

10 Organisation and infrastructure

“Is the BBC organised in the most effective and efficient way?”

Key findings

- How the BBC is run is a mystery to most of the public – 85% know either nothing at all, or not very much
- The BBC’s contribution to research and development of broadcasting technology is valued highly – particularly by industry respondents – as is its role in training the broadcasting and film industries
- The balance between independent and in-house production is seen as an important issue by industry respondents – with the BBC’s failure to meet quotas for independent television production the subject of much criticism
- ‘Rights management’ is also seen as an important concern

For the public, this is a difficult question to answer...

- 10.1 We found that people were not generally in a position to answer this question, with 85 % of participants in our quantitative survey knowing either nothing at all or not very much about how the BBC is run and nearly 40% not knowing where to find information about how the BBC is run.

“My only information about the Corporation is that it is a bureaucratic nightmare, however that information comes purely from the press and not from personal experience.”
V J Wright, consultation respondent

- 10.2 Some people who took part in our deliberative research said that looking at any company or organisation – including the BBC – from the outside does not always tell you very much about whether it is being run in the most effective and efficient way.

...but some key themes emerged, like the value placed on the BBC’s role in researching new technology...

- 10.3 Views about the BBC’s contribution to broadcasting research and development were put to us frequently by both public and industry respondents to consultation. There was a strong consensus that the BBC plays a major role in many significant innovations in broadcasting. In the words of one industry respondent, the BBC’s “excellent R&D department gives it strength in depth in innovative broadcasting technologies, and its public service orientation allows it to make these powerful resources available to support industry-wide initiatives. We greatly value the BBC’s investment in R&D, and we would recommend that this principle of appropriate investment, together with its public service approach, should be carried forward under any new Charter”.

...and in training the broadcasting and wider media industries.

- 10.4 We received evidence, particularly from industry respondents and trade bodies, that the BBC is seen as the most significant employer in the audio and visual sector and that its role as a trainer for the whole of the broadcast industry is valued highly as a result, and for a number of reasons. For example, we were told by the National Film and Television School that the BBC's willingness and ability to take a risk by commissioning work from graduates is essential for bringing on new talent within the broadcasting industry and related sectors, eg film. And the BBC's nationwide presence was cited as allowing young people the chance to experience media training without having to travel far from their local areas.
- 10.5 A considerable number of respondents to the consultation identified the BBC as a 'benevolent force serving to cultivate talent'. Others, however, made the point that, other broadcasters and the independent production sector also made a contribution to training and development.
- 10.6 As far as the industry is concerned, there is a strong view that the BBC plays a very important role in stimulating and ensuring the success of the independent production sector through its commissioning activities. However, there is an equally clear view that it is essential for the BBC to retain its own production capacity to set standards in output, as well as developing talent and innovation.

Some issues generated much debate – like 'in-house' versus independent production...

- 10.7 Some of those we asked thought that the BBC should become a much slimmer organisation and increase the quantity of independently produced programmes it commissions. This tended to be driven largely by a desire to make the BBC cheaper to run, and hence reduce the licence fee, rather than by a wish to see more independent productions commissioned *per se*.
- 10.8 We received strong calls from independent television producers and their representatives for the independent production quota to be raised from its current 25% to 50%. Some went further, and called for the quota system to be abandoned altogether and replaced by a system based purely on 'meritocracy', with commissions awarded to the programme maker best able to deliver quality and value for money, whether in-house or external. Similarly, we received a number of submissions from independent radio producers proposing the equivalent quota for independent radio production be raised from its current 10% to the same level as the television quota, and that the quota should be applied at the level of individual channels and not averaged across the network as a whole.
- 10.9 Whatever the level, there was significant criticism of the BBC's failure to meet its independent television production quota in recent years.

The system of quotas

The Communications Act 2003 requires the BBC, Channel 3 companies, Channel 4, Channel 5 and S4C to allocate in each year at least 25% of the total amount of time allocated to the broadcasting of 'qualifying programmes' to the broadcasting of a range and diversity of independent productions. The aim of the UK quota is to multiply sources of supply – particularly small and medium-sized enterprises – stimulate creativity and foster new talent.

- 10.10 Issues relating to regional production by the BBC featured prominently in meetings that Ministers held with members of the broadcasting industry across the UK. Many participants complained that they thought the BBC focused on London too much.
- 10.11 There were calls for more network commissioning from Scotland, and also suggestions that the BBC distribute its production bases around the country to a greater extent than at present. Similar suggestions were mirrored across the UK, with many people calling for an improved spread of the BBC's impact, in terms of economic and cultural benefits, talent, and training and skills. Conversely, the point was also made that talent goes where the work is and that currently there was a tendency for production to get 'locked into' London.
- 10.12 Some participants in industry seminars called for a more strategic approach to regional commissioning and suggested that the Charter might serve to regenerate the production industry across the UK. We were told that the BBC's in-house production capacity should be used strategically to increase the proportion of UK programming originated outside the M25.

...as well as 'rights management'

- 10.13 In similar vein, we received strong views from a number of sources in the creative industries – writers and composers, often freelance, and independent producers and their representatives – that, although they supported the BBC very strongly, they would like to see a more equitable approach towards 'rights management'.

People also had a range of views on the BBC's financial and organisational efficiency...

- 10.14 There was a range of views amongst both public and industry respondents on the BBC's financial and organisational efficiency. They ranged from a sense among some respondents that the BBC's present management do little to develop economies of scale, overlooking vital opportunities to make savings (such as rationalising news services or pooling commissioning, production, scheduling and programme management functions across services) to a view that the Corporation's performance was a clear signal that the management must be doing well.
- 10.15 Evidence to support either view was sparse. However, ITN remarked that its own 24-hour news service was produced at less than half the cost of BBC News 24.

...and on whether the BBC should continue to be run as a single organisation.

- 10.16 We received a range of views on this issue. On balance, a strong majority of consultation respondents were in favour of keeping the BBC as a single organisation, commonly citing it as the best means of maintaining its highly respected cultural position throughout the world, and to guarantee the future of strong programming.
- 10.17 However, various specific suggestions for reducing the scale and cost of the BBC were put forward, including the creation of a separate news and current affairs production house, the closure of BBC3 and 4, privatising BBC radio, or the radio transmission network, and reducing the Corporation's management numbers. None of these commanded significant support in their own right. However, taken together they demonstrated a willingness in some quarters to consider alternative options.