



## Delivering our strategy

Our achievements for the year  
and our vision for the future

## Our achievements

We brought stand-out content, big moments and the benefit of new technologies to the public; we began the journey of changing the BBC.



### Sherlock

The third series launched on New Year's Day 2014 with an average audience for the first episode of 12.7 million and 3.6 million iPlayer requests, making it the most requested drama on iPlayer to date.



### The Fall

Commissioned by BBC Northern Ireland and set in Belfast, it had an average series audience of 4.3 million, the largest for a BBC Two drama series in the last ten years.



### Winter Olympics

Our coverage of Sochi 2014 reached 33.7 million people, higher than any of the previous three Winter Olympic Games.



### Great British Bake Off

The final achieved the biggest BBC Two audience in over 10 years.



### New Year's Eve Fireworks

The highest television audience of 2013.



### Britten 100

Broadcast on BBC Radio 3 and reached an estimated 1.1 million listeners on radio and requested 97,957 times via iPlayer in the UK.



### Radio Drama

Radio 4 aired over 600 hours of drama, including a Scottish season featuring four original dramas about the Stuart dynasty and dramatisations of three novels by Sir Walter Scott. Whilst as part of Radio 3's celebration of the 450th anniversary of Shakespeare's birth, we broadcast *Anthony and Cleopatra* in full, starring Sir Kenneth Branagh and Alex Kingston.



### Local Radio

Great dedication was shown in its reporting of the floods and in its passion for local sport. BBC Local radio also rightly performed strongly at the Radio Academy Awards with Gold Award wins for BBC Tees, BBC Three Counties, BBC Norfolk, BBC Ulster, BBC Lincolnshire.



### News reaching everyone

BBC TV News coverage on the night of Nelson Mandela's death was watched by 13.38 million people on BBC One and the BBC News Channel.



### Glastonbury

For the first time, there were live-streams from the six key Glastonbury stages giving over 250 hours of coverage, reaching a total Television audience of 19 million and with 12.1 million requests for live and catch-up content online.



### World War One

To coincide with the start of the BBC's World War One season we launched BBC iWonder – interactive guides designed to unlock the learning potential of all BBC content. Meanwhile, Jeremy Paxman's programme, *Britain's Great War*, was the BBC One factual series with the highest score of the year for helping audiences learn something new.



### The Wrong Mans

The highest audience for a comedy launch on BBC Two in seven years, with an average of 4.5 million viewers for the opening episode.



### New iPlayer

Available on over 1,000 different devices and serves 10 million programme requests a day.



### Biggest Commitment to Arts in a generation

We committed extra funding for BBC Arts programming, appointed strong leadership for the arts, and re-launched BBC Arts Online as well as The Space, our pioneering online partnership with Arts Council England.



### CBBC

The *My Life* documentary series continued to challenge and celebrate our young audience with real children living extraordinary lives.



### Apps

BBC apps have been downloaded over 57 million times.

# A year of change at the BBC

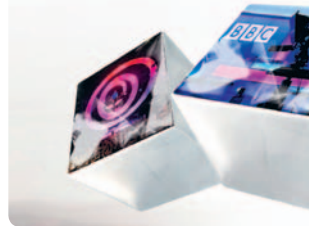
We are building on strong foundations to take the BBC through to its centenary in 2022, putting the right policies in place to ensure that we are more efficient, representative, fair and innovative.

## A new top team

A new leadership team is in place at the BBC bringing together the best of talents from inside and outside – with new non-executive directors bringing a huge breadth of experience.



## BBC WHERE NEXT?



## A new strategy

We set out a clear ambition for the BBC to the end of the current Charter with a focus on quality, innovation and efficiency.



## Respect at work

We want zero tolerance of bullying and a culture where people feel able to raise concerns and have the confidence that they will be dealt with appropriately.



## Women on air

We committed that by the end of 2014 half of BBC Local Radio stations will have a woman presenting the high-profile Breakfast shows. Other prominent appointments include Mishal Hussein on *Today*, Ritula Shah on *The World Tonight*, Carrie Gracie as the BBC's first China Editor and Gemma Cairney on Radio 1.

## Cap on severance pay

Severance pay has been capped at £150,000 and where staff resign or are made redundant they are expected to work their notice in full.



## Contributing to the community

Through our own charities and partnerships with others, we have helped raise £84.5million across the year.



## Birmingham

We are revitalising our presence in Birmingham with a focus on digital skills and talent development.



