combined with threat intelligence.
- We have strengthened our cyber resilience in line with recent guidance from the DCMS and the National Cyber Security Centre (NCSC) through a combination of enhanced planning and preparedness, proactive threat hunting and by further reducing our exposure to vulnerabilities. This work has included a 'Gold' rehearsal exercise based on a Ransomware attack scenario to test the effectiveness of our corporate incident management framework, the implementation of additional measures to mitigate risks associated with human factors and cyber behaviour and continued engagement with the NCSC.

▲ How has this risk changed during 2021/22?

The risk that the BBC will continue to be targeted by malicious and sophisticated cyber-attacks remains high, within a continuously changing landscape.

In response to the current situation in the Ukraine and Russia and in line with recent guidance from the National Cyber Security Centre, we have adopted a heightened state of awareness and preparedness.

The performance of our output critical services has continued with no change in the availability of critical broadcasting and no deterioration in our output areas throughout the pandemic.

Our broadcast continuity plans have been updated, tested and assured.

In August 2021 a major incident occurred at the Bilsdale transmitting station, with a fire rendering the mast inoperable and the damage caused ultimately requiring it to be felled.

The BBC has worked closely with the transmission on the implementation of temporary alternative arrangements to restore services to affected viewers and listeners pending rebuild of a permanent structure at the site.

Governance

Our principal risks continued

4. Technology continued ^

Residual risk

Key residual risks which are being addressed:

- Legacy broadcast infrastructure: The BBC balances the need to maintain the operational integrity and resilience of our technology infrastructure and services with strategic investment in digital capability, new functionality for audience-facing services and the increasing move of enterprise and digital services to the cloud.
- Human factors: risks associated with human error and behaviour.

How is this risk monitored?

- Outages and adherence to recovery time objectives are closely monitored to ensure minimal disruption to broadcast services.
- Ongoing monitoring of a range of indicators, including completion of mandatory cyber security training; the level and severity of cyber-attacks; policy dispensations and risk acceptance points; and the level of disruption to content output.
- Ongoing liaison with the National Cyber Security Centre to provide cyber risk intelligence.
- Our Cyber Security Dashboard is used to track our organisational cyber security maturity against the National Institute of Standards and Technology framework, to provide a strategic view of the BBC's residual risk.

5. Data protection >

What is the risk?

The risk that we fail to comply with the UK and EU GDPR and data protection legislation and fail to adequately protect the personal data we process and handle.

What is the impact?

Inadequately managed data protection risk may result in reputational damage, loss of trust, legal action, the payment of damages to individuals, customers and/or suppliers, fines or other penalties from the regulator (ICO).

How is this risk managed (current and planned mitigations)?

- UK GDPR-compliant policies and processes on data protection and privacy, including data subject rights, data protection impact assessments and public-facing privacy policies.
- Data protection training and awareness for staff, including the introduction of an advanced module and a refresh of the mandatory training module.
- Resilience of IT systems.
- Access to in-house and external data protection legal advice.
- Oversight by the Data Protection Officer.

> How has this risk changed during 2020/21?

The risk profile remains static due to the stable number of personal data breaches, and those that were reported to the ICO. We continue to see an increased awareness of individuals' rights under the GDPR, with an ongoing upward trend in the number of data subject requests especially data erasure requests. We have seen an increase in ICO complaints, although we continue to experience a limited number of cases where further action or follow-up is required from the BBC.

Residual risk

The residual risk relates to increased processing of special category personal data, the shift to hybrid working, the growing role and use of personal data in BBC product development and personalisation, and the impact of geo-political events. This is alongside an increasing awareness of individuals' rights under UK GDPR, which has been evidenced through the volume of data subject rights requests.

Specifically, we have identified the following to consider and/or address:

- Consistency of application of data protection compliance across the BBC.
- New technologies and products having a data protection impact.
- Increased Data Subject Access Requests (DSARs).
- Increase in Data Subject Erasure Requests.
- Ongoing timeliness of DSARs.

How is this risk monitored?

- Monitoring the level of situations necessitating a report to the ICO, including timeliness and results.
- Monitoring the number of complaints received by the BBC and/or the ICO.
- KPI metrics/dashboards for several data protection areas including number of data incidents and breaches; number of DSARs and timeliness of response; number of other data subject rights requests and complaints metrics.
- Data Protection Forum (Data Protection Officer, Chief Information Security Officer, Director of Legal – Information Rights, and BBC Studios' Chief Privacy Officer).
- BBC Group Data Protection Forum (BBC Public Service, BBC Studios, Children in Need, BBC Media Action and BBC Pension Trust).

6. Environment sustainability and climate change



<p>What is the risk? The risk that we do not manage our impact on the environment from our productions and operations in line with our 2030 Net Zero ambition as defined by our Science Based Targets, which cover decarbonisation of our direct operations, Scopes 1 and 2, as well as our total Scope 3 including our supply chain. Additionally, there is a risk that we don't consider the physical and transition risks posed by climate change on our business operations.</p> <p>Having committed to the Climate Content Pledge (to integrate the latest climate science into our programmes, excluding News), there is a risk that we do not evidence change in our editorial content to better inform audiences of climate change risk and mitigation.</p>	<p>What is the impact? Negative public and audience perception in three areas:</p> <ol style="list-style-type: none"> 1. For not meeting our Net Zero and Climate Content commitments 2. For failing to match the levels of environmental action shown by other broadcasters 3. For insufficiently impartial coverage of climate related matters. <p>Negative employee perception can also result in challenges with talent and employee recruitment and retention.</p>
<p>How is this risk managed (current and planned mitigations)?</p> <ul style="list-style-type: none"> — Sustainability Director appointed with Sustainability Team now in place with technical and engagement skills. — Adoption of the TCFD framework with financial impact analysis included. — Science Based Targets for Scope 1 and 2 and Scope 3 are now approved and in place. — Enhanced the governance arrangements over sustainability with a Sustainability Steering Group of Divisional senior leaders now in place, with upward reporting to Audit and Risk Committee and the BBC Board. — Sustainability data reporting platform selected to enable sustainability performance management and tracking. — Mandatory Albert certification for in-house productions with a potential for this to expand to independent production companies. — Sustainable production training in place for production staff. — Editorial training in place e.g., for commissioning editors, producers and programme makers. We delivered training to News staff ahead of COP26. — Targets and commitments for 2022-2030 set to manage our energy consumption, carbon emissions and waste management. — Continued provision of specialist content for TV, radio, podcasts on environment sustainability and climate change. — Regular mode of internal communication campaigns and activities on environmental matters. 	<p>> How has this risk changed during 2021/22? The risk profile is increasing due to heightened expectations and demands being placed on businesses to tackle climate change and sustainability matters.</p> <p>The BBC has made a public commitment to become Net Zero by 2030 and has developed a strategy that is underpinned with Science Based Targets. The BBC is now in its second year of implementing TCFD and is undertaking scenario analysis of material risks.</p>
<p>Residual risk The residual risk relates to the mid to long-term delivery, execution and operationalisation of our Net Zero strategy.</p> <p>Specifically, we have identified the following to consider and/or address:</p> <ul style="list-style-type: none"> — Approval of the Net Zero business case with sufficient funding allocated for investment required to meet our Scope 1, 2 and 3 Science Based Targets. — The level of innovation and change required to deliver our Net Zero strategy. — Ability to influence suppliers and partners in sustainability and climate-related decisions. 	<p>How is this risk monitored?</p> <ul style="list-style-type: none"> — Board oversight and support. — Regular reporting and metrics relating to energy consumption, waste management and carbon emissions. — Monthly oversight provided by the Sustainability Steering Group. — Implementation of the TCFD roadmap.

Note: The risks listed do not compromise all those associated with the BBC and the numerical referencing does not denote an order of priority. Additional risks and uncertainties not presently known to management, or currently deemed to be less material, may also have an adverse effect on the BBC. These less material risks are kept in view in case their likelihood or impact should show signs of increasing.

Governance

Our principal risks continued

Risk management and internal control framework

The BBC's process for identifying, evaluating and managing significant risks remains aligned with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Risk management mechanisms are embedded within each division, with central co-ordination to identify, escalate and manage pan-BBC risks.

Assessing the effectiveness of risk management and internal control

The Board continues to use several mechanisms to help it assess the effectiveness of the system of risk management and internal control across the BBC in order to make its assessment that the overall level is adequate.

Risk oversight: The Board delegated responsibility for the detailed review of risk and control processes to the Audit and Risk Committee (ARC). The ARC met six times during 2021/22 to provide scrutiny and oversight over the effectiveness of controls and the management of risks (further information is provided on page x). A regular risk report is also presented to the BBC Board.

Internal Audit: The Internal Audit function maintained its independent reporting line into the Chair of the ARC and conducted a programme of audits aligned to the principal risks facing the BBC. Findings from these audits have been reported to senior management and the ARC, with remediating actions tracked to completion.

External audit and assurance: The findings of external audit work performed by the National Audit Office (NAO) have been reviewed by the ARC, and any recommended actions are tracked to completion. In addition, the National Audit Office continued its programme of Value for Money audits. There is also external assurance provided on our Fair Trading arrangements for ensuring that our processes and practices, when we undertake commercial and trading activities, does not risk distorting the market. These arrangements are overseen by the BBC's Fair Trading Committee. In 2021/22, the NAO completed a Value for Money review of BBC savings and reform. The study recognised that BBC had consistently made savings over the past decade, was forecast to exceed its original target of £800m in annual savings and was largely on track to meet an increased savings target of £1 billion which reflected the estimated financial impact of the pandemic. Recommendations to increase the information collected on savings and implement lessons learned from the pandemic are in progress.

Whistleblowing: A protected disclosure policy is in place, supported by a 'whistleblowing' hot line, administered by an independent external company to ensure anonymity. This has been extended and is now available in 43 languages. A non-executive director has been named on the policy as the contact for the raising of the most serious concerns.

Viability statement

In accordance with the UK Corporate Governance Code, the BBC Board has assessed the prospects of the Corporation over a longer period than the minimum 12 months required by the 'Going Concern' provision.

The three-year plan covering the period to 31 March 2025 has been considered by the BBC Board. A three-year horizon is considered appropriate as this is in line with the BBC's budgeting and planning process. The three-year plan considers cash flows as well as the financial covenants and credit facilities.

Key assumptions underpinning the three-year plan, and the associated cash flow forecast, are the licence fee settlement that set the financial parameters for the BBC from 2022/23 to 2027/28 and the Charter and Agreement that protects a licence fee until 2027 along with the delivery of additional savings identified. In light of the uncertainty of the economic recovery following the Covid-19 pandemic, it has been assumed that some increased production costs continue in the short term.

A robust assessment of the principal risks facing the Corporation, as described in the Annual Report and Accounts from page 110, has been undertaken, including those that would threaten its business model, future performance, solvency or liquidity. For 2022/23, the recovery following the Covid-19 pandemic and wider economic uncertainties require stringent management to deliver the BBC's purposes within the funding available. Consequently, we conducted additional financial stress testing and sensitivity analysis, considering income at risk as well as our response to the recent Licence Fee settlement. The Government has recently released a white paper looking at the Charter renewal in 2027/28, which is being considered, but is beyond the period of this review.

Sensitivity analysis has been undertaken in relation to cash flow to model the potential effects should principal risks actually occur, individually or in combination. The peak borrowing requirement was calculated by modelling a combination of severe but plausible risks, however, with the inclusion of mitigations, the cash flows remained within the borrowing limit throughout the three-year period.

Taking account of the BBC Group's current cash position, principal risks and the aforementioned sensitivity analysis, the Board has a reasonable expectation that the Corporation will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the assessment.

Commercial Holdings Board report

It was a pleasure to be able to chair the Commercial Holdings Board this year, as the BBC continued to move through the current exciting transition to a world in which global reach and commercial growth will be more critical than ever. The Director-General has been clear that the need to support the licence fee with greater commercial revenue is more important now than ever before and it has been the Board's role to look closely at the ambitious plans for transformation being developed by the BBC's commercial arm.

The Board met eight times during the year, and we also conducted business offline as necessary. During the course of the year Dharmash Mistry stepped down from his position as a non-executive director, having spent many years acting as a critical friend and supporter of the BBC, in many different ways. We were delighted that, during the year, Tom Fussell was confirmed in his role as CEO of BBC Studios, and we also welcomed the appointment of Lorraine Burgess as CFO. In January, Damon Buffini joined the Board and we also appointed two new non-executives, in Gunjan Bhow and Bhav Singh, with both taking up their post in April 2022. I am also delighted that both Mai Fyfield and Steve Morrison are remaining on the Board and would like to thank them both for all their support and input in the past year.

These new appointments were part of a move that saw the end of the Commercial Holdings Board as an entity at the end of the reporting year. The BBC has now put in place a new Commercial Board which will oversee the growth of the BBC's commercial arm, with expanded non-executive expertise and oversight of the plans, performance and balance sheet of the BBC's commercial arm. The new Board will be chaired by Damon Buffini and I am delighted to stay on as a member, as we continue to scrutinise and develop the plans from Tom and the team.

In our meetings during the year we considered regular updates on financial and business performance, as well as reviewing forecast results and debating the budget and targets for the coming year. We received the audit planning and completion reports from the NAO, as the external auditor, and focused on control and governance issues in our annual joint session with the Audit and Risk Committee. We have been incredibly pleased to see the level of performance against targets that has been achieved this year, in both BBC Studios and Studioworks. In both areas we have seen high levels of revenue and record levels of EBITDA and returns to the BBC.

In a production environment still recovering from Covid-19, these results reflect the quality and dedication of all those working for, as well as the first-class management of, both companies. As a Board, we congratulate all those involved in the results, with more detail on performance set out from page 75.

We also spent significant time this year on key strategic issues and have had a focus on reviewing and challenging the developing growth plans for BBC Studios. This included interrogating the developing plans for the expansion of BritBox International – our successful joint venture with ITV outside of the UK – and reviewing the business plan for the development of a global approach to our news and current affairs output. Both of these plans will develop further in the coming year and will provide terrific opportunity for commercial and global growth. Similarly, we have spent time reviewing the growth and success of the Studioworks business, including the expansion of their studio provision at Kelvin Hall in Glasgow, considering options for ways in which the business can grow further over time.

During the year we monitored the transfer of teams from Global News Limited into BBC Studios and also the proposed transfer – now successfully completed – of Children's in-house production. These are important moves that bring more of the UK's incredible creative talents into a single organisation. We also paid close attention to the management of BBC Studios' creative labels – the owned and operated creative teams responsible for driving some of the business's biggest hits.

As I step down from the Chair of the Board, I'm proud to have been a part of a period of incredible growth and creative change. With a new Board in place, under a dynamic new Chair, and with the welcome news of the agreement we have reached in principle with DCMS to increase the borrowing limits of the BBC's commercial arm, this is a time of real opportunity for the BBC. I look forward to continuing to be part of the ambition to build a truly global commercial business of scale.

Elan Closs Stephens

Chair, Commercial Holdings Board (to 31 March 2022)
23 June 2022

Editorial Guidelines and Standards Committee report

Trust is a core BBC value. The way audiences view the BBC's commitment to achieving the highest editorial standards, particularly in relation to accuracy, impartiality and fairness, is a key barometer of trust. It is the role of the Editorial Guidelines and Standards Committee (EGSC) to ensure the BBC strives to achieve the highest editorial standards and that it is accountable through its complaints process. Where an editorial breach occurs, the EGSC ensures the BBC is as transparent as possible to audiences and that lessons are communicated to teams.

Much of the Committee's work this year has involved dealing with the aftermath of the publication of Lord Dyson's report on the 1995 Panorama interview with Diana, Princess of Wales. Three non-executive directors from the EGSC (Sir Nicholas Serota, Ian Hargreaves and Sir Robbie Gibb) were asked by the BBC Board to review the BBC's current editorial practices to ensure that the issues raised by Lord Dyson could not be repeated today. The review was led by Sir Nicholas Serota.

The Serota Review was published in October 2021 and its recommendations were accepted in full by the BBC Board. The Executive's response was published in conjunction with an impartiality action plan. The EGSC is overseeing the implementation of both on behalf of the BBC Board. The Committee has met monthly since the publication of the review to receive updates from the Executive on progress. Considerable progress has been made and most of the recommendations have been completed or are near completion. We will continue to monitor progress.

Maintaining the highest editorial standards is critical to the reputation of the BBC. The EGSC's work seeks to ensure the BBC maintains the trust of its audiences and that its editorial practices continue to be gold standard.

Due accuracy and due impartiality come under particular scrutiny during an election period. May 2021 and May 2022 saw complex elections taking place in the UK, including the Northern Ireland Assembly elections. Whilst the May 2022 elections are outside of this reporting period, the approval of the Election Guidelines to determine how the BBC approached these elections, along with approval of the criteria for allocating party election broadcasts, do fall within this reporting period. The EGSC ensured that the Election Guidelines reflected the BBC's commitment to due accuracy and due impartiality, that all legal and regulatory requirements were fulfilled, and that the guidelines reflected political circumstances in each of the devolved nations. The committee also ensured that the criteria for the allocation of party election broadcasts were fair and fully compliant with legal and regulatory requirements. We are confident these guidelines are robust and that they withstand scrutiny and complaints from political parties.

In the May 2021 elections, the Alba party and Reform UK's complaints were not upheld by Ofcom on appeal: ofcom.org.uk/_data/assets/pdf_file/0023/218147/decision-election-bbc-alba-party-coverage.pdf and ofcom.org.uk/_data/assets/pdf_file/0025/218473/decision-election-reform-uk-impartiality.pdf.

A core function of the Committee is to oversee the BBC's complaints process and to ensure adherence to the BBC's Editorial Guidelines and Ofcom's Broadcasting Code. Transparency and accountability through the complaints process is important to audience trust and the reputation of the BBC. The Serota Review identified a number of amendments to the complaints framework to improve transparency and audiences' understanding of how the complaints process works. These have been discussed with Ofcom and are in the process of being implemented.

In last year's Annual Report, we highlighted concern with the volume of complaints to the BBC and said that we had asked the Executive to review the handling of complaints at stage 1 of the complaints process. The EGSC agreed to a number of proposed changes in the way the BBC responds to complaints at stage 1 and this has helped operational handling of complaints without compromising the quality of responses. The BBC received 433,572 complaints at stage 1 in 2021/22, a decrease of 28,683 on last year but still considerably more than the long-term annual average.

The KPIs set by Ofcom for answering complaints at stage 1 and 2 of the 'BBC First' complaints process were met (stage 3 is an appeal to Ofcom). 95% of complaints at stage 1 were handled within ten working days against a target of 93%. 87% of complaints at stage 2 were concluded within 20 working days for standard stage 2 complaints and 35 working days for complex stage 2 complaints against a target of 80%.

Ofcom is currently undertaking a review of the BBC, including compliance with the Broadcasting Code and complaints handling. The EGSC will engage with Ofcom to ascertain if amendments are required to the 'BBC First' system of handling complaints.

In the financial year 2021/22, Ofcom found the BBC in breach of the Broadcasting Code on one occasion. This related to an inaccurate report regarding Alex Salmond on the BBC News at Six on 26 February 2021. Ofcom found the BBC in breach of Rule 5.1 (*News, in whatever form, must be reported with due accuracy and presented with due impartiality*) and 5.2 (*Significant mistakes in news should normally be acknowledged and corrected on air quickly ... Corrections should be appropriately scheduled*). Although the BBC acknowledged the mistake at the time on its Corrections and Clarifications website (bbc.co.uk/helpandfeedback/corrections_clarifications/archive_2021/) and Ms Smith had tweeted on the day clarifying what Alex Salmond had said, Ofcom ruled that given the significance of the mistake, and the proximity of the report to the election period in Scotland, the BBC should have issued an on-air correction. Its consequent recommendations will be implemented.

As required by Ofcom, the BBC continues to publish fortnightly details of programme complaints which number over 100 and fall within the remit of the Ofcom Broadcasting Code. These are published at bbc.co.uk/contact/complaint-service-reports and include fully reasoned versions of the Executive Complaints Unit's (ECU) upheld and resolved findings. The criteria for publishing some not upheld findings are currently being reviewed by Ofcom.

Editorial complaints and lessons learned

The vast majority of BBC content complied with the standards set by the BBC's Editorial Guidelines. However, the following serious editorial breaches were identified by the Executive and reported to the Committee, together with action taken:

BBC Newshour – breach of fairness to contributors and consent guidelines. A hoaxer, claiming to be US Senator Cory Booker, was interviewed live on-air about US-Saudi relations in light of the US government report on the murder of Jamal Khashoggi.

Governance

Editorial Guidelines and Standards Committee report continued

During the interview, the team realised that something was not quite right. Senator Booker's office was contacted after the programme and his Director of Communications confirmed that he had not given the interview. The item was removed from BBC Sounds, an apology was published on the Newshour page and an on-air apology was given.

Further action taken: This was a deliberate hoax. The Newshour team was briefed on how the error occurred and reminded about steps which need to be taken to verify the identity of guests and adherence to section 6.3.12 of the Editorial Guidelines.

BBC Good Food magazine – breach of conflict of interest guidelines. A freelance food writer had a commercial relationship with a company mentioned in a published recipe.

Although references to specific brands or retailers are permitted where there is strong editorial justification, they are not allowed where there is a conflict of interest.

Further action taken: *BBC Good Food* magazine is published by Immediate Media under licence from BBC Studios. The editorial team from Immediate Media was reminded of the Editorial Guidelines and given specific training in the BBC's conflict of interest policy. They were also required to undertake further online training about BBC editorial and advertising standards. It was agreed that in future, all references to specific brands should be escalated to the Editor-in-Chief of the magazine for approval.

In addition to these breaches, the BBC's Executive Complaints Unit found a total of 41 breaches in editorial standards in this reporting period. As with the serious editorial breaches, these editorial breaches are reported to the committee together with action taken.

This is my last year as Chair of the EGSC. It has been a pleasure to lead this Committee for the past four years. I would like to thank the Committee members (Sir Nicholas Serota, Baroness Tanni Grey-Thompson, Sir Robbie Gibb, Tim Davie, Fran Unsworth) and David Jordan as principal adviser to the Committee for their hard work in overseeing editorial standards. We have sadly said goodbye to Tanni and Fran this year but we look forward to welcoming Deborah Turness as CEO News and Current Affairs shortly. I leave the chair of the Committee in the very capable hands of Sir Nicholas Serota.

Ian Hargreaves

Chair of the Editorial Guidelines and Standards Committee
23 June 2022

Nations Committee reports

The four Nations Committees support the Board in reviewing and monitoring the output and performance of the BBC across the UK. This section provides a report from the Chair on the work of each Committee during the year.

Wales

This year has been a year of huge change and progress for the BBC in Wales. I have been proud to chair the Board's Wales Committee during this period and to have the chance to see first hand the hard work that has been done by teams all over the nation to keep production and services on-air and informing audiences during the pandemic.

It has also been a privilege this year to see BBC Wales' new headquarters in Cardiff Central Square come to life with the building now operating at full capacity, hosting the 6 and 10 o'clock news on occasion. I and my Board colleagues had the chance to spend some time in the building recently for one of our meetings. It was a great experience for all of us to get to see the quality of the facilities on offer there and to recognise the ambition of the Wales Executive Team.

As a Committee we met three times during the year and took regular updates on audience and financial performance in the nation. We heard regularly from the new Director, BBC Cymru Wales – Rhuanedd Richards – on her priorities, on key issues and on the implementation of the value for all strategy in Wales. We also looked specifically at the performance of BBC Wales and took time to discuss the ways in which the important Across the UK plans will have an impact in the nation. I was joined on the Committee by Rhuanedd, Ian Hargreaves, Rhodri Talfan Davies, Rhys Evans and Non Tudur Williams. I would like to thank them all for their input and insight throughout the year.

Looking at performance more broadly, the BBC provided an invaluable service to the national life of Wales during this unprecedented and challenging pandemic period. Its news programming and content kept audiences aware of a continuously evolving situation with information about the public health emergency and its multiple effects. The Senedd election of May 2021 was fought in the shadow of Covid-19 – an event which brought its own logistical and informational challenges. There were significant audiences for BBC Wales news programmes on all platforms but online audiences, in particular, turned to the BBC's services for the latest impartial news and analysis in large numbers. We reviewed these results as a committee and were impressed by what was offered and achieved.

The pandemic also disrupted programme supply in Wales whilst quickening audiences' expectations for video content portraying the nation on BBC iPlayer. Building on strong foundations, programme-makers in Wales rose to the challenge of providing engaging and distinctive drama, comedy and factual content. From dramas such as *The Pact to Hidden*, as well as comedies such as *The Tuckers*, the BBC provided a platform to the nation's storytellers. It was heartening to see the high-quality of these programmes reflected in the strong iPlayer performance figures from Wales.

More detailed information on the BBC's performance in Wales can be found at pages 38 and 177.

Looking ahead, as the Corporation celebrates its centenary year, the role of the BBC in the national life of Wales is arguably more important than ever. It is clear that the enduring effects of the pandemic on the nation's cultural and social life are profound. Audiences and the wider creative sector will rightly turn to the BBC for inspiration and leadership across the whole country. But the BBC in Wales finds itself well-placed. With a new Director and a new HQ it will now be able to act as a home to BBC Wales, to new colleagues under the Across the UK plans, and to the wider creative sector.

Elan Closs Stephens

Chair, Wales Committee
23 June 2022

Scotland

It is a real privilege to have been appointed as the BBC's Board member for Scotland, and to have taken on the Chair of the Scotland Committee. I took on the role at the start of 2022 and want to pay tribute to my predecessor, Steve Morrison, who chaired the Committee since 2017 and has always been a passionate supporter and advocate for both the BBC in Scotland and Scotland on the BBC. I look forward to carrying on his work.

The Committee met four times during the year and also held online audience engagement sessions with Scottish users of the BBC. In our meetings we have had a regular focus on market issues, performance with audiences and have taken a report from the Director on key issues for BBC Scotland. I was pleased to hear how teams at BBC Scotland continued to juggle multiple challenges to serve audiences with relevant and outstanding content. News teams provided up-to-date and impartial coverage of another year of Scottish health information and analysis; the Scottish Parliamentary elections and formation of a coalition government were at the heart of our political output; and teams across the organisation produced a wealth of material around the global climate conference, COP26, when it took place in Glasgow.

The Committee had a good discussion this year on the Scottish drama slate, both in the nation and on network. We've seen BBC spend in Scotland recover considerably too this year, after the 2020 impact of the pandemic shut-down in production, not least with the transmission of key Scottish dramas such as *Guilt*, *Vigil* and *Shetland*. We discussed the revival of Scotland's music and culture sector, brought to audiences with coverage of the re-emerging Edinburgh summer festivals, and of Celtic Connections and TRNSMT in Glasgow. And I was pleased to be on hand to see the BBC's Scottish Symphony Orchestra recently unveil its plans for a full 2022-23 season with concerts planned from Aberdeen to Ayr, a first full season in three years.

More detailed information on the BBC's performance in Scotland can be found at pages 39 and 176.

During the year, members of the Committee included: my predecessor, Steve Morrison; the BBC Chairman, Richard Sharp; Steve Carson, Director, BBC Scotland; Rhodri Talfan Davies, Director, Nations, and Ian Small. Ian stood down this year, after many year's outstanding service as BBC Scotland's Head of Public Policy and Corporate Affairs, and has been replaced by Luke McCullough.

Over the coming year, I'm looking forward to having the chance to start getting out and about around the nation, meeting with teams, audiences and stakeholders to hear about the issues affecting them and the ways in which the BBC can best serve them. I'm also looking forward to continuing to raise the profile of Scottish matters at the BBC Board and continuing the excellent work being done to ensure the licence fee is used to support and enrich audiences across Scotland.

Muriel Gray

Chair, Scotland Committee
23 June 2022

Governance

Nations Committee reports continued

Northern Ireland

I have been a member of the Northern Ireland Committee since 2017 and have now been appointed as its Chair on an interim basis, as the Board does not yet have a full-time member representing Northern Ireland. I took on this new role at the start of 2022 following Fran Unsworth's departure from the BBC.

As Board members, we fully understand the importance of the Northern Ireland non-executive role and the concerns that many people have expressed about the delay in appointing someone to it. We have been working closely with DCMS on this matter and remain hopeful that the latest recruitment exercise will reach a successful conclusion, with all of the benefits that this will provide for the Board's work and its relationship with BBC audiences in Northern Ireland.

Covid-19 restrictions meant that Committee meetings took place virtually throughout the year. We were joined on the Committee by Rhodri Talfan Davies, Peter Johnston, Adam Smyth (following his appointment as interim Director, BBC Northern Ireland in January 2022) and Mark Adair. I'm grateful to colleagues for their contribution to the Committee's work and our discussions about the BBC and its services in Northern Ireland and also to the staff who prepared financial and audience data for us to consider.

We received detailed updates on BBC Northern Ireland's performance and key issues affecting its work and development. And we met a focus group of audience members at our March 2022 meeting, allowing us to hear their views about the BBC's news services and the stories that matter most to them.

The Committee noted the continuing strong performance of BBC Radio Ulster/Foyle and the contribution that local television programmes make to the appeal of BBC television services in Northern Ireland. It was encouraged by the impact and popularity of BBC network programmes from the region and their contribution to cultural portrayal and the wider creative economy. Much of this activity has benefitted from the BBC's innovative partnership with Northern Ireland Screen and the Committee welcomed the renewal and extension of this arrangement for a further period in June 2021.

The Committee took a close interest in the planned refurbishment of Broadcasting House, Belfast and the impact of reductions in its scale and funding. It also reflected on how Covid-19 had affected ways of working in the BBC, local audience needs and diversity, and opportunities for the future, including as part of the BBC's Across the UK commitments. And it discussed coverage linked to the centenary of Northern Ireland's establishment and the ambitious broadcast plans that were being put in place for the Assembly election.

The next 12 months will be an important time for the BBC and its future. As such I hope that my time in the Chair is short and that we will soon have a Board member for Northern Ireland, helping us to ensure that the BBC's plans have local audience needs at their core.

More detailed information on the BBC's performance in Northern Ireland can be found at pages 40 and 178 of this Annual Report.

Elan Closs Stephens

Interim Chair, Northern Ireland Committee
23 June 2022

England

I took on the Chair of the Board's England Committee in May 2021 and a major undertaking for us this year was the implementation of Nicholas Serota's Review of BBC Editorial Processes, Governance and Culture, especially how this would impact on the work of BBC England. Committee members were keen to explore how to fully embed our impartiality and editorial values across BBC England output on all platforms.

During the year we also received progress updates on hybrid working and the return to work, as well as the delivery of BBC England's Transformation planned savings and restructures.

This year saw the launch of a number of initiatives designed to improve BBC England's services to audiences, particularly those currently underserved. These included the announcement of HD upgrades for regional TV programming on BBC Network, the upgrade of regional TV studio galleries, the provision of new mobile technology for filming, and the reorganisation of our digital teams.

The BBC England local radio Make A Difference campaign built on its success, demonstrating its importance to our local audiences and communities with plans already underway to have a Make a Difference awards event in every local radio station area in the autumn.

Trusted and impartial local news and information remained critical to audiences, with the surge of the Omicron variant, bad weather storms and the invasion of Ukraine, at the top of our news agenda.

We regularly reviewed audience data during the year and were pleased to see that the 1830 regional news programmes retain their position as the most watched news programmes in the country. RAJAR figures for local radio have returned using a new methodology, showing listening to local radio in England is stable at 6.7 million listeners. The BBC England website performed well, attaining its highest weekly reach at 20.8 million browsers, reporting on the shootings in Plymouth. This year also saw the launch of BBC England's new series *We Are England*. This current affairs series explores the issues people care about, and reflects the changing faces and opinions of the Nation.

The Committee continued to work remotely during the pandemic. I took on the Chair from my predecessor Ashley Steel when I joined the Board. After the departure of Tom Ilube in June 2021, non-executive Board Member Baroness Tanni Grey-Thompson joined the Committee on a temporary basis until the completion of her term in December 2021. Executive members of the Committee during the year were Rhodri Talfan Davies, Director, Nations and Adrian Mills, Business and Operations Director, BBC England. Jason Horton, Head of South, South East and East was appointed Acting Director, BBC England, while Helen Thomas was on long term sick leave, and also joined the Committee. I would like to thank all my colleagues for their work on the Committee during the last year.

More detailed information on the BBC's performance in England can be found at pages 41 and 179.

Robbie Gibb

Chair, England Committee
23 June 2022

Fair Trading Committee report

I was pleased to be appointed by the Board to take on the Chair of the Fair Trading Committee, at the start of the 2022/23 financial year. Having sat on the Committee since its inception, I am keenly aware of the clear and important role that it plays in ensuring that the management of the BBC's commercial operations is conducted fully in line with the requirements set in place for trading and separation by our regulator.

As a group, we have a number of well-established mechanisms and processes in place to help us to do this. The Committee's business during the year has included:

- taking a quarterly management report from the Executive, detailing specific engagement with upcoming and ongoing trading and separation issues across the BBC;
- consideration of the BBC's processes for ensuring compliance with Ofcom's rules and reviewing compliance with these;
- meeting with Ofcom on an informal basis to discuss particular issues of note;
- providing advice to the Board on issues within our remit;
- reviewing and monitoring targets for Fair Trading training across the BBC; and
- approval of all relevant publications and reports that the BBC must provide specifically to meet Ofcom's trading and separation rules.

Through the year, the Committee also looked in detail at issues arising from the transfer of two areas of business from the public service BBC to BBC Studios. We reviewed and approved the changes to transfer pricing arrangements required by the move of BBC Global News Limited into BBC Studios. And we also reviewed the plans for the transfer of Children's in-house production to Studios, and the protections being put in place to ensure appropriate separation and sharing of information under the new structure. Along with this, we take a regular risk and assurance report to the Committee and have continued to closely monitor key controls, such as the provision of Fair Trading training, where compliance rates remain on target.

The Committee is satisfied that the systems and processes for managing trading and separation continue to work well. That view is borne out by the work undertaken by Deloitte for their annual, independent Fair Trading assurance, with their report included below. We also noted that there were no formal fair trading complaints received in the year. Additionally Ofcom recently completed its review of BBC Studios. We welcome their central finding that the BBC is compliant with its trading and separation obligations and look forward to working with them regarding their recommendations.

During 2021/22 the Committee was Chaired first by Tom Ilube and then, after Tom left the Board in June, by Robbie Gibb who kindly took on the role whilst wider non-executive appointments and Committee memberships were being finalised. Steve Morrison also sat on the Committee until his departure from the Board in January of 2022. I would like to thank Tom, Steve and Robbie for all their help and support for the work of the Committee. The Committee was also well supported by the expertise of teams in Policy, Legal, Secretariat and the commercial parts of the BBC.

As we begin a new year, I have been joined on the Committee by Muriel Gray and the Board continues to review plans for future membership. I look forward to undertaking my role as Chair of this important Committee, and ensuring that the BBC's processes for trading and separation continue to be robust, well-observed and understood throughout the industry.

Ian Hargreaves

Chair of the Fair Trading Committee
23 June 2022

Governance

Fair Trading Committee report continued

Fair Trading report**What do we mean by Fair Trading?**

Fair Trading is the way that we describe our processes and practices, both within the BBC and in dealing with third parties, to ensure that our commercial and public services remain appropriately separate and trade with each other on a market-basis. This means that the parts of the BBC which are funded by the licence fee are not able to give a competitive advantage to the BBC's commercial operations or to any other independent production company with which we deal. These rules are overseen by Ofcom – who set the rules for trading and separation as part of their overall BBC framework – and by other parties such as the NAO, who seek to ensure that any use of licence fee funds is regular and in line with our requirement.

What does the Fair Trading Committee do?

The Fair Trading Committee (FTC) was established by the Board as a means to monitor and assure the appropriate separation between the BBC's public service and commercial activities, in line with the framework for commercial activities set by Ofcom. The Committee was put in place voluntarily by the Board, in recognition of the importance the BBC places on transparency and commercial efficiency in the operation of its commercial subsidiaries.

The key function of the FTC is to oversee the BBC's compliance with our regulatory obligations for trading and separation between the public service and the commercial subsidiaries. The core responsibilities of the FTC include:

- considering reports on the extent to which the activities of the BBC are consistent with Ofcom's trading and separation requirements and engaging informally with the regulator on an annual basis;
- keeping under review the BBC's compliance with Ofcom's trading and separation regulatory requirements;
- commissioning and receiving the annual independent assurance of compliance controls;
- considering and approving for publication the BBC's statement of operational separation, annual reporting and group trading manual; and
- ensuring that the BBC's transfer pricing methodologies are reviewed regularly.

The trading and separation rules were last updated by Ofcom in April 2021 and are part of Ofcom's framework for the BBC's commercial activities, which regulates the BBC's interaction with the market both through its Public Service activities and those of its commercial subsidiaries.

The framework requires the BBC to ensure that:

- all commercial activities are undertaken by commercial subsidiaries;
- any subsidiaries must have operational separation from the public service BBC;
- that it provides goods and services to commercial subsidiaries on arm's length commercial terms;
- that subsidiaries achieve a commercial rate of return; and
- that the BBC ensures appropriate transparency, monitoring and reporting on the activities of the subsidiaries.

To ensure that these rules are complied with, the FTC oversees and assures the BBC's processes and procedures to ensure that awareness and understanding of the framework is high. To do this, the BBC's Group Policy and Regulation team manages a targeted training programme for staff likely to encounter Fair Trading issues. The past year has seen continued strong performance in Fair Trading training compliance, since the mapping of mandatory training requirements to roles within the BBC's Career Path Framework. Subsequently, compliance rates have increased steadily, up to 99% for Advanced level training and 96% for Awareness level training as at Q4 21/22. This is thanks to a good response to ongoing monitoring and communications throughout the year, including senior engagement and reminders, reports and other communications sent to team leaders, COOs and divisional directors by the BBC Academy.

The Committee is briefed on relevant regulatory and Fair Trading complaints received and handled by the BBC. Details of these are reported elsewhere in the Annual Report (see page 129), though the Committee noted that no specific Fair Trading complaints were received in the year.

How the Committee works

During 2021/22, Tom Ilube chaired the FTC until he stepped down from the Board in June 2021. Robbie Gibb took on the Chair for the rest of the year, whilst new Board and Committee membership structures were finalised. Ian Hargreaves sat on the Committee throughout the year and assumed the Chair from April 2022. Steve Morrison sat on the Committee until he departed the Board in January 2022. Shirley Garrod stepped down from the Committee at the end of 2020/21, due to a conflict with her role as Chair of the Deloitte Audit Governance Board. Muriel Gray was appointed as a member of the Committee in April 2022.

The FTC's meetings were attended, during the year, by the Director of Policy and the Controller, Regulation, as well as the Group Chief Operating Officer, Head of Commercial Legal and other advisers as necessary. Three Committee meetings were held during the year, with papers also approved offline where necessary (see Committee attendance table on page 104).

To support the framework, and to assure the BBC's approach to regularity and the use of public funds, the FTC continues to voluntarily commission annual assurance by an assurance provider in accordance with ISAE 3000 (Revised). The Fair Trading assurance provider's report is on the following page.

The Framework Agreement sets four criteria for the carrying out of the BBC's commercial activities: fit with the Mission and Public Purposes; commercial efficiency; not jeopardising the reputation of the BBC or the value of its brand; and not distorting the market. Having received reports from relevant senior management, and having considered the findings of the Fair Trading Assurance, the Fair Trading Committee is satisfied that all commercial services have met the above criteria for the period 1 April 2021 to 31 March 2022.

Independent Fair Trading Assurance report to the BBC for the year ended 31 March 2022

Opinion on Fair Trading arrangements

We have assessed, in our role as the BBC's Fair Trading reasonable assurance provider, the system of internal controls established within the BBC to comply with the Fair Trading aspects of Ofcom's Trading and Separation requirements for the year ended 31 March 2022 ('the Fair Trading Arrangements').

In our opinion the BBC has established and applied a system of internal controls that provide reasonable assurance that it has complied with the requirements of the Fair Trading Arrangements for the year ended 31 March 2022.

Responsibilities of the BBC Board

The Board is charged by Ofcom with establishing and operating a system of internal controls designed to ensure compliance with the BBC's Fair Trading Arrangements for the year ended 31 March 2022, including identifying and assessing risks that could threaten Fair Trading and designing and implementing responses to such risks.

Our independence and quality control

We have complied with the independence and other ethical requirements of the ICAEW Code of Ethics, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our responsibilities

Our responsibility is to express an opinion on the internal controls established by the BBC to ensure compliance with the Fair Trading Arrangements, based on our assurance work. We performed a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

We are required to plan and perform our procedures in order to obtain reasonable assurance as to whether the BBC has established and applied a system of internal controls that provide reasonable assurance that it has complied with the requirements of the Fair Trading Arrangements for the year ended 31 March 2022. We conducted a risk assessment to identify those aspects of the BBC's Trading and Separation control regime that were most likely to result in non-compliance with the Fair Trading Arrangements, and focused our detailed testing on those areas. Individual cases were selected from the BBC's fair trading advice correspondence for review and for each we examined written records and interviewed relevant parties. Our work included examination of transfer pricing and separation arrangements, use of and payment for the BBC brand, and the application of the Royal Charter requirement that the BBC's commercial activities do not, as a result of their relationship with the UK Public Services, non-service activities or trading activities, distort the market or gain an unfair competitive advantage.

Inherent limitations

Every internal control system is subject to limitations, and accordingly the internal controls established by the BBC may not prevent or detect all instances of non-compliance with the Fair Trading Arrangements. Further, because fair trading issues require judgements which ultimately might be tested in a court of law, competition authority or elsewhere, there is always a risk of challenge even where the system of internal controls has been followed and decisions have been taken with the greatest care.

Use of our report

This report has been made solely to the BBC in accordance with our instructions which were agreed with the Fair Trading Committee on behalf of the BBC. Our work has been undertaken so that we might state to the Fair Trading Committee those matters we are required to state to them in an independent assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the BBC for our work, for this report, or for the opinions we have formed.

Deloitte LLP

London, UK
23 June 2022

Governance

Statement of Board responsibilities in respect of the Annual Report and Accounts

The Charter requires the BBC to prepare an audited annual report and statement of accounts.

The Board has accepted its responsibility for the preparation of a strategic report, statements of compliance with applicable codes and regulations (including the Board remuneration report) and the statement of accounts which are intended to give a true and fair view of the state of affairs of the BBC and its subsidiaries (the 'Group') and of the income and expenditure for that period. The Board has prepared the accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Board must not approve the statement of accounts (or 'financial statements') unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and of the surplus or deficit for that period.

In preparing the financial statements, the Board has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepared the financial statements on the going concern basis as they believe that the BBC will continue in business.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the BBC's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements and the Board remuneration report comply with the Charter. It also has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the BBC and to prevent and detect fraud and other irregularities.

The responsibilities of the Board for ensuring that the BBC exercises rigorous stewardship of public money, including responsibility for the propriety and regularity of management of the BBC's resources, are set out in article 16 of the Charter.

The Board is responsible for the maintenance and integrity of the BBC's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board members who held office at the date of approval of the Annual Report and Accounts, whose names and functions are listed in the Governance section of the Annual Report and Accounts, confirm that, to the best of each of their knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and deficit of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for licence fee payers to assess the Group's performance, business model and strategy.

Statement of disclosure of information to auditors

The Board members who held office at the date of approval of the Annual Report and Accounts confirm that, so far as they are each aware, there is no relevant audit information of which the BBC's auditors are unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the BBC's auditors are aware of that information.

Going concern

The directors have prepared cash flow forecasts for a period in excess of a year from the date of approval of these financial statements, and have reviewed these forecasts, together with the sensitivities and mitigating factors in the context of available funds.

The directors are satisfied that the BBC is well placed to manage the risks and has adequate resources to continue in operation for at least the next 12 months. As a result, the going concern basis has been adopted in the preparation of the financial statements.

This statement was approved by the Board.



Richard Sharp

Chairman
23 June 2022



PERFORMANCE AGAINST PUBLIC COMMITMENTS

This section sets out our progress towards various public commitments. These commitments come from the Charter, the Agreement, our Licence obligations and commitments we have made to deliver services for our audiences.

Performance against public commitments

Regulatory compliance

The table below sets out the BBC’s compliance with the regulatory conditions in Ofcom’s Operating Licence. Compliance is measured across the 2021/22 financial year unless otherwise stated. The requirements below are arranged by public purpose.

The BBC met nearly all of its 151 Operating Licence conditions, with four exceptions, shown below.

We have engaged with Ofcom through the pandemic to make them aware of the impact of Covid-19 on our operations and our ability to deliver our Operating Licence obligations. We have provided evidence to Ofcom that licence breaches are a result of Covid-19 and that we have taken reasonable endeavours to continue to deliver the mission and public purposes.

Operating Licence condition	Quota	Actual	Difference
2.39.4 New sessions live or recorded in previous three months (excl. repeats)	175 sessions	104 sessions	-71 sessions
2.8.1 Daytime weekday news on Radio 1	1 hour/day	Three minutes under the condition on two days – 12 April 2021 and 23 April 2021	
2.9.1 Daytime weekday news on Radio 1Stra	1 hour/day	Three minutes under the condition on two days – 12 April 2021 and 20 April 2021	
2.67.6 Hours of non-news programming of national or regional interest in peak on BBC One and BBC Two	557 hours	446 hours	-111 hours

For Condition 2.39.4 and 2.67.6, the BBC was unable to meet the quota due to the continued impact of Covid-19. As in 2020/21, the need to ensure our work is Covid-19 secure has significantly impacted on our ability to offer dedicated space for performers at the BBC. The need for social distancing created restrictions on how our spaces are used and how frequently. The pandemic also had a continued impact on the production and availability of new programmes, event coverage and at times staff availability; this inevitably led to impacts on our ability to deliver against some of our regulatory quotas.

For conditions 2.8.1 and 2.9.1, the quota was not met on 12 April 2021 due to a schedule change as a result of the death of Prince Philip. Not meeting the quotas on 20 April 2021 and 23 April 2021 was the result of an error; we have informed Ofcom of this error and we do not expect Ofcom to take enforcement action.

