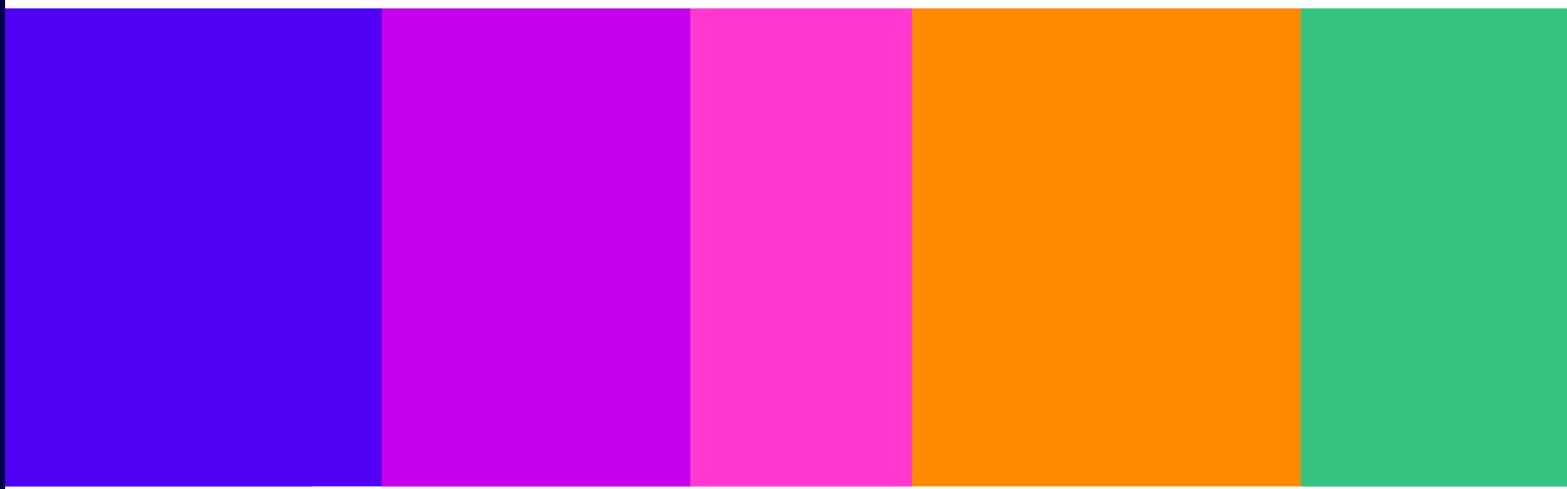


Ofcom Annual Report on the BBC: Annexes

2023



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A1. Compliance with regulatory requirements

Approach to this year's report

A1.1 This annex sets out our assessment of the BBC's compliance with the specified requirements set out in Clause 59 of the [Framework Agreement](#) (the Agreement). The specified requirements include the conditions and obligations found in:

- a) The Operating Licence: which sets out the regulatory conditions that Ofcom considers appropriate for requiring the BBC to:
 - i) fulfil its Mission and promote the Public Purposes;
 - ii) secure the provision of distinctive output and services; and
 - iii) secure that all audiences in England, Scotland, Wales and Northern Ireland are well served.
- b) Schedule 3 of the Agreement: which includes obligations relating to the BBC's commissioning activity, as well as other matters.
- c) The [Operating Framework](#): which contains the provisions Ofcom considers appropriate to secure the effective regulation of the activities of the BBC as set out in the [Royal Charter](#) (the Charter) and Agreement.
- d) Other specified requirements: which include the information requirements in Article 47 of the Charter and clauses relating to complaints.

Summary of our findings

Our assessment is that in relation to the Operating Licence, the BBC has performed well in this reporting period, complying with all but two of the licence conditions. For the reasons set out in this annex, we are not taking enforcement action against the BBC on either of these.

This is the first year that there are new transparency requirements on the BBC to publish detailed information (alongside, and as part of, its Annual Plan) on its plans for delivering to audiences. Our view is that the BBC's 2023/24 Annual Plan has offered increased levels of transparency, but we set out some areas for improvement in future years.

A1.2 The reporting period of this compliance annex (2022/23) is a transitional year, as it is the last year assessing compliance with the [old Operating Licence](#) which was in effect up until 31 March 2023. The [new Operating Licence](#) was published on 23 March 2023 and took effect from 1 April 2023, with the exception of some conditions, such as those relating to the transparency requirements in relation to the Annual Plan, which took effect immediately on 23 March 2023.

A1.3 As such, this annex will primarily assess the BBC's compliance with the old Operating Licence, however, there is also a section in this document that assesses the BBC's compliance with these new transparency requirements under the new Operating Licence in relation to its Annual Plan for 2023/24.

- A1.4 Our overall assessment is that in relation to the old Operating Licence the BBC has performed well in this reporting period, complying with all but two of the specified requirements.¹
- A1.5 In relation to the two conditions the BBC did not meet for this reporting period, the BBC self-reported these instances of non-compliance to Ofcom. It explained the first instance of non-compliance related to its requirement that every weekday on BBC Three, it shows news programmes that are intended to appeal to 16 to 34 year olds. Specifically, it failed to broadcast *'The Catch Up'* for two days as a result of the death of HM Queen Elizabeth II and the suspension of usual BBC programming at that time. There was a further day where *'The Catch Up'* was not broadcast as a result of a technical issue.
- A1.6 Secondly, the BBC explained that it had not met its quota of 175 hours of new arts and music programmes on BBC Four and had instead delivered 131 hours. The reduced output was a result of a change to its arts and music strategy which it publicly communicated in detail to Ofcom in [a letter in May 2022](#).
- A1.7 After assessing the information provided by the BBC, we do not consider it is appropriate to take any enforcement action in relation to the BBC's non-compliance with these conditions and we set out our detailed reasoning for this in paragraphs A1.17 to A1.31 below.
- A1.8 In our previous two Compliance Annexes, we identified issues regarding the BBC's compliance with how it reports to Ofcom on the annual progress it has made towards meeting its on-air representation and/or portrayal targets (condition 2.43). The BBC has made some progress in regard to its reporting for 2022/23 and in the absence of bespoke on-air diversity metrics, this year, the BBC used data held by BBC HR on directly employed staff and freelancers as a proxy to report on on-air diversity representation for gender, ethnicity and disability, having previously only done so for gender. We recognise that the use of internal HR data does not capture all on-air contributors and therefore may not be fully reflective of the diversity of listeners' experience, so we will keep a close eye on how on-air representation develops as the BBC works to introduce more robust measurement in collaboration with industry partners in early 2024.
- A1.9 In relation to the new Operating Licence, in general, we consider the BBC's Annual Plan for 2023/24 offered increased levels of transparency in line with the new transparency requirements and we will continue to engage with the BBC as part of our ongoing monitoring programme. As part of our assessment, we have taken account of the fact that the new Operating Licence was published only seven days prior to the BBC publishing its Annual Plan for 2023/24.
- A1.10 Where we have identified any potential concerns with the BBC's plans or how they have been set out in the Annual Plan, we have, and will continue to, provide feedback to it ahead of the publication of its Annual Plan 2024/25.
- A1.11 We set out further details of our assessment, and the information relied on, in the rest of this annex, including a selection of infographics that illustrate some of the conditions where the BBC met or exceeded its obligations in the reporting period.