## Apprenticeships

We are delivering on our commitment to have 1% of the workforce as apprentices.

# Our vision for the future

“Last year’s Annual Report was written in the shadow of a crisis. In the last twelve months, we have sought to focus on what audiences need today, and how we can best serve them in the future. We start from a strong place. The UK has a world-class media sector. Thanks to everyone at the BBC over the last twenty years, the BBC has remained a world-class broadcaster. It hasn’t become the victim of technological change – instead, it has found new ways of informing, educating and entertaining. People use the BBC more every week than twenty years ago. We want to reinvent ourselves again.”



We will be doing so in a market where digital technologies have become mainstream. For one part of our audience, they now represent a big part of their media consumption – with young people consuming close to a quarter of their television on-demand on other screens or via DVD, for example. We are no longer experimenting with these technologies – they are a normal part of our lives. As an organisation, we’re looking forward to the next wave of innovations.

But we don’t think these new ways of consuming will replace what’s gone before. Radio and television channels meet enduring human needs – to have an expert find the best of their subject and put it in front of us; to have commissioners showcase new content every week; to watch or listen at home at the same time as millions of others.

When he arrived at the BBC, Tony Hall asked the management team to agree a clear direction for the next three years, until the end of this Charter. The BBC has renewed its strategy regularly over the last twenty years. But this time we faced the new challenge of innovating in a period of declining income. In past periods, the BBC has been able to fund innovation from efficiency. At this time, we are using those savings to offset the fact that licence fee funding for our UK public services will be 26% lower in real terms by 2016/17 owing to the flat licence fee settlement and new financial responsibilities. To be able to keep on innovating, we’ve had to find further savings.

Grayson Perry delivers Radio 4’s *Reith Lectures*



An average audience of 12.7 million viewers tuned in to see the return of *Sherlock*



Rather than try and do everything a bit less well, we decided to prioritise three areas: innovating online, strengthening key programme genres, and making our channels work even better.

Our proposal to the Trust to move BBC Three online is the best illustration of what this means. We could have kept salami-slicing television budgets, but we were worried that would mean falling behind in genres like drama, which were set to be cut by tens of millions of pounds. Instead, we are proposing to close BBC Three as a broadcast channel, so as to avoid having to make that cut, but also to give ourselves a chance of going to where young audiences will be in five years' time based on a dialogue with them about how their media needs and habits are changing.

But the BBC Three decision is only one of the many ways in which we are implementing this strategy.

#### Innovating online

We have begun the building of a more personalised, social and mobile BBC, offering individual recommendations, participation and a two-way relationship with our audiences.

iPlayer is central to this. We want it to be the best online video and audio player in the world and will achieve this by extending it in three ways. Firstly, by offering more content, secondly by developing a truly online TV and radio experience and, finally, by making all of this content easier to browse, discover and enjoy.

From new programming exclusive to BBC iPlayer, to new online and pop-up channels around special interests or major events, BBC iPlayer will be bursting with more content than ever.

Danny Cohen, Director of BBC Television



We want iPlayer to be the best online video and audio player in the world

We already have plans for a longer catch-up window of 30 days, more archive material, iPlayer-specific commissions, and the launch of BBC Store – a way to buy a whole range of programmes to watch and keep forever.

But that is just the start. In particular, we expect iPlayer to be a key platform on which BBC Three launches as an online-only television service from the autumn of 2015 – subject to BBC Trust approval of our plans.

BBC Four's *Inspector De Luca* on BBC iPlayer



### Strengthening key genres

As part of the strategy, we agreed to find an extra £100million p.a. in savings by 2016/17, so as to strengthen key parts of BBC output.

In some areas, this was because without the BBC there would be a clear market failure. In music, for example, key industry players had been telling us that our role in breaking new music and exposing it beyond niche audiences was becoming indispensable, as business models change and fragment. They wanted us to do more. So we're expanding BBC Introducing, providing the industry with a pipeline of brilliant new British musical talent and offering unrivalled opportunities for new artists. And we launched Playlist, which lets audiences tag and remember any piece of music they hear on the BBC across all programmes and genres, get recommendations from their favourite DJs, and replay it on their preferred streaming service.

The same was true of the arts, so in March 2013 we made the BBC's greatest commitment to arts for a generation. Arts will take centre-stage across the BBC with a new topical strand taking audiences to music and arts events across the UK. There will be a new online service, closer engagement with artists and institutions, more distinctive arts content across all the BBC's channels, and stronger leadership for the arts.