Purpose One: To provide impartial news and information to help people understand and engage with the world around them

	Note	Quota	Achieved
BBC One			
News throughout the day		✓	✓
Hours of news	1	1,520 (280 in peak)	1,697 (303 in peak)
Hours of current affairs in peak	1	45	46
BBC One and BBC Two			
Hours of current affairs	1,2	450 (106 in peak)	514 (117 in peak)
BBC Three			
News every weekday intended to appeal to 16-34 year-olds	3	✓	✓
CBBC			
News throughout the day		✓	✓
Hours of news		35	44
BBC News			
More international news than other main continuous news channels in the UK		✓	✓
More local/regional news than other main continuous news channels in the UK		✓	✓
Radio 1			
Hours of news in daytime each weekday	4	1	1 (see note 3)
Two extended news bulletins (one in peak) each weekday	4	✓	✓
Regular bulletins in daytime at weekends		✓	✓
Radio 1Xtra			
Hours of news in daytime each weekday	4	1	1 (see note 3)
Two extended news bulletins each weekday		✓	✓
Regular bulletins in daytime at weekends		✓	✓
Radio 2			
Weekly hours of news and current affairs		17 (3 in peak)	17 (3 in peak)
Regular bulletins		✓	✓
Radio 3			
News throughout the day		✓	✓
Radio 4			
Hours of news and current affairs		2,750	3,249
Daily reports of Parliamentary proceedings when Parliament is sitting		✓	✓
BBC Radio 5 live			
% of output that is news and current affairs		75	76
Extensive coverage of local and general elections, elections to the devolved chambers, and regular coverage of European and international politics		✓	✓
BBC 6 Music			
Weekly hours of news		6	6
BBC Asian Network			
Weekly hours of news and current affairs		24	24
BBC Online			
Adequate links to material provided by third parties		✓	✓
Daily news and information for children. Provided through content in a range of different formats, including text-based articles, videos and interactive pieces, which cover a broad range of subjects and should include in-depth news and analysis.		✓	✓

Notes:

- 1 Measured across the 2021 calendar year.
- 2 Measured across the two services.
- 3 The BBC Three Channel launched in February 2022.
- 4 Radio 1 and Radio 1Xtra fulfilled the condition for all but two days of the year, first due to a schedule change and second when it was three minutes under the condition for an hour due to a scheduling error, as noted above.

Performance against public commitments

Regulatory compliance continued

Purpose Two: To support learning for people of all ages

	Note	Quota	Achieved
BBC One			
Hours of arts and music, including some in peak		45	54 (16 in peak)
BBC One and BBC Two			
Hours of religious programmes	1	115	141
BBC Two			
Hours of arts and music, including some in peak		175	332 (137 in peak)
BBC Four			
New hours of arts and music programmes		175	189
CBeebies			
A range of content which supports pre-school children in their learning		✓	✓
CBBC			
Hours of drama		1,000	1,252
Hours of factual programmes		675	1,175
BBC ALBA			
Original weekly hours for Gaelic language learners		5	11
Radio 1			
Number of new documentaries		40	41
Radio 1Xtra			
Number of documentaries		40	52
Radio 2			
Hours of arts programming		100	121
Hours of new documentaries	2	130	136
Hours of religious output covering a broad range of faiths		170	187
Radio 3			
% of output that is live or specially recorded music		45	52
Number of live or specially recorded performances	3	440	516
Number of new musical works commissioned		25	39
Number of new documentaries on arts and cultural topics		35	42
Radio 4			
Hours of original documentaries		375	418
Hours of original religious programming covering a broad range of faiths		200	203
BBC 6 Music			
Hours of speech-based features, documentaries and essays		520	520
BBC Online			
Content which supports children and teenagers in their formal learning in all parts of the UK		✓	✓

Notes:

1 Measured across the two services.

2 Repeats are excluded.

Purpose 3: To show the most creative, highest quality and distinctive output and services

	Note	Quota	Achieved
Television			
% of hours that are originations			
	1,2		
BBC One		75	85
BBC One in peak		90	99
BBC Two		75	89
BBC Two in peak		90	94
BBC Three	3	75	
BBC Four		75	77
BBC Four in peak		60	74
BBC News		90	90
BBC Parliament		90	98
CBBC		72	72
CBeebies		70	74
BBC ALBA		75	94
BBC Scotland		75	97
Hours of first-run originations across daytime and peak			
	2,4		
BBC One		4,000	4,323
BBC Two		2,200	2,554
CBBC and BBC iPlayer		350	384
CBBC		175	366
CBeebies and BBC iPlayer		100	120
CBeebies		50	120
BBC One and BBC Two			
Hours of comedy programmes, some in peak	5	300	305 (195 in peak)
BBC Three			
Provides first-run UK originations intended to appeal to 16-34 year olds across a mix of different genres	6	✓	✓
Radio			
Radio 1			
% of music in daytime from UK acts		45	60
% of new music in daytime, with significant proportion from new and emerging UK artists	7	50	54 (see note 5)
Weekly hours of specialist music		60	71
Number of new sessions live or recorded within previous three months (excluding repeats)	8	175	104 (see note 6)
Broader range of music than comparable providers	9	✓	✓
Number of major social action campaigns	2,10	2	4
Radio 2			
% of music in daytime from UK acts		40	51
% of new music in daytime, with significant proportion from new and emerging UK artists	11	20	24 (see note 9)
Hours of live music		260	260
Hours of specialist music		1,100	1,236
Broader range of music than comparable providers	9	✓	✓
BBC Radio 5 live			
Number of sports with live commentary	12	20	43

Notes:

- 1 Originations include all BBC-commissioned programmes including repeats.
- 2 Measured across the 2021 calendar year.
- 3 This quota comes into force starting from calendar year 2023.
- 4 First-run originations do not include repeats.
- 5 Measured across the two services.
- 6 This quota comes into force starting from calendar year 2023, however, since the relaunch of the channel in February 2022 it has been broadcasting first-run UK original content for 16-34s across a range of genres.
- 7 33% of additions to the Radio 1 playlist during 2020 came from 'new and emerging UK artists'.
- 8 Radio 1 broadcasted 104 new sessions across 2021/22, 71 sessions under the condition. This is due to being largely unable to record (and therefore broadcast) new live sessions from BBC's Maida Vale studios as a result of social distancing rules, as noted above.
- 9 Taking into account both number of plays and size of playlist, in daytime and peak. 14% of additions to the Radio 2 playlist during 2020 came from 'new and emerging UK artists'.
- 10 The social action campaigns were Radio 1's 24-Hour LOL-a-thon with Scot and Chris, raising in the region of half a million pounds for Comic Relief in March 2021; Radio 1's Big Weekend Connects, a partnership with the Job Centre to give young people around the UK the opportunity to learn more about working in creative industries in May 2021; Radio 1's Minute of Me, featuring listeners talking about environmental issues in November 2021; and Radio 1's Teen Heroes, shining a spotlight on inspirational young people across the UK in November 2021.
- 11 The complete list of sports is: Men's Football, Women's Football, Tennis, Men's Golf, Women's Golf, Men's Boxing, Women's Boxing, UFC, Horse Racing, Men's Cricket, Women's Cricket, Women's Rugby, Men's Rugby, Rugby League, Snooker, Athletics, Formula One, Road Cycling, Track Cycling, BMX, Swimming, Triathlon, Equestrian, Rowing, Canoeing, Diving, Hockey, Gymnastics, Taekwondo, Skateboarding, Mountain Biking, Trampoline, Para Athletics, Para Swimming, Para Judo, Para Cycling, Para Equestrian, Curling, Short-Track Speed, Skeleton, Snowboard X, Slalom Ski and Ski Park.

Performance against public commitments

Regulatory compliance continued

Purpose Four: To reflect, represent and serve the diverse communities of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom

	Note	Quota	Achieved
Network Television			
Suitable range of programmes made outside the M25 area	1	✓	✓
% of hours made in... at a suitable range of production centres			
UK (outside the M25 area)	1	50	64
England (outside the M25 area)		30	39
Scotland		8	15
Wales		4	5
Northern Ireland		2	2
% of expenditure made in... at a suitable range of production centres			
UK (outside the M25 area)	1	50	54
England (outside the M25 area)		30	32
Scotland		8	9
Wales		5	7
Northern Ireland		3	4
BBC One			
Hours of news of national or regional interest throughout the day	1	4,300 (2,100 in peak)	4,589 (2,216 in peak)
BBC One and BBC Two			
Hours of programmes of national or regional interest	1,2	5,909	5,966
Suitable range of programmes of national or regional interest	1	✓	✓
% of programmes made in the relevant location	1	95	99
Hours of non-news programming of national or regional interest in peak	1,3	557	446 (see note 5)
Hours of non-news programming of national or regional interest adjacent to peak	1	179	293
BBC One Scotland			
Hours of news and current affairs		290	424
Hours of non-news programmes		155	255
Range of genres that reflects Scotland's culture		✓	✓
BBC One Wales			
Hours of news and current affairs		275	338
Hours of non-news programmes		65	193
BBC Two Wales			
Hours of non-news programmes		175	190
BBC One Wales and BBC Two Wales			
Range of genres that reflects Wales' culture		✓	✓
BBC One Northern Ireland			
Hours of news and current affairs		310	355
Hours of non-news programmes		90	136
BBC Two Northern Ireland			
Hours of non-news programmes		60	216
Irish language programming and Ulster-Scots programming		✓	✓
BBC One Northern Ireland and BBC Two Northern Ireland			
Range of genres that reflects Northern Ireland's culture		✓	✓
BBC Parliament			
Hours of proceedings of the Scottish Parliament, Northern Ireland Assembly and Welsh Parliament		300	1,556
Network Radio			
% of network radio station expenditure outside the M25 area	4	30	39
% of Radio 3 expenditure outside the M25 area		28	33
BBC Online			
News and information for the English regions		✓	✓
Coverage of sport for the English regions		✓	✓
News and information for Scotland		✓	✓
Content in Gaelic		✓	✓
Coverage of sport in Scotland		✓	✓

	Note	Quota	Achieved
News and information for Wales		✓	✓
Content in Welsh		✓	✓
Coverage of sport for Wales		✓	✓
News and information for Northern Ireland		✓	✓
Content in Irish and Ulster-Scots		✓	✓
Coverage of sport for Northern Ireland		✓	✓
Nations and Regions Services			
BBC Scotland			
Range of genres that reflects Scotland's culture		✓	✓
Suitable range of programmes including Scottish news	1	✓	✓
% of its first-run originations made in Scotland	1	90	98
Hours of news in peak	1, 5	250	279
BBC ALBA			
Live news each weekday evening, including in peak, and a longer news review at weekends		✓	✓
BBC Local Radio			
% of daytime weekday output that is speech content	6, 7	60	64
% of peak breakfast output that is speech content	6	100	100
News and information of particular relevance to the area and communities it serves throughout the day	6	✓	✓
Non-news content of particular relevance to the area and communities it serves	6	✓	✓
Weekly hours of original, locally-made programming	7, 8	95	118
BBC Radio Guernsey – Weekly hours of original, locally-made programming		80	111
BBC Radio Jersey – Weekly hours of original, locally-made programming		80	113
BBC Radio Somerset – Weekly hours of original, locally-made programming		70	104
BBC Radio Scotland			
% of daytime weekday output that is speech content		60	87
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		50	59
Several regional opt-outs each weekday, offering news, sport and information, including evening community programming		✓	✓
Content and music of particular relevance to Scotland		✓	✓
BBC Radio nan Gàidheal			
% of daytime weekday output that is speech content		40	48
% of peak breakfast output that is speech content		100	100
News frequently across the day, particularly in breakfast peak and afternoon peak on weekdays, and peak on weekends		✓	✓
Content and music of particular relevance to Scotland		✓	✓
BBC Radio Wales			
% of daytime weekday output that is speech content		60	70
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		32	43
Content and music of particular relevance to Wales		✓	✓
BBC Radio Cymru			
% of daytime weekday output that is speech content		60	65
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		23	29
Content and music of particular relevance to Wales		✓	✓
BBC Radio Ulster			
Weekly hours of news and current affairs		35	37
BBC Radio Foyle			
Weekly hours of news and current affairs		20	22
BBC Radio Ulster and BBC Radio Foyle			
% of daytime weekday output that is speech content		60	67
% of peak breakfast output that is speech content		100	100
Content and music of particular relevance to Northern Ireland		✓	✓
Hours of indigenous minority language programming, including Irish and Ulster-Scots output		240	259

Performance against public commitments

Regulatory compliance continued

Notes:

- 1 Measured across the 2021 calendar year.
- 2 Measured across the two services.
- 3 The BBC delivered 111 hours less than the condition. This is due to the impact of Covid-19 on various elements. As noted above, the need for social distancing created restrictions on how our spaces are used and how frequently, impacted the production and availability of new programmes, event coverage and at times staff availability.
- 4 This includes contributions from Radio 1, Radio 2, Radio 3, Radio 4 and BBC Radio 5 live.
- 5 Measured between 19.00-22.30 given the channel primarily operates from 19.00 in the evening.
- 6 Applies to each BBC Local Radio station. Each station was compliant with the licence condition.
- 7 The figure reported is the average figure across relevant stations.
- 8 Applies to each BBC Local Radio station, except BBC Radio Guernsey, BBC Radio Jersey and BBC Radio Somerset.

	Note	Achieved	Reported
Diversity			
The BBC must report on how it has:			
Had regard to the range of diverse communities of the UK	1	✓	See pages 42-43 and the Diversity Commissioning Code of Practice (DCCOP) report
Served and delivered content for the range of the diverse communities of the UK		✓	See pages 42-43 /DCCOP report
Accurately represented the diverse communities of the UK		✓	See pages 42-43 /DCCOP report
Authentically portrayed the diverse communities of the UK		✓	See pages 42-43 /DCCOP report
Raised awareness of the different cultures and alternative viewpoints of the diverse communities of the UK		✓	See pages 42-43 /DCCOP report
The BBC must report on audience satisfaction:			
How the BBC represents, portrays and serves diverse audiences	2	✓	See pages 42-43 /DCCOP report
How the BBC reflects the whole of the UK population on-screen and on-air	2	✓	See pages 42-43 /DCCOP report
How the BBC raises awareness of different cultures and viewpoints	2	✓	See pages 42-43 /DCCOP report
Steps it will take to improve audience satisfaction where specific audience groups are dissatisfied with the BBC's performance in these areas		N/A	N/A
Steps it has taken and the effect of those steps to improve audience satisfaction where specific audience groups were dissatisfied with the BBC's performance in these areas in the previous year		N/A	N/A
The BBC must report on workforce diversity:			
The diversity of all staff employed in connection with the UK Public Services including the number of staff by different diversity characteristics	1	✓	See Equality Information Report (EIR)
The job level of such staff	3, 4	✓	See EIR
The job type of such staff	3, 5	✓	See EIR
The extent to which the BBC has made progress towards meeting its diversity workforce targets		✓	See EIR
The BBC must report on:			
Its progress towards its on-screen and on-air representation and portrayal targets		✓	See pages 42-43 /DCCOP report
Its compliance with the Diversity Commissioning code of practice		✓	See DCCOP report

Notes:

- 1 Including age, disability, gender reassignment, race, religion and belief, sex, sexual orientation and socioeconomic background.
- 2 With particular regard to first-run content across all genres.
- 3 We have submitted further reporting to Ofcom specifically on the UK Public Services to satisfy these conditions.
- 4 The BBC is required to report on such staff by the following categories: Board members and non-executives, senior managers, middle/junior managers, and non-management. There are too few Board members and non-executives for us to report on their diversity in line with paragraph 2.51 of the Operating Licence. We report the job level of our staff in the EIR and through further submission to Ofcom by pay band, and map onto Ofcom's categories as follows: A-C – non-management; D-E – middle/junior managers; F-SL – senior managers.
- 5 The BBC is required to report on such staff by the following categories: programming, commissioning, technical/engineering, sales/marketing, and support functions/administrative.

Other regulatory matters

Audience satisfaction with the reflection, representation and serving of the diverse communities in the UK

The BBC needs to measure audience satisfaction during the financial year with the reflection, representation and serving of the diverse communities of the whole of the United Kingdom. The survey findings from 2021/22 show that by age band, gender, social grade, area of the UK, and amongst white audiences and black, Asian and minority ethnic audiences and audiences who are disabled and not disabled, the proportion rating the BBC as effective on these measures outnumbers those saying ineffective. In some audience groups, whilst the majority or plurality of people surveyed rated the BBC as effective, this proportion of people saying the BBC was effective can be lower than in their comparator group or the proportion saying ineffective can be higher. This indicates that some audience groups have less satisfaction with the BBC in this regard than others. This year this was the case for C2DE compared with ABC1 audiences and men compared with women; and on some measures for black, Asian and minority ethnic audiences compared with white audiences; under 55s compared with over 55s; in Scotland and Wales, and in the Midlands compared with the England average; and people who are disabled compared with people who are not disabled. For the first time on some measures LGBTQ+ audiences gave lower scores than heterosexual audiences, and were split on whether they are reflected on the BBC.

Changes to the BBC's UK Public Services and non-service activities

Under the Charter and Agreement, the BBC has to assess whether changes to UK Public Services are material. If the changes are material, we are required to carry out a Public Interest Test, which must then be approved by Ofcom before the change can be made.

In March 2021, the BBC published a consultation on the proposal to launch BBC Three as a broadcast channel. In June 2021 the BBC Board approved the BBC Public Interest Test. In November 2021, Ofcom issued its final determination providing approval for the BBC to proceed with its plans to relaunch BBC Three as a broadcast television channel. The channel was officially relaunched in February 2022.

During 2021/22, we have conducted one detailed materiality assessment of a change to UK Public Services or non-service activities; a trial of four changes to BBC Sounds, including an expanded podcast acquisition strategy, podcast windowing, new formats for short-form and playable curations on Sounds. The BBC decided the trial was not material. Ofcom confirmed the trials were not material in February 2022.

Changes to the BBC's commercial activities

Under the Charter and Agreement, the BBC has to assess whether changes to its commercial activities are material. During 2021/22, we assessed whether the transfer of Children's in-house production staff to BBC Studios was a material change to the BBC's commercial activities. The BBC decided in November 2021 that this was not a material change. Ofcom confirmed the change was not material in March 2022.

Regulatory complaints

Under the Charter and Agreement, the BBC is responsible for handling complaints, in a BBC First approach. This year we received no complaints regarding competition issues. We have also received no complaints regarding other non-editorial relevant requirements.

Performance against public commitments

Annual Plan commitments

Annual Plan commitments

Under the Charter, the BBC is required to publish an Annual Plan. As part of the Annual Plan, we made 106 public commitments to make the BBC distinctive. These commitments mainly relate to specific events or outcomes on our services that occurred over 2021/22.

Public Purpose 1: To provide impartial news and information to help people understand and engage with the world around them

BBC Service	BBC commitment	Result
BBC One	BBC One will continue its commitment to news with our national news services on <i>Breakfast</i> , <i>News at One</i> , <i>News at Six</i> and <i>News at Ten</i> . The key areas of focus over the year will be providing accurate information and analysis on the pandemic and its impact, climate change, a post-Brexit UK as well as international news.	YES
BBC One, BBC Two and BBC iPlayer	We plan to make over 750 hours of current affairs programming available to audiences across BBC iPlayer and our TV channels, including at least 450 hours broadcast on BBC One and Two.	YES – 790 hours achieved, 490 hours across BBC One and Two
	New series planned include programme on school exclusions, Oil, Modi's India and the role of women today.	YES – <i>Don't Exclude Me</i> and <i>Womanhood</i> series broadcasted, <i>Oil</i> and <i>Modi's India</i> delayed due to Covid-19
	Programmes such as <i>Panorama</i> , <i>Newsnight</i> and <i>Analysis</i> will also investigate, scrutinise and inform our audiences on the major issues.	YES
BBC News	The BBC News channel will report from around the nations and regions of the UK, as well as specialist programmes focused on reflecting the international news agenda.	YES
	BBC News will modernise its digital news offer to better reflect and serve different audiences across the UK – including changes to the BBC News app with an enhanced user experience.	YES – a beta version of the new app is currently being tested by audiences. We have also introduced mandatory sign-in allowing us to deliver a more personalised offer, while ensuring top stories are still visible in line with our values on impartiality and universality.
BBC Parliament	BBC Parliament will maintain its substantial coverage of the House of Commons, House of Lords, select committees, the Scottish and Welsh Parliaments and the Northern Ireland Assembly throughout the year.	YES
	We will also consider more ways of focusing on the service's core purpose of live coverage and highlights of the UK's Parliaments and Assemblies.	YES – launched new weekly programme <i>Politics UK</i>
BBC Radio 1	Radio 1 will continue its existing news schedule, including its two extended <i>Newsbeat</i> programmes, with content focusing on issues of particular concern for young audiences.	YES
BBC Radio 1xtra	1Xtra will continue its existing news schedule, including its two extended <i>Newsbeat</i> programmes.	YES
	<i>1Xtra Talks</i> will offer a weekly platform to explore subjects in greater depth, including a special programme one year on from the death of George Floyd.	YES
BBC Radio 2	Radio 2 will continue its existing news schedule, and the <i>Jeremy Vine</i> show will ensure news and current affairs content features prominently in Radio 2's daytime output.	YES
BBC Radio 3	Radio 3 will continue its existing news schedule.	YES
BBC Radio 4	Radio 4 will broadcast at least 3,200 hours of news and current affairs programming, providing the UK's most extensive and in-depth reportage and analysis of a fast-changing world.	YES – 3,249 hours
	In particular it will offer impartial and critical understanding of policy, political debate, and economic and social issues, including the repercussions of the pandemic, post-Brexit Britain, the effects of climate change and debates over the future of the Union.	YES
	A major series, <i>39 Ways to Save the Planet</i> , considers fresh ways to tackle climate change, and the <i>Rethink</i> project looks at how the world can improve after the pandemic.	YES

BBC Service	BBC commitment	Result
	We will deepen our focus on solutions-focused journalism, through our regular current affairs output and specially commissioned series.	YES
	We will refresh and redefine our consumer affairs programming to better enable the audience to negotiate contemporary social and economic challenges.	YES – relaunch of <i>You and Yours</i> and a commission of a new consumer affairs podcast
BBC Radio 5 live & 5 live Sports Xtra	75% of programming on BBC Radio 5 live is news and current affairs, putting audiences at the centre of debate and discussion through a variety of listener interactions (phone, text, social media conversation).	YES
	News summaries on 5 live will deliver relevant engaging news stories every half hour in mid-week daytime and regularly throughout weekend sport coverage.	YES
	5 live will provide in-depth coverage of 2021's selections across the UK, including the Scottish Parliament; Welsh Senedd; local councils and local and combined authority mayors in England; the Mayor of London and London Assembly; and police and crime commissioners in England and Wales.	YES
	5 live will broadcast at least two current affairs series, on linear radio and available as podcast.	YES – series launched include: Deborah Meaden's <i>The Big Green Money Show</i> , <i>Brixton: Flames on the Frontline</i> and <i>I'm Not a Monster</i>
BBC Radio 6 Music	6 Music will continue its existing news schedule, with regular Music News updates which will allow listeners to hear directly from notable artists and musicians.	YES
BBC Radio Asian Network	Asian Network will continue its existing news schedule.	YES
	Asian Network will continue its existing news and current affairs commitment, reflecting the most pressing issues affecting British Asians, with relevant content shared via social media to reach the widest possible audience.	YES – recent editions of <i>Ankur Desai</i> have included coverage on the ban on hijabs in Karnataka, the introduction of an Asian family in <i>Bridgeton</i> and coverage of the IPL
BBC iPlayer & BBC Sounds	BBC News will explore ways to enhance the news offer on BBC iPlayer and BBC Sounds, experimenting with new ways to deliver news bulletins and curate news content.	YES – launched news podcasts 5 Mins On, which has nearly one million listens on Sounds
CBBC	Newsround will continue to provide children with daily news through its extensive website and via 35 hours or more of TV bulletins annually.	YES – 44 hours delivered
	This year Newsround will provide children, their parents and schools with news and information expressly tailored to young people about the UK's recovery from the Covid-19 pandemic. This will include a major UK-wide survey on children's views of the effects of the pandemic on them.	YES – published on the BBC website
English Regional Services	Our 39 local radio stations, 15 regional TV networks and many online services will provide an accurate picture of what is happening for audiences in their local area.	YES
Nations Service	Our six national and language services will provide an accurate picture of what is happening for audiences in their local area.	YES
Public Purpose 2: To support learning for people of all ages		
BBC Service	BBC commitment	Result
BBC One, BBC Two, BBC Four & BBC iPlayer	We plan to make over 150 hours of religious programming available to audiences across BBC iPlayer and our TV channels, with at least 115 hours broadcast on BBC One and Two.	YES – 221 hours, 141 hours across BBC One and Two
	These will include long-running strands such as <i>Songs of Praise</i> and a range of new films (e.g. <i>Being Christian</i> , <i>Being Muslim</i> , <i>Being Sikh</i>) that will explore issues of faith in all the major religions.	YES
	BBC One and Two will broadcast over 100 hours of informal life-long learning programmes in the Science, History and Natural History genres, with at least 20 new titles.	YES – 195 hours

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
	This includes BBC One's <i>I Am Greta</i> , which follows the activist as she explores what could be done to limit climate change, David Olusoga's <i>Union</i> and new natural history programmes <i>The Green Planet</i> and <i>Dynasties II</i> presented by Sir David Attenborough.	YES
	We plan to make over 1,000 hours of arts and music programming available to audiences across BBC iPlayer and our channels, with at least 400 hours broadcast on TV.	YES – 2,046 hours, 1,789 hours broadcast on TV
	BBC Two will have a landmark 7-part series on British creativity.	NO – the series <i>Creating Britain</i> was pushed back to April 2022 due to a scheduling change
	BBC Four continues to be the home of classical music performance showcasing the best of the BBC Proms and covering events such as Cardiff Singer of the World.	YES
	BBC Four will also go further into the BBC archives to reveal its unparalleled riches, routinely broadcasting classic drama, comedy and documentary.	YES – 183 hours of drama broadcasts, 112 hours of comedy and 432 hours of documentary
	<i>Culture in Quarantine</i> continues to bring arts to audiences at home whilst helping to support a sector deeply affected by the pandemic, including <i>Lights Up</i> – a major virtual theatre festival of 18 new productions for TV, radio and online, produced and presented with theatres across the UK.	YES
BBC Bitesize	2021/22 is the first year of a three-year-plan aimed at increasing Bitesize's contribution to levelling up of learner outcomes for 5-16 year olds. Year one priorities include: – Launching a refreshed Key Stage 3 service (11-14) across all core subjects in Autumn 2021. – Significantly broadening and deepening our Primary (5-11) coverage, including extending the service to Reception learners in England (these pupils are already served in other Nations).	YES – Bitesize new Key Stage 3 offer launched in September 2021. Primary has been re-cast to be more engaging to parents and young learners in the home. Bitesize Reception is aiming to launch for the new 2022 school year.
	BBC Education will produce 50 new hours of Bitesize Daily for transmission on CBBC during Summer term 2021.	YES – 84 hours
	BBC Education's key education campaign in 2021/22 will be Bitesize – <i>The Regenerators</i> , a sustainability education campaign with the BBC Natural History Unit and <i>Countryfile</i> , closely aligned to COP 26 in Glasgow, and the NHU titles <i>The Green Planet</i> and <i>Dynasties II</i> .	YES
BBC Teach	We will continue to commission and add new series to our BBC Teach collections.	YES
	We will continue our work to bring greater diversity to our history content, covering further content that reflects the histories and experiences of black and Asian communities in the UK.	YES
BBC Tiny Happy People	<i>Tiny Happy People</i> , our long-term early years language campaign with the Royal Foundation, aimed at 0-4 year olds and their parents will cement its place as part of our pre-school education offer, working closely with Bitesize and CBeebies.	YES
	2021-22 will see us commission up to 130 short films, with particular focus on the 3-4 year old category. On the ground, we will be launching four hyperlocal focussed activity initiatives in South Wales, Northern Ireland, Cornwall and Glasgow.	YES – 165 short films
CBBC	There will be 50 hours of originated Education content to appear in a three hour zone on CBBC term-time mornings (and the programmes will also available year-round on BBC iPlayer).	YES – 84 hours
	With some commissions for this year still to be confirmed, CBBC plans as they stand will aim to deliver at least 80 hours of new factual origination.	YES – 159 hours
CBeebies	CBeebies will also create a new <i>Learn & Play</i> zone every weekday on both on the TV channel and on BBC iPlayer.	YES
BBC Radio 1	Radio 1 will broadcast at least 40 new documentaries, including a number telling the story of an artist's career to-date through archive interviews and live performances.	YES – 41 documentaries

BBC Service	BBC commitment	Result
	Radio 1 will reflect key concerns of young listeners through campaigns like Minute of Me; and continue to support mental health with crafted mixes and programmes like <i>Life Hacks</i> providing a wellbeing toolkit.	YES
BBC Radio 1Xtra	1Xtra will broadcast at least 40 documentaries, including a series featuring cross-generational Black artists, actors and cultural figures discussing tracks that have inspired them.	YES – 52 documentaries
	1Xtra will reflect Black History Month in October with a range of special programmes and feature	YES
BBC Radio 2	<i>The Zoe Ball Breakfast Show</i> is partnering with <i>Tiny Happy People Families</i> . This provides a unique opportunity to learn in detail how babies develop their speech and language, and also to show the different rates at which babies can develop over time.	YES
	Radio 2 will continue to broadcast at least 170 hours of religious output, including <i>Good Morning Sunday</i> , which will reflect modern spirituality and mark significant dates in the religious calendar. Our daily <i>Pause For Thought</i> will cover national, global and topical themes.	YES
	Arts programming will remain an essential part of Radio 2, with Elaine Paige's weekly celebration of musical theatre centre stage.	YES
	<i>The Radio 2 Book Club</i> will feature new fiction and non-fiction titles each month in its new home as part of Steve Wright's afternoon show.	YES
	We will also reflect key awards shows which celebrate the arts when these again become possible.	YES
	Radio 2 will broadcast at least 130 hours of documentaries including pioneering musician Billy Ocean with a series exploring the sounds of the Caribbean; and comedian and former battle rapper, Romesh Ranganathan, sharing his passion for hip-hop.	YES – unfortunately Billy Ocean was unable to participate, this was replaced by a series from Reggae Superstar Shaggy
	Radio 2 will go green with special programming.	NO – due to a scheduling change, this launched in May 2022 with the Sow Grow Show and a themed week of features.
BBC Radio 3	Radio 3's <i>BBC Young Composer 2021</i> will give musically minded people aged 12-18 the opportunity to win places on a tailored development programme working with a mentor composer on a project with the BBC Concert Orchestra, culminating in a performance or broadcast opportunity.	YES
	Radio 3 will also launch a new competition for sound designers.	YES
	Radio 3's religious programming includes our annual <i>EBU Music Days</i> inspired by Easter and Christmas, and a planned series of essays on the history of rural churches and the meaning of spiritual ritual in the contemporary world.	YES
	We also plan to regularly tackle religious and ethical issues from across the world in our thrice-weekly discussion programme <i>Free Thinking</i> .	YES
	We will also reflect key awards shows which celebrate the arts when these again become possible.	YES
	Radio 3's new documentaries will cover a broad range of arts and cultural topics, which will include <i>Riding the Waves</i> – how Virginia Woolf's ground-breaking novel <i>The Waves</i> has influenced writers, artists and composers across the creative spectrum; <i>To Thee We Sing</i> – the life and career of the African American opera singer Marian Anderson; <i>Fluxus</i> – inside the revolutionary 1960s art movement; <i>52 Rhythms of Remembering</i> , a new translation and journey inside one of Wales' oldest poems; <i>Then There Was Light</i> – the controversial late works of composer Karlheinz Stockhausen; <i>Nightingales in Berlin</i> – capturing the sound and music of the latest residents of the German capital; and <i>How to Rebuild a City</i> – the story of the architectural ideas behind Coventry's reconstruction after the war.	YES
	Radio 3 will broadcast regular strands committed to explaining music, arts and ideas to new audiences, such as <i>The Listening Service</i> and <i>Composer of the Week</i> .	YES

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
BBC Radio 4 & Radio 4 extra	We will broadcast at least 200 hours of programming which reflects and explores the religious and ethical dimensions of life, including a new series in which James MacMillan explores the spiritual aspect of great composers' work.	YES – 203 hours
	Radio 4 will refresh and redefine our arts journalism, devoting more airtime to the arts this year, with linked podcasts, to report, celebrate, critique and promote the artistic life of the UK.	YES
	We will launch new regular strands, committed to deeper exploration of music and film.	YES
	Radio 4 will broadcast at least 375 hours of documentaries, using innovative formats to help our audience to a deeper understanding of politics, economics, business, law, history, science, religion and culture.	YES – 418 hours
	We will commission prominent programming to explore the implications for democracy of big data, social media and artificial intelligence. We will devote significant airtime to exploring practical solutions to the challenge of climate change.	YES
BBC Radio 5 live & 5 live Sports Xtra	Nationally significant religious festivals will be explored in 5 live news programmes.	YES
BBC Radio 6 Music	6 Music will broadcast at least 520 hours of a range of speech-based features, documentaries and essays, including programmes such as <i>Sound & Vision</i> , <i>Journeys in Sound</i> and <i>The First Time</i> .	YES – 531 hours
BBC Radio Asian Network	Asian Network will reflect and celebrate key South Asian religious festivals such as Diwali and Ramadan.	YES
	<i>Beyond Bollywood</i> will bring listeners all the latest movie news and more through a weekly show and companion podcast; we will also launch a new programme focused on the Pakistani entertainment industry.	YES
	Asian Network will celebrate the 50th anniversary of the independence of Bangladesh with a series of programmes across the year.	YES
BBC Alba	BBC Alba will broadcast at least ten hours of programmes per week for Gaelic language learners.	YES – 11 hours
	A new language learning initiative, SpeakGaelic, to be launched in autumn 2021, is set to become a focal point for adult learners and speakers, with a course, a dedicated on-demand learning website and complementary programming across BBC Gaelic services and digital platforms.	YES
BBC Local Radio	All 39 local radio stations will provide virtual church services from 8am each Sunday.	YES
BBC iPlayer	We will expand the volume of content available to children on BBC iPlayer. Currently there are around 1,500 hours of content available at any one time and we plan to significantly increase this over the next few years, for all our children's age groups.	YES – 2,300 hours of content available currently

Public Purpose 3: To show the most creative, highest quality and distinctive output and services

BBC Service	BBC commitment	Result
BBC One, BBC Two, BBC Three & BBC Four	BBC One will broadcast a broader range of genres in peak time than any comparable channel.	YES
	At least 25 new scripted titles will be broadcast across the portfolio.	YES – 30 titles
	We plan to make over 1,500 hours of Drama programming available to audiences across BBC iPlayer and our channels, with at least 500 hours broadcast on TV.	YES – 3,531 hours, 935 hours broadcast on TV
	BBC One will prioritise distinctive, high-quality drama working with the very best established and new on- and off-screen talent to reflect lives across the UK. This includes the timely adaptation of <i>This Is Going To Hurt</i> by Adam Kay.	YES
	BBC Two will partner with BFI on the British Film Premiere season.	YES
	BBC Three will broadcast fresh new drama with breakthrough talent for young audiences such as <i>Superhoe</i> .	YES – Superhoe was renamed to Mood

BBC Service	BBC commitment	Result
	BBC One and Two will broadcast the year's greatest sporting events – Men's Euros, Wimbledon, the Tokyo Olympics and Beijing Winter Olympic Games. We will also cover the Invictus Games from The Hague.	YES
	We plan to make over 500 hours of comedy programming available to audiences across BBC iPlayer and our TV channels, including box sets of classic comedy favourites, with at least 300 hours broadcast on BBC One and BBC Two (of which at least 50 hours will be first-run).	YES – 1,273 hours of comedy, 525 hours broadcast on TV (of which 111 hours were first-run)
	BBC Two will continue to be the home of smart and popular comedy with the return of <i>Guilt</i> and <i>Inside No. 9</i> , as well as new series such as <i>Alma's Not Normal</i> . BBC One will broadcast a wide range of comedies with broad appeal e.g. <i>Mrs Brown's Boys</i> and family favourites such as <i>Ghosts</i> and <i>Worzel Gummidge</i> .	YES
	BBC Three will continue to champion new voices and reflect young British experience around the UK with a fresh and innovative tone including a new female-led series <i>Ellie & Natasia</i> .	YES
	Across BBC One and Two with at least five new factual landmarks series during the year including <i>Pandemic</i> , <i>The Green Planet</i> and <i>Universe</i> .	YES – 7 series
	BBC Three will offer fresh and innovative formats, at least five new factual entertainment series and returning hits including <i>RuPaul's Drag Race UK</i> .	YES – 16 series
CBBC	CBBC will broadcast a broader range of genres than other children's television channels.	YES
	CBBC will continue to serve the 6-12 audience, with an increased focus towards iPlayer for the older 10-12 age bracket who are increasingly preferring video on demand.	YES
	20% of CBBC commissions this year are aimed at the 10-12 audience, with more of these programmes launching on iPlayer first.	YES – 32% of commissions aimed for 10-12 audience
	60% of commissions are aimed towards the 6-9 audience, with the remaining 20% appealing to the broader 6-12 years range.	NO – see note 1
	Both CBBC and CBeebies will interact with children aged 4-12 through presenter-led factual entertainment and game shows such as <i>Blue Peter</i> , <i>Saturday Mash-Up!</i> and <i>Crackerjack!</i> , as well as via the hosted presentation links on the channels and different day parts featuring education or entertainment zones.	YES
	With some commissions for this year still to be confirmed, CBBC plans as they stand will aim to deliver at least 80 hours of new factual originations, 90 hours of new drama, six hours of new commissioned animation, and 60 hours of new comedy and entertainment.	159 hours achieved for factual, drama underachieved with 88 hours due to delays in delivery, 100 hours achieved for comedy, 6 hours for animation – see note 2
CBeebies	CBeebies will broadcast a broader range of genres than other children's television channels.	YES
	New originated content for CBeebies this year is weighted towards the 4-6 age range, forming 78% of commissions with the remaining 22% aimed at the 0-3s.	NO – see note 3
	Bridging programmes will be created which can span across the 6–8 years range, as these viewers will watch both CBeebies and CBBC and the content can sit comfortably on either channel, along with BBC iPlayer.	YES
BBC News	BBC News Channel will commit to coverage of live events combined with real-time analysis and explanation to help audiences keep up to date and make sense of significant developments, including key public health messages, as they happen.	YES
	Reporting from around the nations and regions of the UK, as well as specialised programmes reflecting the international news agenda.	YES
	Focus on putting questions from viewers at the heart of our coverage to help audiences understand the news in the way that is most relevant to them.	YES

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
BBC Radio 1	Radio 1 will ensure it continues to offer a distinct music mix compared to commercial music radio stations.	YES
	Radio 1's <i>Playlist</i> and <i>Brit List</i> will showcase the UK's most exciting new music, with particular support for new and emerging acts.	YES
	Radio 1 will continue to ensure new music and UK artists takes centre stage in our daytime programming.	YES – 54% of Radio 1's daytime music was new, with 60% from UK artists
	Radio 1 expects to broadcast over 3,500 hours of specialist music programming this year. The flagship Radio 1's <i>Future Sounds</i> programme will continue in its new, earlier 6-8pm timeslot on Monday to Thursdays and we will launch a new Radio 1 <i>Future Soul</i> show in the autumn.	YES – 3,708 hours
BBC Radio 1Xtra	1Xtra showcases contemporary black music and acts as a champion for new and emerging UK acts. In daytime, at least a third of the music will come from UK artists, with an intention that at least half of this will be new.	YES – 46% of the daytime music was by UK artists, of which 75% was new
	1Xtra <i>Loves Jamaica</i> , a series of programmes focused on Africa and a special R&B Weekend will reflect our audience's shared passion for music.	YES
	<i>Hot for 2022</i> will first introduce, and then support the acts we are most excited about for the coming year	YES
BBC Radio 2	Radio 2 will ensure it continues to offer a distinct music mix compared to commercial music radio stations, with UK artists and new music at the heart of programming.	YES
	Radio 2 plans to celebrate the 1960s in a series of special shows during the summer, together with a series presented by Ricky Wilson of the Kaiser Chiefs built around his passion for 50s Rock & Roll.	YES
	Radio 2 will broadcast at least 1,110 hours of specialist music over the year, including Trevor Nelson's <i>Rhythm Nation</i> , regular country, folk, jazz and blues shows, as well as programmes dedicated to rock, reggae and brass bands.	YES
	Radio 2 will showcase live music with at least 260 hours of new and archive performances across the year, including coverage from key festivals and events as and when these become possible again.	YES
BBC Radio 3	Radio 3 will offer uniquely authoritative, yet widely accessible exploration and performance of music from all periods, taking in the whole classical tradition, together with jazz, world music and contemporary electronic genres.	YES
	Radio 3 will mark seasons of the year and significant anniversaries with special clusters of music and speech programming. Amongst the cultural anniversaries we'll be marking in 2021: the 150th anniversary of the Albert Hall opening; the 50th anniversary of Igor Stravinsky's death; the 150th anniversary of the premiere of Verdi's opera <i>Aida</i> ; the 400th of Dante's birth, and the 250th of Walter Scott's birth.	YES
	Radio 3 will offer lively and insightful speech programmes and podcasts that illuminate the world of music and musicians, art and artists, drawing new audiences into a deeper experience of British, European and global culture.	YES
	Radio 3 will broadcast distinctive mood and talent-led music show formats building on the success of <i>Tearjerker</i> ; <i>Downtime Symphony</i> ; commissioned with BBC Sounds, to drive discovery and bring classical music to new and young genre-fluid audiences who otherwise might never engage with it.	YES
	Radio 3 will maintain its role in unique and challenging long-form audio drama and work with theatres that have been closed during the pandemic.	YES
	Radio 3 will commission at least 30 new musical works for performance and broadcast across the UK.	YES – 39 new musical works

BBC Service	BBC commitment	Result
	Radio 3 will continue to promote new talent, whether through <i>New Generation Artists</i> , <i>New Generation Thinkers</i> , BBC Sound First or BBC Introducing.	YES
BBC Radio 4 & Radio 4extra	Radio 4 will maintain its commitment to drama, broadcasting major drama series reflecting contemporary Britain as well as adaptations of modern and classic novels, including authors such as DH Lawrence, Thomas Hardy and Rudyard Kipling.	YES
	We will also continue to reinvent audio drama for younger audiences with a range of new titles aimed at the podcast generation.	YES
	We will launch a new strand of half-hour drama, encouraging new approaches to writing for radio and making audio drama more accessible to a wider audience on-air and online.	YES
	We will pilot new comedy formats from established comedians and provide opportunities for emerging comic talent to reach a national audience.	YES
	Radio 4 Extra will provide a unique platform of entertainment and refreshment, curating a showcase of the best comedy, drama and features in the BBC archive.	YES
	Following big podcast hits such as <i>Grounded with Louis Theroux</i> , <i>Fortunately with Fi and Jane</i> , <i>You're Dead to Me</i> and <i>The Battersea Poltergeist</i> , Radio 4 will commission more digital-first content to reach new audiences, which will also be enjoyed in the linear schedule.	YES
	Building on the international success of <i>Mayday</i> and <i>Tunnel 29</i> , we will broadcast the next programme and podcast in the <i>Intrigue</i> series, combining investigative skills and dramatic narrative to powerful effect.	YES
Radio 4 Extra will also explore new and diverse podcasts through its unique <i>Podcast Radio Hour</i> .	YES	
BBC Radio 5 live & Radio 5 live Sports Xtra	Radio 5 live will enhance production of the BBC's hugely popular podcast, <i>That Peter Crouch Podcast</i> with a series of specials to cover the <i>Euros</i> football tournament.	YES
	Radio 5 live will continue to produce the distinctive <i>You, Me and The Big C</i> podcast and will continue the station's legacy of supporting community podcasts by producing the next winner of The Rachael Bland Podcast Award for a second year.	YES
	Radio 5 live will produce high quality and distinctive coverage of the biggest sports events of the year including Olympic Games, Euros football, Wimbledon, Ryder Cup and the Ashes.	YES
	Radio 5 live will provide live commentary on a broader range of sports than any other radio broadcaster, Premier League, Champions League and Women's Super League football, international cricket, rugby and boxing.	YES – 43 sports, see list above
BBC Radio 6 Music	6 Music will champion new and alternative music from the UK and beyond, in particular artists releasing music on independent labels and those getting little exposure on mainstream stations.	YES
	Strands such as the 6 Music Artist Collection and Artist in Residence will shine an in-depth spotlight on the unique visions of musicians close to the hearts of our listeners.	YES
	Craig Charles will mark the 50th anniversary of Marvin Gaye's seminal album <i>What's Going On</i> in May.	YES
BBC Radio Asian Network	Asian Network's <i>Future Sounds</i> will showcase the new artists we are most excited about for the coming year; with the station's Playlist continuing to act as a showcase for the British Asian Sound.	NO – <i>Future Sounds</i> did not launch however two new weekly 'new music shows' were launched during the year, and 51% of playlist tracks were from UK artists or UK producers
BBC iPlayer	BBC iPlayer will be packed with original, high-quality new series, box sets to binge, classics from the archive and more programmes available on iPlayer first.	YES