¹ Our compliance assessment is based on information provided by the BBC and other available information.

Information relied on in assessing compliance

A1.12 In assessing the BBC's compliance with the specified requirements, Ofcom has relied on various sources of information. These range from information gathered using our formal powers,² information provided by the BBC informally and publicly available information such as the BBC's Annual Reports and Accounts 2022/23.³

Our assessment of compliance with the Operating Licence conditions

A1.13 This section outlines our assessment of the BBC's compliance with the old Operating Licence between 1 April 2022 and 31 March 2023. Any conditions set for the calendar year have been measured across the 2022 calendar year. As stated above, the BBC performed well during the reporting period and complied with all but two of its licence conditions.

A1.14 The graphs and infographics set out below (from paragraph A1.32 onwards) illustrate a selection of the licence conditions and how the BBC has performed against these obligations in this reporting period. The BBC has published its new [Delivering our Mission and Public Purposes – the BBC's performance in 2022/23](#) (which was published at the same time as its [Annual Report and Accounts 2022-23](#)), and both set out its performance generally, and specifically (on pages 62-76) in regard to whether it has complied with each condition. We note that this is a new report published by the BBC in response to the new transparency requirements in the new Operating Licence.⁴ Although the specific requirement to publish this report does not come into force until the BBC reports on its performance for 2023/24, we welcome the BBC proactively producing the report for 2022/23. We consider the report significantly improves the BBC's transparency in relation to how it has complied with and performed in relation to its obligations in the Operating Licence.

A1.15 On 31 July 2023, we wrote to the BBC to check the basis of the BBC's reporting in the Annual Report and Accounts as part of a formal information request. We obtained information from the BBC that set out how it reported its performance against all the conditions. Based on this information and our assessment of other available information, we are satisfied the BBC met or exceeded these obligations, with the exception of two conditions.

A1.16 Below, we set out further detail of these two conditions the BBC did not meet under the old Operating Licence for this reporting period.

Condition 2.5A – weekday news programming for 16–34 year olds on BBC Three

A1.17 Condition 2.5A requires the BBC to ensure that every weekday (except Public Holidays) it shows news programmes on BBC Three that are intended to appeal to 16 to 34 year olds.

² Article 47 of the BBC Charter.

³ Our assessment is based on the evidence gathered. It does not preclude us from looking further at any particular matter; for example, if we receive a complaint and/or if other evidence is relevant.

⁴ In addition to the new transparency requirements in relation to the Annual Plan, for the 2023/24 reporting period the BBC is required to publish annually a report, no later than two weeks after it publishes its Annual Report, on how it has delivered those plans.

- A1.18 The BBC meets this requirement through its news programme ‘*The Catch Up*’ which is usually broadcast on weekdays between 7pm to 8.30pm. However, on 8 December 2022, the BBC wrote to Ofcom reporting that there were three days in 2022/23 where ‘*The Catch Up*’ was not broadcast and as a consequence, this requirement was not met on those days. It also set out why it was unable to broadcast ‘*The Catch Up*’ on each of the three days as follows.
- A1.19 On 11 July 2022, the BBC experienced a technical issue with the autocue and scripting system, as well as an issue with a faulty lead and talkback system which were not replaced in time. The effect of this issue was amplified by a planning delay due to late rehearsals and rescripting. The BBC stated it has since put in place mitigating actions to prevent such an occurrence from happening again, including additional training and the introduction of a pre-rehearsal testing regime.⁵
- A1.20 On 8 September 2022, programming on BBC Three was suspended as a result of the death of HM Queen Elizabeth II.
- A1.21 On 9 September 2022, the BBC was running additional coverage on the death of HM Queen Elizabeth II. The BBC explained it considered this to be an exceptional period for its news team and therefore reallocated the resource usually available for news programming on BBC Three to the news programming on other channels and services. This resulted in there not being an “adequate amount of resource available to produce the news bulletin” for BBC Three.
- A1.22 We have considered the nature and scale of these contraventions, the action taken by the BBC in response to the technical errors, and the external events relating to the death of the Queen that impacted the BBC’s ability to meet the requirements of this condition on two days. In particular, we note the mitigating actions taken by the BBC to prevent similar technical issues from recurring in future. Taking these factors into account, we do not consider it is appropriate to take any further action in relation to the BBC’s non-compliance with this condition.

Condition 2.21 – at least 175 hours allocated to new arts and music programmes on BBC Four

- A1.23 Condition 2.21 requires that on BBC Four at least 175 hours are allocated to new arts and music programmes in each Financial Year. For the purpose of this requirement, “new arts and music programmes” includes acquisitions.
- A1.24 On 30 May 2022, the BBC wrote a letter to Ofcom concerning its arts and music strategy and the implications of this strategy on its compliance with condition 2.21.⁶ In the letter, the BBC noted that in March 2021 it had committed to doubling its spend on music and arts on BBC Two, with BBC Four becoming the home of archive and arts and music performances.
- A1.25 It considered this approach would deliver greater impact and reach a wider audience. However, this meant that the BBC would no longer be able to meet its quota for the BBC Four condition and in the aforementioned letter to Ofcom it forecast that it would deliver

⁵ The BBC informed us that its actions to mitigate this happening again in the future includes: “i) providing additional training for the Director on the running order system; ii) further training on resources available to the teams; iii) a testing regime, prior to rehearsals; and, iv) prioritisation of early rehearsals to the shows production team”.

⁶ The BBC noted it had previously set out these plans in its last three Annual Plans.

100 hours in 2022/23, 85 hours in 2023/24 and at least 60 hours per year beyond that. Therefore the BBC requested the removal of the quota in condition 2.21 *“in order to implement its strategy”*.