We have also re-launched The Space, our pioneering online partnership with Arts Council England, where we'll work with artists and performers from all creative industries to commission new kinds of digital art and digital performance, and to find the next generation of talent. The arts are at the heart of the BBC and our ambition is to be even better.

In other areas, we wanted to invest to make sure that we remained world-class. That wasn't just true of drama – it is also the case in News, where we want to build on the inheritance of the World Service. Audiences tell us how well the BBC helps them understand what is going on in the wider world and how much they value the BBC's global role. We are proud that we reach 265 million people per week through the BBC's Global News Services. It would be a terrible waste not to build on that, so we have set ourselves the stretching ambition of doubling that number by 2022. In the short term, thanks to these savings, we expect the budget of the World Service to rise, and we will strengthen original and investigative journalism both on the World Service and in the UK.

The Glastonbury Festival Pyramid Stage during the Rolling Stones' headline performance





### Making our channels even better

By strengthening those programme areas, we will strengthen our channels. The great drama series or world-class news that we hope they will produce will keep BBC One and BBC Two as mass channels. By doing so, we will continue to be able to deliver the range of content that our public purposes require: challenging, new, distinctive and different, from comedy to current affairs, science to religion. Nearly 90% of viewing is still live; audiences are telling us with their remote controls that they love channels; so we will continue serving those needs.

That's also why we want to launch a BBC One +1 service, if approved by the BBC Trust. Our audiences love the convenience of +1 channels. Indeed, they can't quite understand why the BBC doesn't offer them one. Every other public service broadcaster does. Licence fee payers have funded these programmes – we should make it convenient for them to watch them, so they get as much value as possible from their investment.

As part of the strategy, we decided not to make BBC Four an arts and music channel. Not only did we believe that arts and music should be the responsibility of the whole BBC, we also listened to those who told us they loved BBC Four as it was, a channel that aims to be the most innovative in British television.

Technology can also help make channels work better. Audiences will be able to go back in time – through the backwards programme guide on YouView, for example, or into the future to create their own schedule from programmes we release early. We will take this even further with channels that are more personal and know more about what you like, what your friends like, and what you might want to watch next.

And – to finish where this section started – we are also using the new BBC Three to pioneer how channels will work in the future. BBC Three online will continue to have the things we all cherish most about the service – innovative comedy, unrivalled current affairs for young people, incisive and entertaining factual, and original entertainment. But it will also have the freedom to break traditional shackles – a wonderful creative opportunity to develop new formats with new programme lengths and to reach young audiences in an ever-growing number of ways.

Dame Judi Dench and Steve Coogan star in BBC Films co-production *Philomena*



Melvin O'Doom, Nick Grimshaw and Rochelle Humes from BBC Three's *Sweet the Small Stuff*



### The BBC and Charter review

This strategy is about what the BBC will do for the next three years. The Government recently announced that Charter review will not start until after the Election. We were happy to see the BBC being taken out of the electoral cycle in this way.

To prepare for that, we will now develop our proposals for that Charter review, so that we can give audiences and decision-makers an exciting set of options for the future.

We look forward to that debate. We believe that the BBC is one of the reasons why Britain is one of the most competitive and successful media markets in the world. After the US, the UK is the largest exporter of TV programmes in the world<sup>1</sup>. The UK is one of only three net exporters of music<sup>2</sup>. We recently commissioned a study of how audiences around the world rate their television services on quality. Out of 14 countries the UK emerged as the leader with 72% of the British public rating their television service as good quality – the highest out of all the countries surveyed. Out of 66 major TV channels around the world, BBC One received the highest score of all. BBC News is the most trusted in the world.

The BBC is also an indispensable part of everyday life. For 40p a day, households consume on average six hours of information, education and entertainment. That's amazing value. And we are critical to the cultural health of the UK, finding, training, developing and supporting new talent: writers, actors, artists, musicians, journalists and technical staff.

So, as we approach Charter review, we'll be on the lookout for ways of improving what we do. It's because we believe that the system works pretty well, that we'll be very interested in discussing alternatives. It would be a sign of lack of confidence to want to close down debate. The BBC matters a lot – and this will be an important choice about the future of the BBC.

<sup>1</sup> Communications Chamber, Creative UK, The Audiovisual Sector and Economic success, 2011.

<sup>2</sup> PRS for music economic research, 2012.

Gillian Anderson in BBC Northern Ireland's crime drama *The Fall*