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
	A relevant and intuitive experience, tailored to the individual – through a unique blend of human and algorithmic curation.	YES
	Distinctive live experiences that reflect what matters to UK audiences – live news, access to big events, and cultural moments that you won't want to miss out on.	YES
	A service that works for every young person – from our youngest viewers through to our young adult audience, one service that grows with them at their pace.	YES
	Accessible to the audience wherever they are, whatever devices they are using, finding them at the right moments with the right content.	YES
BBC Sounds	BBC Sounds will be an experience with live radio at its heart: with new collaborative approaches to commissioning that deliver exclusive content, standout events and regular listening moments joined up across linear and on-demand.	YES
	A creative engine for the UK: renewing the offer from our amazing radio stations to deliver value to all audiences, developing new diverse talent through the Sounds Lab scheme, exploring new ways of partnering with community radio, and showcasing the best new and growing British podcasts.	YES
	More local than ever: making it easier to discover nations and local content on its own or as part of curated experiences.	YES – nations and local stations were added to the TV app making them accessible across all of our platforms
	Simple and relevant to you: more value by unlocking BBC Radio content from schedules to curate presentations tailored to your tastes and listening moments both on-demand and through a new scheduled stream of content to help young audiences in particular to manage stress and wellbeing through music and speech content.	YES – Radio 1 Relax was launched in April 2021, a brand new 24 hours stream to help listeners unwind
	Available everywhere: working with others across UK audio to keep radio evolving, relevant and prominent in-car and on new platforms like voice.	YES
BBC News	BBC News will begin rolling out an enhanced user experience across an updated website and BBC News app, including: <ul style="list-style-type: none"> — New short-form video and interactive experiences. — New story formats for complex long running stories which enable audiences to determine how long they want to spend on a topic. — Innovative types of curation which make it easier for audiences to find and understand key stories as they evolve. — More transparency and personality within our news by providing more information on our experts and the sources they use. — Live streaming experiences using contributions from BBC journalists on the ground as news breaks. 	NO – This work is still in progress. We have created a new Digital Formats team that is working on developing these new formats and improve curation of content.
BBC Sport	BBC Sport will have coverage of major sporting events including the European Football Championships, the Tokyo Olympics, Wimbledon and the Ashes in Australia.	YES
	A Premier League service – with a more personalised experience, based around our team passions and unlocking the best of the BBC coverage of individual clubs.	YES
	Sport Plus content (i.e. the stories of sport in culture and entertainment), alongside increased online interactivity (user generated content, ratings, games).	YES – launched with documentary Ronaldo
	Enhanced personalisation, sign-in and topics.	YES

Notes:

- 35% of CBBC titles aimed at 6 – 9 delivered, 33% aimed at 6 – 12. Commissions that were delayed due to Covid-19 in the previous years were shown in 2021/22. This backlog meant that some 2020/21 titles were not shown in that financial year and so that impacted on 2021/22.
- In the BBC's Annual Plan for 2021/22, the figure for our commitment to delivering animations hours was erroneously labelled as 30 hours rather than the 6 hours as was intended. This has been corrected in the commitment above.
- 58% of CBeebies titles delivered for 4 – 6 ages, 42% for 0 – 3s. Delivery of this was affected by Covid-19 related delays, see note 1 above

Public Purpose 4: To reflect, represent and serve the diverse communities of all of the United Kingdom's Nations and regions and, in doing so, support the creative economy across the United Kingdom

BBC Service	BBC commitment	Result
BBC One, BBC Two, BBC Three, BBC Four & BBC iPlayer	Our content plans for 21/22 include a range of output to reflect and represent diverse communities including <i>My Name is Leon</i> , <i>Ralph and Katie</i> , <i>Gentleman Jack</i> , <i>Superhoe</i> , <i>Man Like Mobeen</i> , <i>Our international NHS</i> and <i>Independence Day</i> . From January 2022, Morning Live will be presented live from Salford. BBC One will be the only channel in the UK to broadcast all of its live morning output from outside London.	YES
	We will launch a new daytime drama, <i>Hope Street</i> , set in rural County Down, to complement other daytime series from the Midlands.	YES
	We will broadcast at least 20 drama and comedy titles that are clearly set in towns, cities and counties right across the UK.	YES – 30 titles launched
	We will broadcast up to ten new factual series from all four nations as a result of BBC Three and BBC Two's work to support nations and regions companies through Covid-19.	YES – 10 series launched
	Network TV and Nations and Regions will continue working together to implement a new co-commissioning model that will see the BBC deliver more portrayal-led commissions on the main network channels and iPlayer.	YES
	We will move the BBC Writers-room headquarters to Salford and we will appoint four new Drama commissioning roles, one in each nation, who will lead on new writer development and support the Commissioning Editors to build the range and pipeline of new voices across the UK.	YES
	BBC Three will build on the success of their Northern Voices scheme, by launching a Documentary opportunity for Midlands producers with BBC England, to champion local companies who want to tell young, authentic regional stories.	YES
	Our £2 million diversity fund will, amongst other things, support a diverse talent scheme across series 6 and 7 of Shetland focussing on entry level, mid-level and script editing roles; co-fund two trainee series producers with <i>Dragonfly North</i> and the next series of <i>Ambulance</i> ; and fund three additional production roles from a working-class background for Series 3 of <i>Angels of the North</i> to improve socioeconomic diversity and strengthen talent development in the Newcastle and Darlington areas.	YES
	We will increase the number of Network commissioner roles based in the North of England to support local ideas and companies in the region.	YES
	We will refresh the recipients of our small indie fund to support the growth and broaden the range of companies we commission – with a focus on diverse-led and nations and regions producers.	YES
CBBC	CBBC will reflect the diversity of UK children to ensure everyone sees themselves and their lives represented on screen.	YES
	Animation will play an increased role in our future audience strategy over the next few years and we are launching a pilot initiative to support the creative economy in developing new creative animation talent in the UK.	YES – the Ignite pilot initiative launched in September 2021, receiving over 1,000 submissions
CBeebies	CBeebies will reflect the diversity of UK children to ensure everyone sees themselves and their lives represented on screen.	YES
BBC Radio 1	Radio 1 will support the UK's creative industries across the UK as they look to reopen from Lockdown, celebrating live music, festivals and clubs as and when relevant guidelines permit.	YES – including two Essential Mix programmes from re-opened clubs, outside broadcasts from Reading Festival and Radio 1's Out Out! Live, a free event at Wembley Arena
BBC Radio 1Xtra	1Xtra's UK Tour will shine a spotlight on 16 cities in April.	YES
	In partnership with BBC Introducing and <i>Children In Need</i> , we will showcase the talents of local artists and creatives, as well as reflecting stories from those working as a force for good in local communities.	YES – work with Children in Need was rescheduled to launch in April 2022

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
BBC Radio 3	Radio 3 will support the rebuilding of the classical music industry and the culture of live performance as it emerges from the pandemic, by broadcasting dedicated performances and recordings from a wide range of festivals and concert halls around the UK, as and when relevant guidelines permit.	YES
	Radio 3 will continue to unearth and celebrate the work of neglected women and black, Asian and minority ethnic composers, living and dead.	YES
BBC Radio 4 & Radio 4extra	We will engage with and tell the stories of people across the UK, through documentaries, The Listening Project and the launch of a new conversation strand which explores life-changing situations.	YES
	We will explore the history of the British slave trade and its continuing influence on our lives today.	YES
	A new series will explore the UK's history and self-understanding in collaboration with local museums.	YES
	A series of documentaries will examine attitudes to the Union, with four programmes from each of Scotland, Northern Ireland, Wales and England.	YES
	A series of ten dramas, from five different parts of the UK, involving 50 new and established writers with distinctive regional identities, will create a collage of stories about contemporary life across the country.	YES
BBC Radio 5 live & 5 live Sports extra	5 live will continue to reflect the UK-wide audience as the only UK-wide speech station based in the North of England.	YES
	Radio 5 live will cover more women's sports than any other radio broadcaster.	YES
BBC Radio 6 Music	Radio 6 Music will mark Pride with an iconic season of artist-led shows, playlists and mixes.	YES
	6 Music will aim to support grassroots live music and performance, across the UK, highlighting initiatives like Independent Venue Week, and inviting new and emerging artists to perform in session as and when social distancing guidelines allow.	YES
BBC Asian Network	Asian Network will begin work to consolidate at a single base in Birmingham.	YES – Asian Network Chill launched in October 2021 and is being produced by a Birmingham-based indie
	Following a 'new voices' initiative, Asian Network Represents on Sunday evenings will showcase a diverse set of new presenters throughout 2021. The line-up includes a number who are new to radio, with each DJ enjoying a month to share their passion for British Asian culture.	YES
BBC One Wales & BBC Two Wales	During this period, iPlayer hits <i>Keeping Faith</i> and <i>Hidden</i> will return for their final series and crime thriller <i>The Pact</i> launches.	YES
	Comedy remains a central pillar of content with a 'Festival of Funny' pencilled for the autumn and the welcome return of sitcom <i>The Tuckers</i> and the award-winning <i>In My Skin</i> .	YES
	Landmark factual shows continue to punctuate the year including <i>The Celtic Deep</i> and <i>Snowdonia Farmers</i> .	YES
BBC Radio Wales	Political coverage of the Senedd elections on key programmes, including Radio Wales Breakfast, Drive and Sunday Supplement. Also delivering additional content through podcasts such as <i>Walescast</i> .	YES
	We will provide extensive coverage, including live commentary of every Wales game, of the 2021 European Football Championships. We will also provide coverage of Welsh athletes at the Olympics, the Lions Tour and the Women's Rugby World Cup.	YES
	We will continue to support Welsh culture, including the Machynlleth Comedy Festival and The Hay Digital Festival.	YES
	We will attract younger audiences by creating bespoke podcasts and content for BBC Sounds – including <i>The Hayley Pearce Podcast</i> .	YES

BBC Service	BBC commitment	Result
	Comedy will also continue to be a priority for BBC Radio Wales, with a range of pilots supporting new talent, alongside the return of established series such as the all-female sketch show, <i>Welcome Strangers</i> .	YES
BBC Radio Cymru & Radio Cymru 2	Radio Cymru's recently launched morning news programme, <i>Dros Frecwast</i> , will provide comprehensive and accessible coverage in 2021 of the pandemic, the Welsh Parliamentary Elections and major sporting events.	YES
	Plans are in place to provide a creative, on-air response to the cancellation of the major Welsh language cultural festivals, as well as a series of concerts and sessions with popular Welsh artists.	YES
	We'll continue to expand our Welsh language content produced exclusively for BBC Sounds and will create more space for diverse voices and strengthen our offer for young audiences.	YES
BBC One Scotland	Drama will be a mainstay of our network offer to audiences, with the return of Shetland (for its sixth series) and new two new six-part thrillers – <i>Vigil</i> and <i>The Control Room</i> . In comedy, there will be a welcome return for the residents of Latimer Crescent in <i>Two Doors Down</i> and, for younger viewers, <i>Molly and Mack</i> will be back on CBBC. Tricky will return to Radio 4's podcasts for a second series of topical discussion.	YES – <i>The Control Room</i> was rescheduled to 2022/23
	News programming will continue to feature prominently on BBC One Scotland, with coverage of key events across the year, including the Holyrood elections in May, the European Football Championships and the Olympics in summer 2021 and the world climate conference, COP26 in Glasgow.	YES
BBC Scotland	Fresh and innovative content, formats and new talent, will continue to define the BBC Scotland Channel.	YES – 800 hours of originated content broadcasted across a wide range of genres
	Factual programmes across the year will include the return of <i>Inside Central Station</i> , <i>Inside the Zoo</i> and <i>Scotland's Home of the Year</i> . There will also be new series of <i>Murder Case</i> and David Wilson's <i>Crime Files</i> and <i>Who Owns Scotland?</i> will scrutinise urban and rural land ownership.	YES – <i>Murder Case</i> was rescheduled to 2022/23
	The multi-award winning <i>Guilt</i> will return to the BBC Scotland Channel and BBC Two for a second series.	YES
	Burnistoun's Iain Connell and Robert Florence will bring a new comedy series to screens with <i>The Scotts</i> .	YES
	<i>TUNE</i> and <i>Loop</i> will highlight the best stories in music and arts from across Scotland.	YES
BBC Alba	BBC Alba will broadcast the eighth and concluding series of the Hebridean-set drama <i>Bannan</i> and an ambitious new co-funded drama series for children, <i>Na h-Òstairean</i> will be produced.	YES
BBC Radio Scotland	Political coverage of the Holyrood elections in May will feature across our news output, including the recently introduced <i>Sunday Show</i> .	YES
	BBC Radio Scotland will be the 'Home of the Euros' in summer 2021, with extra programming and special events.	YES
	We will launch our own COP26 children's writing competition – <i>Climate Tales</i> – culminating in a simulcast finale with the BBC Scotland channel.	YES
BBC Radio Nan Gàidheal	BBC Radio nan Gàidheal will continue to provide its unique mix of speech and music programmes for Gaelic speakers and new talent development will be a priority.	YES
BBC One Northern Ireland & BBC Two Northern Ireland	Deliver impactful television drama for BBC network audiences, including <i>Line of Duty</i> and <i>Hope Street</i> .	YES
	Work collaboratively with BBC Three on locally produced programmes for younger audiences and across a range of genres.	YES
	Maintain the breadth and appeal of our local television schedule with a mix of returning strands and new commissions.	YES
	Deliver landmark documentaries on major historical issues and themes, including <i>Road to Partition</i> .	YES

Performance against public commitments

Annual Plan commitments continued

BBC Service	BBC commitment	Result
	Reflect community diversity and contemporary life through strands including <i>True North</i> , <i>Home Ground</i> and our minority language output.	YES
	Work to make locally produced/relevant television programmes easier to find on BBC iPlayer.	YES – BBC Northern Ireland programmes were promoted beyond the Northern Ireland category and recommended to viewers through various methods
	Commission <i>A Season of Arts</i> , a cross-platform celebration of arts and creativity.	YES
	Maintain the breadth, impact and distinctiveness of our journalism in <i>BBC Newline</i> , <i>Spotlight</i> and <i>The View</i> .	YES
BBC Radio Ulster & Radio Foyle	Consolidate schedule and other changes on BBC Radio Ulster/Foyle, maintaining distinctiveness and developing opportunities for new talent and more diverse voices.	YES
	Showcase musical talent through our BBC Radio Ulster School Soloist of the Year competition and Young Musicians' Platform initiative.	YES
	Describe, explain and facilitate debate about the centenary of partition and the establishment of Northern Ireland.	YES
	Develop our documentary strand, <i>Assume Nothing</i> , and showcase emerging comedy talent and writing.	YES – over two million listeners since launch
	Provide audiences with news, information and analysis about Covid-19 and post-Brexit issues.	YES
	Work collaboratively with other organisations in delivering programme initiatives, including Book Week with Libraries NI.	YES
	Develop the profile, reach and impact of locally produced output on BBC Sounds, including podcasts such as <i>Year 21</i> .	YES
	Broaden listener engagement with BBC programmes, reflecting diverse voices and experiences from across the region.	YES
	Provide a forum for the sharing of listeners' stories, views and concerns on programmes including <i>The Nolan Show</i> .	YES
BBC Local Radio & BBC England TV	Our 15 regional TV news programmes will continue to be fundamental to the BBC's news offer in England.	YES
	39 local radio stations and online services will provide an accurate picture of what is happening for audiences in their local area.	YES
	We will launch a new flagship current affairs series across England, reflecting the big stories affecting people who live right across the country.	YES
	We will bring audiences impartial coverage of the local and mayoral elections.	YES
	Our local and regional services continue to provide a front door to the BBC for new talent, placing authentic local voices and a wider array of ideas.	YES
	Our new commissioning model will ensure audiences right across the country see and hear themselves represented on the BBC including partnerships with BBC channels (e.g. <i>Angels of The North</i> on BBC Three).	YES
	We will find innovative ways to expand local and national campaigns like our successful Make A Difference initiative.	YES

Public Purpose 5: To reflect the United Kingdom, its culture and values to the world

BBC Service	BBC Commitment	Result
BBC World Service	BBC World Service will continue to bring the best journalism in English and more than 40 languages.	YES
	Its key editorial focus will be to cover the Covid-19 around the world; climate change (<i>Life at 50 Degrees</i>); learning and education, and tackle disinformation.	YES
	Editorial control and operation of the BBC World News channel will move to the public service news operation.	YES
BBC Studios	BBC Studios will continue to promote BBC and other British content to the world, through the selling of content, doing deals, making programmes like next year's <i>The Green Planet</i> with international partners, making <i>Dancing with the Stars</i> , and launching D2C services such as BBC Select.	YES
	With BBC Studios we will look to create new opportunities for UK independent producers to exploit the growing global commercial opportunity for UK audio.	YES
BritBox	BritBox will continue to showcase the very best of British content to audiences in key markets globally.	YES
BBC Radio 3	Radio 3 will continue to support and promote live music across Europe and more widely, through its participation in the EBU music exchange.	YES

Performance against public commitments

General Duties

The Charter sets out a number of General Duties that apply to the BBC. This section sets out the BBC’s performance against these Duties – the measure for reporting were set out in the BBC Annual Plan for 2022/22.

1. Acting in the public interest

The BBC must act in the public interest, aiming to serve its audiences not just as consumers, but as members of a wider society, with programmes and services which, whilst seeking to inform, educate and entertain audiences, also serve wider public purposes. As a result, the BBC must ensure that the benefits (whether direct or indirect) of decisions relating to the mission or purposes outweigh the costs (whether direct or indirect); and have regard to economic, social and cultural benefits and costs.

Measure	Achieved
We will publish an Annual Plan and an Annual Report	YES
We will publish the number of complaints upheld where we have failed to comply with the BBC’s obligations under the Charter and Agreement or with the Ofcom Operating Framework or World Service Licence	YES – see Other Regulatory Matters
We will publish the number of complaints upheld on BBC editorial matters and overall volumes of complaints made	YES – see Editorial Guidelines and Standards report
We will publish performance measurement data, including data on the fulfilment of the public purposes	YES

2. Engagement with the public

The BBC must assess the views and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom. The BBC must make arrangements to ensure that the diverse perspectives and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom are taken into account in its decision-making.

Measure	Achieved
We will publish annually data on audiences’ views about the BBC as part of the Annual Report	YES
We will hold around six face-to-face events with audiences and report on the findings in the BBC’s Annual Report, four of which will be delivered by the Board’s Nations Committees	YES – see Engaging with audiences and the BBC Virtual In Person (VIP) programme

3. Market impact

The BBC plays a crucial role in the UK media and broadcasting market. In addition to serving audiences directly by providing content and services, it can contribute to the market more broadly, for example by promoting competition, supporting supply chains and encouraging sector-wide innovation. The BBC must have particular regard to the effects of its activities on competition in the UK. In complying with this duty the BBC must (a) seek to avoid unnecessary adverse effects on competition and (b) promote positive market impact.

Measure	Achieved
We will publish and consult on any planned material changes	YES – see Other Regulatory Matters
We will publish annually the number of regulatory complaints upheld and actions taken in response	YES – see Other Regulatory Matters
We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area	YES – none
We will publish the outcomes of any Public Interest Tests	YES – see bbc.com/aboutthebbc/reports/consultation

4. Openness, transparency and accountability

The BBC must observe high standards of openness and seek to maximise transparency and accountability. It must publish Board minutes, important decisions concerning changes to remit/services, and minutes of Committee meetings. The Board also needs to have regard to the benefits of consultation with interested persons.

Measure	Achieved
We will publish an Annual Plan that sets out the BBC's strategic priorities, creative plans, budget and any planned material changes to services	YES – see bbc.com/aboutthebbc
We will publish the following after the relevant event: – Minutes of the meetings of the Board – Important decisions concerning changes to the creative remit, work plan and material changes to the UK Public Services, non-service activities and commercial activities – Summary minutes of the meetings of committees of the Board	YES – see bbc.com/aboutthebbc
We will publish an Annual Report and Accounts, containing a detailed summary of performance against our regulatory quotas; full financial details and accounts; and information required as part of our Equality Information Report	YES
We will continue to publish the salary disclosures required under the Charter relating to pay over £150k, along with our voluntary regime of quarterly salary and expenses disclosure for senior managers	YES – see Remuneration report

5. Partnership

The BBC will work collaboratively and in partnership, especially in the creative economy, in the public interest. It should partner with a wide range of organisations of all sizes, including commercial and non-commercial, throughout the UK. Partnerships should be fair and beneficial to all with due attribution and recognition for partners.

Measure	Achieved
We will collect and publish performance data on key partnership output and activities, including on the BBC's range of partnerships, range of partners, geographical breadth, and impact	YES – see Partnerships and collaboration

6. Diversity

The BBC must ensure it reflects the diverse communities of the whole of the United Kingdom through its output, the means by which its output and services are delivered, and in the organisation and management of the BBC. This includes support for the regional and minority languages of the UK.

Measure	Achieved
We will publish detailed diversity data for all our staff, including on socio-economic background, as part of our annual Equality Information Report	YES – see Equality Information Report
We will continue to publish gender pay gap information, and analysis of our pay gaps for other groups	YES – see Gender Pay Gap report
We will also publish performance measurement data collected on the fulfilment of our fourth public purpose	YES

7. Technology

The BBC must promote technological innovation, and maintain a leading role in research and development. To do this, it needs to seek to work in partnership with other organisations and share, as far as is reasonable, its research and development knowledge and technologies.

Measure	Achieved
We will continue to invest in the BBC's Research and Development (R&D) department in line with the BBC's long-term objectives	YES
We will continue to share our insights from R&D, for example using industry white papers and relevant professional gatherings, including standards bodies. We will use our web and social presence to highlight key messages to a wider audience	YES

8. Stewardship of public money

The BBC exercises rigorous stewardship of public money in accordance with the following principles:

- Regularity – Management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers
- Propriety – Management of all of the BBC's resources must meet high standards of public conduct, robust governance and duly consider the expectations of Parliament (including those of the Public Accounts Committee), which have been formally communicated to the BBC
- Value for money – Procurement, projects and processes must be systematically evaluated and assessed to provide confidence about the economy, effectiveness and efficiency of the project, taking into account the wider public interest, not just that of the BBC itself
- Feasibility – Proposals using public funds should be implemented accurately, sustainably and to the intended timetable

Performance against public commitments

General Duties continued

Measure	Achieved
True and Fair audit opinion from the BBC's external auditors	YES
We will report on our mechanisms for provision of information to the Board and the Audit and Risk Committee on compliance with the Charter, to ensure that the transactions reflected in the BBC's financial statements have been applied to the purposes as intended and conform to the relevant frameworks governing them	YES
We will comply with funding conditions as part of a separate funding agreement, e.g. grant funding for the BBC World Service	YES
We will publish our response to Value for Money reviews conducted by the NAO or other commissioned parties	YES

9. Guidance and best practice

The BBC has to have regard to general guidance concerning the management of the affairs of public bodies and generally accepted principles of good corporate governance, where applicable and appropriate.

Measure	Achieved
We will audit our voluntary compliance with the UK Corporate Governance Code and principles of good corporate governance based on a general aim of compliance with the Code wherever possible	YES – see Governance
Our Annual Report will set out the BBC's performance against the Code; areas where the Code does not apply to the BBC; areas where the Charter overrides the Code; and areas where the BBC does not comply	YES – see Governance
We will also publish an annual Equality Information Report, in compliance with the Public Sector Equality Duty	YES – see Equality Information Report
An annual statement on licence fee collection will be audited by the NAO and laid before Parliament	YES
We will continue to comply with best practice in offering training on a range of issues such as anti-bribery, data protection and child protection	YES

10. General duties in relation to commercial activities.

The BBC's commercial activities need to act in the public interest, engage with the public, and ensure openness and transparency. They must not distort the market nor gain an unfair competitive advantage.

Measure	Achieved
The Fair Trading Committee will continue to: keep under review the BBC's compliance with Ofcom's trading and separation requirements; commission an annual independent audit; review, consider and approve the BBC's transfer pricing methodologies; report progress in the BBC's Annual Report; and review the ongoing compliance of the commercial activities with the Four Commercial Criteria	YES – see Fair Trading report
We will abide by our published policy on material changes to Commercial Activities	YES – see Other Regulatory Matters
Our complaints framework includes a procedure for complaints about a failure to meet any commercial activities requirements	YES
We will publish forthcoming potential material changes to commercial services in the BBC's Annual Plan, subject to issues of commercial confidentiality	YES
We will carry out the commercial test for any proposed material change to our commercial activities, and publish the proposed change once we have done so	YES – None
We will continue to train key staff on compliance with the Fair Trading rules	YES – see Fair Trading Report
We will continue to meet our publication and information provision obligations to Ofcom, detailing the financial performance of our commercial subsidiaries and setting out detailed methodologies for transfer pricing within our group	YES – see Commercial Holdings Annual Report and Group Trading Manual
We will publish the number of upheld complaints about compliance with the commercial activities requirements under the Charter and Agreement or in the Ofcom Operating Framework, and our response to such complaints	YES – None
We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area	YES – None
The Fair Trading Committee will report annually on its work in the Annual Report and Accounts	YES – see Fair Trading Report

Access services

Audio described

	Audio described hours		Total hours	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC One	1,847	1,921	8,736	21.1%	22.0%	20.0%	20.0%
BBC Two	2,097	2,480	8,736	24.0%	28.4%	20.0%	20.0%
BBC Three	162		533	30.4%		20.0%	
BBC Four	1,020	1,135	3,077	33.2%	36.3%	20.0%	20.0%
CBBC	1,805	1,638	4,919	36.7%	32.2%	20.0%	20.0%
CBeebies	1,114	1,277	4,883	22.8%	26.8%	20.0%	20.0%
BBC Scotland	510	501	1,817	28.1%	27.5%	20.0%	20.0%
Linear total	8,556	8,952	32,702				

	Audio described programmes		Total programmes	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC iPlayer*	12,124	9,772	72,661**	16.7%	17.1%	N/A	N/A

Sign interpreted

	Sign interpreted hours		Total hours	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC One	488	492	8,736	5.6%	5.6%	5.0%	5.0%
BBC Two	462	455	8,736	5.3%	5.2%	5.0%	5.0%
BBC Three	30		533	5.7%		5.0%	
BBC Four	196	204	3,077	6.4%	6.5%	5.0%	5.0%
CBBC	286	261	4,919	5.8%	5.1%	5.0%	5.0%
CBeebies	262	271	4,883	5.4%	5.7%	5.0%	5.0%
BBC Scotland	103	101	1,817	5.7%	5.5%	5.0%	5.0%
BBC News	527	556	8,736	6.0%	6.4%	5.0%	5.0%
Linear total	2,353	2,340	41,438				

	Sign interpreted programmes		Total programmes	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC iPlayer*	6,219	3,376	72,661**	8.6%	5.9%	N/A	N/A

Subtitled

	Subtitled hours		Total hours	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC One	14,130	13,863	14,146	99.9%	99.9%	100%	100%
BBC Two	9,189	9,103	9,191	100%	99.9%	100%	100%
BBC Three	533		533	100%		100%	
BBC Four	3,077	3,124	3,077	100%	100%	100%	100%
CBBC	4,919	5,083	4,919	100%	100%	100%	100%
CBeebies	4,882	4,771	4,883	100%	100%	100%	100%
BBC Scotland	1,914	2,457	1,916	99.9%	100%	100%	100%
BBC News	8,732	8,732	8,736	100%	100%	100%	100%
BBC Parliament	2,404	1,780	8,736	27.5%	20.4%	N/A	N/A
Linear total	49,779	48,913	56,139				

	Subtitled programmes		Total programmes	Actual for year (%)		Target for year (%)	
	2021/22	2020/21	2021/22	2021/22	2020/21	2021/22	2020/21
BBC iPlayer*	67,879	57,069	91,004	74.6%	75.5%	N/A	N/A

Notes:

* Figures are for the total number of programmes available on BBC iPlayer excluding S4C and World Service content. For the five main broadcast channels, including nations and regional variants, 100% of content is subtitled, 20% audio-described and 5% signed. This content including subtitles, audio description and signed versions is all made available on BBC iPlayer, and we achieve the same levels for BBC Three programming. BBC iPlayer aggregates those main broadcast channels and other channels for which lower levels of access services are provided, so the overall figures for BBC iPlayer are at a lower level than the main broadcast channels.

** The total number of programmes here excludes audio described and signed versions of programmes. These versions are included in the subtitled figures. Due to rounding, some totals may not correspond with the sum of the separate figures.

Performance against public commitments

Contestability

Under the Charter and Agreement, the BBC must secure competition between BBC producers and external producers, whether independent producers or not, for production of television, radio and online content. More information on contestability in television can be found in the TV Supply Report, published alongside this report: downloads.bbc.co.uk/commissioning/site/bbc-commissioning-supply-report-202122.pdf.

Platform	Target to contest	Contested to date	Completion date	Achieved
TV*	100% of relevant hours	62%	31 December 2027	In progress
Radio**	60% of relevant hours	55%	31 December 2022	In progress
Online***	100% of relevant spend	72%	31 December 2027	In progress

Notes

- * The Agreement requires the BBC to ensure that it secures competition for 100% of relevant television programmes by 31 December 2027. Our outturn is based on the number of hours broadcast or provided on BBC iPlayer in 2021, taking into account commissioning decisions made up to 31 December 2021. The proportion contested to date has fallen when compared to last year, this is due to major sporting events moving from 2020 to 2021 (e.g. the Olympics and Euros which are not contested). This meant last year's figures were greater because of their absence and balanced through to this year's figures.
- ** The Agreement requires the BBC to ensure that for relevant radio programmes it secures competition for at least 60% of relevant broadcasting time by 31 December 2022. Our outturn is based on the number of hours broadcast in 2021/22, taking into account commissioning decisions made up to 31 March 2022.
- *** The Agreement requires the BBC to secure competition for 100% of relevant online material by 31 December 2027. The BBC has defined relevant online material in a way that adheres to the provisions of the Agreement and has discussed this definition with Ofcom. We measure online contestability by expenditure on content production of relevant online material. Our outturn is based on expenditure in 2021/22.

Network radio supply

The following table shows the levels of all BBC Network radio hours from different suppliers.

	Proportion of all eligible hours produced by independent producers for BBC Network Radio (%)		Proportion of all eligible hours produced by BBC producers for BBC Network Radio (%)	
	2021/22	2020/21	2021/22	2020/21
Radio 1	25.5	28.6	74.5	71.4
Radio 1Xtra	20.1	18.9	79.9	81.1
Radio 2	50.9	48.2	49.1	51.8
Radio 3	11.8	12.8	88.2	87.2
Radio 4	15.2	15.0	84.8	85.0
BBC 4 Extra	0.0	8.6	100	91.4
BBC Radio 5 live and 5 live sports extra	20.5	21.3	79.5	78.7
BBC 6 Music	36.5	30.4	63.5	69.6
BBC Asian Network	25.2	14.0	74.8	86.0
Total	28	25.9	72	74.1

- Notes:**
 Eligible hours excludes Repeats, Simulcasts, Core News, Education/Social Action, Presentation, EBU Output, World Service.
 Information on our network television supply in 2021/22 is available in the TV Supply Report, published alongside this report: downloads.bbc.co.uk/commissioning/site/bbc-commissioning-supply-report-202122.pdf

Distribution

Distribution of BBC content is key to delivering our mission and public purposes. The Charter requires the BBC to report on how it has made its output and services available to the public. This section sets out our progress this year.

98.5%

Digital Terrestrial Television (DTT) coverage of UK households

99%

AM/FM coverage of UK household

97.5%

DAB coverage of UK households

98%

satellite availability to UK households

BBC iPlayer is available on

>20,000

types of device overall

BBC Sounds is available on

>20,000

types of device overall

Note:

The figures quoted for DTT and DAB relate to coverage for services carried on the BBC's multiplexes. In addition nations and regions radio stations and a small number of HD channels are made available via commercial multiplexes. BBC iPlayer is available on over 420 platforms (groups of devices) and BBC Sounds is available on over 250 platforms (groups of devices).

The BBC distributes its content with the goal of providing its audiences with full and convenient access to the services that are relevant to them. In 2021/22 we have continued to ensure that:

- we provide effectively universal broadcast coverage of our TV and radio services, maintaining availability at normal levels throughout the Covid-19 pandemic;
- the BBC's video-on-demand (VOD) service, iPlayer, is available on more consumer devices (from Smart TVs to games consoles and tablets) than any other VOD service in the UK;
- live and on-demand audio is widely available for audiences to access across an increasing number of devices; and
- we create innovative content that promotes our services, brands and talent with audiences on popular social media platforms, such as Facebook, TikTok, Instagram and YouTube.

During the year we completed the merger of two of our joint ventures, Freesat and Digital UK, bringing together the management of terrestrial and satellite free-to-air platforms and delivering both strategic alignment and savings.

In August 2021 a major incident occurred at the Bilsdale transmitting station, with a fire rendering the mast inoperable and the damage caused ultimately requiring it to be felled. Coverage of DTT (and to a lesser extent FM and DAB) in Teesside, North Yorkshire and County Durham was badly affected. The BBC has worked closely with the transmission network operator, Arqiva, and other broadcasters through Digital UK, on the planning and implementation of temporary alternative arrangements to restore services to affected viewers and listeners pending rebuild of a permanent 300m structure at the site.

In Radio, in 2021 we added BBC Radio Cumbria, Guernsey and Jersey to the DAB platform, and managed the closure of a number of medium wave transmitters for local and nations radio services where these provided largely duplicative coverage.

As well as widespread availability and maximising value for the licence fee payer, it is critical that the ways in which BBC services and content are distributed support and protect our public service mission. The BBC's Distribution Policy, published in June 2018 following a public consultation, set out seven conditions that form the basis under which the BBC will distribute its UK public services. It continues to guide our distribution agreements to ensure UK public service and creativity remains prominent and relevant in an increasingly competitive and global market, and to ensure vital insights are fed back to the BBC to help the organisation continue to improve its offer.

2021 marked the roll-out of BBC One English Regions services in HD, arriving first to IP platforms. The BBC supported the launch of Sky's new all IP TV and brought iPlayer to a host of new devices including Sony's Playstation 5. The BBC was able to refresh its branding and the iPlayer user interface across the entire TV landscape due to the continued support of the CE industry for BBC technical specifications. In 2021 the BBC has also been able to bring BBC Sounds to new audiences, such as Sonos, and offer more pioneering news content built for voice assistants.

Performance against public commitments

BBC Public Service promotions

The Agreement between the BBC and the Secretary of State sets out that the BBC must ensure that the promotion of any output of a UK Public Service or any such service in the UK Public Services focuses on output contributing substantially to the fulfilment of the mission and promotion of the public purposes. The BBC must publish information on such promotion, including:

- The number of minutes of promotions in each UK Public Service;
- The time of day of such promotions; and
- Such other information it consider would be in the public interest to publish.

This table sets out the total minutes of promotional material broadcast on each UK Public Service by time period in 2021/22:

	Morning	Daytime	Evening	Overnight	Total
BBC One	482	3,940	3,265	1,590	9,277
BBC Two	1,735	2,432	2,796	1,629	8,595
BBC Three (from Feb 2022)	N/A	N/A	229	190	420
BBC Four	N/A	N/A	2,244	1,222	3,466
CBBC	1,366	3,475	1,135	N/A	6,000
Cbeebies	1,525	3,033	3	N/A	4,561
BBC News	552	2,382	1,744	3,793	8,440
BBC Scotland	3	239	2,559	9	2,810
Radio 1	1,688	3,277	1,324	331	6,620
Radio 1Xtra	1,037	2,495	1,457	198	5,187
Radio 2	1,383	2,766	1,383	1,235	6,768
Radio 3	684	1,814	1,108	0	3,605
Radio 4	1,529	3,008	2,430	312	7,279
BBC 4 Extra	1,801	2,414	1,736	1,776	7,727
BBC Radio 5 live	1,383	2,593	1,878	1,853	7,707
BBC 6 Music	1,284	2,618	642	247	4,792
BBC Asian Network	1,037	2,519	1,334	0	4,891
BBC Radio Scotland	1,560	2,739	832	0	5,131
BBC Radio Wales	1,456	3,796	2,080	468	7,800
BBC Radio Cymru	1,976	4,056	2,964	156	9,152
BBC Radio Ulster and BBC Radio Foyle	546	1248	1092	1,285 (as 5 live)	4,171
BBC Local Radio	N/A	N/A	N/A	N/A	6,498

Notes:

Time periods are defined as: morning, 6am – 11:59am; daytime, 12pm – 5:59pm; evening, 6pm – 10:59pm; overnight, 11pm – 5:59am. Minutes of promotions on radio here do not include the service trails for the programmes themselves; these figures are included in the following table. The figure for BBC Local Radio is an average figure across all local radio stations in England. Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. Quantitative data is not available for promotions on BBC Red Button or BBC Online.

This table sets out the total minutes of promotion of each platform (i.e. TV, radio or online) promoted on each UK Public Service. 'On Service' refers to minutes of self-promotional material, e.g. BBC One promoting BBC One, 'TV and iPlayer' refers to minutes of TV and iPlayer promos on the channel/service, and 'Radio and Sounds' refers to the minutes of promo for any radio station or BBC Sounds on that channel/service.

	On Service	TV & BBC iPlayer	Radio & BBC Sounds	Other (brand, corporate, Public Information Films)
BBC One	4,333	3,916	541	487
BBC Two	2,854	4,826	470	445
BBC Three	406	9	5	0
BBC Four	2,069	1,199	96	102
CBBC	5,744	250	0	0
Cbeebies	4,375	186	0	0
BBC News	1,995	4,856	1,589	0
BBC Scotland	1,238	1,455	22	N/A
Radio 1	5,462	683	475	N/A
Radio 1Xtra	3,825	631	731	N/A
Radio 2	4,230	1,261	1,277	N/A
Radio 3	3,137	158	310	N/A
Radio 4	5,603	738	938	N/A
BBC 4 Extra	6,799	302	626	N/A
BBC Radio 5 live	5,213	1,012	1,482	N/A
BBC 6 Music	3,473	467	852	N/A
BBC Asian Network	3,887	430	574	N/A
BBC Radio Scotland	3,068	1,103	1,050	N/A
BBC Radio Wales	6,318	546	936	N/A
BBC Radio Cymru	7,321	0	1,830	N/A
BBC Radio Ulster and BBC Radio Foyle	1,443	923	520	N/A
BBC iPlayer	95%	0%	5%	N/A

Notes:

Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. Quantitative data is not available for promotions on BBC Local Radio or BBC Red Button. BBC Radio Ulster and BBC Radio Foyle does not include 5 Live overnight figures.

This year we have added an Other column for the total minutes of promotion on each platform promoted on each public service. This includes trails such as the Our BBC brand film, the Covid-19 public information films, and corporate messages. Also included is BBC Three from when it launched in February 2022 and BBC iPlayer which shows a proportion of pre rolls impressions given to each service.

Some BBC podcasts available through BBC Sounds and third-party platforms carry promotional material for other BBC podcast content. Around eight podcasts per month are agreed as priorities which we promote on other podcasts. We select content which represents a range of and styles to promote the breadth of BBC audio output. Promotional trails, each with a duration of 15-45 seconds, for these podcasts are produced and inserted into other podcasts, at the start, middle and/or end of the audio file. The choice and placement of these trails is at the discretion of the podcast producers, though it is predominantly pre or post-roll. Some stations also trail their own content (e.g. Radio 4 promotes its content on Radio 4 podcasts).

PERFORMANCE DATA PACKS

This section sets out audience performance this year, including full statistical information for the Public Purposes, plus detailed performance data by service in Wales, Scotland, Northern Ireland and England.

Audience performance

1. To provide impartial news and information to help people to understand and engage with the world around them Experience

			Source
Overall BBC News reach			
Number of UK adults (16+) who use BBC News services each week	2021/22	8 out of 10	Compass by Ipsos MORI. 16+
	2020/21	8 out of 10	
BBC News reach by platform			
BBC TV Network News and Current Affairs			BARB. 16+. Reach based on 3+ mins
% of UK adults who watch BBC TV Network News and Current Affairs on average per week	2021/22	56%	
	2020/21	63%	
BBC Radio Network News and Current Affairs programmes			RAJAR. 16+, reach based on 15+mins~
% of UK adults who listen to news and current affairs programmes on BBC Network Radio on average per week	2021/22	52%	
BBC News Online			Compass by Ipsos MORI. 16+
% of UK adults who use BBC News Online on average per week	2021/22	34%	
	2020/21	36%	
Number of unique UK browsers accessing BBC News Online on average per week	2021/22	38 million	AT Internet
	2020/21	50 million	

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Perception

		% Effective	% Ineffective	Source
Delivery of the purpose				
% of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in the UK/world today	2021/22	70%	15%	Ipsos MORI. 16+*
% of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in their part of the UK	2021/22	60%	19%	
% of UK adults who think BBC News and Current Affairs is effective at informing them about the day's issues so they can make up their minds	2021/22	63%	17%	
% of UK adults who think the BBC is effective at providing news and current affairs that is impartial	2021/22	51%	25%	
% of UK adults who think the BBC is effective at providing news and current affairs that is accurate	2021/22	63%	18%	
% of UK adults who think the BBC is effective at providing news and current affairs that is trustworthy	2021/22	63%	20%	
Quality of BBC News by platform				
% of weekly users who say BBC News on TV sets a high standard for quality	2021/22	76%	8%	
% of weekly users who say BBC News on Radio sets a high standard for quality	2021/22	82%	7%	
% of weekly users who say BBC News Online sets a high standard for quality	2021/22	77%	7%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Weekly users' rating of BBC News Online (mean score/10)

16+ UK weekly users	2021/22	8 out of 10	YouGov. 16+
	2020/21	8 out of 10	

Delivery of the News purpose via iPlayer

		% Effective	% Ineffective	Source
% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes				
News purpose: 16+ UK weekly users	2021/22	82%	7%	Ipsos MORI. 16+
	2020/21	80%	9%	
News purpose: 16-34 UK weekly users	2021/22	79%	9%	
	2020/21	78%	11%	

Performance data packs

Audience performance continued

		% BBC	% Next Nearest Named	Source
BBC News in market context				
Of all the news sources (TV, radio, newspaper, magazine, website, app or social media) which one source are you most likely to turn to... ... if you want impartial news coverage	2021/22	39%	9% (Sky News)	Ipsos MORI. 928 adults 18+ who follow the news, March 2022
	2020/21	40%	(ITV/Sky News = 7% each)	
... for news you trust the most	2021/22	48%	8% (Sky News)	(ITV/Sky News = 7% each)
	2020/21	49%		
... if you want accurate news coverage	2021/22	49%	8% (Sky News)	(ITV/Sky News = 7% each)
	2020/21	52%		

2. To support learning for people of all ages

Experience

				Source
Usage of the BBC overall among under 16s				
Under 16s pan-BBC reach				
% of under 16s who use BBC TV/iPlayer, Radio or Online on average per week	2021/22	73%		Kids Cross-Media Insight by Ipsos MORI
	2020/21	77%		
Under 16s pan-BBC time				
Length of time under 16s spend with the BBC per head on average per week (hours:mins)	2021/22	04:33		
	2020/21	05:00		
0-6 pan-BBC reach				
% of 0-6s who use BBC TV/iPlayer, radio or online on average per week	2021/22	77%		
	2020/21	79%		
7-12 pan-BBC reach				
% of 7-12s who use BBC TV/iPlayer, radio or online on average per week	2021/22	67%		
	2020/21	77%		
Usage of BBC Children's/Education services among under 16s				
Under 16s				
% of under 16s who use BBC Children's and Education content across TV/iPlayer or online on average per week	2021/22	53%		Kids Cross-Media Insight by Ipsos MORI
	2020/21	59%		
0-6s				
% of 0-6s who use BBC Children's and Education content across TV/iPlayer or online on average per week	2021/22	72%		
	2020/21	73%		
7-12				
% of 7-12s who use BBC Children's and Education content across TV/iPlayer or online on average per week	2021/22	46%		
	2020/21	56%		

Perception

			Mean score/10	Source
View of the BBC among under 16s				
Perception of BBC by under 16s	2021/22	7 out of 10		Ipsos MORI
	2020/21	7 out of 10		

		% Effective	% Ineffective	Source
Delivery of the purpose				
% of parents who think the BBC is effective at supporting children and teenagers with their learning	2021/22	60%	17%	Ipsos MORI. 16+*
% of UK adults who think the BBC is effective at helping them learn new things	2021/22	61%	18%	
% of UK adults who think the BBC is effective at exploring subjects that they would know less about otherwise	2021/22	62%	17%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

BBC learning by content

			Source
% of responses rating BBC TV programmes they have watched as helping them to learn something new	2021/22	72%	Pulse by GfK. 16+*
	2020/21	74%	
% of responses rating non-BBC TV programmes they have watched as helping them to learn something new	2021/22	58%	
	2020/21	59%	
% of responses rating BBC radio programmes they have listened to as helping them to learn something new	2021/22	69%	
	2020/21	70%	
% of responses rating non-BBC radio programmes they have listened to as helping them to learn something new	2021/22	52%	
	2020/21	52%	

* Pulse is a panel of c.20,000 UK nationally representative respondents. Panellists take a daily survey rating BBC and non-BBC broadcast content they consumed yesterday. Figures shown are the average over the financial year across all content they have rated.