- A1.26 In our [consultation on Modernising the BBC Operating Licence](#) in June 2022, Ofcom expressed the initial view that, subject to consultation, if the BBC implemented its BBC Four proposals, audiences would continue to be well served.
- A1.27 Following consultation and reviewing stakeholder comments, in our subsequent [statement on Modernising the BBC Operating Licence](#) we decided to remove this quota on BBC Four new arts and music programmes from the new Operating Licence.⁷ Consistent with what we had set out in the consultation, amongst other things, we were of the view that audiences will be well served by the BBC’s strategy as it is designed to help it deliver this type of content to a broader audience such as younger and C2DE⁸ audiences. We also set out our view that BBC’s use of its archives and carefully chosen acquisitions can contribute to the distinctiveness of BBC Four as well as supporting the UK creative economy and production sector.
- A1.28 On 12 June 2023, the BBC wrote to Ofcom stating that it had not met this regulatory condition citing *“our hours reflect our published plans to refocus BBC Four as the home of archive and performance, reducing the volume of new arts and music hours on BBC Four and investing more in arts and music programmes on BBC Two.”* It also set out that it had delivered 131 hours of new arts and music programming on BBC Four, higher than the 100 hours it had forecast it would achieve.
- A1.29 We recognise the BBC has been transparent about its new strategy for arts and music and communicated with Ofcom regarding the proposed change, as well as setting out its plans for arts and music programming in its 2023/24 Annual Plan.
- A1.30 The BBC began to implement this strategy before Ofcom had approved the necessary Operating Licence change. We have agreed with the BBC’s proposed changes and amended the Operating Licence as part of the wider process of modernising the Operating Licence.
- A1.31 Taking all factors into account, and noting our decision to remove the quota from the new Operating Licence, we do not consider it appropriate to take any enforcement action in relation to the BBC’s non-compliance with condition 2.21. However, we expect that the BBC will provide a broad range of arts and music content under this strategy and we will continue to closely monitor the BBC’s output in 2023/24.

BBC’s compliance with selected Operating Licence conditions

- A1.32 Below, we illustrate how the BBC has performed against a number of the licence conditions by either meeting or exceeding the relevant obligations. We have selected these graphs because we consider they show a wide range of the conditions within each of the BBC’s public purpose. We group conditions in each graph by theme or similar licence conditions across different TV channels and/or radio stations.

⁷ Ofcom, [Modernising the BBC’s Operating Licence](#), 2023, paragraphs 7.21-7.28.

⁸ People from C2 groups are often referred to as those who have skilled manual occupations. People from D and E groups are often referred to as having lower socio-economic status, being from lower income households or from working class backgrounds. They are more likely to be older, unemployed or in insecure work, have a disability or be retired with only a state pension. These groups are highly diverse and make up almost a quarter of the UK population.

Public Purpose 1: to provide impartial news and information

A1.33 The BBC reported that it met or exceeded its obligations to provide impartial and accurate global and local news and current affairs for all parts of the UK.

Figure A1.1: Hours of news and current affairs programming in 2022/23 (conditions 2.4.2 and 2.12.1)

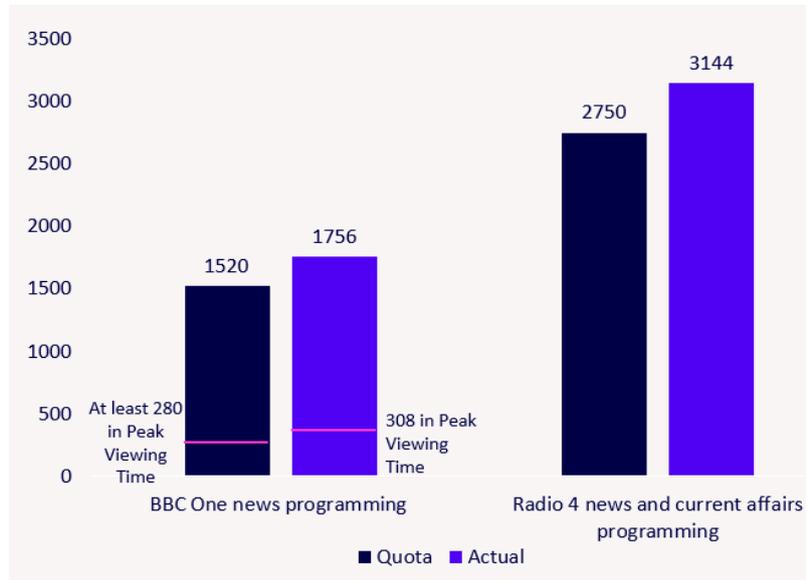
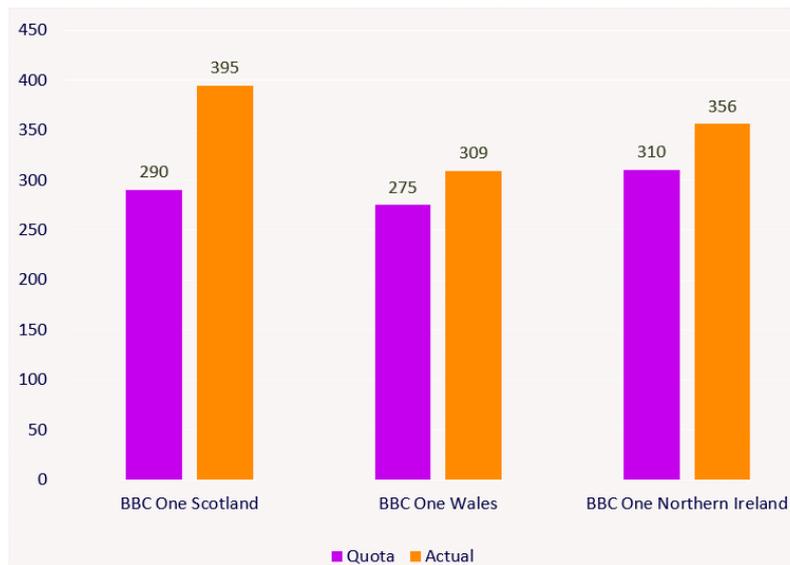
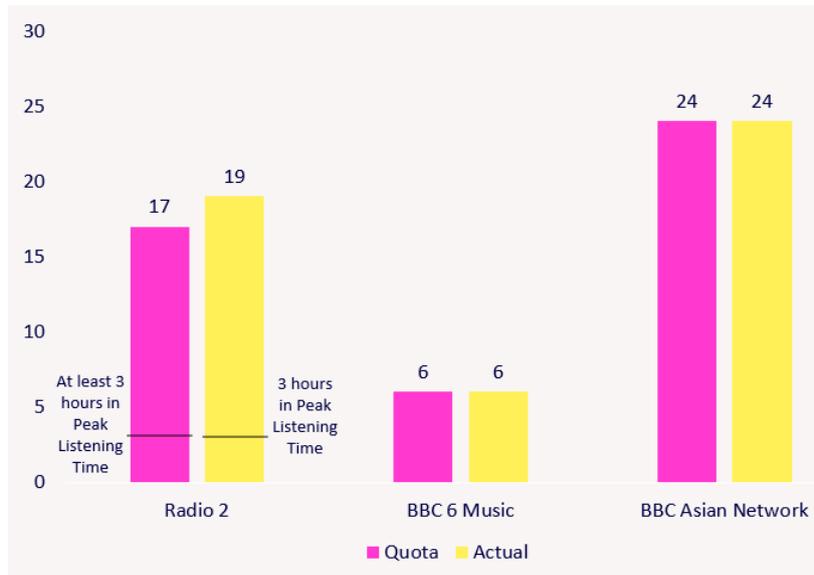