BBC Bitesize

			Source
Experience			
Primary pupils			
% of primary school pupils who use Bitesize	2021/22	64%	DJS
	2020/21	67%	
Secondary pupils			
% of secondary school pupils who use Bitesize	2021/22	75%	
	2020/21	77%	
Number of unique UK browsers accessing Bitesize on average per week	2021/22	1.8 million	AT Internet
	2020/21	2.7 million	
Perception			
% of under 16 users who say Bitesize helps them understand their studies/learning more	2021/22	82%	DJS
	2020/21	80%	
% of secondary school users who say Bitesize helps them to achieve better grades	2021/22	65%	
	2020/21	57%	
	% Effective	% Ineffective	Source

Delivery of the Learning purpose via iPlayer

% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes				
Learning purpose: 16+ UK weekly users	2021/22	82%	6%	Ipsos MORI. 16+
	2020/21	80%	7%	
Learning purpose: 16-34 UK weekly users	2021/22	78%	10%	
	2020/21	79%	11%	

3. To show the most creative, highest quality and distinctive output and services

Experience

Usage of the BBC overall among adults

			Source
Pan-BBC reach			
% of UK adults who use BBC TV/iPlayer, Radio or Online on average per week	2021/22	90%	Compass by Ipsos MORI. 16+
	2020/21	90%	
Pan-BBC time			
Length of time UK adults spend with the BBC per head on average per week (hours:mins)	2021/22	17:30	Estimated from BARB, BARB Establishment Survey, AT Internet, RAJAR, ONS. 16+
	2020/21	18:02	

Performance data packs

Audience performance continued

			Source
Usage of the BBC by platform among adults			
BBC TV			
% of UK adults in TV homes who watch BBC TV on average per week	2021/22	73%	BARB 28-days as viewed. 16+. Reach based on 15+ mins
	2020/21	76%	
Length of time UK adults in TV homes spend with BBC TV per head on average per week (hours:mins)	2021/22	07:12	
	2020/21	08:11	
BBC Radio			
% of UK adults who listen to BBC Radio on average per week	2021/22	62%	RAJAR. 16+. Reach based on 15+ mins~
Length of time UK adults spend with BBC Radio on average per week (hours:mins)	2021/22	09:09	
BBC Online			
% of UK adults who use BBC Online on average per week	2021/22	61%	Compass by Ipsos MORI. 16+
	2020/21	63%	

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Perception

		% Effective	% Ineffective	Source
Delivery of the purpose				
% of UK adults who think the BBC is effective at providing content/services that set a high standard for quality	2021/22	67%	14%	Ipsos MORI. 16+*
% of UK adults who think the BBC is effective at providing content/services that set a high standard for creativity	2021/22	61%	17%	
% of UK adults who think the BBC is effective at providing content/services that are distinctive	2021/22	61%	15%	
% of UK adults who think the BBC is effective at providing content/services that set a high standard for originality	2021/22	59%	17%	
% of UK adults who think the BBC is effective at providing content/services that cater for a wide range of tastes	2021/22	63%	16%	
BBC quality and distinctiveness by platform				
BBC TV/iPlayer programmes				
% of users who say BBC TV/iPlayer sets a high standard for quality	2021/22	73%	10%	
% of users who say BBC TV/iPlayer is distinctive	2021/22	69%	10%	
% of users who say BBC TV/iPlayer sets a high standard for originality	2021/22	68%	12%	
BBC Radio/podcasts				
% of users who say BBC Radio/podcasts sets a high standard for quality	2021/22	71%	8%	
% of users who say BBC Radio/podcasts is distinctive	2021/22	68%	9%	
% of users who say BBC Radio/podcasts sets a high standard for originality	2021/22	67%	10%	
BBC Online				
% of users who say BBC Online sets a high standard for quality	2021/22	67%	10%	
% of users who say BBC Online is distinctive	2021/22	63%	11%	
% of users who say BBC Online sets a high standard for originality	2021/22	62%	11%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

BBC distinctiveness by content

			Source
% of responses rating BBC TV programmes as different	2021/22	77%	Pulse by GfK. 16+*
	2020/21	78%	
% of responses rating non-BBC TV programmes as different	2021/22	74%	
	2020/21	75%	
% of responses rating BBC radio programmes as content they wouldn't hear anywhere else	2021/22	78%	
	2020/21	79%	
% of responses rating non-BBC radio programmes as content they wouldn't hear anywhere else	2021/22	63%	
	2020/21	64%	

* Pulse is a panel of c.20,000 UK nationally representative respondents. Panellists take a daily survey rating BBC and non-BBC content they consumed yesterday. Figures shown are the average over the financial year across all content they have rated.

BBC iPlayer

			Source
Experience			
Average weekly accounts signing into BBC iPlayer Accounts overall	2021/22	12.1 million	AT Internet/BBC Account data
	2020/21	10.7 million	
Under 35 year olds' accounts	2021/22	3.8 million	
	2020/21	3.2 million	
BBC iPlayer streaming time			
Average weekly hours played through iPlayer	2021/22	44.5 million	AT Internet/Sky catch up data
	2020/21	39.7 million	
BBC iPlayer time per population head			
Length of time UK population spends with iPlayer on average per week per population head (hours:mins)	2021/22	01:00	Deduplicated viewer mins modelled from BARB/AT Internet
	2020/21	00:53	
Length of time UK 16-34s spend with iPlayer on average per week per 16-34 population head (hours:mins)	2021/22	01:04	
	2020/21	00:59	
% of all BBC TV viewing that is delivered by BBC iPlayer			
All	2021/22	16%	BARB/AT Internet/Sky catch-up data. 2020/21 restated based on changes to calculation method
	2020/21	13%	
16-34	2021/22	43%	
	2020/21	34%	

			Source
Perception			
Weekly users' rating of BBC iPlayer (mean score/10) 16+ UK weekly users	2021/22	8 out of 10	YouGov. 16+
	2020/21	8 out of 10	
16-34 UK weekly users	2021/22	8 out of 10	
	2020/21	8 out of 10	

Performance data packs

Audience performance continued

		% Effective	% Ineffective	Source
Delivery of the mission, purposes overall and Creativity purpose via iPlayer	2021/22	81%	10%	Ipsos MORI. 16+
% of weekly users rating iPlayer as effective at helping the BBC to deliver the mission	2020/21	81%	10%	
Mission overall: 16+ UK weekly users				
Mission overall: 16-34 UK weekly users	2021/22	77%	15%	
	2020/21	78%	14%	
% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes	2021/22	83%	7%	Ipsos MORI. 16+
Purposes overall: 16+ UK weekly users	2020/21	81%	9%	
Purposes overall: 16-34 UK weekly users	2021/22	79%	9%	
	2020/21	79%	12%	
Creativity purpose: 16+ UK weekly users	2021/22	84%	6%	
	2020/21	82%	7%	
Creativity purpose: 16-34 UK weekly users	2021/22	80%	9%	
	2020/21	80%	10%	

BBC Sounds Experience

			Source
Average weekly accounts using BBC Sounds	2021/22	3.8m	AT Internet/BBC Account data
All	2020/21	3.5m	
16-34	2021/22	570k	
	2020/21	572k	
BBC Sounds streaming time	2021/22	13.2m	AT Internet/BBC Account data
Average weekly hours played through Sounds	2020/21	10.9m	

Perception

			Source
Weekly users' rating of BBC Sounds (mean score/10)	2021/22	8 out of 10	YouGov. 16+
16+ UK weekly users	2020/21	8 out of 10	

4. To reflect, represent and serve the diverse communities of all the United Kingdom's nations and regions and support the creative economy Perception: UK adults

		% Effective	% Ineffective	Source
Delivery of the purpose	2021/22	54%	24%	Ipsos MORI. 16+*
% of UK adults who think the BBC is effective at reflecting people like them				
% of UK adults who think the BBC is effective at providing content/services relevant to them	2021/22	58%	21%	
% of UK adults who think the BBC is effective at reflecting the part of the UK they live in	2021/22	54%	22%	
% of UK adults who think the BBC is effective at catering for the part of the UK they live in	2021/22	55%	21%	
% of UK adults who think the BBC has programmes, content and services that raise awareness of the different ways of life and perspectives in UK society	2021/22	59%	19%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Delivery of the Reflect/represent/serve purpose via iPlayer

% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes

Ipsos MORI. 16+

	2021/22	77%	8%
Reflect/represent/serve purpose: 16+ UK weekly users	2020/21	75%	8%
Reflect/represent/serve purpose: 16-34 UK weekly users	2021/22	74%	10%
	2020/21	75%	10%

By audience group Experience

		Male 16+	Female 16+	16-34	35-54	55+	ABC1 16+	C2DE 16+	White 16+	Black, Asian and minority ethnic 16+	Disabled 16+	Not Disabled 16+	Source
Pan-BBC reach													
% of each audience group who use BBC TV/iPlayer, radio or online on average per week	2021/22	90%	90%	81%	89%	98%	92%	88%	92%	77%	91%	90%	Compass by Ipsos MORI. 16+
	2020/21	91%	89%	80%	90%	98%	92%	87%	92%	77%	91%	90%	
BBC TV													
% of each audience group in TV homes who watch BBC TV per head on average per week	2021/22	71%	75%	46%	74%	91%	74%	71%	75%	57%	81%	72%	BARB 28-days as viewed. 16+. Reach based on 15+ mins
	2020/21	74%	78%	51%	77%	92%	76%	75%	78%	61%	85%	74%	
Length of time each audience group in TV homes spends with BBC TV per head on average per week (hours:mins)	2021/22	06:48	07:35	02:00	05:17	12:21	07:01	07:27	07:43	03:35	11:09	06:41	
	2020/21	07:41	08:39	02:27	06:01	13:57	08:02	08:22	08:46	03:57	12:34	07:35	
BBC Radio													
% of each audience group who listen to BBC Radio on average per week	2021/22	64%	60%	47%	60%	75%	68%	55%	65%	45%	62%	65%	RAJAR. 16+. Reach based on 15+ mins~
	2020/21	69%	64%	51%	60%	75%	68%	55%	65%	45%	62%	65%	
Length of time each audience group spend with BBC Radio on average per week (hours:mins)	2021/22	09:22	08:58	03:38	07:34	14:44	09:56	08:12	09:57	04:02	09:53	09:41	
	2020/21	09:22	08:58	03:38	07:34	14:44	09:56	08:12	09:57	04:02	09:53	09:41	
BBC Online													
% of each audience group who use BBC Online on average per week	2021/22	68%	53%	62%	64%	56%	69%	49%	61%	58%	53%	63%	Compass by Ipsos MORI. 16+
	2020/21	69%	56%	64%	70%	56%	72%	52%	63%	62%	57%	64%	

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Performance data packs

Audience performance continued

Perception

	Male 16+	Female 16+	16-34	35-54	55+	ABC1 16+	C2DE 16+	White 16+	Black, Asian and minority ethnic 16+	Disabled 16+	Not Disabled 16+	Source
% of each audience group who think the BBC informs, educates and entertains people in the UK/them	2021/22 Effective	66%	70%	64%	67%	72%	75%	59%	69%	62%	64%	Ipsos MORI. 16+*
	2021/22 Ineffective	16%	12%	13%	16%	13%	12%	16%	14%	17%	17%	
% of each audience group who think the BBC is effective at reflecting people like them	2021/22 Effective	51%	57%	50%	51%	59%	58%	48%	54%	47%	46%	Ipsos MORI. 16+*
	2021/22 Ineffective	26%	22%	24%	26%	22%	23%	25%	24%	27%	28%	
% of each audience group who think the BBC is effective at providing content/services that set a high standard for quality	2021/22 Effective	65%	69%	64%	63%	72%	75%	57%	68%	57%	63%	Ipsos MORI. 16+*
	2021/22 Ineffective	16%	12%	14%	16%	13%	11%	17%	14%	16%	16%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

By nation and region

Scotland adults 16+

Experience

	2021/22	2020/21	Source
Pan-BBC reach			
% of adults in Scotland who use BBC TV/iPlayer, radio or online on average per week	88%	88%	Compass by Ipsos MORI. 16+
BBC TV			
% of adults in TV homes in Scotland who watch BBC TV on average per week	75%	77%	BARB 28-days as viewed. 16+. Based on 15+ mins
Length of time adults in TV homes in Scotland spend with BBC TV per head on average per week (hours:mins)	08:15	08:44	
BBC Radio			
% of adults in Scotland who listen to BBC Radio on average per week	58%		RAJAR. 16+. Reach based on 15+ mins~
Length of time adults in Scotland spent with BBC Radio per head on average per week (hours:mins)	07:57		
BBC Online			
% of adults in Scotland who use BBC Online on average per week	61%	66%	Compass by Ipsos MORI. 16+
BBC TV News for Scotland			
% of adults in TV homes in Scotland who view dedicated news services on BBC TV on average per week	44%	48%	BARB 28-days as broadcast. 16+. Reach based on 3+ mins

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Perception

		% Effective	% Ineffective	Source
% of adults in Scotland who think the BBC informs, educates and entertains people in the UK/them	2021/22	66%	10%	Ipsos MORI. 16+*
% of adults in Scotland who think the BBC is effective at reflecting people like them	2021/22	55%	25%	
% of adults in Scotland who think the BBC is effective at providing content/services that set a high standard for quality	2021/22	66%	15%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Wales adults 16+ Experience

				Source
Pan-BBC reach				Compass by Ipsos MORI. 16+
% of adults in Wales who use BBC TV/iPlayer, radio or online on average per week	2021/22	90%		
	2020/21	92%		
BBC TV				BARB 28-days as viewed. 16+. Reach based on 15+ mins.
% of adults in TV homes in Wales who watch BBC TV on average per week	2021/22	72%		
	2020/21	76%		
Length of time adults in TV homes in Wales spend with BBC TV per head on average per week (hours:mins)	2021/22	07:45		
	2020/21	09:15		
BBC Radio				RAJAR. 16+. Reach based on 15+ mins~
% of adults in Wales who listen to BBC Radio on average per week	2021/22	70%		
Length of time adults in Wales spend with BBC Radio per head on average per week (hours:mins)	2021/22	12:11		
BBC Online				Compass by Ipsos MORI. 16+
% of adults in Wales who use BBC Online on average per week	2021/22	66%		
	2020/21	68%		
BBC TV News for Wales				BARB 28-days as broadcast. 16+. Reach based on 3+ mins
% of adults in TV homes in Wales who view dedicated news services on BBC TV on average per week	2021/22	37%		
	2020/21	45%		

Perception

		% Effective	% Ineffective	Source
% of adults in Wales who think the BBC informs, educates and entertains people in the UK/them	2021/22	71%	14%	Ipsos MORI. 16+*
% of adults in Wales who think the BBC is effective at reflecting people like them	2021/22	50%	26%	
% of adults in Wales who think the BBC is effective at providing content/services that set a high standard for quality	2021/22	68%	12%	

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* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Performance data packs

Audience performance continued

Northern Ireland adults 16+ Experience

			Source
Pan-BBC reach			
% of adults in Northern Ireland who use BBC TV/iPlayer, radio or online on average per week	2021/22	91%	Compass by Ipsos MORI. 16+
	2020/21	88%	
BBC TV			
% of adults in TV homes in Northern Ireland who watch BBC TV on average per week	2021/22	73%	BARB 28-days as viewed. 16+. Reach based on 15+ mins
	2020/21	76%	
Length of time adults in TV homes in Northern Ireland spend with BBC TV per head on average per week (hours:mins)	2021/22	06:37	
	2020/21	07:33	
BBC Radio			
% of adults in Northern Ireland who listen to BBC Radio on average per week	2021/22	58%	RAJAR. 16+. Reach based on 15+ mins~
Length of time adults in Northern Ireland spend with BBC Radio per head on average per week (hours:mins)	2021/22	07:07	
BBC Online			
% of adults in Northern Ireland who use BBC Online on average per week	2021/22	59%	Compass by Ipsos MORI. 16+
	2020/21	56%	
BBC TV News for Northern Ireland			
% of adults in TV homes in Northern Ireland who view dedicated news services on BBC TV on average per week	2021/22	48%	BARB 28-days as broadcast, 16+. Reach based on 3+ mins
	2020/21	53%	

Perception

		% Effective	% Ineffective	Source
% of adults in Northern Ireland who think the BBC informs, educates and entertains people in the UK/them	2021/22	67%	8%	Ipsos MORI. 16+*
% of adults in Northern Ireland who think the BBC is effective at reflecting people like them	2021/22	57%	16%	
% of adults in Northern Ireland who think the BBC is effective at providing content/services that set a high standard for quality	2021/22	67%	10%	

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

England adults 16+ Experience

		England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+	Source
Pan-BBC reach							Compass by Ipsos MORI. 16+
% who use BBC TV/ iPlayer, radio or online on average per week	2021/22	90%	91%	90%	94%	86%	
	2020/21	90%	90%	89%	95%	87%	
BBC TV							BARB 28-days as viewed. 16+. Reach based on 15+ mins
% in TV homes who watch BBC TV on average per week	2021/22	73%	72%	73%	77%	69%	
	2020/21	76%	76%	76%	79%	71%	
Length of time those in TV homes spend with BBC TV per head on average per week (hours:mins)	2021/22	07:05	07:12	07:09	08:00	05:58	
	2020/21	08:05	08:27	07:56	09:03	06:47	
BBC Radio							RAJAR. 16+. Reach based on 15+ mins~
% who listen to BBC Radio on average per week	2021/22	62%	59%	65%	72%	54%	
	2020/21	62%	58%	59%	64%	70%	
Length of time spent with BBC Radio per head on average per week (hours:mins)	2021/22	09:10	08:28	09:47	11:43	07:02	
	2020/21	08:05	08:27	07:56	09:03	06:47	
BBC Online							Compass by Ipsos MORI. 16+
% who use BBC Online on average per week	2021/22	60%	58%	55%	63%	67%	
	2020/21	62%	58%	59%	64%	70%	
BBC TV News for English regions							BARB 28-days as broadcast. 16+. Reach based on 3+ mins
% in TV homes who view dedicated news services for the Nation/region on BBC TV on average per week	2021/22	35%	37%	35%	39%	29%	
	2020/21	41%	44%	41%	46%	34%	

~ Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Perception

		England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+	Source
% who think the BBC informs, educates and entertains people in the UK/them	2021/22 Effective	68%	65%	69%	68%	72%	Ipsos MORI. 16+*
	2021/22 Ineffective	14%	16%	15%	13%	12%	
% who think the BBC is effective at reflecting people like them	2021/22 Effective	54%	54%	52%	54%	55%	
	2021/22 Ineffective	24%	23%	25%	23%	24%	
% who think the BBC is effective at providing content/services that set a high standard for quality	2021/22 Effective	67%	65%	65%	69%	72%	
	2021/22 Ineffective	14%	14%	16%	13%	12%	

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Performance data packs
Audience performance continued

5. To reflect the United Kingdom, its culture and values to the world

Perception

		% Effective	% Ineffective	Source
Delivery of the purpose				
% of UK adults who think that the BBC is effective at reflecting the UK to the world	2021/22	63%	14%	Ipsos MORI. 16+*

* With the easing of Covid-19 restrictions, this survey was conducted face-to-face in 2021/22. The previous year's survey in 2020/21 had to be undertaken via telephone/mobile because of the pandemic. Because of the difference in method, the 2020/21 results are not directly comparable so are not repeated here.

Performance against 2021/22 audience targets

Performance against 2021/22 audience targets

Ensure delivery of value to audiences overall

The reach of the BBC
% of UK adults 16+ who use BBC TV/iPlayer, Radio or Online on average per week

90%

Source: Compass by Ipsos MORI

Target 85-90%

A valued habit with the BBC
% of UK adults 16+ who use the BBC for 5+ days on average per week

72%

Source: Compass by Ipsos MORI

Target 65-70%

% of UK adults 16+ who use the BBC for 5+ hours on average per week

62%

Source: Compass by Ipsos MORI

Target 55-60%

% of UK adults 16+ who use two or more BBC modes on average per week

71%

Source: Compass by Ipsos MORI

Target 65-70%

Maintain focus on key audience challenges

Young adults

The reach of the BBC
% of UK 16-34s who use BBC TV/iPlayer, Radio or Online on average per week

81%

Source: Compass by Ipsos MORI

Target 75-80%

Personal relevance
UK 16-34s' rating of 'the BBC is for me' (mean score out of 10)

6/10

Source: Kantar Media

Target 6/10

Under 16s

The reach of the BBC
% of UK under 16s who use BBC TV/iPlayer, Radio or Online on average per week

73%

Source: Kids Cross-Media Insight by Ipsos MORI

Target 70-75%

The reach of BBC Children's/Education services
% of UK under 16s who use BBC Children's/Education services on average per week

53%

Source: Kids Cross-Media Insight by Ipsos MORI

Target 50-55%

Accelerate activity central to continued and future delivery of value to audiences

Signed-in reach of BBC iPlayer
Average weekly accounts signing into BBC iPlayer

12.1m

Accounts overall

Target 12-12.5m

Source: AT Internet/BBC Account data

Under 35 accounts

3.8m

Source: AT Internet/BBC Account data

Target 3.5-4m

BBC iPlayer time spent per head per week
Average weekly time spent per head per week

01:00h:m

Source: Deduplicated viewer mins modelled from BARB/AT Internet

Target 1 hour

Rating of BBC iPlayer
Weekly users' rating of BBC iPlayer (mean score out of 10)
UK adults 16+ weekly users

8 out of 10

Source: YouGov

Target 8 out of 10

UK 16-34 weekly users

8 out of 10

Source: YouGov

Target 8 out of 10

Signed-in reach of BBC Sounds
Average weekly accounts signing into BBC Sounds

3.8m

Source: AT Internet/BBC Account data

Accounts overall

Target 3.8-4.1m

Source: AT Internet/BBC Account data

Under 35 accounts

0.57m

Source: AT Internet/BBC Account data

Target 0.6m+

Reach of BBC News Online
% who use BBC News Online on average per week

34%

Source: Compass by Ipsos MORI

Target 30%+

Source: Compass by Ipsos MORI

Source: Compass by Ipsos MORI

Target 30%+

BARB-only data quoted on pages 169 to 181 covers the entirety of 2021/22 and is therefore based on audiences in TV-owning households and covers TV set viewing only, meaning that iPlayer viewing on other devices or pre- or post-28 days of the linear broadcast is not included.

Performance data packs

Performance by service

Television performance by service

Network television

		Content (£m) We spent a total of £1,717 million on these services in 2021/22*	Reach (%) UK population who use the service on average per week	Time spent watching a channel each week (hh:mm) Length of time the average viewer spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres that includes news and current affairs, drama, comedy, entertainment and factual.	£1,212m 2020/21: £924m	61% 2020/21: 63%	07:13 2020/21: 07:43	8p 2020/21: 6p
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£327m 2020/21: £261m	38% 2020/21: 42%	03:02 2020/21: 03:10	9p 2020/21: 6p
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£22m 2020/21: £29m	10% 2020/21: 12%	01:41 2020/21: 01:49	4p 2020/21: 4p
	The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£68m 2020/21: £58m	2% 2020/21: 3%	02:16 2020/21: 02:15	33p 2020/21: 22p
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£30m 2020/21: £25m	5% 2020/21: 5%	03:35 2020/21: 04:15	5p 2020/21: 3p
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	£57m 2020/21: £59m	10% 2020/21: 12%	03:14 2020/21: 03:26	5p 2020/21: 4p
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	£1m 2020/21: £2m	1% 2020/21: 1%	01:32 2020/21: 01:38	3p 2020/21: 5p

* BBC Three moved from online to a linear channel in February 2022, and has incurred £22m of television spend up to 31 March 2022.

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing.

Cost per user hour data includes viewing on the TV set and other devices.

CBBC: among its target audience of 6-12 year olds reach was 8% and time spent per viewer was 02:26 (based on 15+ min reach). Based on 3+ minute reach, reach was 12% of 6-12 year olds and time spent per viewer was 01:46.

CBeebies: among its target audience of 0-6 year olds (measured as children aged 4-6 and housepersons with children aged 0-3) reach was 28% and time spent per viewer was 03:59 (based on 15+ min reach). Based on 3+ minute reach, reach was 37% of 0-6 year olds and time spent per viewer was 02:59.

As noted above these BARB figures for CBBC and CBeebies measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is sizable for children's services.

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 13% and 1%, respectively (15% and 2% among 16+ population).

Radio performance by service

Network radio		Content (£m) We spent a total of £287 million on these services in 2021/22	Reach (%) UK population who use the service on average per week	Time spent listening to a service each week (hh:mm) Length of time the average listener spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds, as well as providing tailored news, documentaries and advice campaigns for young adults.	£36m 2020/21: £36m	15%	06:29	1p
	BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	£9m 2020/21: £8m	1%	04:05	5p
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	£47m 2020/21: £47m	26%	11:10	1p
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£35m 2020/21: £34m	4%	07:34	4p
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£85m 2020/21: £83m	19%	11:21	1p
	The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	£3m 2020/21: £3m	4%	07:23	0.4p
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	£50m 2020/21: £44m	10%	05:53	3p
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	£3m 2020/21: £3m	2%	02:53	1p
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	£12m 2020/21: £12m	5%	09:56	1p
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	£7m 2020/21: £7m	1%	05:03	6p

Reach definition: 15+ minutes for all services and audiences aged 15+.

Sources: RAJAR (Radio reach and time per listener).

Radio 1: among 15-29 year olds reach was 24% and time spent per listener was 06:12.

Radio 1Xtra: among 15-24 year olds reach was 3% and time spent per listener was 03:48.

Radio 2: among 35+ year olds reach was 32% and time spent per listener was 12:02.

Asian Network: among Asians under 35 reach was 8% and time spent per listener was 03:27. Ethnicity definitions in RAJAR: Asian = White and Asian, Indian, Pakistani, Bangladeshi, any other Asian background.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Performance data packs

Performance by service continued

Online performance by service

Content (£m)
We spent a total of £247 million on these services in 2021/22

Reach (%)
UK population who use the service on average per week



BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge and Learning – as well as IP-delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.

£247m
2020/21: £236m

61%
2020/21: 63%

Source: Ipsos MORI. UK adults 16+.

Consumption
Average weekly minutes viewed by 16-34s

Reach (%)
UK 16-34s who use the service on average per week

Time spent using the service each week (hh:mm)
Length of time the average 16-34 viewer spent per week with the service



BBC Three is constantly innovating to provoke thought and to entertain audiences from 16 year olds to 30-somethings with original comedy, drama and factual programming that celebrates new British talent.

112,151,179*
2020/21: 121,062,446

6%
2020/21: 6%

02:11
2020/21: 02:07

BBC Three linear channel launched towards the end of the financial year and will be reported in next year's Annual Report.

Source: BARB, Ipsos MORI. On-platform consumption. 2020/21 restated based on changes to calculation method.

* Deduplicated viewer minutes based on BARB/AT Internet.

The BBC in Wales

Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2022 £m	2021 £m
Estimated income		
UK	3,800	3,750
Wales	190	187

The fee for a standard household TV licence is £159.00. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

	2022 £m	2021 £m
Network content		
TV (inc. Sport and Children's)	57	52
Radio	3	3
Online	4	1
Total network spend	64	56
Local content		
TV – BBC One	30	20
TV – BBC Two	5	3
Radio Wales	14	14
Radio Cymru	13	14
Online & Red Button	11	12
Total local spend	73	63
National Orchestra of Wales	5	5
S4C	24	21
Development	1	1
Distribution	21	22
Total	188	168

Performance data packs

The BBC in Wales continued

Performance by Service

Network Television

		Content (£m) We spent a total of £91m on these services in 2021/22 [^]	Reach (%) Wales population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£76m 2020/21: £60m	61% 2020/21: 65%	07:54 2020/21: 08:47
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£10m 2020/21: £11m	39% 2020/21: 43%	03:22 2020/21: 03:30
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£1m 2020/21: £2m	10% 2020/21: 12%	~01:37 2020/21: ~01:42
	The CBBC channel offers a distinctive mixed schedule for 6-12 year-olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£3m 2020/21: £2m	2% 2020/21: 3%	* 2020/21: *
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£1m 2020/21: -	3% 2020/21: 4%	* 2020/21: *

[^] BBC Three linear channel launched in February 2022, and has incurred £1m of television spend in Wales up to 31 March 2022.

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

News

		Content (£m) We spent a total of £0m on these services in 2021/22	Reach (%) Wales population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	— 2020/21: -	10% 2020/21: 12%	~03:30 2020/21: ~03:35
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	— 2020/21: -	1% 2020/21: 1%	* 2020/21: *

Reach definition: 15+ minutes for all services and audiences in TV-owning households aged 4+.

Source: BARB (28 days as viewed) (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 13% and 2%, respectively (15% and 2% among 16+ population).

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Network Radio

		Content (£m) We spent a total of £3m on these services in 2021/22	Reach (%) Wales population who use the service on average per week	Time spent listening to a service each week (h:m) Length of time the average user spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds as well as providing tailored news, documentaries and advice campaigns for young adults.	— 2020/21:—	20%	07:39
	BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	— 2020/21:—	1%	~05:07
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	— 2020/21:—	36%	12:02
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£2m 2020/21: £2m	4%	07:28
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2020/21: £1m	18%	13:18
	The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	— 2020/21:—	4%	09:49
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	— 2020/21:—	8%	05:39
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	— 2020/21:—	2%	12:13
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	— 2020/21:—	5%	12:30
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	— 2020/21:—	0.2%	*

Reach definition: 15+ minutes for all services and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

Radio 1: among 15-29 year olds reach was 34% and time spent was 05:43.

Radio 1Xtra: among 15-24 year olds reach was 2% and time spent per user too low to report.

Radio 2: among 35+ year olds reach was 42% and time spent was 13:00.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Online

		Content (£m) We spent a total of £15m on these services in 2021/22	Reach (%) Wales population who use the service on average per week
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£15m 2020/21: £13m	66% 2020/21: 68%

Source: Ipsos MORI. Wales adults 16+.

Performance data packs

The BBC in Wales continued

The BBC in Wales

	Content (£m) We spent a total of £27m on these services in 2021/22	Reach (%) Wales population who use the service on average per week	Time spent watching or listening to a service each week (h:m) Length of time the average viewer or listener spent each week with the service	Costs per user hour (p) How much it costs to deliver each service to individual users
 <p>BBC Radio Wales is a speech-led service for adults, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales.</p>	<p>£14m</p> <p>2020/21: £14m</p>	<p>14%</p>	<p>07:47</p>	<p>9p</p>
 <p>BBC Radio Cymru is a speech and music radio service for Welsh speakers, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales.</p>	<p>£13m</p> <p>2020/21: £14m</p>	<p>22%</p>	<p>16:17</p>	<p>12p</p>

Reach definition: 15+ minutes for all services and audiences aged 15+.

Sources: RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

BBC Radio Cymru: RAJAR data (reach and time per listener) based on “Understand Welsh”. BBC Radio Cymru reaches 6% of the overall 16+ population in Wales who listen for 12:59 a week on average.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Local opt-out hours^ (including repeats) on BBC One and BBC Two

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	63	46
Daily, Weekly News and Current Affairs	367	429
Sport & Leisure	155	111
Education, Factual & Religion	165	212
Children’s	–	4
Total	750	802

^ Television content commissioned specifically for audiences in the nation.

S4C*

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts*	173	154
Daily, Weekly News and Current Affairs	295	256
Sport & Leisure	152	175
Education, Factual & Religion	11	5
Total	631	590

* This represents the television programmes commissioned, produced and funded by BBC Wales and supplied to S4C (excluding programmes commissioned directly by S4C from other producers). The total of hours for 2022 include 101 hours of repeats (2021: 113 hours). This includes repeats where BBC Wales has incurred a charge associated with the transmission of the programmes.

BBC Radio Wales

	2022 Hours	2021 Hours
News and Current Affairs	2,217	2,240
General	5,022	5,118
Total	7,239	7,358

BBC Radio Cymru

	2022 Hours	2021 Hours
News and Current Affairs	1,515	1,439
General	6,153	6,258
Total	7,668	7,697

Headcount

Average headcount reflects those individuals employed to directly support the service produced in Wales

	2022 Number	2021 Number
Average number of persons employed in the year	876	936

Average headcount of individuals based in Wales across all services including support functions

	2022 Number	2021 Number
Average number of persons employed in the year	1,086	1,157

The BBC in Scotland

Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2022 £m	2021 £m
Estimated income		
UK	3,800	3,750
Scotland	311	309

The fee for a standard household TV licence is £159.00. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

	2022 £m	2021 £m
Network content		
TV (inc. Sport and Children's)	68	42
Radio	3	3
Online	4	5
Total network spend	75	50
Local content		
TV – BBC One	34	28
TV – BBC ALBA	9	9
TV – BBC SCOTLAND	37	34
Radio Scotland	24	23
Radio nan Gàidheal	4	4
Online & Red Button	10	10
Total local spend	118	108
National Orchestra	5	5
Development	8	8
Distribution	35	37
Total	241	208

Performance data packs

The BBC in Scotland continued

Performance by Service

Network Television

		Content (£m) We spent a total of £102m on these services in 2021/22 [^]	Reach (%) Scotland population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£71m 2020/21:£51m	64% 2020/21:65%	07:55 2020/21:07:59
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£19m 2020/21:£13m	42% 2020/21:44%	03:04 2020/21:03:08
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£1m 2020/21:£3m	9% 2020/21:10%	~01:42 2020/21:~01:44
	The CBBC channel offers a distinctive mixed schedule for 6-12 year-olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£5m 2020/21:£1m	1% 2020/21:1%	* 2020/21:*
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£6m 2020/21:£2m	4% 2020/21:4%	* 2020/21:*

[^] BBC Three linear channel launched in February 2022, and has incurred £0m of television spend in Scotland up to 31 March 2022.

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

News

		Content (£m) We spent a total of £0m on these services in 21/22	Reach (%) Scotland population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	— 2020/21:—	10% 2020/21:12%	02:54 2020/21:03:44
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	— 2020/21:—	1% 2020/21:1%	* 2020/21:*

Reach definition: 15+ minutes for all services and audiences in TV-owning households aged 4+.

Source: BARB (28 days as viewed) (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 14% and 2%, respectively (16% and 2% among 16+ population).

* Sample size for time per user too low to report.

Network Radio

		Content (£m) We spent a total of £3m on these services in 2021/22 in Scotland	Reach (%) Scotland population who use the service on average per week	Time spent listening to a service each week (h:m) Length of time the average user spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year-olds as well as providing tailored news, documentaries and advice campaigns for young adults.	— 2020/21: —	14%	06:17
	BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	— 2020/21: —	1%	*
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	— 2020/21: —	27%	10:37
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£2m 2020/21: £2m	3%	08:50
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2020/21: £1m	13%	10:41
	The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	— 2020/21: —	3%	06:19
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	— 2020/21: —	8%	05:34
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	— 2020/21: —	2%	02:17
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	— 2020/21: —	5%	09:44
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	— 2020/21: —	1%	*

Reach definition: 15+ minutes for all services and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

Radio 1: among 15-29 year olds reach was 24% and time spent was 07:19.

Radio 1Xtra: among 15-24 year olds reach was 2% and time spent per user too low to report.

Radio 2: among 35+ year olds reach was 32% and time spent was 11:12.

* Sample size for time per user too low to report.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Online

		Content (£m) We spent a total of £14m on these services in 2021/22	Reach (%) Scotland population who use the service on average per week
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£14m 2020/21: £15m	61% 2020/21: 66%

Source: Compass by Ipsos MORI. Scotland adults 16+.

Performance data packs

The BBC in Scotland continued

The BBC in Scotland

		Content (£m) We spent a total of £74m on these services in 21/22	Reach (%) Scotland population who use the service on average per week	Time spent watching or listening to a service each week (h:m) Length of time the average viewer or listener spent each week with the service	Costs per user hour (p) How much it costs to deliver each service to individual users
	The BBC Scotland Channel features a mix of documentary, popular factual and entertainment, comedy, drama, news and current affairs and sport programming reflecting Scottish life and culture.	£37m 2020/21: £34m	18% 2020/21: 21%	01:24 2020/21: 01:36	21p 2020/21: 15p**
	BBC ALBA offers, to Gaelic speakers and learners, a distinctive range of originated programming that reflects and supports Gaelic culture, identity and heritage.	£9m 2020/21: £9m	55% 2020/21: 59%	03:28 2020/21: 03:34	25p 2020/21: ~
	BBC Radio Scotland is a speech-led service for adults. Mixed genre programming reflects the diversity of Scottish culture and covers national and international issues and events relevant to listeners across the country.	£24m 2020/21: £23m	20% 2020/21: *	06:10 2020/21: *	8p 2020/21: *
	BBC Radio nan Gàidheal offers a comprehensive speech and music radio service for Gaelic speakers. Mixed genre programming reflects the diversity of Scottish culture and, from a Gaelic perspective and through the medium of the Gaelic language, covers national and international issues and events relevant to listeners across the country.	£4m 2020/21: £4m	56% 2020/21: 58%	07:39 2020/21: 07:41	23p 2020/21: 23p

BBC Scotland: Reach definition: 15+ minutes consecutive and audiences in TV-owning households aged 4+.

Source: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing. Cost per user hour data includes viewing on the TV set and other devices.

** The Cost per User Hour figures in the table are based on viewing to the BBC Scotland channel, BBC Scotland content on iPlayer and BBC Scotland channel content shown on other BBC TV channels. For viewing to the BBC Scotland channel and BBC Scotland content on iPlayer only, the Cost per User Hour of the channel is 36p (29p in 2020/21).

BBC ALBA: TRP PRAEG Panel based on Gaelic community 16+ in Scotland. BBC ALBA reaches 7% of the overall 16+ population in Scotland who use the service for 01:59 a week on average (source: TNS Kantar Scottish Opinion Survey based on adults aged 16+ in Scotland).

BBC nan Gàidheal: TRP PRAEG Panel based on Gaelic community 16+ in Scotland.

BBC Radio Scotland: Reach definition: 15+ minutes and audiences aged 15+. RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

* Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

~ Suspension of face-to-face fieldwork in 2020/21 due to Covid-19 restrictions means there is incomplete data on usage of BBC ALBA and so cost per user hour is not available for 2020/21.

Local opt-out hours^ (including repeats) on BBC One

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	52	32
Daily, Weekly News and Current Affairs	424	408
Sport & Leisure	130	78
Education, Factual & Religion	73	97
Total	679	615

^ Television content commissioned specifically for audiences in the nation.

BBC Scotland

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	456	481
Daily, Weekly News and Current Affairs	397	668
Sport & Leisure	207	226
Education, Factual & Religion	868	1,094
Total	1,928	2,469

BBC ALBA

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	592	664
Daily, Weekly News and Current Affairs	215	194
Sport & Leisure	221	187
Education, Factual & Religion	1,008	998
Children's	545	556
Total	2,581	2,599

Radio Scotland

	2022 Hours	2021 Hours
News and Current Affairs	3,084	3,167
General	5,522	5,369
Total	8,606	8,536

Radio nan Gàidheal

	2022 Hours	2021 Hours
News and Current Affairs	637	609
General	4,303	4,329
Total	4,940	4,938

Headcount

Average headcount reflects those individuals employed to directly support the service produced in Scotland

	2022 Number	2021 Number
Average number of persons employed in the year	962	1,009

Average headcount of individuals based in Scotland across all services including support functions

	2022 Number	2021 Number
Average number of persons employed in the year	1,225	1,306

Performance data packs

The BBC in Northern Ireland

Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2022 £m	2021 £m
Estimated income		
UK	3,800	3,750
Northern Ireland	99	99

The fee for a standard household TV licence is £159.00. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

	2022 £m	2021 £m
Network content		
TV (inc. Sport and Children's)	25	18
Radio	2	2
Online	2	1
Total network spend	29	21
Local content		
TV – BBC One	25	21
TV – BBC Two	4	3
Radio Ulster/Foyle	18	18
Online & Red Button	8	8
Total local spend	55	50
Distribution	12	12
Total	96	83

Performance by Service

Network Television

		Content (£m) We spent a total of £53m on these services in 2021/22 [^]	Reach (%) Northern Ireland population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£39m 2020/21: £33m	62% 2020/21: 65%	06:42 2020/21: 07:18
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£7m 2020/21: £7m	35% 2020/21: 39%	02:39 2020/21: 02:44
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£1m 2020/21: £1m	8% 2020/21: 11%	~01:37 2020/21: ~01:39
	The CBBC channel offers a distinctive mixed schedule for 6-12 year-olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£6m 2020/21: £1m	2% 2020/21: 2%	* 2020/21: *
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	— 2020/21: —	5% 2020/21: 6%	* 2020/21: *

[^] BBC Three linear channel launched in February 2022, and has incurred £1m of television spend in Northern Ireland up to 31 March 2022.

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

News

		Content (£m) We spent a total of £0m on these services in 2021/22	Reach (%) Northern Ireland population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	— 2020/21: —	7% 2020/21: 8%	* 2020/21: ~02:17
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	— 2020/21: —	1% 2020/21: 1%	* 2020/21: *

Reach definition: 15+ minutes for all services and audiences in TV-owning households aged 4+.

Source: BARB (28 days as viewed) (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 11% and 2%, respectively (13% and 2% among 16+ population).

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Performance data packs

The BBC in Northern Ireland continued

Network Radio		Content (£m) We spent a total of £2m on these services in 2021/22	Reach (%) Northern Ireland population who use the service on average per week	Time spent listening to a service each week (h:m) Length of time the average user spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year-olds as well as providing tailored news, documentaries and advice campaigns for young adults.	— 2020/21:—	14%	03:50
	BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	— 2020/21:—	0.4%	*
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	— 2020/21:—	15%	07:44
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£1m 2020/21:£1m	2%	~02:41
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2020/21:£1m	10%	07:44
	The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	— 2020/21:—	2%	~07:26
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	— 2020/21:—	10%	05:08
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	— 2020/21:—	2%	~02:05
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	— 2020/21:—	2%	~05:56
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	— 2020/21:—	0.04%	*

Reach definition: 15+ minutes for all services and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

Radio 1: among 15-29 year olds reach was 28% and time spent was ~03:14.

Radio 1Xtra: among 15-24 year olds reach was 0.3% and time spent per user too low to report.

Radio 2: among 35+ year olds reach was 17% and time spent was 08:56.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Online		Content (£m) We spent a total of £10m on these services in 2021/22	Reach (%) Northern Ireland population who use the service on average per week
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£10m 2020/21:£9m	59% 2020/21:56%

Source: Ipsos MORI. Northern Ireland adults 16+.

The BBC in Northern Ireland

Content (£m) We spent a total of £18m on these services in 2021/22	Reach (%) Northern Ireland population who use the service on average per week	Time spent watching or listening to a service each week (h:m) Length of time the average viewer or listener spent each week with the service	Costs per user hour (p) How much it costs to deliver each service to individual users
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 	<p>BBC Radio Ulster is a speech-led service, providing a mix of programmes that reflect news, events and community life in all its different aspects and diversity.</p>	<p>£18m 2020/21: £18m</p>	<p>34%</p>	<p>10:48</p>	<p>6p</p>
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Reach definition: 15+ minutes and audiences aged 15+. RAJAR (Radio reach and time per listener; data based on total survey area – TSA). Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Local opt-out hours^ (including repeats) on BBC One and BBC Two

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	48	39
Daily, Weekly News and Current Affairs	382	369
Sport & Leisure	96	84
Education, Factual & Religion	219	204
Total	745	696

^ Television content commissioned specifically for audiences in the nation.

BBC Radio Foyle/Ulster

	2022 Hours	2021 Hours
News and Current Affairs	3,316	3,065
General	4,675	4,721
Total	7,991	7,786

Headcount

Average headcount reflects those individuals employed to directly support the service produced in Northern Ireland

	2022 Number	2021 Number
Average number of persons employed in the year	609	628

Average headcount of individuals based in Northern Ireland across all services including support functions

	2022 Number	2021 Number
Average number of persons employed in the year	646	665

Performance data packs

The BBC in England

Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2022 £m	2021 £m
Estimated income		
UK	3,800	3,750
England	3,186	3,142

The fee for a standard household TV licence is £159.00. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

	2022 £m	2021 £m
Network content		
TV (inc. Sport and Childrens')	1,327	1,003
Radio	273	265
Online	188	173
Total network spend	1,788	1,441
Local content		
TV – BBC One	93	90
English Regions	117	124
Online & Red Button	15	17
Total local spend	225	231
National Orchestra Development	15	13
	49	52
Distribution	117	120
Total	2,194	1,857

Performance by Service

Network Television

		Content (£m) We spent a total of £1,349m on these services in 2021/22 [^]	Reach (%) England population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£985m 2020/21: £733m	60% 2020/21: 63%	07:07 2020/21: 07:38
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£275m 2020/21: £216m	38% 2020/21: 42%	03:01 2020/21: 03:10
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£18m 2020/21: £22m	10% 2020/21: 13%	01:41 2020/21: 01:50
	The CBBC channel offers a distinctive mixed schedule for 6-12 year-olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£48m 2020/21: £45m	2% 2020/21: 3%	02:14 2020/21: 02:15
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£23m 2020/21: £23m	5% 2020/21: 6%	03:32 2020/21: 04:10

[^] BBC Three linear channel launched in February 2022, and has incurred £20m of television spend in England up to 31 March 2022.

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (28 days as viewed) (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. This BARB data is for the entirety of 2021/22 and therefore measures TV set viewing only within 28 days of the linear broadcast, meaning that iPlayer viewing on other devices or pre-broadcast or post-28 days is not as yet included in any of the reach and time figures. iPlayer viewing is growing.

News

		Content (£m) We spent a total of £51m on these services in 2021/22	Reach (%) England population who use the service on average per week	Time spent watching a channel each week (h:m) Length of time the average viewer spent each week with the channel
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	£50m 2020/21: £52m	10% 2020/21: 12%	03:16 2020/21: 03:25
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	£1m 2020/21: £2m	1% 2020/21: 1%	~01:36 2020/21: *

Reach definition: 15+ minutes for all services and audiences in TV-owning households aged 4+.

Source: BARB (28 days as viewed) (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 13% and 1%, respectively (15% and 1% among 16+ population).

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Performance data packs

The BBC in England continued

Network Radio

		Content (£m) We spent a total of £273m on these services in 2021/22	Reach (%) England population who use the service on average per week	Time spent listening to a service each week (h:m) Length of time the average user spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year-olds as well as providing tailored news, documentaries and advice campaigns for young adults.	£36m 2020/21: £36m	14%	06:29
	BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	£8m 2020/21: £8m	2%	03:56
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	£45m 2020/21: £47m	26%	11:11
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£31m 2020/21: £29m	4%	07:38
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£79m 2020/21: £77m	20%	11:22
	The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	£3m 2020/21: £3m	4%	07:16
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	£49m 2020/21: £43m	11%	05:56
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	£3m 2020/21: £3m	3%	02:57
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	£12m 2020/21: £12m	5%	09:53
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	£7m 2020/21: £7m	1%	05:15

Reach definition: 15+ minutes for all services and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

Radio 1: among 15-29 year olds reach was 23% and time spent was 06:15.

Radio 1Xtra: among 15-24 year olds reach was 3% and time spent per user was 03:41.

Radio 2: among 35+ year olds reach was 32% and time spent was 12:05.

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Online

		Content (£m) We spent a total of £203m on these services in 2021/22	Reach (%) England population who use the service on average per week
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£203m 2020/21: £190m	60% 2020/21: 62%

Source: Ipsos MORI. England adults 16+.

The BBC in England

Content (£m)

We spent a total of £117m on these services in 2021/22

Reach (%)

England population who use the service on average per week

Time spent watching or listening to a service each week (h:m)

Length of time the average viewer or listener spent each week with the service

Costs per user hour (p)

How much it costs to deliver each service to individual users



BBC Local Radio is a primarily speech-based service of news, information and debate, with a strong emphasis on interactivity.

£117m
2020/21: £124m

15%

06:36

5p

Reach definition: 15+ minutes and audiences aged 15+. RAJAR (Radio reach and time per listener; data based on total survey area – TSA).

Industry radio audience data is not available for 2020/21 owing to the suspension of RAJAR face-to-face fieldwork because of Covid-19 restrictions. Fieldwork resumed in April 2021 with an updated methodology, meaning no direct comparison can be made with pre-pandemic figures.