Figure A1.2:⁹ Hours of news and current affairs programming in 2022/23 (conditions 2.78.1, 2.85.1 and 2.91.1)



⁹ Conditions 2.78.1, 2.85.1 and 2.91.1 fall under Public Purpose 4 in the Operating Licence, however, we have included them here as they also relate to news and current affairs programming.

Figure A1.3: Hours of news and current affairs programming each week (conditions 2.10.1, 2.14 and 2.15)



Public Purpose 2: to support learning for people of all ages

A1.34 The BBC met or exceeded its obligations to provide religious and arts and music programming on BBC One and BBC Two, arts programming on Radio 2 and original religious programming on Radio 4; drama and factual programming on CBBC and documentaries on Radio 1, Radio 1Xtra and Radio 3.

Figure A1.4: Hours of religious or arts and music programming in 2022/23 (conditions 2.19, 2.20, 2.27.1 and 2.29.2)

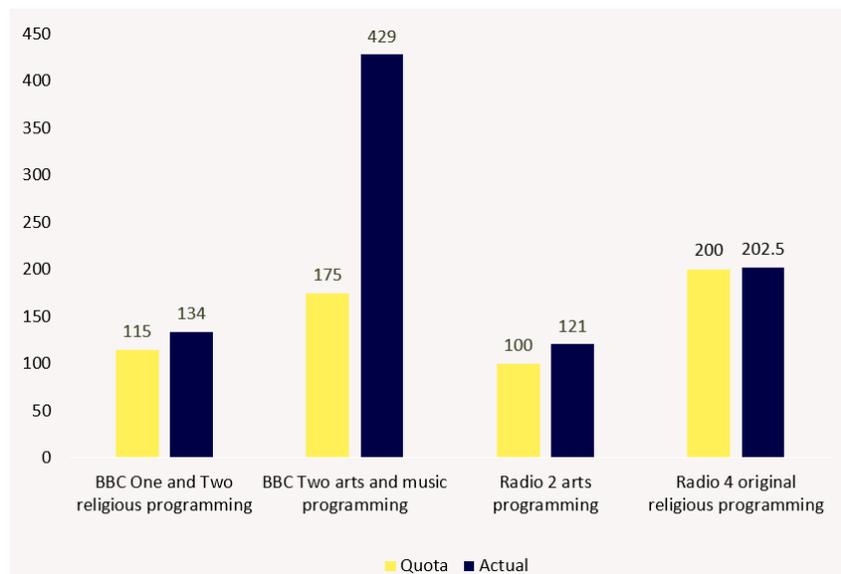


Figure A1.5: Hours of programming on CBBC in 2022/23 (conditions 2.23.1 and 2.23.2)

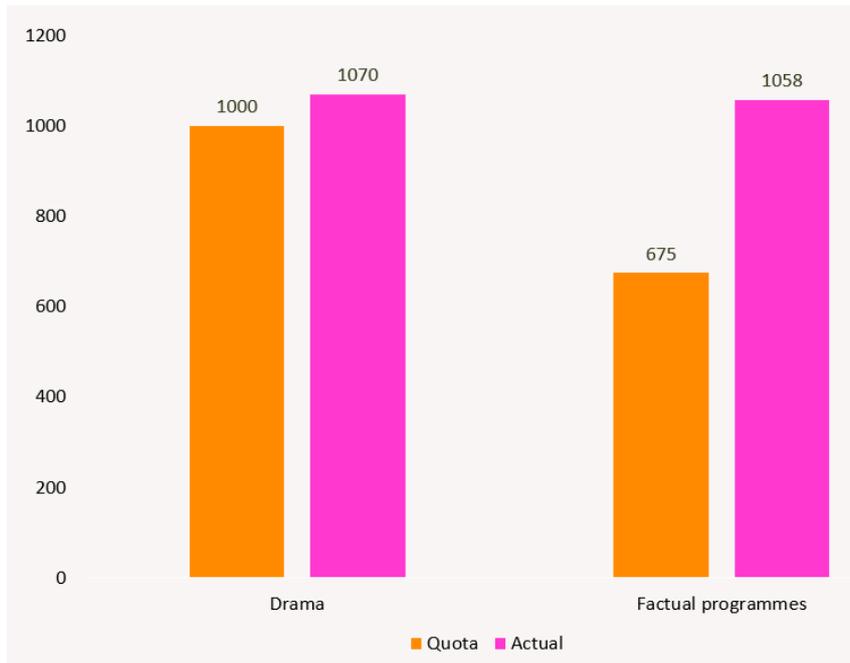
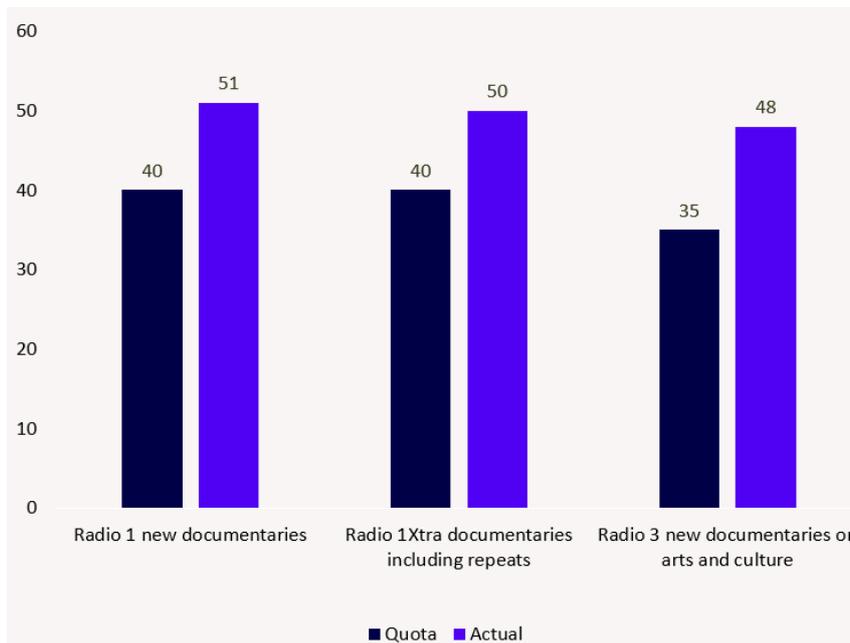