Local opt-out hours^ (including repeats) on BBC One

	2022 Hours	2021 Hours
Drama, Comedy, Entertainment, Music & Arts	1	–
Daily, Weekly News and Current Affairs	3,707	3,605
Sport & Leisure	19	11
Education, Factual & Religion	34	20
Total	3,761	3,636

^ Television content commissioned specifically for audiences in the nation.

BBC English Regions

	2022 Hours	2021 Hours
General	233,061	234,720

Headcount

Average headcount reflects those individuals employed to directly support the service produced in England

	2022 Number	2021 Number
Average number of persons employed in the year	2,308	2,550

Average headcount of individuals based in England across all services including support functions

	2022 Number	2021 Number
Average number of persons employed in the year	12,994	13,938

Performance data packs

Comptroller and Auditor General's opinion on Nations Performance Data Independent Assurance Report to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

I have conducted independent assurance procedures on the disclosures included in the British Broadcasting Corporation (BBC) Annual Report arising from the requirement under the Royal Charter for the continuance of the BBC (the Royal Charter) to publish the provision for the United Kingdom's nations and regions, including how the BBC delivered the creative remit in the nations and regions. These disclosures comprise performance against the BBC's public purpose to reflect, represent and serve the diverse communities of the United Kingdom's nations and regions and support the creative economy, as set out on pages 185 to 201 of the BBC's Annual Report.

My work is conducted in accordance with International Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historic Financial Information.

Respective responsibilities of the BBC Board and the Comptroller and Auditor General

For the reporting year covered by this report, the BBC Board was responsible for publishing information required by the Royal Charter as follows: the provision for the United Kingdom's nations and regions, including how the BBC delivered the creative remit in the nations and regions for the year-ended 31 March 2022 (the subject matter) ("Nations Data Packs").

I am responsible for providing an opinion on whether, in all material respects, the subject matter is complete and accurate and has been properly prepared in accordance with the basis set out therein.

In conducting this work, my staff and I have complied with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the BBC in accordance with the ethical requirements that are relevant to my assurance engagement. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My staff and I have applied International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

My approach

I have performed a reasonable assurance engagement as defined in ISAE 3000. A reasonable assurance engagement is to perform such procedures as to obtain information and explanations which I consider necessary to express an opinion on whether, in all material respects, the Nations Data Packs (the subject matter) is complete and accurate and has been properly prepared in accordance with the basis set out therein.

My work consisted of understanding the process adopted by the BBC to derive the disclosures, in particular the completeness and accuracy of information used. This enabled me to design procedures in response to risks identified. I performed procedures in relation to the figures disclosed which included: agreement to third party evidence such as data issued by the Broadcasters Audience Research Board (BARB); agreement to scheduling reports; cross-reference to disclosures made in the BBC Group financial statements; recalculation and confirmation of mathematical accuracy; recalculation of restated prior year figures; and agreement of headcount data to payroll reports.

Inherent limitations

My assurance procedures have been designed to provide reasonable assurance. The objective of a reasonable assurance engagement is to reduce engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of my conclusion. It does not, however, eliminate this risk entirely. In particular, in preparing the disclosures within the Nations report, the BBC Board is required to make a number of judgements which inherently introduces an element of risk.

My work has been undertaken so that I might state to the BBC Board and Parliament those matters I am required to in this report and for no other purpose.

Opinion

Based on the results of my procedures, in my opinion, in all material respects the Nations Data Packs set out on pages 185 to 201 is complete and accurate and has been properly prepared in accordance with the basis set out therein. This opinion has been formed on the basis of the matters outlined elsewhere in this independent assurance report.

Gareth Davies

Comptroller and Auditor General
National Audit Office

157-197 Buckingham Palace Road
London
SW1W 9SP

28 June 2022



FINANCIAL STATEMENTS

Financial statements

Comptroller and Auditor General's Certificate and Report on the Group Financial Statements**The Certificate and Report of the Comptroller and Auditor General to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report****Opinion on financial statements**

I certify that I have audited the financial statements of the British Broadcasting Corporation (BBC) Group for the year ended 31 March 2022, which comprises the BBC Group's:

- Consolidated balance sheet as at 31 March 2022;
- Consolidated income statement;
- Consolidated statement of comprehensive income;
- Consolidated cash flow statement;
- Consolidated statement of changes in equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the consolidated financial statements:

- give a true and fair view of the state of the BBC Group's affairs as at 31 March 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the Royal Charter for the continuance of the British Broadcasting Corporation and directions issued by the Secretary of State for Digital, Culture, Media and Sport or the Foreign Secretary thereunder.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *'Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom'*. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the BBC and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The framework of authorities that has been considered in the context of my opinion on regularity is:

- the Royal Charter for the continuance of the British Broadcasting Corporation;
- the Agreement between Her Majesty's Secretary of State for Digital, Culture, Media and Sport and the BBC; and
- other agreements the BBC has entered into with Government Ministers.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the BBC Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the BBC Board's assessment of the BBC Group's ability to continue to adopt the going concern basis of accounting included understanding and assessing risks to future revenue streams and the BBC Group's ability to access borrowings and take other mitigating actions to manage cash-flows. I also considered my wider understanding of the environment in which the BBC Group operates which may have implications for the ability to adopt the going concern basis of accounting.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the BBC Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the BBC Board's reporting on how they have applied the UK Corporate Governance Code, I have nothing material to add or draw attention to in relation to the BBC Boards' statement in the financial statements about whether the Board considered it appropriate to adopt the going concern basis of accounting.

My responsibilities and the responsibilities of the BBC Board with respect to going concern are described in the relevant sections of this certificate.

Overview of my audit approach**Key audit matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that I identified.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

I consider the following areas of particular audit focus to be those areas that had the greatest effect on my overall audit strategy, the allocation of resources in my audit and directing the efforts of the audit team in the current year.

This is not a complete list of all risks identified by my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included detailed information relating to the general work I have performed around the presumed risk of management override of controls, which are areas where my work has not identified any matters to report. I identified an area of significant risk of material misstatement relating to accounting for joint ventures and associates. I have not reported this as a separate key audit matter and have incorporated into my description of key audit matters below.

During much of 2021/22, in line with government guidance related to the COVID-19 pandemic, many staff at the BBC, including the finance team, continued to work remotely and my audit work has been undertaken largely remotely. I have remained alert to the potential for impact on the control environment from these working practices.

The areas of focus were discussed with the Audit and Risk Committee; their report on matters that they considered to be significant to the financial statements is set out on pages 105 to 109.

Complex property transactions (including property-related investments in associates and joint ventures)

Total net book value of Property, Plant and Equipment – £1,985 million (2020/21: £2,054 million). Refer to notes E4 and F1 and the risks set out in the Audit and Risk Committee report on pages 105 to 109.

The BBC Group has a large and diverse portfolio of properties which includes owned assets and assets held under leasing arrangements.

In managing its property portfolio and related financing arrangements, certain past transactions have given rise to accounting treatments which are not straightforward and require the application of judgement. This includes sale and leaseback arrangements where the borrowing limit set by the Secretary of State for Digital, Culture, Media and Sport has affected the way in which the BBC can finance major projects.

The following complex property transactions represent a significant risk for my audit and have been key areas of focus for my work:

A: Accounting for properties under IFRS 16: Leases

- I consider there to be a significant risk relating to the continuing application of IFRS 16 as the BBC has applied judgement in determining the appropriate accounting treatment for leased properties. This includes the valuation of right-of-use assets and associated liabilities; accounting for repurchase options at the end of the lease term; and the treatment of contingent rent arrangements.
- The valuation of the BBC Group's major finance lease assets and liabilities involves the use of complex models to calculate the valuations, and judgement over the appropriate inputs into the valuations.

B: New Broadcasting House re-financing and the treatment of Daunus Ltd

- The valuation of the series of significant derivative cash flow swaps which form the basis of the 2016/17 refinancing of the New Broadcasting House sale and lease back arrangement. The valuation of these swaps involves judgement and is highly sensitive to the assumptions made.
- The BBC holds an investment in Daunus Ltd, which was established to facilitate the redevelopment and refinancing of New Broadcasting House. The BBC considers that it shares joint control of Daunus Ltd with other investors and accordingly recognises a joint venture. This is a significant judgement.

C: Other property transactions

- The classification, completeness and valuation of property available-for-sale which could have a material impact on the financial statements.
- The valuation of new properties in the course of construction or brought into use during the year.

Key audit matter description

Complex property transactions (including property-related investments in associates and joint ventures)**The scope of my audit work in response**

I have carried out work to understand the BBC's overall property strategy and any changes that could have a consequent financial statement impact.

My procedures included making enquiries of management; review of board minutes and business plans. Where I could not physically visit properties, for example, due to Covid-19 restrictions I undertook alternative audit procedures to verify the existence of assets, such as photographic evidence or evidence of use of the asset in the BBC Group's business.

A: Accounting for properties under IFRS 16: Leases

My procedures included:

- Assessing the design and implementation of key controls relating to the identification and completeness of leases as well as modifications in lease arrangements;
- For a sample of items, testing the calculation of right-of-use assets and associated liabilities, including those entered into in prior periods to confirm that the ongoing accounting treatment remained appropriate;
- Considering the reasonableness of inputs into management's lease calculations and management's key assumptions and judgements, checking these for consistency and contradictory evidence, through inspection of lease documentation;
- Testing the completeness of the leases data through a range of procedures such as reading the Board and other meeting minutes to identify major new leases entered into and considering whether expenditure transactions are indicative of lease arrangements;
- Assessing whether disclosures relating to the accounting policies adopted by management in relation to leases, are sufficient.

B: New Broadcasting House re-financing and the treatment of Daunus Ltd

I have assessed the reasonableness of the accounting treatment in relation to the classification and valuation of the cash flow swaps used in the past re-financing of the New Broadcasting House sale and leaseback. My audit procedures included assessing the reasonableness of management's key valuation assumptions and judgements. Using corporate finance specialists, I checked management's key assumptions and judgements for consistency with underlying contracts, published rates and market practice; and I assessed the sensitivity of management's valuations to changes in key assumptions. This has included consideration of the impact that changing economic factors have had on market inputs.

I have reviewed evidence supporting management's judgement to recognise Daunus Ltd as a joint venture, including substantiating and assessing the rights of the other shareholders based on the contractual documentation. I obtained evidence that control over Daunus Ltd operates jointly in practice.

I have reviewed the transparency of disclosures relating to Daunus Ltd and assessed whether it is consistent with the relevant financial reporting framework.

C: Other property transactions

I have considered management's key judgements in relation to the accounting treatments adopted for certain planned disposals of property. My audit procedures included reviewing Board minutes and business plans to assess the completeness of property disclosed as held for sale.

I have reviewed the accounting treatment in relation to new properties in the course of construction or brought into use during the year. I have assessed whether costs have been appropriately capitalised and whether any impairment to the value of these assets was required.

Key observations and the findings I communicated to the Audit and Risk Committee

On the basis of the procedures performed, I consider that the accounting treatment adopted for these complex property transactions is appropriate, including property-related investments in associates and joint ventures.

Risk of fraud in revenue recognition

Total revenue recognised – £5,330 million (2020/21: £5,064 million). Refer to notes B1 to B3 and the risks set out in the Audit and Risk Committee report on pages 105 to 109.

International Standards on Auditing (UK) require me to consider whether or not there is a risk of fraud in respect of revenue recognition. Given the scale and nature of the BBC Group's income streams, I have not rebutted this risk. My scoping work has identified the following transactions streams as areas of specific focus for my audit:

Licence Fee revenue – £3,800 million (2020/21: £3,750 million).

The BBC's primary source of funding is derived from the Television Licence Fee (the "licence fee"). The Telecommunications Act 2003 requires that licence fees must be paid to the BBC which, in turn, must remit the amounts collected to the Consolidated Fund. The BBC Licence Fee Unit uses an outsourced service provider, Capita, to collect licence fees on its behalf.

Licence fees collected are brought to account within the BBC Television Licence Fee Trust Statement ("the Trust Statement"). This is a separate account, which I also audit. The licence fee revenue recorded in the BBC Group's consolidated financial statements is a grant-in-aid funding settlement, paid directly to the BBC from the Secretary of State for Digital, Culture, Media and Sport from sums drawn down from the Consolidated Fund in respect of licence fees issued in the year. The funding arrangements are agreed for the duration of the licence fee settlement between the BBC and the Secretary of State. The current licence fee settlement ends in 2027.

The scope of my audit work in response

In relation to the licence fee revenue grant recognised in the BBC Group's consolidated financial statements, I have assessed the reasonableness of the BBC's licence fee revenue recognition policy. I have substantively tested the amounts and the timing of licence fee revenue funding paid to the BBC by the Secretary of State for Digital, Culture, Media and Sport as well as its associated disclosures.

Given that the licence fee revenue and balances recorded in the Trust Statement provide an authoritative expectation as to the related licence fee grant funding and balances recorded in the consolidated financial statements, I have carried out audit procedures on the BBC Licence Fee Unit collection systems and processes and on related transactions and balances reported in the Trust Statement. These included obtaining assurance on the completeness and occurrence of licence fee income recorded in the Trust Statement by using IT audit procedures on key licence fee collection systems and testing a sample of in-year transactions and year-end balances.

Key observations and the findings I communicated to the Audit and Risk Committee

On the basis of the procedures I have performed I consider licence fee revenue funding and related balances to be appropriately recognised and reported.

Licence fee revenue is an area of Parliamentary and public interest, and the ongoing viability of the BBC is dependent upon the collection of licence fee revenue.

There are two key considerations arising from my audit work:

- I consider that there may be an incentive to manage and report licence fee revenue in ways that meet management's or licence fee payers' expectations. This might involve the BBC or other parties involved in the licence fee revenue collection and reporting process. I consider that there is a heightened risk around the year end of revenue recognition being managed to achieve particular results and this has been a key focus of my testing in this area.
- The licence fee receivables balances include a material credit loss impairment estimate reflecting the BBC's assessment of the recoverability of licence fee receivables which are impacted by factors affecting the wider economy and customers' ability to pay. Management's assumptions underpinning this estimate could be adjusted to increase or decrease receivables, to meet management's or licence fee payers' expectations.

I have also obtained assurance over the proper operation of cut-off by examining evidence showing cash receipts and licences issued around the year end.

I obtained assurance over the recoverability of licence fee revenue receivables and the credit loss impairment estimate by reviewing data on licence fee cancellations and debt recovery that informs the credit loss estimate and management's judgements and assumptions; assessing the reasonableness of management's judgements and assumptions; and challenging those assumptions where appropriate, considering the sensitivity and impact of differing judgments and assumptions.

Financial statements

Key audit matter description

Risk of fraud in revenue recognition

Commercial revenue recognition – £1,530 million (2020/21: £1,314 million) (including commercial investments in associates and joint ventures).

There are a number of revenue streams from different sources within the BBC’s commercial subsidiaries, including content and format sales; production income; advertising revenue; subscription fees; consumer products (income from the sale of BBC branded goods); and royalties. Audit risk arises where the revenue recognition is complex and involves a high degree of judgement including in respect of completeness and cut-off. This risk is particularly relevant within the commercial subsidiaries, where most revenue is earned from outside of the BBC Group.

Following a reduction in production income due to COVID-19 during 2020-21, an increase in advertising income and other group income has led to an improved performance in the BBC Commercial Group for 2021-22. This could create incentives to delay recognition of income or to bring forward costs, impairments or amortisation where management exercises judgement. One of the largest revenue streams within BBC Studios relates to the distribution of content. Commercial distribution rights acquired by the BBC relating to this content are treated as intangible assets within BBC Studios’ financial statements. When content is distributed, revenue is recognised and, in a number of cases, the contracts underpinning distribution sales can cover a number of financial years. BBC Studios’ revenue is affected by judgements in relation to the point at which revenue relating to the distribution of content arises and the timing and nature of the agreements with third parties represent risks around cut-off and completeness of revenue.

In addition, management must exercise judgement in the following areas which could have a material impact on profit:

- the amortisation and impairment of commercial distribution rights. Amortisation is based on the expected revenue profile of the programme portfolio. As a key area of judgement, risks arise as changes in assumptions could have a material impact on profit;
- revenue associated with productions. Although most production revenue is generated from within the BBC Group, a material amount is derived from outside the group. There are risks around completeness and cut-off in this revenue (accounting in the right period) ; and
- impairment of investments. Significant judgement is required in determining the valuation of investments, including the method of valuation applied and subsequent decisions to impair them. There may be an underlying incentive for management to manipulate the impairment review calculations to bring forward impairments to offset an increase in revenue recorded in year.

The scope of my audit work in response

I have carried out work to understand the nature of the BBC Group’s commercial profits including reviewing contractual documentation and management reporting, making enquiries of management responsible for BBC commercial activities (both within the UK and at significant territories overseas, both by value and by risk). I have also researched wider market practice in relation to revenue recognition in the media sector. I used this understanding to assess the reasonableness of revenue recognition policies adopted by the BBC’s commercial subsidiaries, focusing my attention on the highest risk and most significant revenue streams: channels, distribution, and format sales.

My testing included: undertaking detailed analysis of key revenue streams and identifying transactions with the greatest risk for further analysis, reviewing significant revenue contracts to understand the key features and confirming that they have been treated appropriately in the financial statements (with particular focus on the requirements of IFRS 15, Revenue from Contracts with Customers); and, considering transactions arising around the year-end, for evidence of delivery and licence period start dates.

I reviewed recoverability by assessing the nature of contractual arrangements, confirming amounts received after the reporting date, and reviewing management’s assessment of the need to provide for non-recovery.

I have also assessed the judgements made in respect of amortisation and impairment of commercial distribution rights. I reviewed the basis on which the amortisation principles were determined, comparing these to the known and forecast timing of the realisation of the value of these rights. I considered whether any amendments were required to the policy in light of developments in BBC Studios’ business, and wider market practice, during the reporting period.

I have reviewed judgements made in respect of the impairment of investments and the basis on which any impairment was calculated, including the completeness of management’s assessment.

I have also reviewed disclosures made to confirm these are in accordance with accounting standards.

Key observations and the findings I communicated to the Audit and Risk Committee

I have concluded that commercial revenue and profit is appropriately recognised and reported. In respect of commercial investments in associates and joint ventures, I have gained appropriate assurances over the completeness of impairments and the basis of calculation.

Valuation of the defined benefit pension asset

Total value of the defined benefit pension scheme asset – £1,241 million asset (2020/21: £190 million asset). Refer to note D6 and the risks set out in the Audit and Risk Committee report on pages 105 to 109.

The valuation of the defined benefit pension scheme assets and liabilities reported in the accounts is highly judgemental, and changes to assumptions can result in material changes to the valuation. Given this, I have assessed the valuation of the net pension asset as a significant risk to my audit.

The scope of my audit work in response

I have understood the BBC's pension scheme arrangements and assessed the processes and controls used by management to account for them.

Using actuarial experts, I have assessed the reasonableness of key assumptions used in determining the scheme liability, benchmarking them against other schemes; and I have assessed the nature and appropriateness of BBC context-specific assumptions and challenged these where appropriate. I have also assessed the expertise and independence of the BBC's actuaries.

To audit the scheme assets, I have taken assurance from the work of the BBC pension scheme auditors. I have also commissioned additional work from the scheme auditors to ensure that all assets material to the BBC Group have been audited, and that where assets are held in unquoted formats, appropriate benchmarks have been reviewed to challenge or verify valuations. The totality of this work by the scheme auditors, with my team's review of this work, provides assurance over the valuation of the Scheme assets, which is a key input to the pension scheme calculation reported by the BBC Group.

I have also commissioned experts to consider the assumptions and methodology used in valuing the assets were reasonable in relation to the longevity swap contract.

I have tested the accounting entries to the underlying work performed by the BBC's actuaries and reviewed disclosures made to confirm these are in accordance with accounting standards.

Key observations and the findings I communicated to the Audit and Risk Committee

I consider the defined benefit pension scheme to be appropriately accounted for in the BBC's consolidated financial statements.

Accounting for programme assets

Total value of programme assets – £1,111 million (2020/21: £980 million). Refer to note E1 and the risks set out in the Audit and Risk Committee report on pages 105 to 109.

The BBC Group records the costs associated with making a programme as work-in-progress during the course of a production, along with any direct overheads, and releases these assets from the Balance Sheet at the point a programme is delivered (in the case of BBC Studios Productions Limited) or transmitted (in the case of the Public Service Broadcaster).

Where the rights to broadcast content are acquired by the Public Sector Broadcaster, assets and liabilities relating to acquired content are recognised at the point of payment or commencement of the licence period, whichever is earlier. The cost of acquired content is expensed on first transmission except to the extent that the number of further showings is contractually agreed, when they are expensed according to the expected transmission profile.

At the point these programme assets are released, revenue and costs are recognised in the Consolidated Income Statement as appropriate. Where costs have been recorded and remain as programme assets at the year-end, management must consider whether there are any indicators of impairment: for example, where a programme may no longer be broadcast, or where costs exceed forecast revenue, for instance, due to additional costs to ensure productions comply with COVID-19 social-distancing and health and safety requirements.

The valuation of programme assets is a highly material estimate in the accounts, and there is a significant amount of judgement over both the initial value and the impairment of these assets.

There is a risk that the approach to valuation will result in material misstatement of the balance sheet, or that the processes to identify impairment of programme assets are not sufficient to identify material overstatement of the balance sheet.

Financial statements

Key audit matter description

Accounting for programme assets

The scope of my audit work in response

I have assessed the policy adopted by management in respect of programme assets as a key accounting judgement, including an assessment against IFRS and the wider practice within the media industry. This included undertaking walkthroughs of the process for valuing programme assets and the end-to-end process following a programme lifecycle through the various BBC entities, to ensure a consistent approach to the recognition of costs and revenue and that this is appropriately addressed on consolidation.

I substantively tested a sample of programme assets to confirm that these had been accounted for in accordance with the policy adopted by management.

I understood and evaluated the approach to managing production costs and identifying indicators of impairment and considered potential indicators of impairment of programme assets through my wider understanding of the business. This included a review of Board Minutes, considering wider information, and holding discussions with the programme and production accounting teams to assess the controls over programme spend. I also considered whether additional costs of complying with COVID-19 related health and safety rules would lead to impairment of programme assets.

Key observations and the findings I communicated to the Audit and Risk Committee

I consider programme assets to be appropriately accounted for in the BBC's consolidated financial statements.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined that overall materiality for the BBC Group's consolidated financial statements as follows:

	Group materiality	Benchmark
Overall materiality	£50 million (2020/21: £25 million)	1% of Group revenue (2020/21: 0.5% of Group revenue)
Performance materiality	£37.5 million (2020/21: £18.75 million)	75% of overall materiality (2020/21: same)
Reporting threshold	£300,000 (2020/21: £250,000)	

I chose Group revenue as the materiality benchmark because, in my professional judgement, revenue is the key driver of the BBC Group's business; in particular licence fee revenue and commercial income generated by the BBC Group are key drivers of stakeholder interest. Parliament and the public have an interest in the way in which the BBC Group is funded and how it spends its funds. The level of licence fee revenue and commercial revenue determines the resources available to the BBC Group and drives strategic decisions around spending and investment.

Historically, I have set materiality at 0.5% of total Group revenue. I have increased this to 1% for 2021/22 as I consider this more appropriately reflects the level of material misstatement that would affect the decisions of users of the financial statements. Notwithstanding this increase, the circumstances of any identified misstatements are evaluated for their impact on the accounts and the potential to influence the user of the financial statements, and their decisions.

Performance materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, I considered the history of misstatements, risk assessment and the effectiveness of controls.

Other materiality considerations

As well as quantitative materiality there are certain matters that, by their very nature, would if not corrected influence the decisions of users, for example:

- Remuneration disclosures;
- Matters that could result in a modification of the regularity opinion; and
- Any adjustment that would affect the overall position of the primary statements at the margin; for example, that would result in the surplus reported in the consolidated income statement becoming a deficit, or vice-versa.

Assessment of such matters would need to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

In planning and performing audit work in support of my opinion on regularity and evaluating the impact of any irregular transactions, I took into account both quantitative and qualitative aspects that I consider would reasonably influence the decisions of users of the financial statements.

Error reporting threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. This threshold has increased in line with the increase in materiality level noted above. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements. Total unadjusted audit differences reported to the Audit and Risk Committee would, if amended, decrease the net surplus by £10.6m.

Audit scope

The scope of my Group audit was determined by obtaining an understanding of the BBC Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The BBC Group comprises over 100 subsidiaries, along with a number of associates and joint ventures. There are two levels of consolidation within the BBC Group:

- Level 1: BBC Group, comprising the BBC Public Service Broadcaster (PSB), PSB subsidiaries, and BBC Commercial Group;
- Level 2: BBC Commercial Group, comprising BBC Commercial Limited and subsidiary companies, including, BBC Studios Productions Limited, BBC Studios Distribution Limited and subsidiary companies; BBC Global News companies; BBC Studioworks Limited; and BBC Children’s Productions Limited.

This audit opinion relates to the BBC Group, at level 1. My Group audit approach has been designed to enable me to form an opinion on these consolidated financial statements, and my assessment of significant components and the nature of the work I have performed is as follows:

Level 1: BBC Group income

Significant components and auditors

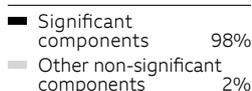
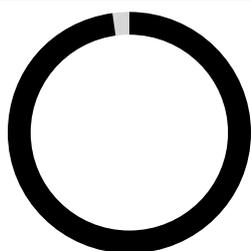
- BBC Public Service Broadcaster (NAO)
- BBC Commercial Group (NAO)

Sampled non-significant components

- None – due to coverage achieved from significant components

Analytical procedures on non-significant components

We performed analytical procedures on the remaining components.



Level 2: BBC Commercial Group income

Significant components and auditors

- BBC Commercial Ltd (NAO)
- BBC Studios Distribution Ltd (NAO)
- BBC Studios Productions Ltd (NAO)
- UKTV Media Ltd (NAO)

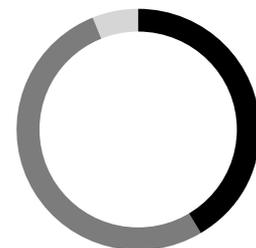
Sampled non-significant components

- BBC Global News Ltd (NAO)
- BBC World Distribution Ltd (NAO)
- BBC Studioworks Ltd (NAO)
- BBC Studios Americas Inc (NAO)*
- BBC Children’s Productions Ltd (NAO)
- 2 Entertain Video Ltd (NAO)*
- Natural History Factual Productions Ltd (NAO)*
- BBC Studios Productions (Clifton) (NAO)*
- Nice and Accurate Productions Ltd (NAO)*
- BBC Studios France Sarl (KPMG)
- BBC Studios Australia Pty Ltd (Grant Thornton)
- Sid Gentle Films Ltd (Ross Bennet Smith)

Analytical procedures on non-significant components

We performed analytical procedures on the remaining components.

* Specified procedures are performed on these entities



I have had direct involvement in the audit strategy of the BBC’s significant components, including those significant components where I have not been appointed as auditor. I have issued Group audit instructions to all significant components by size and risk and to a sample of other components, which enable me to obtain the necessary assurances required for my audit opinion on the BBC’s Group’s consolidated financial statements. For significant components where I have not been appointed as auditor, in some cases I have met with teams virtually due to travel restrictions and assessed the audit strategy, significant audit risks and undertaken a remote review of the work and findings of the component auditors. For these component audits I have also met with component management and attended planning and closing meetings, either virtually or in person. Under the terms of the Group audit instructions I issued, full statutory audit procedures in accordance with local adaptations of International Standards on Auditing have been conducted and I have satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the BBC’s Group’s consolidated financial statements. The components subject to these procedures are described as ‘full scope audit’ components in the table above.

For other components I have undertaken other procedures to gain the necessary assurances for my audit opinion on the BBC Group’s consolidated financial statements. This included evaluating and testing the BBC’s Group wide controls and performing analytical and enquiry procedures to address the risk of residual misstatement.

Financial statements

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The BBC Board is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated,

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Other matters prescribed by the terms of my engagement Remuneration

In addition to my audit of the BBC Group's consolidated financial statements, the Board has engaged me to audit the information in the Board remuneration report that is described as having been audited, which the Board has decided to prepare as if the BBC were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 (SI 2008 No 410) made under the Companies Act 2006.

In my opinion the parts of the Board remuneration report which I have been engaged to audit have been properly prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008, as if those requirements were to apply to the BBC Group.

The strategic and governance reports

In my opinion, based on the work undertaken in the course of the audit the Strategic and Governance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the BBC Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Governance Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the remuneration report to be audited are not in agreement with the accounting records and returns; or certain disclosures of remuneration specified by law are not made; or
- a corporate compliance statement has not been prepared; or
- I have not received all of the information and explanations I require for my audit.

Corporate compliance statement

The terms of my engagement require me to review the BBC Board's statement in relation to going concern, longer-term viability and that part of the Corporate Compliance Statement relating to the BBC's compliance with the provisions of the UK Corporate Governance Statement specified for my review.

Based on the work undertaken as part of my audit, I have concluded that each of the following elements of the Corporate Compliance Statement is materially consistent with the financial statements or my knowledge obtained during the audit:

- The BBC Board's statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 219;
- The BBC Board's explanation as to its assessment of the entity's prospects, the period this assessment covers and why they feel this period is appropriate set out on page 127;
- The BBC Board's statement on fair, balanced and understandable set out on page 136;
- The BBC Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 110 to 126;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 126; and
- The section describing the work of the Audit and Risk Committee set out on page 105.

Responsibilities of the BBC Board for the financial statements

As explained more fully in the Statement of the Board's Responsibilities, the BBC Board is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the BBC Board determines are necessary to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the BBC Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the BBC Board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate and report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my

procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the BBC Group's accounting policies.
- inquiring of management, the head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the BBC Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the BBC Group's controls relating to Royal Charter for the continuance of the British Broadcasting Corporation, the Communications Act 2003 and Communications (Television Licensing) Regulations 2004, the Companies Act 2006 in so far as it is applicable to the BBC Group, regulations established by the Office of Communications and regulations relating to money laundering and sanctions.
- discussing among the engagement team, including significant component audit teams, and involving relevant internal and external specialists, including information technology, corporate finance, actuarial and tax specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these considerations, I considered the opportunities and incentives that may exist within the BBC Group for fraud and identified the greatest potential for fraud in the following areas: judgements relating to revenue recognition and profit recognition; posting of unusual journals; complex transactions; and management override of controls including bias in management's estimation. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the BBC Group's framework of authority as well as other legal and regulatory frameworks that the BBC Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the BBC Group. The key laws and regulations I considered in this context included the Royal Charter for the continuance of the British Broadcasting Corporation and the Communications Act 2003 and Communications (Television Licensing) Regulations 2004, the Companies Act 2006 in so far as it is applicable to the BBC Group, regulations established by the Office of Communications, regulations relating to money laundering and sanctions and applicable taxation, health & safety and employment regulation and legislation.

In addition, I considered the following matters:

- the complex nature of the BBC's property portfolio and related financing arrangements including accounting for property under IFRS 16, which gives rise to significant judgements that may be subject to management bias;
- the risk of fraud in revenue recognition with respect to both

licence fee and commercial revenue as well as the judgement involved in impairing their associated receivables;

- the high degree of judgement applied in valuing the net defined pension scheme, which is underpinned by a number of judgements and assumptions which exposes the valuation to a risk of management manipulation or bias; and
- the high degree of management's judgement applied in the valuation of programme assets and potential for management bias in making decisions to impair them.

Audit response to identified risk

As a result of performing the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- assessing the reasonableness of the accounting treatment applied as well as considerations of key inputs, model calculations and other methods of estimation, judgements and assumptions, relating to complex property transactions, revenue recognition, valuation of defined benefit pensions and programme assets and whether these indicate any potential bias or manipulation.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no matters to report.

Gareth Davies

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
London, SW1W 9SP

28 June 2022

Financial statements

Consolidated income statement

	Note	2022 £m	2021 £m
Licence fee income	B1	3,800	3,750
Other income	B1	1,530	1,314
Total income	B1	5,330	5,064
Total operating costs	B1	(5,231)	(4,799)
Share of results of associates and joint ventures	E7	25	25
Group operating surplus		124	290
Gains/(losses) on disposal	C2	28	(1)
Other gains and losses	C3	(13)	(2)
Net financing income/(costs)	C4	47	(74)
Surplus before taxation		186	213
Taxation	C5.1	20	14
Surplus for the year		206	227
Attributable to:			
BBC		202	225
Non-controlling interests		4	2
Surplus for the year		206	227

Consolidated statement of comprehensive income

	Note	2022 £m	2021 £m
Surplus for the year		206	227
Other comprehensive income:			
Remeasurement on defined benefit pension schemes	D6.1	1,099	(109)
Total items that will not be reclassified to the income statement in the future		1,099	(109)
Currency translation adjustment		11	(19)
(Loss)/gain on cash flow hedges		(14)	14
Put-options released/exercised		3	9
Deferred tax charge on financial instruments		3	(3)
Total items that may be reclassified to the income statement in the future		3	1
Other comprehensive income/(expenditure) net of tax		1,102	(108)
Total comprehensive income for the year		1,308	119
Attributable to:			
BBC		1,304	117
Non-controlling interests		4	2
Total comprehensive income for the year		1,308	119

Consolidated balance sheet

	Note	As at 31 March	
		2022 £m	2021 £m
Non-current assets			
Intangible assets (including goodwill)	E2	420	394
Property, plant and equipment	E4	478	512
Right-of-use assets	F1	1,507	1,542
Investment properties	E5, F3	32	32
Interests in associates and joint ventures	E7	210	187
Trade and other receivables	H1.2	229	223
Investments		4	4
Derivative financial instruments	G4.2	417	358
Deferred tax assets	C5.5	22	14
Pension assets	D6.1	1,241	190
		4,560	3,456
Current assets			
Programme-related assets and other inventories	E1	1,111	980
Trade and other receivables	H1.3	1,096	1,185
Contract assets	H1.1	3	4
Assets classified as held for sale	E6	6	2
Derivative financial instruments	G4.2	2	8
Current tax assets	C5.4	88	52
Cash and cash equivalents	G1	717	471
		3,023	2,702
Current liabilities			
Trade and other payables	H2.3	(1,087)	(1,039)
Contract liabilities	H2.1	(312)	(159)
Borrowings	G2.1	(12)	(1)
Obligations under leases	F2	(118)	(109)
Provisions	H4	(94)	(109)
Derivative financial instruments	G4.2	(6)	(6)
Current tax liabilities	C5.6	(14)	(11)
		(1,643)	(1,434)
Non-current liabilities			
Trade and other payables	H2.2	(44)	(58)
Contract liabilities	H2.1	(21)	(32)
Borrowings	G2.2	(170)	(170)
Obligations under leases	F2	(1,619)	(1,677)
Provisions	H4	(55)	(58)
Derivative financial instruments	G4.2	(589)	(590)
Deferred tax liabilities	C5.5	(28)	(29)
		(2,526)	(2,614)
Net assets		3,414	2,110
Attributable to the BBC:			
Operating reserve	I2	3,398	2,099
Hedging reserve	I2	(8)	3
Translation reserve	I2	35	24
Other reserves	I2	(13)	(18)
		3,412	2,108
Non-controlling interests		2	2
Total capital and reserves		3,414	2,110

The financial statements were approved by the Board and authorised for issue on 23 June 2022, and signed on their behalf by:



Tim Davie
Director-General



Leigh Tavaziva
Group Chief Operating Officer

Financial statements

Consolidated statement of changes in equity

Note	Operating reserve £m	Hedging reserve £m	Translation reserve £m	Other reserves £m	Total £m	Non-controlling interests £m	Total £m
At 1 April 2020	1,983	(8)	43	(27)	1,991	2	1,993
Surplus for the year	225	–	–	–	225	2	227
Currency translation adjustment	I2	–	(19)	–	(19)	–	(19)
Cash flow hedges	I2	–	14	–	14	–	14
Deferred tax on financial instruments	–	(3)	–	–	(3)	–	(3)
Put-options exercised	–	–	–	9	9	–	9
Remeasurement of defined benefit pension scheme	D6.1	(109)	–	–	(109)	–	(109)
Total comprehensive income/(loss) for the year	116	11	(19)	9	117	2	119
Dividends declared in year	B5	–	–	–	–	(2)	(2)
At 31 March 2021	2,099	3	24	(18)	2,108	2	2,110
Surplus for the year	202	–	–	–	202	4	206
Currency translation adjustment	I2	–	11	–	11	–	11
Cash flow hedges	I2	–	(14)	–	(14)	–	(14)
Deferred tax on financial instruments	–	3	–	–	3	–	3
Put-options released	–	–	–	3	3	–	3
Unwinding of discount put options	(2)	–	–	2	–	–	–
Remeasurement of defined benefit pension scheme	D6.1	1,099	–	–	1,099	–	1,099
Total comprehensive income/(loss) for the year	1,299	(11)	11	5	1,304	4	1,308
Dividends declared in year	B5	–	–	–	–	(4)	(4)
At 31 March 2022	3,398	(8)	35	(13)	3,412	2	3,414

Consolidated cashflow statement

	Note	2022 £m	2021 £m
Operating activities			
Group surplus before taxation		186	213
Depreciation, amortisation and impairment	B6	361	460
Difference between pension charge and cash contribution		52	(44)
Fair value impact of derivatives associated with loans		(3)	(1)
Fair value impact of other derivatives		(77)	44
(Gain)/loss on disposal of tangible and intangible fixed assets		(6)	6
(Gain)/loss on disposal/deemed disposal of associates	C2	(7)	1
Gain on other disposals	C2	(1)	–
Other gains		10	6
Share of results of associates and joint ventures	E7	(25)	(25)
Financing income (excluding fair value swaps)		(28)	(17)
Financing costs (excluding fair value swaps)		56	58
Increase in programme-related assets and inventories		(100)	(143)
Decrease/(increase) in receivables and contract assets		130	(70)
Increase/(decrease) in payables and contract liabilities		180	(22)
(Decrease)/increase in provisions		(24)	14
Cash generated from operations		704	480
Tax paid		(23)	(3)
Net cash from operations		681	477
Investing activities			
Interest received	C4	3	3
Financing income relating to swap transactions		12	12
Dividends received from associates and joint ventures	E7	15	11
Dividends paid to non-controlling interests		(4)	(2)
Proceeds from disposal of property, plant and equipment		22	–
Proceeds from disposal of available for sale investments		1	–
Proceeds from disposal of associates and joint ventures		2	3
Acquisition of interests in associates and joint ventures		(4)	(3)
Acquisition of subsidiary net of cash acquired		(64)	(55)
Purchases of other intangible assets		(198)	(172)
Purchases of property, plant and equipment		(56)	(32)
Net cash used in investing activities		(271)	(235)
Financing activities			
Interest paid	C4	(4)	(8)
Proceeds from increase in borrowings		5	171
Repayments of borrowings		(1)	(205)
Proceeds from settlement of interest rate swap		–	33
Payment of obligations under leases		(165)	(161)
Net cash used in financing activities		(165)	(170)
Net increase in cash and cash equivalents		245	72
Cash and cash equivalents at beginning of the year	G1	471	401
Effect of foreign exchange rate changes on cash and cash equivalents		1	(2)
Cash and cash equivalents at the end of the year	G1	717	471

Financial statements

Contents

The structure of these financial statements has been revised this year to further improve understanding. Accounting risks and judgements have been clearly highlighted in each section, explanations added to explain complex terms and the policies have been incorporated against the relevant notes as denoted by the book symbol: 

The notes have been re-organised as follows:

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Notes to the accounts

A. How the BBC's accounts are prepared

This section includes the BBC's policies on how the financial statements have been prepared and what standards have been adopted during the year. Other accounting policies are captured in each of the following sections alongside the relevant notes.

Incorporation

The BBC is incorporated in the United Kingdom by Royal Charter.

Statement of accounting policies

The BBC is required to select and apply accounting policies for each type of transaction entered into throughout the year and in the preceding year. An accounting policy sets out the framework for how assets, liabilities, income and expenditure should be accounted for in the financial statements, in accordance with the applicable standard, how those items will be measured and where they are presented in the statement of total income and expenditure, balance sheet and statement of cash flows.

Basis of preparation

These consolidated financial statements for the BBC have been prepared in accordance with UK adopted IFRS. Additional analysis is also presented to meet regulatory requirements including those prescribed by DCMS, Ofcom or the Charter.

The financial statements are principally prepared on the historical cost basis. Exceptions are noted within the relevant section of the notes.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the BBC's financial position and performance.

Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported performance and position of the BBC, or areas where assumptions or estimates are significant to the consolidated financial statements.

It also requires management to exercise judgement in applying the BBC's accounting policies. These areas involve a higher degree of judgement or complexity and are therefore drawn out at the front of each note.

In summary, the most significant estimates and judgement areas are:

- Income recognition (Note B);
- Acquisitions (Note C);
- Pension scheme and actuarial assumptions (Note D);
- Property, plant and equipment (Note E);
- Right-of-use assets (Note F);
- Derivative financial assets and liabilities (Note G); and
- Provisions and accruals (Note H).

Risks relevant to the disclosures made are also highlighted at the start of each section and cross-referenced across the Annual Report and Accounts accordingly.

The significant risk areas identified are:

-  Income recognition (Note B);
-  Valuation of defined benefit pension scheme (Note D);
-  Complex property transactions (Notes E and F);
-  Programme accounting (Note E);

Going concern

The financial statements are prepared on a going concern basis. The directors believe this to be appropriate for the reasons set out below.

The directors have prepared and reviewed cash flow forecasts for the 24-month period to 31 March 2024, a period in excess of a year from the date of approval of these financial statements.

In the directors' judgement, the key factors in these forecasts are:

- the continuity of the Charter;
- the current licence fee settlement;
- the BBC Pension Scheme deficit recovery payments agreed with the pension scheme Trustees; and
- the delivery of the BBC's savings plans in response to the Licence Fee settlement announcements in January 2022 to ensure we operate within our financial constraints.

The BBC's response to the coronavirus pandemic and the continuing recovery has been to focus on the safety of staff and the continuation of operations and output, ensuring value for our audiences. However, the uncertainty over the economic recovery has led BBC management to continue with the increased financial stress testing and sensitivity analysis in the financial planning that has been used to support the 2021/22 Going Concern assumption.

See further information in the Viability Statement on page 127 and on page 110 for a robust assessment of the principal risks facing the Corporation, including those that would threaten its business model, future performance, solvency or liquidity. In particular, the directors have applied assumptions relating to the changing risk profile arising as described under principal risk 5, "Our Finances" to cash flow and budgetary modelling.

The Charter and licence fee give the BBC a secure source of income, however the timing of cash flows is an important factor in the consideration of going concern given the borrowing restrictions agreed with the DCMS for both the PSB Group (£2.2 billion, of which £2 billion is available to fund leases) and the commercial operations of the BBC (currently £550 million of which £200 million is specifically for leases).

The Board remains satisfied with the BBC's funding and liquidity position. The BBC has external funding available, including a £200 million sterling revolving credit facility which expires in March 2025. This facility is currently unutilised. Including leases, PSB net debt at March 2022 was £1,055 million, which equates to a headroom of £1,145 million against the borrowing limit available.

There is a separate facility available to the BBC commercial operations. At the balance sheet date, the primary sources of funding to the commercial operations was a £210 million facility with a group of international banks until March 2026 (following two one-year extension options) and a £170 million facility with UK banks until June 2024 with a possibility of a one-year extension option (to June 2025). As at the year-end the BBC had drawn down £170 million (£167 million net of the impact of foreign exchange swap transactions) of these two facilities available (2021: £170 million).

We are finalising governance arrangements for BBC Commercial Limited (BBCC) borrowing limit to increase to £750 million (excluding leases) over time as set out by HM Government in the Autumn Budget and Spending Review of October 2021. This will allow us to secure further debt facilities for the commercial entity.

The directors of the BBC have reviewed the cash flow forecasts and available external borrowing facilities. Together with the sensitivities and mitigating factors in the context of available funds, they expect the BBC to be able to meet its debts as they fall due for the foreseeable future.

As a result, the directors are satisfied that the going concern basis is appropriate for the preparation of these financial statements.

Financial statements

Notes to the accounts continued

A. How the BBC's accounts are prepared continued

Basis of consolidation

The BBC's financial statements include the results of the BBC and all businesses controlled by the BBC (subsidiaries) together with the BBC's share of the results of businesses over which the BBC has significant influence but not control (associates) and those which the BBC jointly controls (joint ventures).

The BBC accounts for its interests in associates and joint ventures using the equity method. Using the equity method, the BBC presents its interest in associates or joint ventures as a single line item in the balance sheet, measured at the cost of the investment plus the share of the net result, less dividends received. The equity-accounted result for the year is presented as a single line item in the income statement.

Changes in the BBC's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, being movements between reserves attributable to the BBC and non-controlling interests. A non-controlling interest is the interest in a subsidiary that is not owned, directly or indirectly, by the BBC. The non-controlling interest reflects the amount of the net result for the year and the net assets/(liabilities) which are not attributable to the BBC. The carrying amounts of non-controlling interests are adjusted to reflect any changes in their, and the BBC's, relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the BBC.

When the BBC loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the net assets of the subsidiary (including attributable goodwill) and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to the income statement or transferred directly to retained earnings as appropriate. The fair value of any interest retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or joint venture.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of each entity of the Group at an average exchange rate.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. Foreign currency gains or losses arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from transactions settled during the year, are included in the income statement within operating costs. Non-monetary assets and liabilities measured at historical cost are translated into sterling at the rate of exchange on the date of initial recognition.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. The income and expenses of foreign operations are translated into sterling at average rates of exchange ruling during the financial period, which is a good approximation for the actual rate. Exchange differences arising on translation are recognised directly in the translation reserve.

On disposal of an investment in a foreign operation, the associated translation reserve balance is released to the income statement.

Adoption of new and revised accounting standards

The following new and revised standards and interpretations have been adopted for the first time, as they became effective for this financial year:

- Covid-19—Related Rent Concessions (Amendment to IFRS 16). The amendment permitted lessees, as a practical expedient, to not assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.
- Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). The amendment focused on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

These have been applied since 1 April 2021 and have not had a significant impact on the results or financial position of the Group.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK).

- Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations). The amendment replaced a reference for the Framework for the Preparation and Presentation of Financial Statements, issued in 1989 with a reference to the Conceptual Framework for Financial Reporting, issued in March 2018 without significantly changing its requirements. In addition, an exception to the recognition principle of IFRS 3 to identify the liabilities assumed in a business combination and an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). This amendment prohibits a company from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced whilst making that item of property, plant and equipment available for its intended use, for example during a necessary testing or commissioning period.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37). Clarifying which costs should be considered in assessing whether a contract is onerous.
- Annual Improvements 2018 – 2020. Includes amendments made to IFRS 1, IFRS 9, IFRS 16 and IAS 41.
- Classification of Liabilities as Current and Disclosure of Accounting Policies (Amendments to IAS 1). This amendment clarifies how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances.
- Definition of Accounting Estimate (Amendments to IAS 8). The amendment introduces the definition of accounting estimates and helps entities distinguish changes in accounting estimates from changes in accounting policies.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12). This amendment requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Insurance Contracts (Amendments to IFRS 17). This amendment sets out the requirements for a company reporting information about insurance contracts it issues and reinsurance contracts it holds.

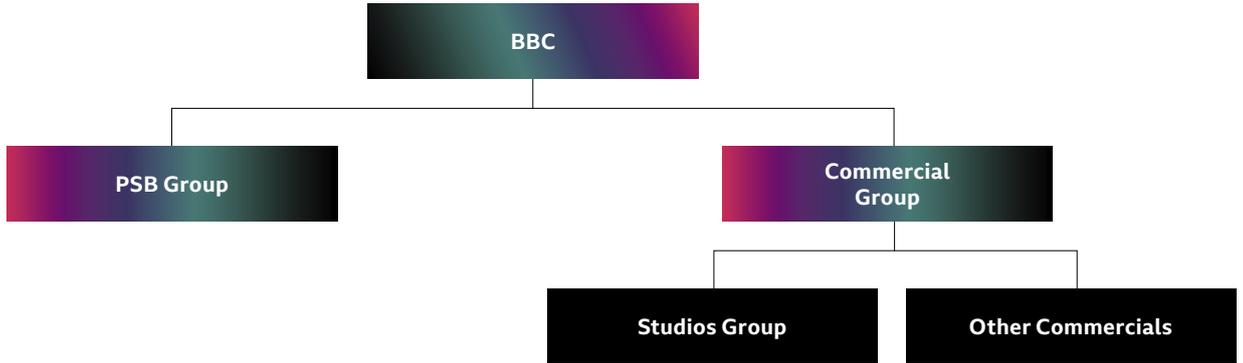
The directors do not expect that the adoption of the standards and interpretations above would have a material impact on the financial statements of the Group in future periods.

B. The BBC's operations, income and expenditure

The BBC Group structure separates its Public Service Broadcasting (PSB) activities from Commercial operations.

The distinction between the various segments is important as the BBC must not cross-subsidise its commercial activities through its PSB Group or grant-funded activities.

The PSB part of the BBC receives licence fee income for the purpose of making content available for licence fee payers. PSB Group therefore owns many programme titles which have the potential to generate additional income through a more commercial market, for example airing across other platforms, merchandising, etc.



The commercial arm of the BBC Group is used to trade within that commercial market. They are self-funded and operate independently to the PSB arm of the BBC Group. The profits generated are distributed back to PSB, through dividends and programme investment, thereby contributing towards the funding of PSB activities.

The notes in this section provide information on the performance in the year for each segment of the BBC Group.

The BBC's operating segments are reported in a manner consistent with the internal reports provided to the BBC Board, who are responsible for making strategic decisions, allocating resources and assessing performance of the operating segments. They are noted as:

<h3 style="text-align: center;">PSB Group</h3> <p>PSB is responsible for the BBC Public services activities and provides a wide range of programmes audiences across the UK on television, radio and digitally. Examples of some of its well known services includes:</p>	<h3 style="text-align: center;">Studios Group</h3> <p>The Studios Group is the BBC's production and distribution business. It creates, invests in, develops, produces, commercialises and distributes content which sits at the heart of the BBC schedule as well as across multiple platforms and around the world, delivering value back to the licence fee consumer through support for programme funding and cash dividends. Examples of some of its well known brands include: <i>Top Gear</i>, <i>Doctor Who</i> and <i>Green Planet</i>.</p>	<h3 style="text-align: center;">Other commercials</h3> <p>Aggregated for reporting purposes consisting of BBC Children's Productions Limited and the commercial holding companies.</p> <p>BBC Studioworks provides studios and post production services to all major UK broadcasters and production companies.</p> <p>BBC Children's Productions Limited develops and produces content for young audiences.</p>
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Financial statements

Notes to the accounts continued

B. The BBC's operations, income and expenditure continued

BBC Global News Group operated the BBC's international news channel and BBC.com, generating income through advertising and sponsorship as well as income from pay TV operators. On 1 July 2021 the BBC Global News Group, with the exception of the international news channel, transferred into the Studios Group. The international news channel transferred into the PSB group on the same day. The BBC Global News Group was recognised within the Other Commercials segment historically.

BBC Children's Productions Limited will move to the Studios Group during 2022/23.

Group adjustments reflect eliminations required for trading activity between the segments detailed above.

Disclosures on the PSB Group expenditure can be found within the Strategic Report. Key policies adhered to are:

- Spend by BBC service shows the cost to the licence fee payer of providing the relevant service and therefore excludes any costs funded by a co-producer.
- For BBC Online, the service spend reflects the incremental costs of getting content to audiences unless the content is specifically commissioned for this service.

This means the costs reported against individual services are not necessarily equivalent to the costs which would be incurred by such a service on a stand-alone basis.

The prices charged for the services provided between PSB Group and the commercial activities are determined on an arm's length basis in accordance with Ofcom's Trading and Separation Obligations and the BBC published transfer pricing methodologies.

Also included within this section is additional information to comply with Ofcom's Commercial and Trading Reporting requirements.

Risk – Income recognition

There is a risk that income is not recognised correctly in line with financial reporting standards. The nature of the risk varies between licence fee income in the public service and commercial income.

The BBC mitigates this risk by ensuring good financial controls are in place, and regularly reviewing material areas or complex judgements with regards to income recognition (see page 106).

Judgement – Income recognition

Income recognition in the BBC's commercial operations can be complex with a number of different income streams including sale of content to global broadcasters, subscription income and income from the sale of physical and digital products. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the criteria for recognising income have been satisfied, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.

B. The BBC's operations, income and expenditure continued
B1 Income and operating results

2022	Note	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Licence fee income	B2	3,800	–	–	–	3,800
Total income from contracts with customers	B3.2	178	1,627	104	(498)	1,411
Grant income		98	–	–	–	98
Rental and associated income		26	1	–	(13)	14
Other income		5	2	–	–	7
Total other income		307	1,630	104	(511)	1,530
£ Total income	B3.1	4,107	1,630	104	(511)	5,330
Depreciation and amortisation	B6	(162)	(195)	(5)	3	(359)
Other operating costs		(3,909)	(1,346)	(111)	494	(4,872)
Total operating costs	B7	(4,071)	(1,541)	(116)	497	(5,231)
Share of results of associates and joint ventures	E7	–	25	–	–	25
Group operating surplus/(deficit)		36	114	(12)	(14)	124
Gain on disposal	C2	20	8	–	–	28
Other gains and losses	C3	–	(13)	–	–	(13)
Operating segment result		56	109	(12)	(14)	139
Financing income	C4					103
Financing costs	C4					(56)
Net financing costs	C4					47
Surplus before taxation						186
Taxation	C5.1					20
Surplus for the year						206

On 1 July 2021 the BBC Global News Group, with the exception of the international news channel, transferred into the Studios Group. The international news channel transferred into the PSB Group on the same day. The table above therefore includes three months of the BBC Global News Group within Other Commercials and nine months within the Studios Group and PSB Group. For the comparatives, the BBC Global News Group are all included within Other Commercials.

Financial statements

Notes to the accounts continued

B. The BBC's operations, income and expenditure continued

B1 Income and operating results continued

The tables in this section demonstrate how each of our different operating segments have performed over the past 12 months and how we internally monitor and report our results. The Commercial segments (Studios Group and Other Commercials) will be aiming to maximise their long-term operating profits to provide Commercial returns back to the BBC Group. The PSB operating segment is closely monitored on its effective use of the licence fee and the public services it provides. Its primary obligation is delivering value for all audiences.

2021	Note	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Licence fee income	B2	3,750	–	–	–	3,750
Total income from contracts with customers	B3.2	146	1,255	146	(338)	1,209
Grant income		88	–	–	–	88
Rental and associated income		30	–	–	(14)	16
Other income		3	–	–	(2)	1
Total other income		267	1,255	146	(354)	1,314
£ Total income	B3.1	4,017	1,255	146	(354)	5,064
Depreciation and amortisation	B6	(178)	(233)	(6)	4	(413)
Other operating costs		(3,581)	(1,020)	(158)	373	(4,386)
Total operating costs	B7	(3,759)	(1,253)	(164)	377	(4,799)
Share of results of associates and joint ventures	E7	–	25	–	–	25
Group operating surplus/(deficit)		258	27	(18)	23	290
Loss on disposal	C2	–	(1)	–	–	(1)
Other gains and losses	C3	–	(6)	4	–	(2)
Operating segment result		258	20	(14)	23	287
Financing income	C4					26
Financing costs	C4					(100)
Net financing costs	C4					(74)
Surplus before taxation						213
Taxation	C5.1					14
Surplus for the year						227

B2 Licence fee income

Income from television licences is treated as an amount due from the DCMS. This represents the value of licences issued in the year, less a deduction for refunds, cancellations and estimated impairment of licence fee sales debt.

The BBC collects the licence fee on behalf of the Government's consolidated fund. Licence fee income is then drawn down from the consolidated fund by DCMS and passed back to the BBC as grant in aid.

	Licence fee 2022 £	Licences in force as at 31 March 2022 '000	Total income 2022 £m	Licence fee 2021 £	Licences in force as at 31 March 2021 '000	Total income 2021 £m
Received from the DCMS						
Colour	159.00	23,740	3,783	157.50	23,733	3,730
Monochrome	53.50	4	–	53.00	4	–
Concessionary	7.50	128	1	7.50	112	1
Quarterly payment scheme premium			16			16
Total paid-for licences		23,872	3,800		23,849	3,747
BBC funded*		1,034	–		983	–
General notice coverage^		–	–		376	–
		24,906	3,800		25,208	3,747
Received from the DWP (over-75s)		–	–		–	3
£ Total licence fee income			3,800			3,750

B. The BBC's operations, income and expenditure continued

B2 Licence fee income continued

* Primarily relates to free licences issued to anyone over 75 who receive Pension Credit. Licence holders who are over 75 and resident in an Accommodation for Residential Care (ARC) scheme or an ARC scheme with Preserved Rights are also eligible for a free licence. For the Crown Dependencies, equivalent arrangements were put in place, starting from 1 January 2021, based on local benefits.

^ The prior year includes coverage provided by the General Notice published in July 2020 as part of the transition to the new over 75 policy arrangements.

During the year 3 million (2021: 3 million) colour licences were issued under the quarterly payment scheme at a premium of £5 each (2021: £5).

B3 Other income

Income from contracts with customers

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Income recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the triggers for income recognition have been met, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.

Income is recognised either when the performance obligation in the contract has been performed ('point in time') or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 *Revenue* to meet 'over time' recognition. The default category, if none of these criteria are met, is 'point in time' recognition. Further detail on the category of income recognition for each income stream can be found below.

IFRS 15 provides more comprehensive guidance for contracts to licence intellectual property, or contracts where licence of intellectual property is a significant component. Each performance obligation is identified and evaluated as to whether it represents a right to access the content (income recognised over time) or represents a right to use the content (income recognised at a point in time), and all three of the criteria referred to above must be met to meet the definition of a 'right to access' licence. The majority of the Group's contracts to licence intellectual property have defaulted to a 'right to use' licence and recognised at a 'point in time'.

Content and format sales

Licence fees from programme content and programme formats are recognised on the latter of the start of the licence period (taking into account any holdback dates) or when the Group's performance obligations have been satisfied. For content sales the performance obligation will generally be to deliver the associated programme to the customer, therefore income is recognised 'episodically' – on delivery of each episode. For format sales, there are two performance obligations – to provide the format 'bible' and in some cases production assistance. Income is allocated to each of these performance obligations based on stand-alone selling prices and recognition at the two separate 'points in time'. The payment terms are over the term of the contract.

Production income

Production income is recognised on delivery of the related programme or on a stage of completion basis, depending on the nature of the contract with the customer. Income is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. The payment terms are over the term of the contract.

Subscription fees

Subscription fees on pay channel platforms and from subscriptions to print and online publications and services are recognised as earned, pro-rata over the subscription period. The performance obligation is to provide the subscription service over the period of the contract. This performance obligation meets the definition of 'right to access' as the customer simultaneously receives and consumes the benefits as the Group provides the service. Therefore, subscription fee income is recognised 'over time'. Minimum guarantees related to subscription fee income are recognised pro-rata straight line over the contract life, in line with 'over time' recognition. The payment terms are quarterly in arrears.

Advertising income

Advertising income is recognised on transmission or publication of the advertisement. The performance obligation is satisfied at this 'point in time' – when each advertisement occurs. The payment terms are over the term of the contract.

Consumer products

Income generated from the sale of consumer products (merchandising) is recognised at the time of delivery. Income from the sale of goods is stated net of deductions for actual and expected returns based on management judgement and historical experience. The performance obligation is delivery of the products, and therefore income is recognised at a 'point in time'. The payment terms are over the term of the contract.

Royalties

Royalty income arising from sales and usage-based royalties are recognised at the later of when the subsequent sales or usage occurs, or the performance obligation has been satisfied except where there is insufficient data to measure this and then royalty income is measured on a cash basis. The value of income recognised on a cash basis is immaterial to the accounts. Minimum guarantees related to royalty income are recognised on delivery of the completed content to the customer, with any subsequent royalties recognised as earned. Therefore, royalty income is recognised at a 'point in time'. The payment terms are over the term of the contract.

Grant income

Grants from Government departments are recognised as income in the financial year that they relate to. Grants from other public bodies are recognised as income consistently with the related costs, provided that there is reasonable assurance that the BBC will comply with any conditions attached to the grant and that the grant will be received.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Other income

Other income arises from activities such as the sale of goods, provision of services and granting of licences. Income is measured after deductions for value added tax, any other sales taxes, trade discounts and sales between BBC companies. The recognition point varies depending on the nature of the revenue stream.

Financial statements

Notes to the accounts continued

B. The BBC's operations, income and expenditure continued

B3 Other income continued

B3.1 PSB Income

	2022			2021		
	External income £m	Intra-group income £m	Total income £m	External income £m	Intra-group income £m	Total income £m
Licence fee income	3,800	–	3,800	3,750	–	3,750
Content and format sales	8	10	18	7	23	30
Production income	32	8	40	30	5	35
Royalties	26	44	70	22	18	40
Advertising income	2	–	2	1	–	1
Consumer products	9	2	11	6	–	6
Other contract income	3	34	37	3	31	34
Total income from contracts with customers	80	98	178	69	77	146
Grant income	98	–	98	88	–	88
Rental and associated income	13	13	26	16	14	30
Other income	5	–	5	1	2	3
Total other income	116	13	129	105	16	121
£ Total income	3,996	111	4,107	3,924	93	4,017

£ B3.2 Income from contracts with customers

2022	Note	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Income streams						
Content and format sales		18	344	–	(11)	351
Production income		40	630	84	(404)	350
Royalties		70	60	–	(44)	86
Advertising income		2	294	12	(2)	306
Subscription fees		–	218	8	–	226
Consumer products		11	81	–	(2)	90
Other contract income		37	–	–	(35)	2
	B1, B3.1	178	1,627	104	(498)	1,411
Timing of transfer of goods and services						
At a point in time		111	1,409	60	(452)	1,128
Over time		67	218	44	(46)	283
	B1	178	1,627	104	(498)	1,411

This table details the BBC's external sources of contract income by operating segment and the timing of how the income is received.

B. The BBC's operations, income and expenditure continued

B3 Other income continued

2021	Note	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Income streams						
Content and format sales		30	358	–	(29)	359
Production income		35	391	55	(257)	224
Royalties		40	40	–	(18)	62
Advertising income		1	171	47	(3)	216
Subscription fees		–	215	44	–	259
Consumer products		6	80	–	–	86
Other contract income		34	–	–	(31)	3
	B1, B3.1	146	1,255	146	(338)	1,209
Timing of transfer of goods and services						
At a point in time		81	1,040	109	(296)	934
Over time		65	215	37	(42)	275
	B1	146	1,255	146	(338)	1,209

B. The BBC's operations, income and expenditure continued

B3 Other income continued

B3.3 Transaction price allocated to the remaining performance obligations

The following table includes income expected to be recognised in the future related to the performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2023 £m	2024 £m	2025 £m	Beyond £m
Content and format sales	108	34	22	27
Production income	417	79	114	244
Royalties	6	4	4	1
Advertising income	233	220	217	623
Subscription fees	91	48	20	11
Consumer products	1	–	–	–
	856	385	377	906

This table details the amounts still due under contracts that have not yet been fulfilled. This therefore gives an indication of when that income is expected to be recognised in the future.

The BBC applies the practical expedient allowable by paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

B3.4 Contract costs

Costs of obtaining long-term contracts and costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, income is recognised over time by reference to the stage of completion, meaning that control of the asset is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

There were no capitalised commission fees or any other material contract costs in the current year or prior year.

B4 Geographical location of non-current assets and income

2022	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Non-current assets excluding deferred tax and financial instruments:					
UK	2,345	509	330	676	3,860
America	11	191	–	–	202
Australia	–	13	–	–	13
Rest of world	41	5	–	–	46
	2,397	718	330	676	4,121
Additions included in non-current assets and investments	72	259	4	–	335
External income:					
UK	4,084	760	84	(511)	4,417
America	11	374	4	–	389
Australia	1	86	–	–	87
Rest of world*	11	410	16	–	437
	4,107	1,630	104	(511)	5,330

Financial statements

Notes to the accounts continued

B. The BBC's operations, income and expenditure continued

B4 Geographical location of non-current assets and income continued

2021	PSB Group £m	Studios Group £m	Other Commercials £m	Intra-group eliminations £m	Group £m
Non-current assets excluding deferred tax and financial instruments:					
UK	2,409	470	295	(335)	2,839
America	5	167	–	–	172
Australia	–	14	–	–	14
Rest of world	51	7	1	–	59
	2,465	658	296	(335)	3,084
Additions included in non-current assets and investments					
	54	200	6	(14)	246
External income:					
UK	3,997	546	55	(354)	4,244
America	12	275	27	–	314
Australia	1	64	2	–	67
Rest of world*	7	370	62	–	439
	4,017	1,255	146	(354)	5,064

* No individual country within the rest of world category is more than 3% of sales.

Non-current assets are the Group's long-term investments where the full value will not be realised within an accounting year.

The allocation of income and non-current assets to geographical segments is based upon the business region in which the income is generated/assets reside.

Further analysis of the Group's income by product or service line is not provided as this information is not routinely reported to the Board.

B5 Contribution from commercial activities

A dividend of £144 million (2021: £73 million) was declared by BBC Commercial Limited to the PSB Group.

In the year ended 31 March 2022, the following dividends were declared to BBC Commercial Limited:

- £135 million by BBC Studios (2021: no dividend declared)
- £3 million by BBC Studioworks Limited (2021: £1 million)

The dividends above are not identifiable in the consolidated primary statements as they are eliminated upon consolidation.

A dividend of £4 million (2021: £2 million) was paid to non-controlling interests.

B. The BBC's operations, income and expenditure continued

B6 Total operating costs

The accounting policies for the sections below are detailed within their respective balance sheet notes with the exception of development and research costs.

Development spend funds the near-term development of new platforms and services, particularly for BBC Online. This is primarily focused on new features for existing services and also includes related support and overhead costs.

It is distinct from research department costs which is focused on much longer-term research of new technology and standards that benefit the whole industry.

Total operating costs have been arrived at after charging the following items:

	Note	2022 £m	2021 £m
Intangible fixed assets, property, plant and equipment and other investments			
Depreciation			
– owned assets	E4	77	92
– leased assets	F1, F3	92	90
Amortisation of intangible fixed assets	E2	190	231
Impairment of investments in associates and joint ventures	E7	2	45
Impairment of investments		–	2
Inventories			
Write-downs of programme-related assets recognised as an expense		2	2
Other operating costs			
Staff costs	D2	1,469	1,477
Online and TV development		44	45
Research costs		14	16
Net exchange differences on settled transactions		5	13
Expenses relating to short-term leases	F5	17	5
Audit fees (see below)		3	3
Impairment of trade receivables	H1.4	1	4
Expenses relating to leases of low-value assets, excluding short-term leases	F5	–	1

Research costs are incurred to explore ideas for new programmes or assets, such as BBC iPlayer. Research costs are where the ideas are generated, some of which are then developed further into a plan or design where the costs are then categorised as development.

The Comptroller and Auditor General is the statutory external auditor for the BBC Group. The National Audit Office provided external audit services on behalf of the C&AG for the financial years ended 31 March 2022 and 31 March 2021.

The following table presents the aggregate fees for the external audit (including the audit of nations and pay disclosures) undertaken by the National Audit Office.

No additional services were provided by the Comptroller and Auditor General or National Audit Office during 2021/22 or 2020/21.

	2022 £m	2021 £m
For the audit of the BBC's annual accounts	1	1
For the audit of subsidiaries of the BBC	2	2
Total fees paid	3	3

Non-audit services with other auditors (primarily taxation compliance services) totalled £100,000 (2021: £400,000)

B7 Analysis of total operating costs by commercial activities

	Studios Group		Other Commercials		Total Commercials	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Cost of sales	1,180	883	100	144	1,280	1,027
Distribution costs	162	100	–	–	162	100
Administration expenses	199	270	16	20	215	290
Total operating costs	1,541	1,253	116	164	1,657	1,417

Financial statements

Notes to the accounts continued

C. Other profit and loss items

This section provides information relating to the following areas of the income statement:

Acquisitions and disposals

The BBC operates within a competitive market, and in order to ensure the BBC remains competitive and innovative within the market place, commercial decisions are made to sometimes acquire other commercial operations or dispose of its existing assets and investments.

Other gains and losses

The BBC generates gains and losses which are unrelated to its normal course of business. These gains and losses are associated with the reclassification of certain financial assets which are separately disclosed.

Net financing costs

The BBC incurs interest and other costs associated with the borrowing of funds which largely relate to our bank borrowings, leases and the unwinding of discount applied to its longer term payables. Financing income is largely generated by the BBC on the cash it holds in the bank, including its investments returns during the year and the unwinding of discounts applied to its longer term receivables. Also included in net financing costs is the fair value movement of financial instruments used to manage the risk of interest rate fluctuations and fix the payment profile of lease repayments. Depending on market movements, these fair value changes could be classified as either income or expense in the year.

Taxation

The BBC Group's public sector 'free-to-air' broadcasting activities are not subject to taxation, and the tax charge therefore is primarily driven by the results of the commercial businesses. The PSB Group is liable to taxation on activities yielding a taxable profit including rent, royalties and interest receivable and does not therefore receive taxation relief for all its expenditure. The commercial subsidiaries in the BBC Group are taxed in accordance with tax legislation.

Judgements – Acquisitions

All identified assets and liabilities included within an acquisition are recognised at fair value as at the acquisition date. Fair value is determined by what could be exchanged between knowledgeable, willing parties in an arm's length transaction. Judgement is required in determining the valuation method for each identifiable asset and liability, which is specific for each category based on the most appropriate valuation method – including the cost, income and market approaches. Judgement is also required when assessing the appropriate economic useful lives for assets acquired.

Judgements – Net finance costs

Net finance costs is the difference between the expected return on assets and the interest liabilities. For long term receivables (where the right to receive consideration exceeds one year) and long term payables (where the obligation to pay consideration exceeds one year) an effective interest rate is used to discount future cash flows over the life of the contract back to its present value. Judgement is required in determining the value of the effective interest rate so it reflects current market assessment of the time value of money.

C1 Acquisitions

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given by the BBC in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. Subsequent adjustments to the fair values of net assets acquired are made within 12 months of the acquisition date where original fair values were determined provisionally. These adjustments are accounted for from the date of acquisition. Transaction costs that the BBC incurs in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred. On acquisition, the BBC recognises any non-controlling interest either at fair value or at the non-controlling interest's proportionate share of net assets. When control is obtained in successive share purchases (a 'step acquisition') it is accounted for using the acquisition method at the acquisition date. The previously held interest is remeasured to fair value at the acquisition date and a gain or loss is recognised in the income statement.

Acquisitions

All identified assets and liabilities included within an acquisition are recognised at fair value as at the acquisition date.

House Production

BBC Studios Distribution Limited previously held a 25% share in House Productions Limited and on 13th December 2021 purchased the remaining stake. This took the shareholding to 100%, thus House Productions Limited became a wholly owned subsidiary of BBC Studios Distribution Limited. The initial investment was revalued on acquisition at a fair value of £8 million compared to a carrying amount of £2 million. As at 31 March 2022, House Productions Limited is fully consolidated, recognising goodwill of £13 million and removing the amount held as an associate investment of £2 million.

C. Other profit and loss items continued

C2 Gains/(losses) on disposals

	Note	2022 £m	2021 £m
Gain on available for sale assets	E6	20	–
Gain/(loss) on deemed disposal of associates	C1	6	(2)
Gain on disposal of interests in joint ventures and associates		1	1
Other gains		1	–
		28	(1)

Deemed disposal gains and losses were driven by the BBC increasing its investment leading to the reclassification to that of a subsidiary. The entity would therefore be consolidated as such and hence a deemed disposal recognised for the equity investment previously held.

C3 Other gains and losses

The table below provides a summary of the movements in fair value of certain financial instruments of the BBC.

	2022 £m	2021 £m
Change in fair value of derivative financial instruments	(3)	4
Change in fair value of put options over non-controlling interests	(10)	(4)
Change in earn-out payments due in respect of prior acquisitions	–	(2)
	(13)	(2)

A **derivative** is an asset or liability that derives its value from another asset or liability and is to be settled at a future date. The underlying asset/liability can be any other product such as foreign currency, interest rate, share, index or commodity. The BBC primarily holds forward currency contracts (to fix a future exchange rate) and interest rate swaps (to fix future interest rates charges). The value of derivatives are derived from fluctuations in the underlying asset/liability.

A **put option** issued by the BBC provides the holder the rights, but not the obligation, to require the BBC to buy shares at a future date and price determined by the option agreement.

An **earn-out payment** is a contractual obligation in which the BBC has agreed future compensation to the relevant party if the business achieves certain financial goals following its acquisition.

C4 Net financing costs

Set out below is an analysis of the financing income and expenses incurred in the year. These amounts include interest relating to lease liabilities (see Note F2) and defined benefit pension schemes (see Note D6).

	Note	2022 £m	2021 £m
Financing income			
Interest income		3	3
Unwinding of discounted receivables		21	14
Fair value gains on financial instruments classified as fair value through surplus/(deficit)		75	1
		99	18
Net interest income on pension plan liabilities	D6.3	4	8
		103	26
Financing costs			
Interest expense		(4)	(9)
Unwinding of discounted payables		–	(4)
Change in fair value of instruments classified as fair value through surplus/(deficit)		–	(34)
Interest on obligations under leases	F5	(52)	(53)
		(56)	(100)
Net financing income/(costs)		47	(74)

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Notes to the accounts continued

C. Other profit and loss items continued

C5 Taxation

The tax charge for the period comprises both tax currently payable and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in reserves, in which case it is recognised in reserves.

Current tax is the expected tax payable for the year, using tax rates that are enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In respect of tax currently payable:

- the PSB Group is not liable to corporation tax on any surplus licence fee income or grants received from Government departments; however, it is fully liable for corporation tax on capital gains and on all its other external income. Expenditure on capital assets is not eligible for capital allowances giving rise to temporary differences that would lead to deferred tax assets or liabilities. Movements of fair value adjustments in the income statement give rise to deferred tax balances; and
- the BBC's commercial subsidiaries are liable for corporation tax based on taxable profit for the year.

Current tax assets and current tax liabilities are offset if, and only if, there is a legally enforceable right to set off the recognised amounts; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the tax rates expected to apply in the period when the liability is settled or the asset is realised using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

C5.1 Recognised in the income statement

The charge for the year, based on the rate of corporation tax of 19% (2021: 19%) comprised:

	Note	2022 £m	2021 £m
Current tax			
UK corporation tax		30	16
Foreign tax		(25)	(20)
Adjustments in respect of prior years		11	7
Total current tax		16	3
Deferred tax			
Origination and reversal of temporary differences		(4)	9
Changes in tax rate		8	–
Adjustments in respect of prior years		–	2
Total deferred tax		4	11
Total taxation in the consolidated income statement	C5.2	20	14

C. Other profit and loss items continued

C5 Taxation continued

C5.2 Reconciliation of taxation expense

	Note	2022 £m	2021 £m
Surplus before tax		186	213
Surplus before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)		(35)	(40)
Effects of:			
Public service activities			
Public service taxable external income		(5)	(6)
Non-taxable public service activities		(17)	30
Commercial activities			
Disallowed expenditure (including goodwill impairment)		8	(4)
High-end television tax relief		59	30
Tax differential on overseas earnings		(9)	(5)
Changes in the tax rate		8	–
Adjustments in respect of prior years		11	9
Total tax for the year	C5.1	20	14

The tax charge is driven by the results of the commercial businesses, as the Group's public sector 'free-to-air' broadcasting activities are not subject to taxation.

C5.3 Factors that may affect future tax charges

The UK corporation tax rate is 19%.

The Chancellor announced on 3 March 2021 that the current corporation tax rate of 19% would increase to 25%, with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and therefore the deferred tax liabilities arising have been recognised using a rate of 25%.

There are many future changes to worldwide taxation systems as a result of the potential adoption by the UK and individual territories of measures relating to the OECD Base Erosion and Profit Shifting Actions. The Group continues to actively monitor any developments and evaluate their potential impact. The Group does not expect the future tax rate to be materially impacted by these changes to the international tax landscape.

C5.4 Current tax asset

The current tax asset totalling £88 million (2021: £52 million) includes £59 million (2021: £30 million) due in respect of industry film and tax credits outstanding on high-end drama, comedy, natural history and factual productions.

C5.5 Deferred tax assets/(liabilities)

	Fixed asset temporary differences £m	Provisions £m	Financial instruments £m	Associates and joint ventures £m	Programme rights £m	Other £m	Net deferred tax (liability)/asset £m
At 1 April 2021	7	11	(5)	(21)	(7)	–	(15)
Credit/(charge) to the income statement	2	7	(1)	–	–	(4)	4
Charge to reserves	–	–	3	–	–	–	3
Exchange movements	1	–	–	–	–	1	2
At 31 March 2022	10	18	(3)	(21)	(7)	(3)	(6)

Deferred tax asset/(liability) presented within:	2022 £m	2021 £m
Non-current assets	22	14
Non-current liabilities	(28)	(29)
	(6)	(15)

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of taxable or deductible temporary differences, the carry forward of unused losses, and/or the carry forward of unused tax credits.

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, where the tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

The BBC has unrecognised deferred tax assets arising on capital losses totalling £137 million (2021: £137 million) and trade losses totalling £23 million (2021: £23 million). These assets have not been recognised on the basis that there is insufficient certainty that future gains or profits will arise against which the BBC can utilise these losses.

The BBC also has unrecognised deferred tax assets on non-trade loan relationship losses totalling £14 million (2021: £14 million). These assets have not been recognised on the basis that there is insufficient certainty that future gains or profits will arise against which the BBC can utilise these losses.

There is no time limit for the utilisation of either of these losses and the position is reviewed annually.

C5.6 Current tax liabilities

Current tax liabilities totalling £14 million (2021: £11 million) are due in UK jurisdictions.

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Notes to the accounts continued

D. What the BBC spends on its people

The BBC employs a significant number of people. It also provides pension benefits to both current and past employees. This section is broken into two main parts; the first details employee numbers (excluding freelancers and agency staff), staff costs and transactions with members of the BBC Board and BBC Executive Committee who served during the year. The second presents the key information relating to the BBC Group’s pension plans.

The analysis provided in the pension notes is based on the IAS 19 Employee Benefits estimate of the scheme’s assets and liabilities as at 31 March 2022. This accounting valuation provides a snapshot of the scheme at the year-end date and is therefore sensitive to short-term fluctuations within markets.

To ensure the scheme is adequately funded to meet its liabilities, a statutory triennial actuarial valuation is also performed as an appraisal of the fund’s assets versus liabilities. This will often differ to the IAS 19 accounting valuation due to the difference in discount rates used to determine the liability. Whilst the actuarial valuation uses discount rates based on gilts, the accounting valuation uses discount rates based on high credit corporate bonds. Generally therefore, the accounting valuation presents a more favourable funding position than that required on an actuarial basis.

The triennial actuarial valuation as at 1 April 2022 is currently underway.

Risk – Defined benefit pension scheme
<p>Changes in the assumptions used to calculate the IAS 19 valuation of the BBC’s defined benefit pension scheme can result in large swings in the final numbers disclosed. The BBC therefore carries a risk of a material misstatement arising on this highly judgemental area if the assumptions used are not appropriate.</p> <p>Sensitivity analysis on these assumptions (discount, inflation and mortality rates) is presented in note D7.5 to reflect the impact of this risk.</p>

The defined benefit pension scheme exposes the BBC to the following actuarial risks:

Risk	Description
Investment risk	Actual returns may differ from expected returns. Investments are diversified, across and within asset classes, to avoid over-exposure to any one asset class or market.
Currency risk	Scheme assets are subject to currency risk because some of the Scheme’s investments are held in overseas markets, either as segregated investments or via pooled investment vehicles (PIV). The Trustees limit overseas currency exposure through a currency hedging policy which seeks to partially hedge the major currency exposures (Euro and US dollar).
Counterparty risk	A counterparty may default whilst owing money to the scheme. Collateral is posted by the counterparty for long-term transactions when the valuation of the transaction is favourable to the scheme.
Interest rate risk	A fall in interest rates would cause the present value of liabilities to rise. To mitigate this risk, the scheme’s Trustees invest in bonds, derivatives and other investments with predictable long-term cash flows that will tend to rise in price if interest rates fall.
Longevity risk	Longer life expectancy would increase the Scheme’s liabilities. The Scheme’s Trustees regularly assess the possibility and value of hedging the Scheme’s longevity risk. The scheme has also taken out a longevity hedge to cover approximately one third of the pension liability.
Inflation risk	An increase in expected inflation will cause the present value of liabilities to rise if it is not accompanied by a rise in interest rates. To mitigate this risk, the scheme’s Trustees invest in index-linked bonds, derivatives and other assets where value is likely to increase if inflation rises.
Liquidity risk	The scheme may not have sufficient liquid assets to allow it to meet its liabilities and other obligations as they fall due. The amount of cash held to pay benefits is assessed well in advance to minimise unforeseen sales and transaction costs and the large majority of the scheme’s assets are invested in highly liquid assets.

Judgement – defined benefit pension scheme
<p>Judgement is required when determining the assumptions used in calculating the pension costs and obligations of the BBC’s defined benefit schemes. These include the discount rate, inflation rate and mortality.</p> <p>The BBC mitigates this risk by using assumptions recommended by independent actuarial specialists and seeking approval of these from the Audit and Risk Committee (see page 107).</p>

D. What the BBC spends on its people continued

D1 Persons employed

The average full-time equivalent number of persons employed in the year was:

Average	2022			2021*
	Staff excluding apprentices	Apprentices	Total Number	Total Number
PSB Group	17,738	152	17,890	18,977
Studios Group [^]	3,155	4	3,159	2,723
Other commercials [^]	232	–	232	519
Group total	21,125	156	21,281	22,219

* Apprentices data is not separable for the whole of the prior year to calculate the average.

[^] Other commercials included only 3 months of Global News Limited in the current year as it moved into the Studios Group on 1 July 2022.

Within the averages above 2,606 (2021: 2,998) part-time employees have been included at their full-time equivalent of 1,683 (2021: 1,923).

In addition to the above, the BBC employed an average full-time equivalent of 1,521 (2021: 1,067) persons on a casual contract.

The full-time equivalent number of persons employed at 31 March was:

At 31 March	2022			2021		
	Staff excluding apprentices	Apprentices	Total Number	Staff excluding apprentices	Apprentices	Total Number
PSB Group	17,531	250	17,781	18,044	146	18,190
Studios Group [^]	3,315	16	3,331	2,780	–	2,780
Other commercials [^]	140	–	140	523	–	523
Group total	20,986	266	21,252	21,347	146	21,493

[^] Other commercials included Global News Limited in the prior year. It moved into the Studios Group on 1 July 2022.

D2 Employee remuneration

■ Other employee benefits

Other short and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

■ Termination benefits

Termination benefits (redundancy costs) are expensed at the earlier of when the BBC can no longer withdraw the offer of those benefits and when the BBC recognises costs for a restructure.

	Note	2022 £m	2021 £m
Salaries and wages		1,049	1,087
Social security costs		134	131
Pension costs			
Main scheme (defined benefit)	D6.3	216	192
Other schemes	D6.3	70	67
		1,469	1,477

Employee pension contributions made via salary sacrifice are included within pension costs, with a corresponding reduction in salaries and wages.

D3 Remuneration of the BBC Board

The total emoluments of the members of the BBC Board and BBC Executive Committee are disclosed in the Remuneration Report.

D4 Key management personnel compensation

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the BBC. This includes members of the BBC Board and BBC Executive Committee, including the non-executive directors (see the BBC Remuneration Report).

At 31 March 2022, 19 individuals were classified as key management personnel (2021: 18).

Information about the BBC's structure, senior staff salaries and expenses are published on the BBC's website.

	2022 £m	2021 £m
Short-term employee benefits	4.6	5.2
Post-employment benefits	0.2	0.2
	4.8	5.4

D5 Related party transactions with key management personnel

Ian Hargreaves' daughter, Zola Hargreaves, has been contracted as a researcher on a freelance basis by BBC Wales and received a trivial amount under this contract.

Tanni Grey-Thompson (non-executive director) received a trivial amount as an on-air contributor during the year.

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Notes to the accounts continued

D. What the BBC spends on its people continued

D6 Group pension plans

■ *Defined contribution plans*

The BBC Group's defined contribution pension plans do not give rise to balance sheet pension assets/liabilities as there is no ongoing liability for the employer from these plans once the contributions due for the year have been settled.

The amounts charged as expenditure for the defined contribution plans represent the contributions payable by the BBC for the accounting period.

☰ ■ *Defined benefit plans*

The BBC Group has two defined benefit pension schemes, the BBC Pension Scheme and the Unfunded Scheme.

The defined benefit pension schemes give rise to net assets which are included on the BBC Group balance sheet as the BBC bears the risks of investment returns, life expectancies and inflation, which impact the future pension payment amounts. The net position consists of two parts:

- Scheme liabilities: the present value of the future pension payments the BBC is required to pay in respect of employee service performed up to the balance sheet date; and
- Scheme assets: the assets held by the pension fund, into which the BBC pays annual contributions. These assets are used to fund the payments to retired members and to generate returns to fund future pension payments.

The defined benefit plans, of which a significant minority of staff are members, provide benefits based on pensionable pay. The assets of the BBC's Pension Scheme are held separately from those of the BBC.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using the projected unit credit method. The present value of scheme liabilities is calculated by discounting estimated future cash outflows at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities.

Should the pension scheme be in a net asset position, under the Pension Scheme rules, the BBC considers that they are entitled to any surplus on the pension scheme in the event that it is wound up. It is the actuarial valuation, as opposed to the IAS 19 estimate, which would be used to determine the amount due if the scheme was wound up.

Remeasurement comprising gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur.

Remeasurement recorded in the statement of comprehensive income is not recycled through the income statement. When the benefits of a plan are changed the resulting change in benefit that relates to past service is then recognised immediately in the income statement. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Current service cost, part-service cost and gains and losses on settlements and curtailments;
- Net interest expense or income; and
- Remeasurement.

The current service cost and past-service cost are included within operating costs in the consolidated income statement. Curtailments gains and losses are accounted for as past-service cost. Net interest expense or income relating to the funded defined benefit pension plans is included within 'finance income' or 'finance costs', as relevant, in the consolidated income statement.

Administration costs directly related to the management of plan assets are deducted from the return on plan assets, which are recorded as remeasurements in the statement of comprehensive income. Other administrative scheme expenses associated with running the scheme are recorded within operating expenses when incurred.

The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the BBC's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

D. What the BBC spends on its people continued

D6 Group pension plans continued

D6.1 Group pension plans

	BBC Pension Scheme 2022 £m	Unfunded Scheme 2022 £m	Total 2022 £m	BBC Pension Scheme 2021 £m	Unfunded Scheme 2021 £m	Total 2021 £m
Surplus/(deficit) in scheme at the start of the year	198	(8)	190	255	(8)	247
Movement in the year:						
Current service cost	(216)	–	(216)	(192)	–	(192)
Contributions (from employer)	173	–	173	245	–	245
Administration costs incurred	(9)	–	(9)	(9)	–	(9)
Net finance income	4	–	4	8	–	8
Remeasurement gains/(losses)	1,099	–	1,099	(109)	–	(109)
Surplus/(deficit) in scheme at the end of the year	1,249	(8)	1,241	198	(8)	190

Current service cost is the underlying cost to the BBC of pension rights earned by employees during the year.

Net finance income is the net of the expected return on assets and the interest charged on liabilities.

Remeasurement gains and losses arise when the actual performance of the scheme is different from that predicted.

The assumptions for pension scheme liabilities of the Unfunded Scheme are the same as the main scheme. As the scheme is unfunded there are no assets.

D6.2 BBC Pension Scheme financial position

IAS 19 valuation	Note	2022 £m	2021 £m
Scheme assets	D7.6	19,745	18,925
Scheme liabilities	D7.2	(18,496)	(18,727)
Surplus		1,249	198
Percentage by which scheme assets cover liabilities		107%	101%

The **IAS 19 Pensions valuation** takes assets at their market value and discounts the accrued liabilities by reference to the discount rate of an AA-rated corporate.

A deferred tax asset or liability in relation to the scheme does not arise for the BBC because most of the BBC's public service activity is not subject to taxation.

D6.3 Pension charges in the consolidated income statement

	Note	Defined benefit schemes		Defined contribution scheme £m	All schemes £m
		BBC Pension Scheme £m	Unfunded Scheme £m		
2022					
Current service cost	D2	(216)	–	(70)	(286)
Administration costs		(9)	–	–	(9)
Total operating charge		(225)	–	(70)	(295)
Net finance income	C4	4	–	–	4
Net cost in consolidated income statement		(221)	–	(70)	(291)
2021					
Current service cost	D2	(192)	–	(67)	(259)
Administration costs		(9)	–	–	(9)
Total operating charge		(201)	–	(67)	(268)
Net finance income	C4	8	–	–	8
Net cost in consolidated income statement		(193)	–	(67)	(260)

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Notes to the accounts continued

D. What the BBC spends on its people continued

D6 Group pension plans continued

D6.4 BBC Pension Scheme gains/(losses) in the consolidated statement of comprehensive income

	2022 £m	2021 £m
Return on plan assets (excluding amounts included within interest)	829	1,637
Remeasurement (losses)/gains arising from:		
– Experience adjustments	(523)	490
– Changes in demographic assumptions	–	10
– Changes in financial assumptions	793	(2,246)
Net gain/(loss) recognised in the consolidated statement of comprehensive income	1,099	(109)

Remeasurement (losses)/gains arise from actual performance being different from that predicted.

Only defined benefit schemes give rise to gains and losses in the statement of comprehensive income/(loss).

D7 BBC Pension Scheme

The BBC Pension Scheme is closed to new entrants. It provides pensionable salary-related benefits on a defined benefit basis.

The pension scheme is administered by a fund that is legally separated from the BBC Group. The Trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders of the scheme. The pension scheme Trustees manage the plan in the short, medium and long term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities.

D7.1 Funding the BBC Pension Scheme

Accounting valuations of the scheme are performed by Willis Towers Watson, consulting actuaries. Formal actuarial valuations are undertaken at least every three years. The most recent triennial actuarial valuation as at 1 April 2019 showed a funding shortfall of £1,138 million. The next formal valuation, performed as at 1 April 2022, is underway.

A recovery plan was agreed between the BBC and the pension scheme Trustees which details the additional contributions to be paid by the BBC through to December 2028. The deficit recovery payments agreed are as follows:

Due date	Amount £m	Due date	Amount £m
31 March 2023	75	31 March 2027	110
31 March 2024	87	31 March 2028	118
31 March 2025	94	31 December 2028	83
31 March 2026	102		

Contribution rates	Projection 2023 %	2022 %	2021 %
Employer*	42.3	42.3	31.4
Employee (Old and New Benefits)	7.5	7.5	7.5
Employee (Career Average Benefits 2006)	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	6.0	6.0

* Until March 2021 the Employer's contribution rate applies to all active members. From 1 April 2022 the contribution for active members above their Normal Pension Age, excluding those who took the Flexible Payment option, will be nil.

The member contributions to the scheme are mainly paid via a salary sacrifice arrangement. These have been treated as employer contributions.

On the basis of the pension assumptions above, contributions totalling £236 million are expected to be paid in 2022/23.

Below are the cash flows that have occurred through the BBC Pension Scheme itself. These are recognised in the BBC Pension Scheme's own financial statements as opposed to the BBC's.

	2022 £m	2021 £m
Contributions including additional voluntary (employer and employee)	175	249
Investment income	322	280
Cash inflows	497	529
Payments of pensions and transfers out	(561)	(531)
Expenses	(36)	(38)
Net cash outflow	(100)	(40)

D. What the BBC spends on its people continued

D7 BBC Pension Scheme continued

As the scheme is closed to new entrants, the level of contribution from employees will decrease (as members retire, there are no new entrants to replace the reduction in employee contributions).