Figure A1.6: Number of documentaries in 2022/23 (conditions 2.25, 2.26 and 2.28.4)



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

A1.35 The BBC met or exceeded its quota obligations to provide first-run UK originations on BBC One and BBC Two, to offer at least two social action campaigns on BBC Radio 1 and new, live and specialist music on BBC Radio 2.

Figure A1.7: Hours of first-run UK originations each year (conditions 2.33 and 2.34)

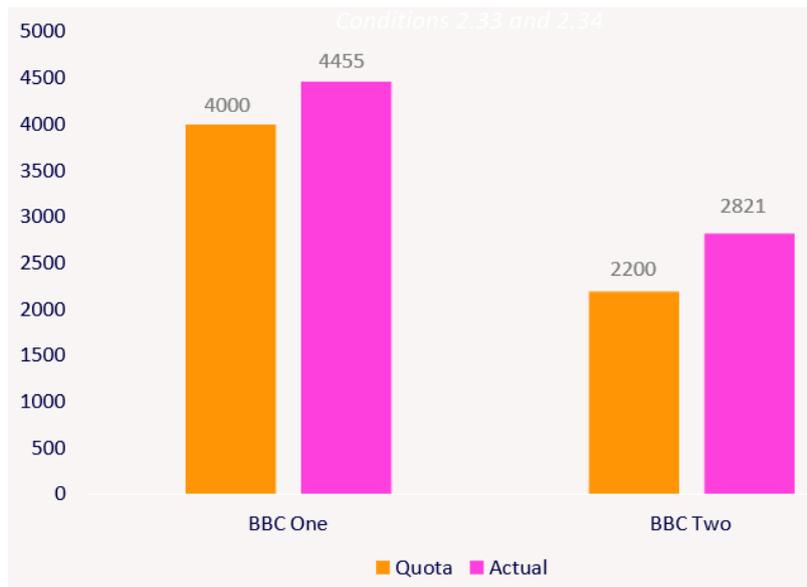


Figure A1.8: social action campaigns that BBC Radio 1 ran during 2022/23 (condition 2.39.6)

Rowing home with Jordan North



helped raise £700,000 for Comic Relief.

Radio 1's Big Weekend Connects



gave young people the opportunity to learn more about the creative industries.

Radio 1's Minute of Me



presented listeners the opportunity to discuss issues close to their hearts.

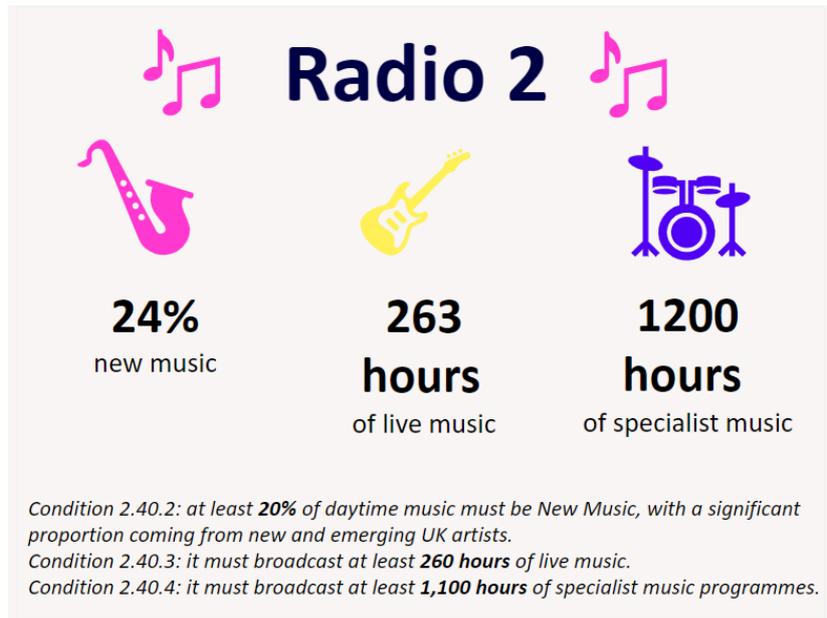
Radio 1's Disability Season's



week long initiative helped at making programmes as inclusive as possible.

*Condition 2.39.6: Each calendar year Radio 1 must offer **at least two** social action campaigns*

Figure A1.9: amount of new, live and specialist music on BBC Radio 2 during 2022/23 (conditions 2.40.2, 2.40.3 and 2.40.4)



Public Purpose 4: to reflect, represent and serve the diverse communities of all the United Kingdom’s nations and regions and, in doing so, support the creative economy across the United Kingdom

A1.36 The BBC met or exceeded its obligations for online content and radio and television programming to serve the nations and regions of the UK.

Figure A1.10: Hours allocated to proceedings of the Scottish Parliament, Northern Irish Assembly and Welsh Assembly on BBC Parliament (condition 2.70)



Figure A1.11: Hours of news and current affairs programming in the nations on BBC Radio stations during 2022/23 (conditions 2.82.2, 2.88.1, 2.89.1, 2.95.1, 2.95.2)¹⁰