D7.2 Changes in the fair value of plan liabilities

The key items which affect the movement on plan liabilities are the additional year of pension benefits earned, any gains or losses relating to participants leaving the pension scheme, changes in assumptions made and benefits paid out during the year.

	2022 £m	2021 £m
Opening present value of plan liabilities	18,727	16,948
Current service cost	216	192
Administration cost	9	9
Interest on pension plan liabilities	372	364
Remeasurement losses/(gains):		
– Experience adjustments	523	(490)
– Changes in financial assumptions	(793)	2,246
– Changes in demographic assumptions	–	(10)
Contributions by plan participants	1	1
Benefits paid and expenses	(559)	(533)
Closing present value of plan liabilities	18,496	18,727

Changes in demographic and financial assumptions change the estimates used to value the future pension asset/liability.

Demographic assumptions include mortality rates, staff turnover and early retirement.

Financial assumptions encompass items such as discount rate and future salary levels.

D7.3 Plan liabilities principal actuarial assumptions made

The calculation of the scheme liabilities requires a number of financial and demographic assumptions to be made. The principal assumptions used by the actuaries at the balance sheet date were:

Principal financial assumptions	2022 %	2021 %
Rate of increase in salaries	1.0	1.0
Rate of increase in pension payments:		
Old Benefits*	3.9	3.5
New Benefits*	3.7	3.3
Career Average Benefits (2006)*	2.4	2.4
Career Average Benefits (2011)*	3.5	2.9
Inflation assumption (RPI)^	3.9	3.5
Inflation assumption (CPI)^	3.6	3.0
Discount rate	2.7	2.0

* For more information on the different pension arrangements, please refer to the Remuneration Report.

^ RPI and CPI are long-term assumptions

The discount rate for the IAS 19 Pensions valuation has been derived with reference to market yields at the end of the reporting period on AA-rated sterling-denominated corporate bonds with maturities consistent with the estimated term of the post-employment benefit obligations. Certain types of bonds are excluded from the calculating model, either because they have unusual features, are relatively small or potential outliers, in order to remove the distortion that might otherwise occur from including unusual, less liquid or potentially misrated bonds. Extrapolation is performed when the profile of the scheme's expected benefit outflow is longer than the cash flows of the available bonds.

The average life expectancy assumptions for members, after retiring at 60 years of age, are as follows:

Principal demographic assumptions	2022 Number of years	2021 Number of years
Retiring today:		
Male	27	27
Female	29	29
Retiring in 20 years:		
Male	29	29
Female	31	31

The mortality assumptions have been selected to reflect the characteristics and experience of the membership of the scheme. These are based on the assumptions used for the actuarial valuation which was carried out for funding purposes as at 1 April 2019. The standard 'S3' series of tables, published by the Continuous Mortality Investigation (CMI), reflect recent research into mortality experience in the UK. A subset of these tables has been used for males and females, with a multiplier of 100% for male members and dependants and 100% for female members and 102% for female dependants. For the allowance for future improvements, the CMI 2018 core projection has been adopted with an "initial addition" of 0.5% and a long-term trend of 1.25% for both males and females.

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Notes to the accounts continued

D. What the BBC spends on its people continued

D7 BBC Pension Scheme continued

D7.4 Scheme membership analysis and maturity profile

Principal demographic assumptions	2022 Number	2021 Number
Contributors	7,215	7,926
Pensioners	21,379	20,645
Dependants	4,363	4,367
Deferred pensioners	26,693	27,507

The maturity of a scheme provides an indication of the cash requirements of the scheme and the likely attitude of the Trustees to risk within their investment policy.

The more mature a scheme, the more likely that Trustees will favour low-risk investments.

As the scheme is now closed to new entrants, the number of contributors will decrease whilst the number of pensioners increase over time.

The total number of scheme beneficiaries as at 31 March 2022 was 46,267 (2021: 46,983).

Membership numbers in the table above are higher as members can hold more than one record. For example, contributing members who have transferred to the Career Average Benefits 2011 section from another section of the scheme may have a deferred pensioner record for their benefits built up in the Old Benefits, New Benefits or Career Average Benefits 2006 sections and a contributing record for their Career Average Benefits 2011 benefits.

The average duration of the benefit obligation at the end of the reporting period is 19 years (2021: 21 years). This number can be subdivided into the duration related to:

- Contributors: 24 years (2021: 25 years).
- Pensioners: 12 years (2021: 13 years).
- Deferred pensioners: 23 years (2021: 24 years).

D7.5 Plan liabilities assumption sensitives

The sensitivities of the schemes' liabilities to changes in the principal assumptions are set out below:

2022	Assumption used	Movement	Impact on scheme liabilities %	(Increase)/ decrease on scheme liabilities £m
Discount rate	2.7%	decrease 0.5%	2.0%	(368)
	2.7%	increase 0.5%	1.7%	321
Retail price inflation rate	3.9%	decrease 0.1%	1.7%	323
	3.9%	increase 0.1%	1.8%	(330)
Mortality rate	See Note D7.3	decrease 1 year	4.8%	888
	See Note D7.3	increase 1 year	4.9%	(901)

2021	Assumption used	Movement	Impact on scheme liabilities %	(Increase)/ decrease on scheme liabilities £m
Discount rate	2.0%	decrease 0.5%	2.1%	(391)
	2.0%	increase 0.5%	1.8%	340
Retail price inflation rate	3.5%	decrease 0.1%	1.8%	340
	3.5%	increase 0.1%	1.9%	(349)
Mortality rate	See Note D7.3	decrease 1 year	4.9%	923
	See Note D7.3	increase 1 year	5.0%	(941)

The discount rate for the IAS 19 Pensions valuation has been derived with reference to market yields at the end of the reporting period on AA-rated sterling-denominated corporate bonds with maturities consistent with the estimated term of the post-employment benefit obligations. Certain types of bonds are excluded from the calculating model, either because they have unusual features, are relatively small or potential outliers, in order to remove the distortion that might otherwise occur from including unusual, less liquid or potentially misrated bonds. Extrapolation is performed when the profile of the scheme's expected benefit outflow is longer than the cash flows of the available bonds.

D. What the BBC spends on its people continued

D7 BBC Pension Scheme continued

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligation due to the likelihood of some linkage between assumptions.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

D7.6 Changes in the fair value of plan assets

The key items which affect the movement on plan assets are the additional year of contributions made, changes in the value of the pension plan assets (including the investment return) and benefits paid during the year.

The employee contributions to the scheme by members are mainly paid through a salary sacrifice arrangement. These have been treated as employer contributions.

	2022 £m	2021 £m
Opening fair value of plan assets	18,925	17,203
Interest income on assets	376	371
Remeasurements on plan assets	829	1,637
Contributions by employer	173	246
Contributions by plan participants	1	1
Benefits paid and expenses	(559)	(533)
Closing fair value of plan assets	19,745	18,925

Remeasurements on plan assets represent the amount by which the assets held by the scheme (such as equities, bonds and property) have performed better or worse than the prior year value.

D7.7 Plan assets

The allocation of assets by the pension fund Trustees is governed by the need to manage risk against the desire for high returns and any liquidity needs.

Type of asset	2022		2021	
	£m	%	£m	%
Held at quoted market prices:				
Equities	1,342	7	1,370	7
Pooled vehicles	577	3	659	4
Repurchase agreements	(2,753)	(14)	(2,612)	(14)
Fixed interest bonds	4,012	20	4,428	23
Index-linked bonds	8,680	44	8,137	43
Derivatives	83	–	28	–
Other assets:				
Property				
– UK	1,200	6	1,033	6
– Pooled investment vehicles	565	3	529	3
Alternatives*	5,691	29	4,775	25
Cash and other current assets	348	2	578	3
Total assets	19,745	100	18,925	100
Actual return on pension plan assets**	1,205		2,008	

* Alternatives are investments in asset classes other than the traditional quoted equities, bonds, property and cash. They include investments in private equity, private credit, hedge funds, infrastructure and renewable energy investments. They are generally illiquid investments as some may require sufficient time to find buyers willing to pay full market value. They are useful for managing risk as they enhance portfolio diversification and potentially reduce risk as their cash flows can be well suited to meeting the scheme's liabilities.

** This constitutes realised gains from the receipt of investment income (e.g. dividends and rent), transactions where assets are sold and unrealised fair value changes.

A long-term plan of achieving full funding on a discount rate equal to the yield on liability matching gilts plus 0.5% per annum has been agreed. The scheme's strategic asset allocation is based on the scheme's funding ratio, with the intention of not taking more risk than necessary to return to full funding over the horizon of the plan. Indirect currency risk exposure exists through pooled investment vehicles held in foreign currencies, valued at £4,425 million (2021: £3,893 million).

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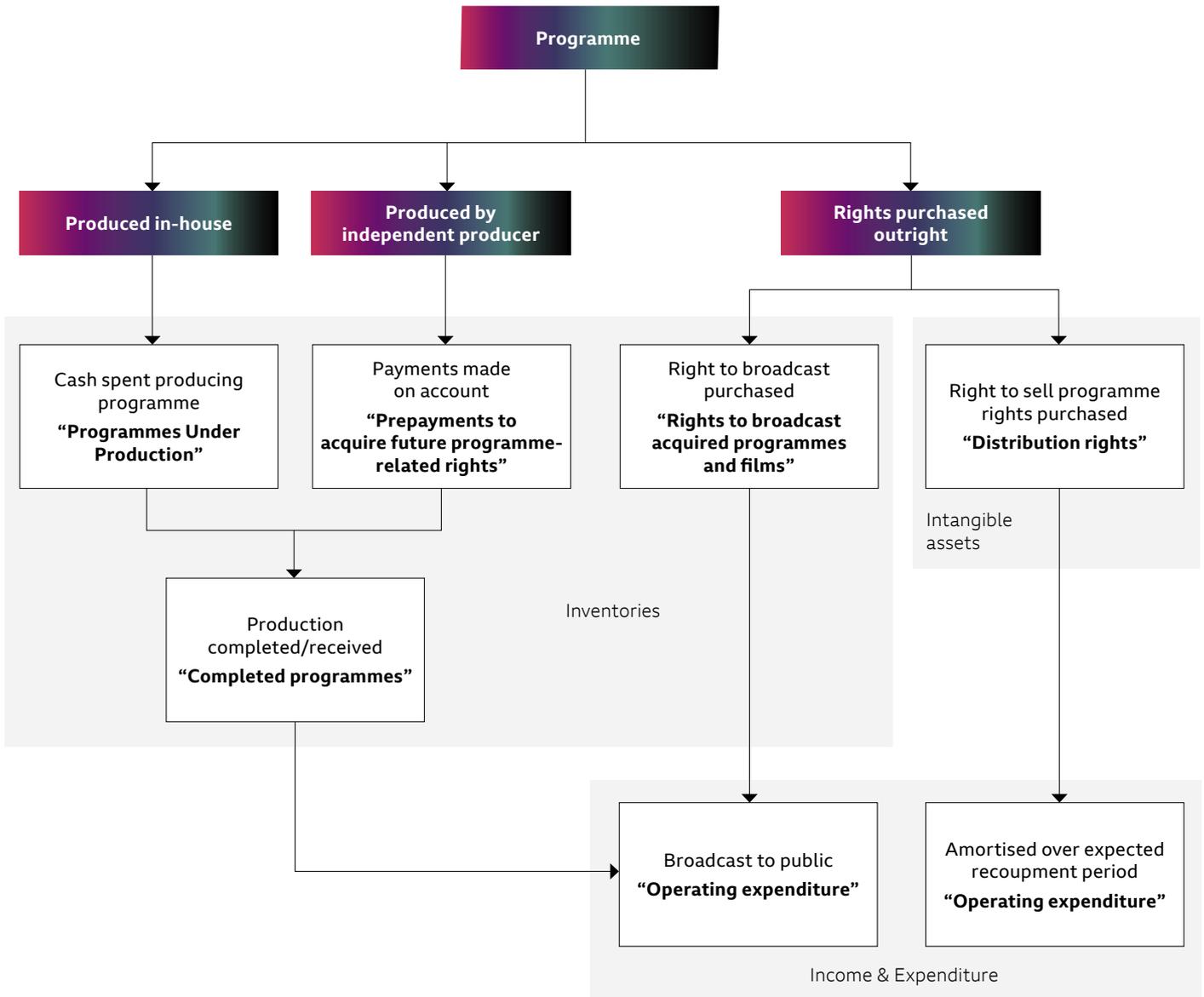
E. The assets owned by the BBC

In providing the range of services to audiences, the BBC makes use of a significant number of assets in its operations. This section sets out the owned assets the BBC intends to continue to use, those to be disposed of and any disposals made during the year. See section F for leased (right-of-use) assets held.

Owened assets can be broadly split into the following sections:

Programme-related assets

Programme assets can be recognised within either inventories or intangible assets as follows:



E. The assets owned by the BBC continued

Risk – Programme assets

There is a risk the accounting for programme assets held on the balance sheet may result in a misstatement due to the significant amount of judgements used in the accounting valuation methodologies.

The changing approach to the way viewers consume BBC content (iplayer vs linear) also adds risk around the timing of the release of these assets to the income statement and therefore the carrying value held on the balance sheet at each year end.

Judgement – Carrying value of programme assets

Judgement is required when calculating the carrying value of programme assets (including distribution rights), most significantly when calculating:

- the estimated average marketable life of distribution rights when setting the amortisation profile over these assets.
- the assessment of impairment over the carrying value of all programme assets (inventories and distribution rights).

When programmes are available across multiple platforms judgement is also required to determine when the associated cost should be recognised in the income statement. The BBC's policy is to recognise transmission spend from inventories on first transmission and a review is performed at each year-end to verify whether this is still appropriate.

As viewers consume more content across digital platforms, however, it's likely that the cost of a programmes currently held in inventory should be released over the period of consumption rather than just first transmission. This is therefore something the BBC is monitoring very closely to ensure the correct recognition policy is maintained.

Intangible assets

Intangible assets mainly include goodwill, programme rights (see above), software and carrier agreements.

Judgement – Impairment of goodwill

The determination of whether goodwill is impaired requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate that reflects current market assessments of the risks specific to the asset and the time value of money, in order to calculate present value. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial statements.

Property-related assets

Property, plant and equipment, furniture and fittings and assets under construction.

Risk – Complex property transactions

Where there are complex property transactions there is a risk of misstating carrying values due to the valuation methods used, along with external factors e.g. Covid impact on valuations, particularly for the areas such as:

- Accounting for properties under IFRS 16 Leases
- Broadcasting House refinancing and the treatment of Daunus Ltd
- Other property transactions

Judgement – Capital projects

The BBC is completing a number of significant capital projects for which amounts have been capitalised on the BBC's balance sheet. The capitalised values are based upon estimates regarding the recoverability of these assets, the achievement of project completion, and the assets being used in the manner intended.

Investments

Balances held to represent the BBC's interest in associates and joint ventures, and the results of any sales of operations that have occurred.

Judgement – Classification of investments

The BBC owns numerous investments in other entities and their classification as either subsidiary, associate or joint ventures requires judgement over the control held and consequently how they are accounted for and the valuation attributable to them.

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Notes to the accounts continued

E. The assets owned by the BBC continued

Impairment: Non-financial assets

At each balance sheet date, the BBC reviews the carrying amount (net amount held on the balance sheet) of those assets that are subject to amortisation, to determine whether there is an indication that any of those assets has suffered any impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. For goodwill, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. For the purposes of impairment testing, assets are grouped at the lowest level at which they generate separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Where a cash-generating unit is impaired, the impairment loss will first be allocated to reduce goodwill and then to the other assets of the cash-generating unit on a pro-rata basis, except that the carrying amount of any individual asset will not be reduced below its separately identifiable recoverable amount. Impairment losses in respect of goodwill are not reversed. In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

E1 Programme-related assets and other inventories

Completed originated programmes, programmes in production and prepayments to acquire future programme-related rights

Programme assets reported as inventory effectively represent the BBC's right to broadcast. The BBC's right to sell programme rights are, however, recognised within intangible assets.

Completed originated programmes and programmes in production are held at cost. Cost includes all direct costs, production overheads and a proportion of other attributable overheads. The proportion of programmes necessarily taking a substantial period of time to produce is small and, as such, no borrowing costs are included in cost.

Where, exceptionally, it becomes certain that a programme is unable to be broadcast, the full value of the programme is written off to the income statement.

Programme development costs are expensed to the income statement until such time as there is a strong indication that the development work will result in a commissioned programme, when any further costs are recognised as programme-related assets.

Originated programmes that are still in production at the balance sheet date are recognised as programmes in production, except that prepayments to acquire future programme-related rights are shown separately where the BBC has made payments to independent producers, or the holders of certain rights (for example, rights to broadcast sporting events), to receive the programme on completion.

Rights to broadcast acquired programmes and films

The rights to broadcast acquired programmes and films are recognised at cost. The costs of acquired programmes and films are expensed on first transmission except to the extent that the number of further showings are contractually agreed, when they are expensed according to the expected transmission profile. Assets and liabilities relating to acquired programmes are recognised at the point of payment or commencement of the licence period, whichever is earlier. Agreements for the future purchase of rights whose licence period has not commenced and where there has been no payment by the balance sheet date are disclosed as purchase commitments.

Where the BBC has invested in independent productions, in addition to broadcasting rights, the BBC may obtain rights to future royalties from the sale of rights associated with the production. These residual interests are recognised initially at cost subject to amortisation as royalties are received, and impaired if anticipated royalties do not materialise.

The BBC's main purpose is the provision of services for audiences. As a result the Group's output primarily includes the production of programmes for broadcast and the sale of rights for others to broadcast. This note discloses the amounts for those programmes that are in production, completed programmes that are ready for broadcast but not yet aired, and rights secured to broadcast programmes produced independently of the BBC. Inventory for the BBC's commercial activities are also contained in this note.

	2022 £m	2021 £m
Programme-related assets		
Rights to broadcast acquired programmes and films	158	152
Prepayments to acquire future programme-related rights	497	544
Completed programmes	159	77
Programmes in production	294	203
Total programme-related assets	1,108	976
Other inventories	3	4
Total programme-related assets and other inventories	1,111	980

E. The assets owned by the BBC continued

E2 Intangible assets

Programme-related intangible assets

The BBC's right to sell programme rights is recognised within intangible assets. Programme assets reported as inventory effectively represent the BBC's right to broadcast, however. Programme rights acquired by the Group are either purchased, generated internally or licensed following the payment of an advance on royalties. Where the Group controls the respective assets and the risks and rewards attached to them, rights are initially recognised at acquisition cost or production cost. The carrying amount is stated at cost less accumulated amortisation and provision for impairment. Amortisation including impairment is charged to the income statement to match the estimated future economic benefit. This is calculated as the higher of an estimated recoupment profile based on the average historic performance of the overall distribution rights portfolio or the actual recoupment of the specific initial distribution advance. Where the carrying value of any individual set of rights exceeds management's best estimate of future exploitation income, a provision for impairment is recorded in the income statement immediately. For self-produced content, distribution rights exclude co-production costs borne by third parties. These costs are deferred within current assets and expensed upon recognition of the associated production income. Production income is recognised in accordance with the Group's income recognition policies.

Research and development expenditure – internally generated intangible assets

Expenditure on research activities is written off in the income statement when incurred. Expenditure on development activities is included on the balance sheet as an asset only if both of the following conditions are met:

- it is probable that the asset will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

The assets are measured at cost less accumulated amortisation and any accumulated impairment losses. For the PSB Group it is generally unlikely that future economic benefits in the form of cash inflows will be received, and as a result, other than assets created for use by the business in delivering its public purposes, development costs are only capitalised by the BBC Group's commercial businesses.

Other intangible assets

Other intangible assets acquired separately by the BBC are stated at cost less accumulated amortisation and any accumulated impairment losses. The identifiable intangible assets acquired as part of a business combination are shown at fair value at the date of acquisition (in accordance with IFRS 3 Business Combinations) less accumulated amortisation and any accumulated impairment losses.

An annual impairment review is conducted using management's best estimates of future income exploitation.

Amortisation

Amortisation is charged to the income statement on a systematic basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate. The useful lives and amortisation methods of other classes of intangible asset are as follows:

Software	Straight-line	2 to 5 years
Customer relationships	Straight-line	Unexpired term of agreement
Other intangibles: Licences and trademarks	Straight-line	30 years or unexpired return
Other intangibles	Straight-line	3 to 8 years

Amortisation of distribution rights is charged to the income statement to match the average income profile over its estimated average marketable life.

	Goodwill £m	Programme rights £m	Software £m	Customer relationships £m	Other intangibles £m	Total £m
Cost						
At 1 April 2020	55	1,400	252	65	152	1,924
Additions	5	136	27	2	10	180
Disposals	–	–	(16)	–	–	(16)
Reclassification from property, plant and equipment	–	–	6	–	–	6
Prior period reclassification	–	–	–	–	16	16
Exchange movements	–	–	1	1	(1)	1
At 31 March 2021	60	1,536	270	68	177	2,111
Additions	13	174	20	–	16	223
Disposals	–	(33)	(4)	–	(1)	(38)
At 31 March 2022	73	1,677	286	68	192	2,296
Amortisation and impairment						
At 1 April 2020	26	1,275	161	16	8	1,486
Charge for the year	–	179	28	12	12	231
Disposals	–	–	(16)	–	–	(16)
Prior period reclassification	–	–	–	–	16	16
Exchange movements	–	–	(1)	–	1	–
At 31 March 2021	26	1,454	172	28	37	1,717
Charge for the year	–	136	31	12	11	190
Disposals	–	(26)	(4)	–	(1)	(31)
At 31 March 2022	26	1,564	199	40	47	1,876
Net book value						
 At 31 March 2022	47	113	87	28	145	420
At 31 March 2021	34	82	98	40	140	394

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E. The assets owned by the BBC continued

E2 Intangible assets continued

Amortisation is the reduction reflected in the carrying value of the asset as a consequence of the regular use of that asset by the organisation.

Customer relationships refers to intangible assets that arise from entity acquisitions (e.g. UKTV), which bring a number of carriage agreements with channel networks. These agreements can be secured for a fixed amount of time and are therefore amortised over the individual contract terms on a straight-line basis.

Other intangibles primarily includes intangible assets that arise from entity acquisitions, such as Electronic Programme Guide (EPG) slots, as well as brands and trademarks.

E3 Goodwill

Goodwill

Goodwill is recorded in the balance sheet as the difference between the fair value of the consideration transferred by the BBC and the recognised amount of non-controlling interests in the acquiree compared to the fair value of the identifiable assets and liabilities acquired. These are all measured at the date of acquisition. Where the consideration is less than the net assets acquired, the difference is recognised immediately in the income statement. Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associate or joint venture and is tested for impairment as part of the overall balance. Goodwill is considered to have an indefinite useful economic life but is tested annually for impairment and is therefore measured at cost less any accumulated impairment losses. For the purposes of impairment testing, the goodwill is allocated to cash-generating units on the basis of those expected to benefit from the relevant business combination.

All goodwill is recognised in Studios Group and allocated by cash-generating unit (CGU) as follows:

	2022 £m	2021 £m
Independent production company	38	25
Australian channels business	9	9
	47	34

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group tests goodwill for impairment in the accounting period in which a business combination takes place; thereafter annually, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

Independent production company

The goodwill balance arose as a result of the acquisition of House Productions Limited in the current financial year, Clerkenwell Films Limited in the prior financial year, and Sid Gentle Films Limited and Lookout Point Limited in 2018. The cash flow projections used in determining value in use for both CGUs are based on the current business plans approved by management, which cover a five-year period, after which cash flows have been extrapolated using an expected long-term growth rate of 1.0% (2021: 1.0%). A discount rate of 7.2% (2021: 8.3%) has been applied to the cash flows.

Australian channels business

The goodwill of this CGU arose as a result of the acquisition of UKTV on 1 July 2008. Cash flow projections used in the recoverable amount calculation are based on financial budgets approved by management covering a period of five years (2021: five years) and a discount rate of 7.4% (2021: 8.4%). Cash flows beyond the forecast period have been extrapolated using an expected growth rate of -3.0% (2021: 1.0%). The main assumption on which the forecast cash flows are based is licence fee rates. In forming its assumptions about licence fee rates, the Group has used a combination of long-term trends and recently contracted terms. Management believes that no reasonable change in the key assumptions on which the value in use of this CGU is based would result in an impairment.

E. The assets owned by the BBC continued

🏠 E4 Property, plant and equipment

📄 Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

📄 Depreciation

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight-line basis over its estimated useful life.

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date.

The major categories of property, plant and equipment are depreciated as follows:

Land and buildings

Freehold land	Not depreciated	
Freehold buildings	Estimated useful life	50 years
Freehold building improvements	Estimated useful life	10 to 50 years
Leasehold buildings and improvements	Estimated useful life	Shorter of 50 years or life of lease

Plant and machinery

Computer equipment	Straight-line	3 to 5 years
Electrical and mechanical infrastructure	Straight-line	10 to 25 years
Other	Straight-line	3 to 10 years

Furniture and fittings

Straight-line 3 to 10 years

	Land and buildings* £m	Plant and machinery £m	Furniture and fittings £m	Assets under construction £m	Total £m
Cost					
At 1 April 2020	313	1,075	140	127	1,655
Additions	–	1	1	30	32
Reclassification to intangible assets	–	–	–	(6)	(6)
Brought into service	1	72	3	(76)	–
Disposals	(5)	(27)	(4)	–	(36)
At 31 March 2021	309	1,121	140	75	1,645
Additions	2	1	1	52	56
Reclassification to asset held for sale	(13)	(8)	–	–	(21)
Brought into service	66	6	–	(72)	–
Disposals	(8)	(56)	(8)	(3)	(75)
Exchange rates	–	1	–	–	1
At 31 March 2022	356	1,065	133	52	1,606
Depreciation					
At 1 April 2020	161	805	105	–	1,071
Charge for the year	16	67	9	–	92
Disposals	(5)	(21)	(4)	–	(30)
At 31 March 2021	172	851	110	–	1,133
Charge for the year	15	56	6	–	77
Reclassification to asset held for sale	(9)	(6)	–	–	(15)
Disposals	(5)	(55)	(8)	–	(68)
Exchange rates	–	1	–	–	1
At 31 March 2022	173	847	108	–	1,128
Net book value					
🏠 At 31 March 2022	183	218	25	52	478
At 31 March 2021	137	270	30	75	512

* Land and buildings are not separable and therefore reported collectively.

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Notes to the accounts continued

E. The assets owned by the BBC continued

E5 Investment properties (owned)

The majority of investment properties held by the BBC are right-of-use assets (see note F3 for further details, including the BBC's accounting policy). One freehold property, with negligible net book value, was however reclassified from property, plant and equipment to investment properties in the current year.

At 31 March 2022, this property was valued at £3 million. The valuation of these investment properties was carried out by independent valuers Lambert Smith Hampton, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The property, which is leased out under an operating lease, earned an immaterial amount of rental income and incurred an immaterial amount of direct operating expenditure.

E6 Assets classified as held for sale

Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through sale rather than continuing use. They are available for immediate sale and the sale is highly probably, normally within the next 12 months.

	2022 £m	2021 £m
Property, plant and equipment held for sale	6	2

The BBC reclassified its Caversham and Swains Lane sites as held for sale at 31 March 2022. The sale of both these properties is expected to be completed by March 2023.

The prior year relates to the sale of Broadcasting House, Cardiff which completed in April 2021.

E7 Interests in associates and joint ventures

This note details the BBC's share of net assets in associates and joint ventures, along with the impact that they have on the income statement. Details of significant associates and joint ventures along with principal subsidiary undertakings, including their activities, are provided in Note I1.

	2022 £m	2021 £m
Interests in associates	152	149
Interests in joint ventures	58	38
Total interests in associates and joint ventures	210	187
Share of results of associates	16	13
Share of results of joint ventures	9	12
Total share of results of associates and joint ventures	25	25

An **associate** is an entity that the BBC has significant influence over, but that does not meet the definition of a joint venture or subsidiary. Significant influence is the power to participate in the financial and operating decisions of an entity but is not control or joint control over those policies.

A **joint venture** is where the BBC has joint control over an entity with another partner(s).

The movements in associates and joint ventures during the year were as follows:

	Associates 2022 £m	Joint ventures 2022 £m	Total 2022 £m	Associates 2021 £m	Joint ventures 2021 £m	Total 2021 £m
At 1 April	149	38	187	217	26	243
Additions	–	4	4	–	3	3
Disposals	(3)	–	(3)	(8)	(1)	(9)
Share of results	16	9	25	13	12	25
Share of losses reclassified to provisions	–	6	6	–	–	–
Adjustment to provision for unrealised profits	–	(1)	(1)	2	–	2
Dividends receivable	(15)	–	(15)	(11)	–	(11)
Foreign exchange translation gains	7	2	9	(19)	(2)	(21)
Impairment	(2)	–	(2)	(45)	–	(45)
At 31 March	152	58	210	149	38	187

The Group tests assets for indicators of impairment annually. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

E. The assets owned by the BBC continued

E7 Interests in associates and joint ventures continued

The recoverable amount of the assets are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

Interests in joint ventures includes £14 million (2021: £14 million) for the Group's investment in Daunus Limited.

The Group acquired the remaining share capital of House Productions Limited in the year, resulting in the deemed disposal of the associate recognised in previous years. This investment is now recognised as a 100% owned subsidiary. See note C1 for further details.

New Video Channel America, LLC ("NVCA")

The investment in this channel arose from the Group retaining 50.1% ownership in the business partially sold to AMC Networks on 23 October 2014. The Group accounts for its retained interest as an associate as AMC Networks retains operational control (see below for further detail). The cash flow projections used in determining value in use are based on the current business plan approved by management, which covers a five-year period after which cash flows have been extrapolated using an expected long-term growth rate of -5.0% (2021: -5.1%).

A discount rate of 7.5% (2021: 8.5%) has been applied to the cash flows.

As a result of the changes in this market, management made the decision to impair the value of the Group's share in the channel by £2 million (2021: £44 million) as a result of the annual impairment review. The remaining investment balance of £136 million (2021: £132 million) reflects confidence in the channel's future profitability.

The following table presents the Group's share of material associates during the year:

	New Video Channel America LLC 2022 £m	YouView Limited 2022 £m	New Video Channel America LLC 2021 £m	YouView Limited 2021 £m
Non-current assets	164	4	131	1
Current assets	106	14	112	7
Current liabilities	(21)	(10)	(10)	(6)
Non-current liabilities	(4)	(118)	(1)	(95)
Net assets/(liabilities) of material associates	245	(110)	232	(93)
Group's share of net assets	123	–	116	–
Provision for unrealised profit	(3)	–	(3)	–
Goodwill	18	–	19	–
Group's share of net assets of material associates	138	–	132	–
Material associates income	129	10	138	9
Material associates profit/(loss) after tax	32	(17)	27	(18)
Share attributable to other parties	(16)	17	(14)	18
Share of results of material associates	16	–	13	–

The following table presents the Group's share of material joint ventures during the year:

	Daunus Limited 2022 £m	Daunus Limited 2021 £m
Non-current assets	948	442
Current assets	75	76
Current liabilities	(69)	(67)
Non-current liabilities	(611)	(650)
Net assets/(liabilities) of material joint venture	343	(199)
Group's share of net assets/(liabilities) of material joint venture	–	–
Material joint venture income	62	12
Material joint venture profit after tax	33	4
Share attributable to other parties	(33)	(4)
Share of results of material joint venture	–	–

Daunus Limited, a company set up to facilitate the redevelopment and subsequent financing arrangements of Broadcasting House, prepares its financial statements to a 30 November accounting reference date and under Financial Reporting Standard 102. Adjustments are therefore made to align these to the Group, reducing the BBC's share to nil in the current year. The net asset position shown above for 2021/22 is a result of Daunus reporting its fixed assets on a fair value basis, as opposed to historic cost in the previous years.

The Group is unable to receive dividends from Daunus Limited until 2033 due to restrictions mandated within this entity.

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Notes to the accounts continued

F. Leasing activities at the BBC

In providing the range of services to audiences, the BBC makes use of a significant number of assets in its operations, many of which are leased. This section sets out those leased assets, held for both operating purposes and as investment properties, and their related liabilities including detail on any additions or disposals to these during the year.

Disclosures have also been made on lease related activity such as income received as a lessor and lease expenses recognised directly within the income statement.

Lease liabilities held by the BBC are subject to certain limits, as agreed with the DCMS and are explained in detail within note G3. The BBC has remained in compliance with these throughout the year.

Risks – Leasing

The complex nature of some of the BBC's properties and the contractual conditions of leases entered may require judgement in the calculation of the valuation of the related right-of-use assets and lease obligations. Where significant judgements are made, the risk of potential misstatement is also present.

Judgement – Leases

Judgement is required when assessing whether a contract contains a lease, the timing of recognition under IFRS 16 Leases for assets under construction and the appropriate discount rates, etc to be applied where this is not implicit within the contract.

Leases – initial assessment

At inception of a contract the Group assesses whether a contract contains a lease; defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

- the contract involves the use of an identified asset – either specified explicitly or implicitly – and should be (or represent substantially all the capacity of) a physical asset. If the supplier has substantive substitution rights, then the asset is not identified;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset, which is when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

This predominantly includes land and buildings (both in the UK and overseas) as well as a range of specialised broadcast equipment.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relevant stand-alone prices as determined by the underlying contract.

The Group has a number of options to extend the lease on a right-of-use asset, or to purchase the underlying asset – typically relating to land and buildings, either in the UK or overseas. An assessment of the location and the availability of suitable alternatives has been undertaken in determining the likelihood of exercising these options.

When determining the accounting for a finance lease, the BBC has assessed whether it has the right to use the leased asset at the inception of the lease, or whether this right passes at a later date (“the commencement date”).

Where a significant site is being redeveloped, occupation may occur in distinct phases; consequently, the leased asset and liabilities are recognised based on the proportion of the site occupied at each commencement date.

Lease remeasurement

When the lease liability is remeasured a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying value has been reduced to zero then any further reductions are recorded in the income statement.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, which are expensed. This includes laptops and other items of small IT equipment.

F. Leasing activities at the BBC continued

F1 Right-of-use assets

The Group recognises a right-of-use asset upon lease commencement. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received.

The right-of-use asset is subsequently depreciated using a straight-line method from the commencement date over the lease term (which is equal to, or shorter than, the asset's useful life). The right-of-use asset is periodically reduced by impairment losses and adjustments for certain remeasurement of the lease liability.

	Land and buildings* £m	Plant and machinery £m	Assets under construction £m	Total £m
Cost				
At 1 April 2020	1,934	11	–	1,945
Additions	16	2	10	28
Disposals	(4)	(1)	–	(5)
Change in contract	36	–	–	36
At 31 March 2021	1,982	12	10	2,004
Additions	40	1	11	52
Disposals	(25)	(2)	–	(27)
Transfer to investment property	(1)	–	–	(1)
Change in contract	22	–	–	22
Exchange movements	1	–	–	1
At 31 March 2022	2,019	11	21	2,051
Depreciation				
At 1 April 2020	373	4	–	377
Charge for the year	85	4	–	89
Disposals	(3)	(1)	–	(4)
At 31 March 2021	455	7	–	462
Charge for the year	88	3	–	91
Disposals	(7)	(2)	–	(9)
At 31 March 2022	536	8	–	544
Net book value				
At 31 March 2022	1,483	3	21	1,507
At 31 March 2021	1,527	5	10	1,542

* Land and buildings are not separable and are therefore reported collectively.

F2. Obligations under leases

The Group recognises a lease liability upon lease commencement. The lease liability is initially measured at the present value of unpaid lease payments at commencement, discounted using the Group's incremental borrowing rate (unless the interest rate implicit in the lease can be readily determined).

The incremental borrowing rate is the rate of interest that would hypothetically have to be paid to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. A small change in the rate could have a significant impact on the valuation of respective lease liabilities.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable payments dependent on an index or rate, measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option or lease payments in an optional renewal period that the Group is reasonably certain to exercise, and early termination penalties of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, change in estimate of the amount expected to be payable under a residual value guarantee, a change in the lease term or a change in the assessment of an option being exercised.

	2022 £m	2021 £m
Leases due within one year	118	109
Leases due after more than one year	1,619	1,677
At 31 March 2022	1,737	1,786

The ageing of obligations under leases is as follows:

	2022 £m	2021 £m
Within one year	118	109
Between one and five years	456	431
Over five years	1,163	1,246
At 31 March 2022	1,737	1,786

Financial statements

Notes to the accounts continued

F. Leasing activities at the BBC continued

F3 Investment properties (right-of-use assets)

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the properties (see depreciation on land and buildings above).

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the profit and loss when the changes arise.

	Right-of-use assets £m
Cost	
At 1 April 2020 and 31 March 2021	36
Reclassification from right-of-use assets	1
At 31 March 2022	37
Depreciation	
At 1 April 2020	3
Charge for the year	1
At 31 March 2021	4
Charge for the year	1
At 31 March 2022	5
Net book value	
At 31 March 2022	32
At 31 March 2021	32

At 31 March 2022, the BBC held right-of-use investment properties valued at £4 million (2021: £5 million). The valuation of these investment properties was carried out by independent valuers Lambert Smith Hampton, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The valuation is lower than the carrying amount as a result of the shorter term these properties are currently let over compared to the main lease held by the BBC. The BBC is confident that these properties will continue to be sublet for the duration of the main lease and consequently no impairments have been identified.

The property rental income earned by the BBC from its investment properties, which are leased out under operating leases, amounted to £3 million (2021: £2 million). Direct operating expenses incurred on the investment properties, which generated rental income during the year, amounted to £3 million (2021: £3 million). There were no direct operating expenses incurred on the investment properties which did not generate rental income during the year (2021: nil).

See note E5 for owned investment properties.

F4 Lease income received as a lessor

The Group received finance lease income from finance lease contracts in which the Group acts as a lessor through the balance sheet against a lease receivable held. The following sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2022 £m	2021 £m
Within one year	18	18
Between one and five years	87	74
Over five years	199	185
Total undiscounted finance lease payments	304	277
Unearned finance income	(92)	(87)
Net investment in the lease	212	190

The Group received £13 million (2021: £16 million) of lease income (including service charges) from operating lease contracts in which the Group acts as a lessor. The following sets out a maturity analysis of lease payments to be received after the reporting date. This excludes service charges which are dependent on usage.

	2022 £m	2021 £m
Within one year	7	6
Between one and five years	26	24
Over five years	24	27
Total lease payments	57	57

F. Leasing activities at the BBC continued
F5 Lease expenses recognised in the income statement

	Note	2022 £m	2021 £m
Interest on obligations under leases	C4	52	53
Depreciation on leased assets	F3, F1	92	90
Expenses relating to short-term leases		17	5
Expenses relating to leases of low-value assets, excluding short-term leases		–	1
Total lease payments		161	149

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Notes to the accounts continued

G. Financing the BBC

This section contains the notes to the balance sheet that detail the funding of the BBC as well as information on the financial instruments held.

A **financial instrument** is a contract that results in one entity recording a financial asset (a contractual right to receive financial assets, e.g. cash) in their accounts and another entity recording a financial liability (a contractual obligation to deliver financial assets to another entity).

Judgement – impairment of financial assets

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence of impairment. Judgement is required when determining whether there is objective evidence of impairment, such as significant financial difficulty of the counterparty or breach of contract.

G1 Cash and cash equivalents

■ Cash and cash equivalents comprise cash balances and call deposits with maturities of less than three months (short-term deposits). Cash and cash equivalents also include licence fee funds collected on behalf of HM Treasury, which are excluded from the Group's net funds and in respect of which a separate creditor is recognised.

The Group retains significant cash amounts and cash equivalent balances in instant access accounts in order to manage the variation in cash flows required for its operations

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits earn interest at the respective short-term deposit rates.

	2022 £m	2021 £m
Cash at bank, available on demand	154	145
Short-term deposits	563	326
Total	717	471

Of the total above, £573 million (2021: £265 million) cash and cash equivalents were held by the PSB Group. The remaining balance is held by the Commercial Group.

G2 Borrowings

■ Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use.

Originated programmes can be qualifying assets, but those necessarily taking a substantial period of time to get ready for broadcast are a small proportion of overall programme investment. Any borrowing costs that could be attributed to those programmes are not significant and, therefore, no borrowing costs are capitalised.

All finance income and other borrowing costs are recognised in income and expense in the period in which they are incurred.

G2.1 Borrowings due within one year

	2022 £m	2021 £m
Bank loan	12	1

G2.2 Borrowings due within more than one year

	2022 £m	2021 £m
Bank loan	170	170

G. Financing the BBC continued
G2 Borrowings continued
G2.3 Borrowing facilities

Facility	Interest rate	At 31 March 2022		At 31 March 2021		Expiry or review date
		Total available £m	Drawn down at £m	Total available £m	Drawn down at £m	
PSB Group						
Sterling revolving credit facility agreement	SONIA* plus the agreed credit adjustment spread of 0.1193%, plus the relevant margin; 0.225% up to 1/3 utilisation, 0.375% between 1/3 and 2/3 and 0.525% over 2/3	200	–	200	–	Mar 2025
Uncommitted money market lines (short-term borrowings)	The interest rates on uncommitted money market lines are determined when traded with the bank	25	–	25	–	Reviewed annually
GBP overdraft	Bank base rate plus 1.5%	5	–	5	–	Reviewed annually
Multicurrency overdraft	Banks' short-term offered rates for the relevant currency plus 1%	–	–	5	–	Reviewed annually
Overdraft*	Bank base rate plus 1%. Excess usage at bank base rate plus 2%	1	–	1	–	Reviewed annually
BBC Commercial Limited						
Revolving credit facility agreement	SONIA* plus agreed credit adjustment spread of 0.1193% plus the relevant margin; 0.15% up to 1/3 utilisation, 0.3% between 1/3 and 2/3 and 0.45% over 2/3	210	–	210	–	March 2026
Overdraft or money market lines*	Bank base rate plus 1.5%	2	–	2	–	Reviewed annually
Uncommitted money market lines	Interest rate determined when traded with the bank	20	–	–	–	Reviewed annually
Fixed term loan	SONIA plus 1.25% (tbc)	170	170	170	170	June 2024**
BBC Studios Distribution Limited						
Overdraft*	Bank base rate plus 1% if drawn down in sterling. Bank currency overdraft rate plus a 1% margin if drawn down in other currencies	3	–	2	–	Reviewed annually
Bank loan	Three-month GBP SONIA plus 1.5%	4	4	–	–	September 2022
Bank loan	Three-month GBP SONIA plus 1.5%	4	4	–	–	July 2022
Bank loan	Three-month GBP SONIA plus 1.0%	3	3	–	–	September 2022
Bank loan	Three-month GBP SONIA plus 1.5%	1	1	1	1	September 2022

* The base rate used varies according to the currency drawn. GBP drawings are linked to Sterling Overnight Index Average (SONIA).

** The BBC has a one-year extension option which, if exercised, would take the maturity through to June 2025. A series of interest rate swaps have been entered to fix the interest rate on this facility to 1.49%.

There have been no defaults or breaches of covenants on these facilities during the year (2021: none).

G3 DCMS borrowing limits

The BBC forms part of the UK Government's National debt. The BBC is subject to two specific limits to its borrowings, as agreed with the DCMS:

- the Public Service net borrowing limit of £2,200 million is set by the Secretary of State for the DCMS in accordance with the Framework Agreement between the BBC and the DCMS. Of this limit, £2,000 million is specifically for leases; and
- under a direction granted by the Secretary of State for the DCMS a net borrowing limit of £550 million has been set for the BBC Commercial Group. Of this limit, £200 million is specifically for leases.

The BBC is finalising governance arrangements for the BBC Commercial Group borrowing limit to increase to £750 million (excluding leases) over time as set out by HM Government in the Autumn Budget and Spending Review of October 2021.

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Notes to the accounts continued

G. Financing the BBC continued

G3 DCMS borrowing limits continued

G3.1 Analysis of net debt for the DCMS borrowing limits

	At 1 April 2021 £m	Cash flows £m	Non-cash changes £m	Exchange £m	At 31 March 2022 £m
Total cash and cash equivalents	471	245	–	1	717
Loans and loan notes	(171)	1	(12)	–	(182)
Derivatives associated with borrowings	–	–	3	–	3
Obligations under leases	(1,786)	165	(116)	–	(1,737)
Net debt	(1,486)	411	(125)	1	(1,199)
Made up of:					
PSB Group	(1,430)				(1,055)
Studios Group	(60)				(85)
Other Commercials	4				(59)
Net debt	(1,486)				(1,199)

G3.2 Reconciliation of net funds/(debt) to the DCMS borrowing limits

	Public Service Group			BBC Commercial Group*		
	Net funds excluding leases £m	Lease borrowings** £m	Net debt £m	Net debt/(funds) excluding leases £m	Lease borrowings** £m	Net debt £m
2022						
Net funds/(debt)	573	(1,628)	(1,055)	(35)	(109)	(144)
Net borrowing limit	(200)	(2,000)	(2,200)	(350)	(200)	(550)
Headroom	773	372	1,145	315	91	406
2021						
Net funds/(debt)	265	(1,695)	(1,430)	35	(91)	(56)
Net borrowing limit	(200)	(2,000)	(2,200)	(350)	(200)	(550)
Headroom	465	305	770	385	109	494

* Under the terms of the DCMS agreement, the BBC Commercial Group must satisfy two financial covenants, which need to be satisfied throughout the respective period. During both the current and prior years, the BBC Commercial Group was in compliance with both these covenants.

** Lease borrowings are net of intra-group lease borrowings as these eliminate on consolidation.

G4 Financial instruments

The BBC classifies its financial assets and liabilities into one of the following categories:

■ Measured at amortised cost

- Trade and other receivables/payables
- Contract assets/liabilities
- Cash and cash equivalents
- Borrowings

They principally arise from the provision of goods and services, but also incorporate other types of financial assets/liabilities where the objective is to collect or receive contractual cash flows and the contractual cash flows are solely payments of principal and interest.

■ Measured at fair value through surplus/deficit

For the BBC, this category comprises derivatives. Those in-the-money derivatives are financial assets whilst those out-the-money are financial liabilities.

The BBC does not enter into speculative derivative contracts; however, some derivative financial instruments are used to manage the BBC's exposure to fluctuations in interest rates (interest rate swaps, caps and collars) and foreign currency exchange rates (foreign currency forward contracts and currency options).

Derivative financial instruments, excluding derivatives held as qualifying hedges, are initially recognised at fair value and are subsequently remeasured to fair value at the balance sheet date with movements recorded in the income statement.

- Interest rate swaps, caps and collars: The fair value is the estimated amount that the BBC would receive or pay to terminate the swap, cap or collar at the balance sheet date, taking into account current interest rates, the current creditworthiness of swap, cap or collar counterparties and the creditworthiness of the BBC.
- Foreign currency forward contract rates: The fair value of forward foreign exchange contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date from third parties.
- Hybrid contracts: Contains both derivative and non-derivative elements with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

G. Financing the BBC continued

G4 Financial instruments continued

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through surplus/deficit.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivatives, the BBC generally designates the whole hybrid contract at fair value through surplus/deficit.

— Other investments: The BBC has strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. These investments were previously classed as available for sale under IAS 39, and are now held at fair value through surplus/deficit.

■ **Measured at fair value through other comprehensive income**

Certain derivatives designated as cash flow hedges are recognised at fair value through other comprehensive income.

Where hedge accounting is applied, the BBC has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The BBC enters into hedge relationships where the critical terms of the hedging instruments and the hedged item match. Hedge effectiveness is determined at the origination of the hedging relationship. Quantitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship. In instances where changes occur to the hedged item which results in the critical terms no longer matching, the hypothetical derivative method is used to assess effectiveness.

The BBC designates certain derivatives as cash flow hedges by documenting the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking various hedge transactions. Where the hedge is deemed to have been effective, the effective portion of any changes in the fair value of the derivatives that are designated in the hedge are recognised in other comprehensive income. The accumulated amount in the cash flow hedge reserve is reclassified to profit or loss in the same period as the hedged cash flows affect profit or loss. Any ineffective portion of the hedge is recognised immediately in the income statement.

■ **Impairment of financial assets**

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence of impairment. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. All impairment losses are recognised in the income statement.

Derivatives are complex financial instruments that are usually used to manage risk. Derivative contracts are entered into for a fixed period of time and their value changes during that period in relation to changes in a variable, such as an interest rate, commodity price, credit rating or foreign exchange rate.

The BBC uses the following derivative contracts:

- **Forward foreign currency contracts** are entered into to fix future currency payments/receipts to a set exchange rate. These could be to cover expected future payments, receipts or specific contracts.
- **Interest rate swaps** allow the BBC to fix variable interest rates on borrowings to a fixed rate.
- A **cash flow swap** was entered into for the financing arrangements of Broadcasting House, exchanging the inflation-linked rent and headlease repurchase payments for a fixed payment schedule out to 2045.

These instruments allow the BBC to manage its liquidity requirements more effectively as the amounts to be paid/received become known.

The following terminology is used throughout this section:

- **Credit risk:** the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation.
- **Fair value:** The fair value of an asset is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Foreign currency transactions: As these financial statements are prepared in sterling, the BBC's foreign currency transactions and balances must be translated at appropriate exchange rates, into sterling. This means that variations in exchange rates can cause the valuation of investments to fluctuate, even when there has been no change in the health of the underlying business.

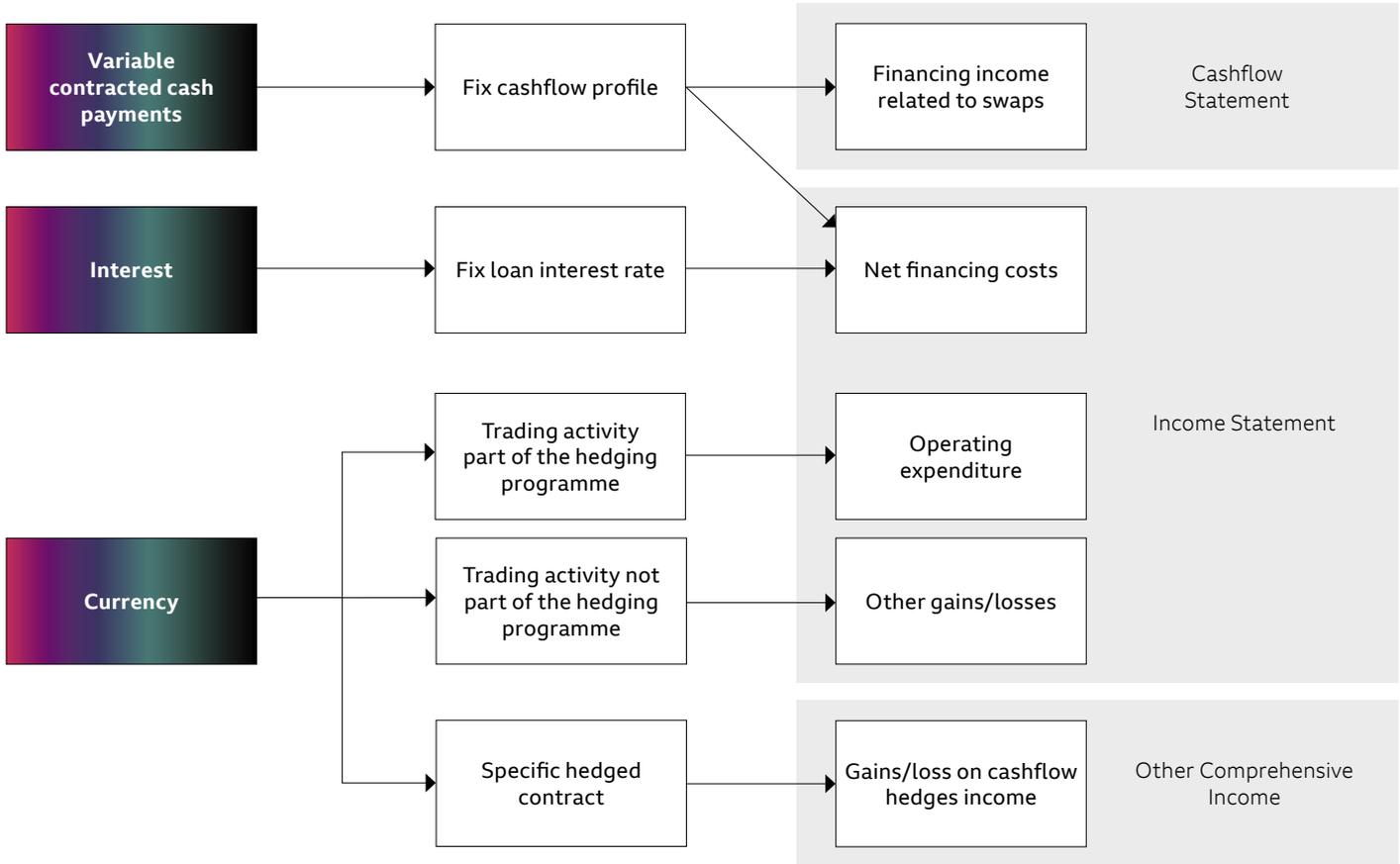
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Notes to the accounts continued

G. Financing the BBC continued

G4 Financial instruments continued

Derivatives are all valued at fair value and movements thereof are recognised as follows:



G4.1 Financial risk management

The BBC’s financial risk management operations are carried out by a BBC Group Treasury function, within parameters defined formally within the policies and procedures manual agreed by the Treasury Management Group, which has delegated authority from the BBC Board.

The BBC Group Treasury function uses financial instruments to raise finance and to manage financial risk arising from the BBC’s operations in accordance with its objectives, which are:

- to ensure the business of the BBC, both PSB Group and Commercial Group, is funded in the most efficient manner and remains compliant with borrowing ceilings;
- to protect the value of the BBC’s assets, liabilities and cash flows from the effects of adverse interest rates and foreign exchange fluctuations; and
- to maximise the return on surplus funds, whilst ensuring sufficient cash is retained to meet foreseeable liquidity requirements.

The BBC takes a risk averse approach to the management of interest rate fluctuations and foreign currency trading and has implemented a clear economic hedging policy to minimise volatility in the financial results. A small number of the forward foreign currency contracts entered into by the BBC were designated as hedging instruments in effective cash flow hedges. Hedge accounting is only applied where there is appropriate designation and documentation.

The BBC is exposed to the following areas of risk arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Market risk – currency risk	Transactions and balances denominated in foreign currencies	Cash flow forecasting	Forward foreign currency contracts
Market risk – interest risk	Long-term borrowings at variable rates	Projected borrowing requirements	Interest rate swaps, caps and collars
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Monitoring cash flow forecasts and covenant compliance
Credit risk	Counterparty default on contractual obligations	Credit ratings and ageing analysis	Assessment of financial reliability, collateral and other credit enhancements

G. Financing the BBC continued
G4 Financial instruments continued
Currency risk

Although the BBC is principally a UK-based organisation, some transactions are undertaken in currencies other than sterling.

The BBC's commercial operations are undertaken in a range of global markets and a significant proportion of Studios Groups' incomes are generated outside the UK, with resulting foreign exchange risk – principally to the US dollar, the euro and the Australian dollar. Due to movements in exchange rates, the amount the BBC expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction.

The BBC takes a risk averse approach to the management of currency risk and has implemented clear policy parameters for the use of forward foreign currency contracts to minimise volatility in the financial results. A substantial proportion of the BBC's material net foreign currency exposures are economically hedged.

The BBC's main exposure is to US dollars; however, due to the relative size of this exposure in comparison to the BBC's sterling-denominated business, the BBC does not consider this to be significant. The BBC generally enters into forward currency contracts to manage, or hedge, this currency risk. This allows the BBC to reduce risk by settling transactions at known exchange rates.

The overall income or expenditure to be recognised in relation to contracts denominated in foreign currencies (and the related hedges) is therefore fixed; however, where these contracts span financial years, the recognition of the fair value of the forward currency contracts results in timing gains or losses in each financial year. These timing gains or losses are as a result of market conditions and not variances in underlying contract value.

As the BBC has mitigated its underlying exposure to currency fluctuations there is no requirement to present sensitivity analysis as any potential variation is insignificant.

At 31 March 2022, the BBC had entered into a net commitment to sell foreign currencies amounting to £422 million (2021: £100 million) that mature in the period through to 2025 in order to fix the sterling cost of commitments through this period (mainly euros and US dollars).

The BBC applies hedge accounting for trades taken out by one of its commercial subsidiaries in respect of their forecast foreign currency transactions. Net losses (before tax and non-controlling interests) recognised in the hedging reserve on forward foreign exchange contracts in hedge relationships at 31 March 2022 were £14 million (2021: £14 million net gains). These amounts are recognised in the income statement in the period when the hedged forecast transaction impacts the income statement.

The ineffective portion recognised in operating costs arising from such hedges was immaterial in both the current and prior year.

Depending on how exchange rates and interest rates move between the time the BBC enters into the transaction and at the year-end reporting date, derivatives can either be profitable ('in the money') or loss-making in their own right. However, the rationale in entering into these derivatives is not to profit from currency markets or interest rate fluctuations, but to provide stability to the BBC's cash flows. Other than where hedge accounting is applied, the movements relating to these derivatives (i.e. where they are either in profit or loss-making) are taken to the BBC's income statement for the year.

Interest rate risk

BBC Commercial Group has borrowed using its revolving credit facilities at floating rates of interest and then used interest rate swaps to manage the BBC's exposure to interest rate fluctuations and provide greater certainty of cash flows. Interest rate swaps are entered into based on projected borrowing requirements, therefore differences will occur between the notional amount of the swaps and the actual borrowing requirements. By taking out the interest rate swaps the BBC has mitigated underlying exposure to interest rate fluctuations and hence no sensitivity analysis has been presented as any potential variation is insignificant.

Sterling fixed rate borrowings are achieved by entering into interest rate swap transactions; all outstanding swaps mature by the end of June 2024. In total, £170 million (2021: £170 million) of swaps were entered into. The coverage matches (2021: matches) the current level of bank loans of £170 million (2021: £170 million). See Note G2.3 for further details.

Other price risk of financial assets

The BBC invests surplus cash in money market funds and money market deposits, therefore it is not subject to other price risks, such as market price risk.

Liquidity risk

Liquidity risk is the risk that the BBC will not be able to meet its financial obligations as they fall due. The BBC is subject to limits on its borrowings set by the Secretary of State in accordance with the Agreement between the BBC and the DCMS (see Note G3). In order to comply with these limits, together with the terms of any individual debt instruments, the BBC Group Treasury function manages the BBC's borrowings by regularly monitoring cash flow forecasts. The BBC holds its surplus liquidity in term deposit accounts with highly rated financial institutions.

The bank loans of the BBC's commercial operations are subject to debt covenants based on the BBC's earnings before interest and taxation. The covenants are in respect of net borrowings and net interest coverage. The BBC is active in the monitoring of its debt covenants, which have been met at 31 March 2022.

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Notes to the accounts continued

G. Financing the BBC continued

G4 Financial instruments continued

The following table sets out the contractual undiscounted cash flows (including interest) of financial liabilities:

2022	Carrying value £m	Total contractual cash flows £m	Less than one year £m	Between one and five years £m	Over five years £m
Non-derivative financial liabilities					
Trade and other payables	(744)	(747)	(681)	(66)	–
Bank loans and overdrafts	(182)	(193)	(15)	(178)	–
Obligations under leases	(1,737)	(2,029)	(145)	(554)	(1,330)
Derivative financial liabilities					
Forward foreign currency contracts – fair value through surplus/deficit	(7)	(7)	(7)	–	–
Forward foreign currency contracts – fair value through other comprehensive income/(loss)	(8)	(8)	(8)	–	–
Cash flow swaps	(580)	(580)	–	–	(580)
2021					
Non-derivative financial liabilities					
Trade and other payables	(719)	(724)	(644)	(76)	(4)
Bank loans and overdrafts	(171)	(175)	(2)	(173)	–
Obligations under finance leases	(1,786)	(2,281)	(158)	(596)	(1,527)
Derivative financial liabilities					
Forward foreign currency contracts – fair value through surplus/deficit	(11)	(11)	(7)	(4)	–
Cash flow swaps	(585)	(585)	–	–	(585)

Credit risk

Credit loss is the risk of financial loss to the BBC if a counterparty defaults on its contractual obligation. Default arises when it is determined that a counterparty is unlikely to pay following the evaluation of objective evidence.

Cash and cash equivalents and derivative financial instruments are held only with banks of A+ to BBB rating. The Group limits its exposure to credit risk by only investing in liquid securities with counterparties that have a minimum credit rating of A-, with a higher minimum rating up to AA- required depending upon duration and amount. Given these high credit ratings, the Group considers it has appropriately mitigated the risk of any counterparty failing to meet its obligations.

The BBC's credit risk management policy in relation to other trade receivables involves regularly assessing the credit quality of customers, taking into account several factors such as their financial position and historical performance. The carrying amount of financial assets included in the financial statements represents the BBC's maximum exposure to credit risk in relation to these assets.

G4.2 Fair value of financial instruments

When calculating the fair value of the BBC's financial instruments (subsequent to the initial recognition), the technique used is determined with reference to the classification in the three-level hierarchy set out below. This disclosure helps to show the level of judgement that the BBC has used in calculating fair values, subsequent to the initial recognition.

Fair value hierarchy levels 1 to 3 are based upon the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No transfers between these categories have occurred during the period.

G. Financing the BBC continued
G4 Financial instruments continued

2022	Carrying value			Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs				
	Amortised cost £m	Fair value through surplus/ (deficit) £m	Fair value through other comprehensive income/ (loss) £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Cash and cash equivalents	717	–	–	717				
Trade and other receivables	936	–	–	936				
Derivative financial assets:								
– Forward foreign currency contracts	–	4	–	4	4	–	–	4
– Cash flow swaps	–	412	–	412	–	412	–	412
– Interest rate swaps	–	3	–	3	–	3	–	3
Other investments	17	–	–	17	–	–	220	220
Investment properties	32	–	–	32	–	–	7	7
Total financial assets	1,702	419	–	2,121	4	415	227	646
Trade and other payables	(724)	(19)	–	(743)	–	–	(19)	(19)
Bank loans and overdrafts	(182)	–	–	(182)	–	–	–	–
Derivative financial liabilities:								
– Forward foreign currency contracts	–	(7)	(8)	(15)	(15)	–	–	(15)
– Cash flow swaps	–	(580)	–	(580)	–	(580)	–	(580)
Obligations under leases	(1,737)	–	–	(1,737)	–	–	(1,737)	(1,737)
Total financial liabilities	(2,643)	(606)	(8)	(3,257)	(15)	(580)	(1,756)	(2,351)

2021	Carrying value			Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs				
	Amortised cost £m	Fair value through surplus/ (deficit) £m	Fair value through other comprehensive income/ (loss) £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Cash and cash equivalents	471	–	–	471				
Trade and other receivables	983	–	–	983				
Derivative financial assets:								
– Forward foreign currency contracts	–	3	6	9	9	–	–	9
– Cash flow swaps	–	357	–	357	–	357	–	357
Other investments	17	–	–	17	–	–	216	216
Investment properties	32	–	–	32	–	–	5	5
Total financial assets	1,503	360	6	1,869	9	357	221	587
Trade and other payables	(706)	(13)	–	(719)	–	–	(13)	(13)
Bank loans and overdrafts	(171)	–	–	(171)	–	–	–	–
Derivative financial liabilities:								
– Forward foreign currency contracts	–	(11)	–	(11)	(11)	–	–	(11)
– Cash flow swaps	–	(585)	–	(585)	–	(585)	–	(585)
Obligations under finance leases	(1,786)	–	–	(1,786)	–	–	(1,786)	(1,786)
Total financial liabilities	(2,663)	(609)	–	(3,272)	(11)	(585)	(1,799)	(2,395)

Due to their short-term nature, the carrying value of cash and cash equivalents, short-term bank loans, trade and other receivables and trade and other payables, is approximately equal to their fair value.

Other investments reflect the Group's £14 million (2021: £14 million) investment in Daunus Limited (joint venture) and other equity investments held.

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Notes to the accounts continued

G. Financing the BBC continued

G4 Financial instruments continued

Derivative financial assets/(liabilities) are presented in the balance sheet as follows:

2022	Non-current assets £m	Current assets £m	Current liabilities £m	Non-current liabilities £m	Total £m
Forward foreign currency contracts	2	2	(6)	(9)	(11)
Cash flow swaps	412	–	–	(580)	(168)
Interest rate swaps	3	–	–	–	3
Total derivative financial assets/(liabilities)	417	2	(6)	(589)	(176)

2021	Non-current assets £m	Current assets £m	Current liabilities £m	Non-current liabilities £m	Total £m
Forward foreign currency contracts	1	8	(6)	(5)	(2)
Cash flow swaps	357	–	–	(585)	(228)
Total derivative financial assets/(liabilities)	358	8	(6)	(590)	(230)

Level 2 – cash flow swap derivatives

Cash flow swaps represent derivative financial assets of £412 million (2021: £357 million) and derivative financial liabilities of £580 million (2021: £585 million) relating to the financing arrangement of Broadcasting House. These swaps, which expire between 2033 and 2045, are valued with reference to relevant SONIA yield curves, subject to appropriate credit risk adjustments where necessary. As part of the reform of interest rate benchmarks (interbank offered rates – IBORs), an alternative benchmark rate has been applied prospectively to determine a fair value under IFRS 9, with subsequent fair value gains or losses immediately recognised in the statement of profit or loss.

An adjustment of 233 basis points is applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. These assumptions and inputs are reviewed on an annual basis, along with the completion of sensitivity analysis. If another adjustment of 248 basis points had been used to reflect a reasonably possible change based on market movements during the year, then this would result in a decrease in the net liability of £9 million.

During 2020/21 an adjustment of 207 basis points was applied to reflect credit risk as the arrangement with the counterparty is not collateralised. If another adjustment of 209 basis points had been used to reflect a reasonably possible change based on market movements during that year, this would have resulted in a decrease in the net liability of £1 million.

Level 3 – financial instruments

The change in fair value of level 3 financial instruments is reconciled as follows:

	2022		2021	
	Financial assets £m	Financial liabilities £m	Financial assets £m	Financial liabilities £m
At 1 April	221	(1,799)	234	(1,858)
Payments and settlements	–	169	–	169
Unwinding of discount recorded within finance expense	–	(52)	–	(55)
Additions	–	(37)	2	–
Change in fair value recorded in other losses	–	(10)	–	(4)
Change in fair value	6	(27)	(15)	(51)
At 31 March	227	(1,756)	221	(1,799)

G. Financing the BBC continued

G4 Financial instruments continued

Financial assets

Financial assets includes £4 million (2021: £4 million) unquoted equity investments, the fair value amount of the Group's investment in Daunus Limited of £216 million (2021: £212 million) and the fair value amount of investment property of £7 million (2021: £5 million).

In order to facilitate the redevelopment and subsequent financing arrangement relating to Broadcasting House, London, the BBC holds an investment in Daunus Limited, which is disclosed within level 3 financial instruments with a fair value of £216 million (2021: £212 million). The BBC holds a 20% (2021: 20%) share of the issued share capital (preferential in nature), due to mature in 2033, at which point the BBC receives certain rights in respect of Broadcasting House. The BBC's share in Daunus Limited entitles it to the first £90 million (plus RPI from the start of the lease) of any proceeds on termination of the lease. The fair value has therefore been derived from £90 million, inflated by RPI and subsequently discounted to 31 March 2022. Following rising interest rates throughout 2021/22, the estimated interest rate used was 9.8% (2021: 2.5%) and the rate used to discount the future cash flows was 1.7% (2021: 1.2%). These assumptions and inputs are reviewed on an annual basis, along with the completion of a sensitivity analysis. A change in the adjustment applied to the respective interest rate of +1.0% would result in an increase in the net assets by £26 million (2021: £28 million) whilst a reduction in the respective interest rate of -1.0% would result in a decrease in the net assets of £24 million (2021: £25 million).

The fair value of the investment in Daunus Limited is not included on the balance sheet as it is equity accounted for through the income statement (see Note E7). This is due to the BBC sharing joint control with other investors, including voting power and right to veto over relevant activities, along with significant shared exposure to variable returns. The original investment made to acquire this entity (£14 million) is still held on the balance sheet at 31 March 2022 and the Group does not consider this investment impaired given the structure in place. The assumptions relating to Daunus Limited are reviewed on an annual basis, along with the completion of a sensitivity analysis. Whilst the reported profit or loss of Daunus Limited is not a significant input, the decision that Daunus Limited is a joint venture is a significant judgement.

Financial liabilities

Level 3 financial liabilities reflect £19 million (2021: £13 million) put options held with some of the Group's associates and joint ventures and finance lease liabilities which primarily relates to the lease of three properties. The vast majority of leases undergo rent reviews on a frequent basis and consequently book value is deemed to also reflect fair value.

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Notes to the accounts continued

H. Receivables and payables

This section contains the receivable and payable related notes to the balance sheet, such as contract balances, trade and other receivables and payables; any expected credit losses associated with these balances and any provision or contingent liabilities that the BBC may owe in the future. Also included are details on balances/transactions with related parties and any commitments the BBC is expecting to settle in future years.

Judgement – expected credit losses
Judgement is required when determining the recoverability (likelihood of receiving payment) of a contract asset or trade and other receivables. Changes in the credit quality of the receivable together with future considerations around the current state of the UK and overseas economies and any industry-specific issues are all subjective.

Judgement – provisions
Judgements are employed in determining if a past event has given rise to a present obligation that will result in probable payment by the BBC that can be measured reliably. Estimation techniques used can be very complex, especially when there is a wide range of possible outcomes.

Judgement – work in progress accruals
Work in progress accruals arise where a performance obligation has been satisfied but all associated expenditure has yet to be incurred. Judgement is required in estimating the outstanding expenditure required to fulfil the contract.

H1 Trade and other receivables and contract assets

Trade and other receivables and contract assets are recognised initially at transaction price and subsequently at amounts considered recoverable (amortised cost). Estimates are used in determining the level of receivables that will not be collected. These estimates include factors such as historical experience, the current state of the UK and overseas economies and industry specifics. A provision for impairment of trade and other receivables and contract assets is recognised based on the simplified approach using the lifetime expected credit losses. During this process the probability of non-payment is assessed.

This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables and contract assets. The most significant trade and other receivable is the licence fee receivable, which represents amounts due from the DCMS for licence fee payments not yet collected but due. The calculation of this balance carries a degree of estimation, however we do not believe that the estimation uncertainty/difference would be material to the accounts. Changes in the carrying amount of the allowance are recognised in the income statement within total operating costs.

H1.1 Contract assets

	2022 £m	2021 £m
At 1 April	4	5
Balance transferred to trade receivables	(4)	(5)
New contract assets	3	4
At 31 March	3	4
Presented within:		
Current	3	4
Non-current	–	–
	3	4

Contract assets (accrued income) primarily relate to the BBC’s right to consideration for work completed but not billed at the reporting date.

H. Receivables and payables continued
H1 Trade and other receivables and contract assets continued
H1.2 Trade and other receivables due after more than one year

	2022 £m	2021 £m
Lease receivables	210	188
Other receivables	19	35
	229	223

Lease receivables relate to a lease of land and buildings, expiring in 2035. The contract was entered into in 2015 with the BBC receiving fixed quarterly receipts, subject to inflation.

H1.3 Trade and other receivables due within one year

	2022 £m	2021 £m
Licence fee receivables	480	526
Accrued income	255	213
Trade receivables	172	183
Prepayments	72	138
VAT recoverable	61	74
Amounts owed by associates and joint ventures	15	6
Other receivables	41	45
	1,096	1,185

Licence fee payers can pay the annual licence fee in several different ways. This can therefore result in a **licence fee receivable** where individual payments run behind usage as well as a licence fee payable where individual payments are running ahead of usage at a given point in time.

H1.4 Expected credit losses

In determining the recoverability of a contract asset or trade and other receivable the BBC considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date, as well as future considerations around the current state of the UK and overseas economies and any industry-specific issues. Receivables are provided for based on the probability of expected credit losses for each receivable.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. Loss rates are based on actual credit loss experience which are adjusted to reflect differences between customer base during the period over which the historical data has been collected, as well as any forward looking information regarding the company's view of economic and industry-wide conditions over the expected lives of the receivables.

The Group has further reviewed the amounts provided against receivables for expected credit losses, taking into account the potential for increased losses due to the uncertainty surrounding the economic recovery. In addition to revisiting historic loss rates, this review assessed if heightened sectoral exposure and uncertainty impacted certain segments of the receivables balances, resulting in a qualitative adjustment being required.

The licence fee income grant-in-aid paid by DCMS is based on the recoverable value of TV licences issued in the year. The year-end licence fee receivables expected credit loss is estimated based on the value of licence cancellations in the current year, as adjusted to reflect the current and future economic environment.

Included in the BBC's contract assets (see Note H1.1) and trade and other receivables at 31 March 2022 are balances of £32 million (2021: £39 million) which are past due at the reporting date but not impaired. The aged analysis is as shown below:

	2022 £m	2021 £m
Up to three months	24	4
Three to six months	3	1
Over six months	5	34
	32	39

Movements in the BBC's provision for impairment of licence fee receivable, trade receivables and contract assets can be shown as follows:

	2022 £m	2021 £m
At 1 April	36	35
Charge for the year	1	4
Amounts written off as unrecoverable	–	(2)
Amounts recovered during the year	(2)	(1)
At 31 March	35	36

Amounts charged to the impairment provision are written off when there is no expectation of recovery. Subsequent recoveries of amounts previously written off are credited to the income statement.

Financial statements

Notes to the accounts continued

H. Receivables and payables continued

H2 Trade and other payables and contract liabilities

- Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
- A contract liability is recognised when payment is received prior to the associated performance obligation being fulfilled. It is released to income when the performance obligation is satisfied.
- Accruals include work-in-progress accruals, which arise in instances where a performance obligation has been satisfied but all associated expenditure has not yet been incurred. The basis of the calculation of such accruals is based upon forecast expenditure required to fulfil the contract.

H2.1 Contract liabilities

	2022 £m	2021 £m
At 1 April	(191)	(173)
Income recognised in the period	133	118
Cash received in advance and not recognised as income during the year	(275)	(136)
At 31 March	(333)	(191)
Presented within:		
Current	(312)	(159)
Non-current	(21)	(32)
	(333)	(191)

Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

H2.2 Trade and other payables due after more than one year

	2022 £m	2021 £m
Rights creditors	3	33
Other payables	41	25
	44	58

Rights creditors refers to liabilities relating to the rights to broadcast programmes and are expensed in line with the expected transmission profile.

H2.3 Trade and other payables due within one year

	2022 £m	2021 £m
Licence fee payable	260	257
Accruals	237	216
Trade payables	187	190
Rights creditors	161	104
Salaries and wages payables	99	98
Licence savings stamp deposits and savings cards	41	41
Other taxation and social security	30	31
Deferred income	16	21
Amounts owed to associates and joint ventures	5	6
Other payables	51	75
	1,087	1,039

Licence fee payers can pay the annual licence fee in several different ways. This can therefore result in a licence fee receivable where individual payments run behind usage as well as a **licence fee payable** where individual payments are running ahead of usage at a given point in time.

Licence saving stamp deposits and savings cards are made up of TV Licencing stamps which are slowly being redeemed.

H. Receivables and payables continued

H3 Related party transactions

The following table represents transactions with related parties excluding key management personnel.

	Associates, joint ventures and other investments		BBC Pension Scheme	
	2022 £m	2021 £m	2022 £m	2021 £m
Rendering of services	40	29	–	–
Receiving of services	(74)	(98)	–	–
Pension contributions	–	–	173	245
Dividends received	15	11	–	–
	(19)	(58)	173	245

	Amounts owed by related parties		Amounts owed to related parties	
	2022 £m	2021 £m	2022 £m	2021 £m
BBC Pension Scheme	1	–	(1)	–
Associates, joint ventures and other investments	15	6	(5)	(6)
	16	6	(6)	(6)

In all transactions, terms were negotiated on an arm's length basis.

The BBC also enters into various transactions with Government and local authorities on an arm's length basis. These transactions include business rates and corporation tax payments.

During the year the BBC received less than £0.1 million of income and incurred less than £0.1 million of expenditure with BBC Children in Need. No amounts were due at 31 March 2021.

At 31 March 2022, the BBC had a £0.9 million receivable with BBC Media Action UK. In the prior year, the BBC had a £0.3 million prepayment with this entity.

At 31 March 2022 the BBC was owed £0.6 million and due to pay £0.7 million to the BBC Pension Scheme. No amounts were due/owed at 31 March 2021.

H4 Provisions and contingent liabilities

■ The BBC recognises a provision if a past event has given rise to a present obligation that will result in a probable payment that can be measured reliably. Where a provision is determined to be required and there are a range of possible outcomes, estimation techniques are used to calculate the best estimate of the amount required to settle the obligation.

The BBC recognises decommissioning liabilities as part of the initial cost of the asset, discounted to present value. The BBC reassesses whether there has been a change in this liability based on the facts and circumstances at each balance sheet date.

	At 1 April 2021 £m	Charge for the year £m	Utilised during the year £m	Released during the year £m	At 31 March 2022 £m
Property	48	7	–	(2)	53
Taxation, litigation and insurance	39	34	(11)	(6)	56
Restructuring	64	21	(56)	(4)	25
Other	16	6	(6)	(1)	15
	167	68	(73)	(13)	149
Included in current liabilities	109				94
Included in non-current liabilities	58				55
	167				149

Property

The BBC has obligations to restore leased properties to their original condition at the end of the lease term. Property provisions are made for the cost of such restoration works as determined by the properties' discounted net present value or the market value of the gross square footage.

Taxation, litigation and insurance

Taxation, litigation and insurance provisions relate to ongoing legal, insurance and compensation claims against the BBC. The BBC makes specific provision for its best estimate of any damages and costs which may be awarded. A provision is only made to the extent that the BBC considers it probable that there will be an outflow of economic benefits and the amount can be reliably estimated. There are a number of provisions within this balance, including balances connected to payments to Personal Service Companies that may be required. The timing of cashflows associated with these provisions can sometimes be uncertain where we are awaiting the outcome of HMRC reviews.

Restructuring

Restructuring provisions are determined by the probable costs relating to reorganisations, relocations and redundancies in the BBC. The restructuring balance predominantly relates to the redundancies required by ongoing savings strategies.

Other

Other provisions include amounts relating to employment matters and other issues arising across the BBC in the normal course of business, none of which are individually material.

Contingent liabilities

There are no contingent liabilities in the current year.

Financial statements

Notes to the accounts continued

H. Receivables and payables continued

H4 Provisions and contingent liabilities continued

Contingent liabilities are liabilities that may occur depending on the outcome of an uncertain future event such as the outcome of a pending lawsuit. Contingent liabilities are not accounted for in the financial statements because, unlike provisions, they are not sufficiently certain or cannot be estimated reliably.

H5 Long-term commitments not reflected in the balance sheet – contracts placed for future expenditure

This note shows amounts to which the BBC is contractually committed, but which do not meet the criteria for inclusion in the balance sheet as we've not yet received the goods/services. It includes fixed (but not variable) payments due under outsourcing contracts for the life of those contracts.

Functions covered by these long-term outsourcing contracts include IT support, content distribution and transmission, facilities management and elements of finance support.

	2022 £m	2021 £m
Fixed asset additions	20	11
Programme acquisitions and sports rights	1,233	1,103
Independent programmes	290	304
Other fixed payments on long-term outsourcing arrangements	2,300	1,838
	3,843	3,256

Long-term commitments not reflected in the balance sheet are payable as follows:

	2022 £m	2021 £m
Within one year	1,129	1,076
Between one and five years	2,268	1,531
Over five years	446	649
	3,843	3,256

I. BBC structure and other disclosures

This section details the BBC's interests held in associates, joint ventures and subsidiaries, along with the BBC's reserves and details on post balance sheet events.

I1 Interests in associates, joint ventures and subsidiaries

The BBC Group holds (directly and indirectly) interests in the associates, joint ventures and subsidiaries listed below which, except where otherwise stated, are incorporated in Great Britain and registered in England and Wales.

I1.1 Significant associates and their activities

Name of entity	Place of incorporation and principal place of business	Holding of issued ordinary shares %	Activity
YouView TV Limited	England and Wales	16.7%	Multiplatform broadcasting
New Video Channel America LLC*	United States	50.1%	TV channel operator
3sixtymedia Limited**	England and Wales	10.0%	Production

* Whilst BBC Studios Distribution Limited retains a significant influence over New Video Channel America LLC and has the rights to variable returns, it is not deemed to have control and is therefore recognised as an associate undertaking.

** The BBC holds 10% of the total share capital of 3sixtymedia Limited but 20% of the Class A ordinary shares, which gives it significant influence.

I1.2 Significant joint ventures and their activities

Name of entity	Place of incorporation and principal place of business	Holding of issued ordinary shares %	Activity
BritBox LLC	United States	50%	Digital video subscription
Daurus Limited*	England and Wales	20%	Property

* The BBC holds 20% of the total share capital of Daurus Limited but 66% of the voting rights. Other shareholders retain certain veto rights and therefore this entity is recognised as a joint venture.

I1.3 Subsidiary undertakings

Name of entity	Registered address
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Directly owned commercial subsidiaries: (all 100% owned unless stated)

BBC Commercial Limited	Broadcast Centre Media Village, 201 Wood Lane, London W12 7TP
BBC Property Limited	
BBC Property Investment Limited	
BBC Property Development Limited	
Centre House Productions Limited	
BBC News Limited	
BBC Free to View (Satellite) Limited	
BBC Free to View Limited	
BBC Media Applications Technologies Limited	
BBC Subscription Television Limited	
BBC Investments Limited	
DSHS Limited	
BBC Digital Programme Services Limited	

BBC World Service Trading Limited	London Broadcasting House, Portland Place, London W1A 1AA
BBC World Service Holdings Limited	

Indirectly owned commercial subsidiaries: (all 100% owned unless stated)

BBC Studios Limited	1 Television Centre, 101 Wood Lane, London W12 7FA
BBC Studios Distribution Limited	
2 entertain Limited	
2 entertain Management Limited	
2 entertain Video Limited	
BBC Video Limited	
MCI Music Publishing Limited	
Demon Music Group Limited	
Crimson Productions Limited	
F-Beat Records Limited	
Demon Records Limited	
Devil's Peak Distribution Limited (92% owned)	
BBC Earth MD (WWD) Limited	
BBC Earth Productions (Life) Limited	
BBC Earth Productions Limited	
BBC Earth Productions (Africa) Limited	
BBC Earth Productions (Giant Films) Limited	
Earth Film Productions Limited	
BBC Magazine Holdings Limited	
BBC Studios Corporate Services Limited	
BBC Studios Investments Limited	
BBC Studios Drama Productions Limited	
Tonto Films and Television Limited	
BBC Studios Channel Investments Limited	
Mortimer Productions Limited	
UK Programme Distribution Limited	
BEEB Rights Limited (88% owned)	
BBC Global News Limited	

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Notes to the accounts continued

I. BBC structure and other disclosures continued

11 Interests in associates, joint ventures and subsidiaries continued

Name of entity	Registered address
BBC World Distribution Limited BBC.com Limited BBC Studios Productions Limited BBC Grafton House Productions Limited BBC Comedy Productions Limited BBC Natural History and Factual Productions Limited BBC Natural History Giant Screen Limited Nice and Accurate Productions Limited BBC Studios Productions (Clifton) Limited BBC Children’s Productions Limited BBC Global News Holdings Limited	
Craft Channel Host limited UKTV Media Holdings Limited UKTV Media Limited	10 Hammersmith Grove, London W6 7AP
BBC Studioworks Limited	Room N101, Neptune House, BBC Elstree Centre, Clarendon Road, Borehamwood, Hertfordshire WD6 1JF
Baby Cow Productions Limited (75% owned) Baby Cow Productions (Chivalry) Limited (75% owned) Baby Cow Manchester Limited (75% owned) Baby Cow Productions (Hunderby) Limited (75% owned) Baby Cow Productions (Partridge) Limited (75% owned) Baby Cow Productions (Red Dwarf) Limited (75% owned) Baby Cow Films Limited (75% owned) Alan Partridge Limited (75% owned) Baby Cow Animation (Warren) Limited (75% owned) Baby Cow Animation (Wussywat) Limited (75% owned) Baby Cow Productions (Witchfinder) Limited (75% owned) Baby Cow Animation Limited (75% owned) Clerkenwell Films Limited House Productions Limited House Conclave Limited House LAL Limited House Pictures Limited House Ref Limited House Sherwood Limited House Six Four Limited House Trig Limited Lookout Point (DP) Commissioning Limited Majorca Productions Limited Philomena Lee Limited (75% owned) Quite Funny Films Limited Quite Persuasive Films Limited Quite Scary Films Limited Recall TV Limited TFW Productions Limited Two+Two=5 Limited White Hart Land Productions Limited (92% owned) Lost Child Limited (75% owned) Moone Boy (UK) Limited (38% owned) The Last Holiday Limited	1 Television Centre, 101 Wood Lane, London W12 7FA
Sid Gentle Films Limited (51% owned) Sid Gentle Films (Corfu) Limited (51% owned) Sid Gentle Films (Costello Jones) Limited (51% owned) Sid Gentle Films (Extraordinary) Limited (51% owned) Sid Gentle Films (Gaiman) Limited (51% owned) Sid Gentle Films (KE2) Limited (51% owned) Sid Gentle Films (KE3) Limited (51% owned) Sid Gentle Films (KE4) Limited (51% owned) Sid Gentle Films (Killing Eve) Limited (51% owned) Sid Gentle Films (Ragdoll) Limited (51% owned) Sid Gentle Films (SS-GB) Limited (51% owned) Sid Gentle Films (TD4) Limited (51% owned)	Ground Floor Charles House, 5-11 Regent Street, St James’s Way, London SW1Y 4LR

I. BBC structure and other disclosures continued
I1 Interests in associates, joint ventures and subsidiaries continued

Name of entity	Registered address
Sid Wild Films Limited (51% owned) Sid Gentle Films (The Durrells) Limited (51% owned)	
Lookout Point Limited (92% owned) A Suitable Company Limited (92% owned) AMP 1 Limited (92% owned) Evergreen Television Limited (92% owned) Off Stone Productions Limited (92% owned) Lookout Point (DP) Production Limited (92% owned) Lookout Point (FUMP) Limited (92% owned) Lookout Point (Management) Limited (92% owned) Lookout Point (T&T) Limited (92% owned) Lookout Point (LES MISERABLES) Limited (92% owned) Lookout Point (SHIBDEN) Limited (92% owned) Lookout Point (LT5) Limited (92% owned) Lookout Point Acquisition Limited (92% owned) Lookout Point (The Collection) Limited (92% owned)	Hammer House, 113-117 Wardour Street, London, United Kingdom W1F 0UN
BBC Studios Canada Limited	145 King Street West, Suite 740, Toronto ON M5H 1JH, Canada
BBC Studios Singapore PTE. Limited	12-08/08 Shal Tower, 100 Beach Road, Singapore 189702, Singapore
BBC Studios Japan Limited	Tokyo Club Bldg., 10F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo 100-0013, Japan
BBC Studios Productions Nordics ApS	Mosedalvej 14, 2500 Valby, Denmark
BBC.com US, Inc	c/o Corporation Trust Centre, 1209 Orange Street, Wilmington 19801, United States
Nine Productions1 Inc	650-699 Howe Street Vancouver, British Columbia, V6 0B4, Canada
BBC Studios France	18-20 Quai du Point du Jour, Bat. A, 92100 Boulogne-Billancourt, France
Worldwide Channels Europe B.V.	Worldwide Channels Europe B.V., Weesperplein 4b, 1018 XA Amsterdam, Netherlands
Consulting Company Limited	Unit 7, Floor 9, West Tower, Genesis Building, 8 Xinyuan South Road, Chaoyang District, 100027, China
BBC Studios Channel Investments (Ontario) Limited	Toronto Dominion Bank Tower, Toronto Dominion Center, Toronto, ON M5K 1E6, Canada
2004370 Inc	66 Wellington Street West 470, Toronto Dominion Bank Tower, Toronto M5K 1EG, Canada
BBC Studios Americas Inc BBC Studios Americas (401) k Plan Trustees	1120 Avenue of the Americas, 5th Floor, New York, NY 10036-6700, United States
Adjacent Productions, LLC Bad Wolf Productions LLC BBC Studios Reality Productions LLC Global Hybrid Productions LLC Lime Grove Productions LLC Sun Never Sets Productions LLC WNT Productions LLC Studios Competition Productions LLC	10351 Santa Monica Boulevard, Los Angeles, CA 90025, United States
BBC Studios Americas Investments Inc	The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington 19801, United States
BBC Studios Australia Holdings Pty Limited BBC Studios Australia Pty Limited BBC Studios Australia BB Pty Limited BBC Studios Productions Australia Pty Limited	Level 1, 35-51 Mitchell Street, McMahons Point NSW 2060, Australia
BBC Studios Germany GmbH Erste Weltweit Medien GmbH	Kaiser-Wilhelm-Ring 17-21, 50672 Köln, Germany
BBC Worldwide Holdings B.V.	Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands
BBC Studios India Private Limited	Construction House A Wing, 401- 4th Floor, Off Linking Road, 24th Road, Khar (W), Mumbai 400 052, India
BBC Studios Africa (Pty) Limited	Office 003H3 Ground Floor, 10 Melrose Boulevard, Melrose Arch, Melrose North 2196, SA
BBC Studios Intermediadora de Programadora Estangeira Limited	Rua Ferreira de Araujo, 741, Andar 1, Pinheiros, São Paulo SP 05.428-002, Brazil
BBC Studios Polska Sp. z o.o.	Pl. Bankowy 1, 00-139 Warszawa, Poland

Financial statements

Notes to the accounts continued

I. BBC structure and other disclosures continued

I1 Interests in associates, joint ventures and subsidiaries continued

Name of entity	Registered address
BBC Worldwide Mexico S.A de C.V	Calle Andres Bello 10 Piso 10, Chapultepec Polanco, Delg. Miguel Hidalgo, Ciudad de Mexico CP 11560, Mexico
BBC Worldwide Channels Mexico S.A de C.V	
Worldwide Knowledge (Beijing) Business Consulting Company Ltd	Unit 7, Floor 9, West Tower, Genesis Building, 8 Xinyuan South Road, Chaoyang District, Beijing 100027
BBC Studios Productions (Africa) (Pty) Limited	24 18th Street, Menlo Park 0081, Maxars House, 5 St Davids Place, Parktown 2193, SA
Canadian AP Ventures Company ULC (50% owned)	800-1959 Upper Water Street, Halifax NS B3J 2N2, Canada
Rapid Blue Africa Limited (70% owned)	7 Sowemimo Street, GRA Ikeja, Lagos, Nigeria
BBC Global News (Japan) Limited (incorporated in Japan)	Tokyo Club Bldg., 3-2-6, Kasumigaseki, Chiyoda-ku, Tokyo, 100-0013, Japan
BBC Global News (Singapore) Private Limited (incorporated in Singapore)	#12-08/08 Shaw Tower, 100 Beach Road Singapore 189702, Singapore
BBC Global News (India) Private Limited (incorporated in India)	Unit No. 301, 3rd Floor, D-2, Southern Park, District Centre, Saket, New Delhi, 110017
BBC Global News US LLC (incorporated in America)	Corporation Service Company, 80 State Street, Albany, New York, 12207-2543

I2 Reserves

Operating reserve

The operating reserve reflects accumulated profits to date.

Hedging reserve

The hedging reserve is used to record the effective portion of cumulative net changes in the fair value of cash flow hedging instruments, related to hedged transactions that have not yet occurred (net of tax). During the current year, losses of £6 million were removed from the hedging reserve and debited to income in the income statement (2021: £4 million).

Translation reserve

The translation reserve is used to record exchange differences arising from the retranslation of the net assets and results of overseas subsidiaries. This includes all foreign exchange differences arising since the transition to IFRS, from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the BBC's net investment in foreign subsidiaries.

Other reserves

Other reserves include the fair value of put option liabilities arising on acquisition of subsidiaries and the difference between the cost of investment and net assets of entities acquired which are held under common control.

I3 Post balance sheet events

There have been no significant events affecting the Group since the year end.

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 Shirley Garrood – BBC/Alistair Heap
 Sir Robbie Gibb – Photo courtesy of KekstCNC
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