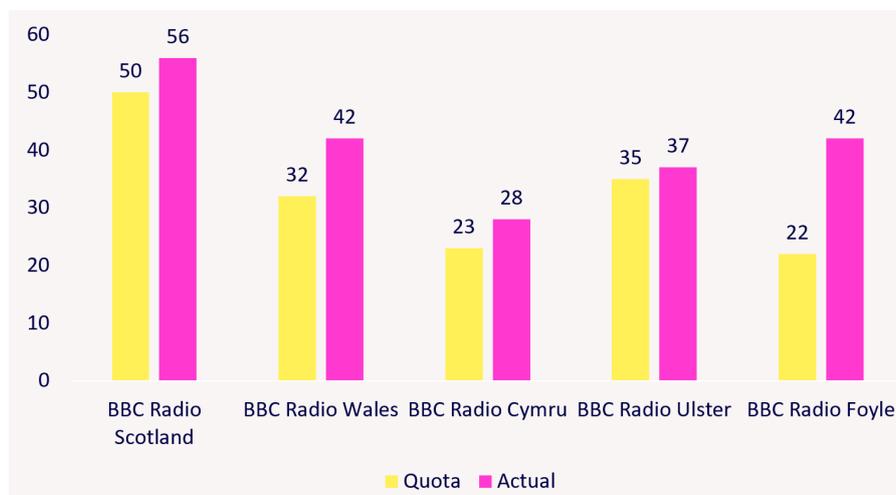
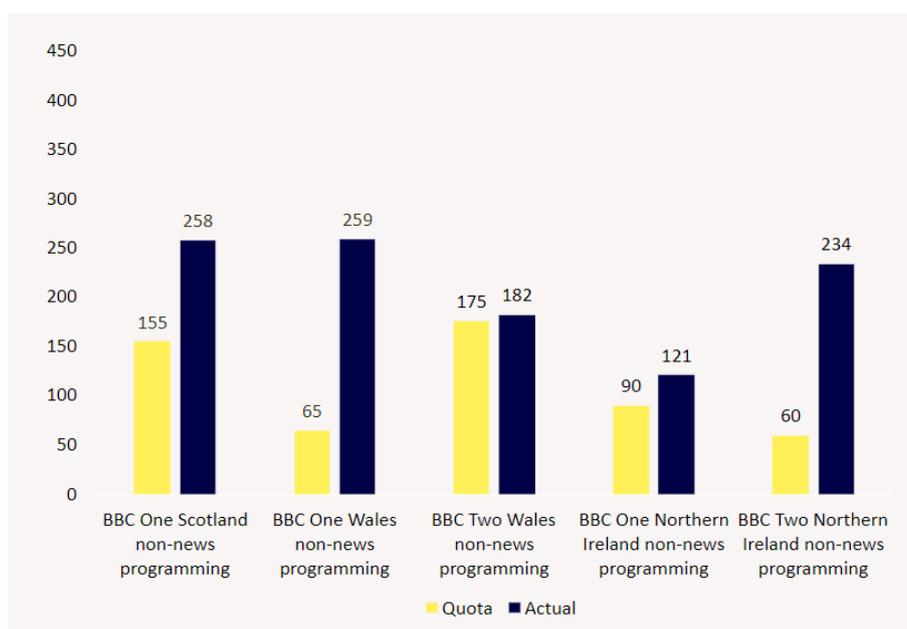


Figure A1.12: Hours allocated to non-news programming on BBC One Scotland, BBC One Wales, BBC Two Wales, BBC One Northern Ireland and BBC Two Northern Ireland (conditions 2.78.2, 2.85.2, 2.87, 2.91.2, 2.93)



BBC's compliance with transparency requirements

A1.37 Following consultation with industry in June 2022 and December 2022, Ofcom introduced a new Operating Licence for the BBC on 23 March 2023 with most conditions taking effect from 1 April 2023.

¹⁰ To note the BBC's methodology for calculating news and current affairs programming for BBC Radio Foyle has changed for this compliance year to now include all news and current affairs on the station.

- A1.38 For the first time, the new Operating Licence imposes transparency requirements on the BBC to publish extensive information on its plans for delivering to audiences, including details of any significant changes, with its Annual Plan. These oblige the BBC to set out extensive information alongside its Annual Plan about how it will meet its requirements, and with its Annual Report about whether it has delivered on those plans. The aim of this is to support comprehensive and ongoing scrutiny of the BBC's plans and reporting, and for Ofcom to hold the BBC to account and enable us to intervene swiftly if necessary.
- A1.39 Although compliance with these transparency conditions relates to the BBC's plans for the reporting period 2023/24, we consider it appropriate to include our assessment of the BBC's compliance with these conditions in this year's compliance assessment. This ensures we are holding the BBC to account in a timely manner and provides clarity and transparency to stakeholders about our assessment of compliance. We plan to continue this approach going forward.
- A1.40 While we have assessed compliance with each of the relevant conditions, we note the short space of time between the publication of the new Operating Licence (23 March 2023) and the BBC's publication of its Annual Plan (30 March 2023).

Our assessment on the BBC 2023/24 Annual Plan

- A1.41 Overall, we consider the BBC's Annual Plan to be an improvement on previous years in relation to transparently setting out its plans for the year ahead, and a number of stakeholder comments to Ofcom reflected this. In regard to the specific transparency requirements in the Operating Licence, the BBC complied with the majority of these new requirements. However, there were some omissions and clarifications which, along with our assessment, are discussed below.
- A1.42 The information the BBC included in its Annual Plan for 2023/24, was generally clearly set out and included the types of information we would expect in order for Ofcom to take an informed view on the BBC's plans and whether it has complied with the relevant transparency requirements. Some examples we considered were particularly positive were how the BBC intends to deliver content which supports children and teenagers in their formal learning (condition 2.4) and the range of examples across programme genres to show how it intends to cover different genres and content types on BBC radio stations (condition 3.8.3).

Hours of acquired children's content (condition 3.14.5)

- A1.43 Condition 3.13 of the new Operating Licence is an overarching transparency requirement and states the BBC must set out and publish annually, at the same time as it publishes its Annual Plan, the steps it plans to take to comply with conditions 3.2 to 3.4 and 3.8 (including any significant changes it plans to make and the reasons for those changes).
- A1.44 In complying with condition 3.13, condition 3.14.5 requires the BBC to set out, for children's programming (amongst other things) the planned hours of acquired content. The BBC did not include this information in its Annual Plan.
- A1.45 Following engagement with the BBC, it confirmed the omission of this information was an oversight. The BBC informed Ofcom that across CBBC, CBeebies and BBC iPlayer, they will make c.8,900 hours of children's programming available. About 2,700 of these hours will be acquisitions, of which about 2,400 hours will be broadcast on BBC TV channels and 300 hours available only on BBC iPlayer. The BBC also confirmed that it had already written to

Producers Alliance for Cinema and Television (Pact) with this information after it noticed the oversight.

A1.46 We welcome the BBC's response to our engagement on this omission and their willingness to engage with Pact by providing this information after noticing the oversight.

Supporting new UK talent and creative innovation on BBC Television and BBC Radio (conditions 3.4.2 and 3.8.2)

A1.47 As explained above, condition 3.13 of the new Operating Licence is an overarching transparency requirement and applies to conditions 3.4.2 and 3.8.2.

A1.48 Conditions 3.4.2 and 3.8.2 require the BBC, for both its television and radio content respectively, to show how it is supporting new UK talent and creative innovation, including commissioning new titles and output from a broad range of independent producers.

A1.49 Having reviewed the Annual Plan, we found some brief examples, such as where the BBC cited the Radio 2 Early Breakfast Show being broadcast from Wales and produced by a Welsh independent company¹¹ and the return of the BBC Indie Development Fund to create several commissions from independent companies and producers.¹² However, we were unclear which 'new titles and output' are planned from independent (and from a range of) producers.

A1.50 In response to our queries, the BBC noted it has a number of conditions requiring it to produce 25% of its broadcasting from independent production, as well as the requirement for all its TV, and 60% of its relevant radio programming, to be competed for on a fair and reasonable, non-discriminatory basis. The BBC also noted that it works with more indies than any other broadcaster, it reports annually on its engagement with its supply base in its BBC Commissioning Supply Report¹³ and that its Annual Plan listed a significant number of programmes, most of which are produced by a range of independent production companies. On this basis, the BBC felt it had met the condition and that industry stakeholders were reasonably informed in this regard.

A1.51 We have taken account of the BBC's response and note the requirements on it to meet certain quotas in relation to independent producers which the BBC consistently complies with. However, to improve transparency, in its Annual Plan we expect the BBC to provide more commentary about the broad range of independent producers it is working with, and how it is working with them, to commission these titles.

Where the BBC's plans are consistent with previous years or it has no planned delivery of content by a certain method

A1.52 We have identified some instances below where the BBC did not provide relevant information in its Annual Plan, as required by the transparency requirements, on the basis where there was no notable change to its output from the previous year, or where it had no plans to produce or acquire a certain type of content.

A1.53 Condition 4.67 of the new Operating Licence is an overarching transparency requirement, and states the BBC must publish annually, at the same time as it publishes its Annual Plan, the steps it plans to take to provide content of interest and relevance to audiences in

¹¹ [BBC Annual Plan 2023/24](#), page 22.

¹² [BBC Annual Plan 2023/24](#), page 18.

¹³ See Table A1.2, paragraph 6.

Scotland, in Wales, in Northern Ireland and in the regions of England, including any significant changes it plans to make and the reasons for those changes.

- A1.54 Condition 4.52 states the BBC must provide music of particular relevance to audiences in Wales on BBC Sounds, BBC Radio Wales and BBC Radio Cymru and is therefore covered by condition 4.67 of the new Operating Licence. We noted the BBC did not set out any detail in its Annual Plan in relation to its plans for BBC Radio Wales but following engagement with the BBC, it confirmed to us that there is no notable change to the BBC Radio Wales offering for 2023/24.
- A1.55 Likewise, in relation to condition 3.14.4 regarding the hours of acquired religious content (which, as explained in paragraph A1.37 is covered by the requirement in condition 3.13),¹⁴ we understand from the BBC that it did not report on this in its Annual Plan because there were no planned religious programming acquisitions. In this specific case its religious programming was all original programming, and therefore the BBC had no plans at the time to acquire religious programming.
- A1.56 We consider that in future, where this is case, the BBC should explicitly set out this type of information in its Annual Plan as required by these transparency requirements. This includes, even if in the former scenario, it requires a repetition of previous years plans of how it intends to meet its licence conditions.

Information missing from the BBC Annual Plan

- A1.57 For the following conditions, we were not able to identify this information in the BBC’s Annual Plan. Following clarification with the BBC, we understand this was because the information was uncertain at the time of the BBC publishing its Annual Plan (hence was not included). We are providing this information here in order to be transparent with stakeholders but do not consider the absence of this information raises material concerns, especially in light of the timing of the publication of the new Operating Licence and the Annual Plan respectively.

Table A1.1: information Ofcom identified as missing from the BBC’s Annual Plan 2023/24 in regard to the new Operating Licence transparency conditions

Condition	Summary of condition	Missing information	BBC response
3.14.6.1	The BBC must set out the planned hours of documentaries (including repeats) and planned hours of new documentaries on each of Radio 1, 1Xtra, Radio 2, Radio 4, and BBC 6 Music	The amount of planned documentaries hours on BBC 6 Music that will be new	About 32 hours of the planned speech features for BBC 6 Music will be first-run

¹⁴ Condition 3.14.4 requires the BBC to set out separately, for UK Public Television Services taken together and BBC iPlayer, its plans to provide a range of genres and content types, including music and arts, religion, other specialist factual content and comedy, and for each of these genres individually, to set out the planned hours, the planned hours of First-Run UK Originations and the planned hours of acquired content.

Condition	Summary of condition	Missing information	BBC response
4.68.3.1	For BBC One Northern Ireland and BBC Two Northern Ireland, the BBC must set out planned hours of programmes other than news and current affairs	The hours split of non news programming between BBC One Northern Ireland and BBC Two Northern Ireland	BBC One Northern Ireland – 120 hours non-news (of which 100 hours first run) BBC Two Northern Ireland – 200 hours non-news (of which 100 hours first run)
4.68.3.2	For BBC One Northern Ireland and BBC Two Northern Ireland, the BBC must set out its planned hours of current affairs programming	Planned hours of current affairs programming provided	BBC confirmed figures were bundled due to uncertainty about broadcast plans at time of Annual Plan publication; assumptions are: <ul style="list-style-type: none"> • BBC One Northern Ireland – 60 hours (all first run). • BBC Two Northern Ireland – 20 hours (all repeats)
4.68.3.4	For BBC Two Wales, the planned hours of First-Run UK Originations of current affairs programming	Planned hours of First Run UK originations of current affairs programming	BBC clarified that consistent with their existing broadcast schedule, all first-run current affairs programming in Wales will be broadcast on BBC One Wales

Schedule 3 obligations

A1.58 The following section sets out our assessment of the BBC’s compliance in 2022/23 with the applicable regulatory obligations in Schedule 3 of the Agreement. Paragraph 2 of Schedule 3 to the Agreement is not a specified requirement on which Ofcom must report – see Clause 59 of the Agreement.

A1.59 Table A1.2 contains the relevant regulatory obligations in Schedule 3 of the Agreement and our assessment of the BBC’s compliance with them. We have found that the BBC was compliant with all the applicable regulatory requirements in Schedule 3 of the Agreement. We also provide further detail on Schedule 3 Paragraph 7, which is about competition in commissioning, at the end of this section.

Table A1.2: Schedule 3 obligations

Regulatory obligation	2022/23 assessment
Paragraph 1: No charge to be made for reception of UK public services and associated content	We required the BBC to report to us if, and in which cases, it charged for reception. It confirmed in its response to the 31 July 2023 Notice that it made no such charges.
Paragraphs 3 – 5: Content standards, fairness code and party-political broadcasts	These are reported on separately in the content standards section of our 2022/23 Annual Report on the BBC.

Regulatory obligation	2022/23 assessment
<p>Paragraph 6: Programmes to be reserved for independent production</p>	<p>The BBC has an obligation that 25% of the hours of qualifying programming in each year across its television public service channels are allocated to broadcasting a range and diversity of independent productions. It must also meet similar quotas for each of BBC One and BBC Two.</p> <p>The BBC reported that it exceeded each of these quotas (achieving 33% of hours (up 2 percentage points) across all channels in 2022 and 29% and 41% of hours on BBC One and BBC Two respectively). The BBC provided these figures to Ofcom in response to a formal information notice as part of our annual broadcaster data returns process, as well as in its BBC Commissioning Supply report.¹⁵</p>
<p>Paragraph 7: Television, radio and online production – securing competition between BBC producers and external producers</p>	<p>The BBC was required to meet an obligation to provide competition in commissioning for at least 60% of relevant radio programmes by 31 December 2022. For the reporting period 2022/23, the BBC reported it had achieved 62%. Further detail on our assessment of the BBC’s compliance with Paragraph 7 is provided below this table.</p>
<p>Paragraph 8: Code relating to programme commissioning</p>	<p>The BBC confirmed it has not made any revisions to its Code of Practice during the relevant period. It has provided the data fulfilling the reporting requirements under section 13.1 of the Code to Ofcom.</p>
<p>Paragraph 9: Code relating to provision for the hearing and visually impaired</p>	<p>In 2022, BBC channels continued to meet or exceed their requirements to provide access services. As set out in the Ofcom Television Access services report 2022 the BBC maintained and applied the Code on Television Access Services and achieved all of its annual quotas for subtitling, signing and audio description and also promoted the availability of access services on the EPG.</p>
<p>Paragraph 10: Retention and production of recordings</p>	<p>Ofcom has set the periods of time that the BBC must retain recordings in its published complaint handling procedures. On the basis that the BBC has provided recordings to Ofcom upon request, and how the BBC set out its policy on this in response to the 31 July 2023 Notice, we are satisfied that it has complied with this requirement.</p>
<p>Paragraph 11: International obligations</p>	<p>We have not specifically notified the BBC of any international obligations during 2022/23.</p>

¹⁵ This has been updated based on data from page 5 of the [BBC Commissioning Supply Report 22/23](#).

Regulatory obligation	2022/23 assessment
Paragraph 12: Equal opportunities	The BBC provided information on actions taken to meet its obligations to promote equality of opportunity. This included information on progress against its strategic D&I commitments in its <i>Diversity and Inclusion Plan 2020-23</i> . This year, steps taken by the BBC included introducing inclusive leadership training and a supporting working lives policy, as well as relaunching the disability passport scheme for staff and the Extend programme to attract disabled people to careers at the BBC. Having assessed this information, we are satisfied that the BBC has complied with this obligation in 2022/23.
Paragraph 13: Training	The BBC has provided information regarding how it met these obligations on pages 58-64 of its Annual Report and Accounts and has provided additional information in response to the 31 July 2023 Notice. Having assessed this information we are satisfied that the BBC has complied with this obligation for 2022/23.
Paragraph 14: General provisions about arrangements under paragraphs 12 and 13	The BBC has reported to Ofcom on the arrangements under paragraphs 12 and 13, including in its Annual Report and Accounts (page 85), Equality Information Report and the Diversity Commissioning Code of Practice progress report. The BBC has set out how it has ensured those affected by the arrangements under paragraph 12 are aware of them, which includes internal communication channels, information cascades and staff diversity networks. Likewise, with regard to paragraph 13, the BBC reports that it ensures awareness for those affected through various formal and informal channels, staff appraisals, mandatory training and line management of colleagues. We understand from the BBC that the arrangements under paragraphs 12 and 13 are regularly reviewed in performance reviews for divisions and the BBC is currently preparing its next diversity and inclusion strategy which will review the effectiveness and impact of work delivered under the current <i>Diversity and Inclusion Plan 2020-23</i> . Having assessed this information, we are satisfied that the BBC has complied with this obligation for 2022/23 but will closely follow its work on a new diversity and inclusion strategy to understand how the BBC will iterate arrangements to promote equality of opportunity.

Competition in commissioning

A1.60 Ofcom has two roles in relation to competition in the BBC’s commissioning activity. First, to consider whether any additional intervention is necessary in the Operating Framework to protect fair and effective competition. Second, to consider the BBC’s compliance with the requirements placed on it under Schedule 3 Paragraph 7 of the Agreement, and if necessary, to enforce them. Those requirements mean that during the Charter period the BBC must open up more commissioning opportunities to competition between producers and that, where it does so, competition must be on a fair, reasonable, non-discriminatory and transparent (FRNDT) basis.

Schedule 3 Paragraph 7 requirements

- A1.61 The specific quota requirements imposed on the BBC under Schedule 3 Paragraph 7 of the Agreement are, firstly in relation to making relevant television programmes,¹⁶ that it must:
- secure competition for the commissioning of at least 40% of the in-house guarantee for drama, comedy, entertainment and factual programmes by 31 December 2018, alongside maintaining existing levels of competition;
 - remove the in-house guarantee for children's, sport and non-news related current affairs programmes by 31 December 2019; and¹⁷
 - secure competition for 100% of relevant TV programmes by 31 December 2027.
- A1.62 There are separate quotas for radio and online public services. The BBC must secure competition in commissioning for at least 60%¹⁸ of relevant radio programmes¹⁹ by 31 December 2022, and it must secure competition for the commissioning of 100% of relevant online material²⁰ by 31 December 2027.

BBC's progress in meeting quota requirements

- A1.63 In its [TV Commissioning Supply Report for 2022/23](#), the BBC reported that the percentage of hours of relevant TV programmes which were contested has remained broadly stable from 62% in 2021 to 63% in 2022. We will continue to monitor its progress on contestability in TV commissioning over the years leading up to the 2027 target.
- A1.64 The BBC has met its target to secure competition in commissioning for at least 60% of relevant radio programmes by December 2022²¹ and we provide more detail about our assessment of this in section 4 of this document. In its Annual Report and Accounts 2022/23 it reported contesting 62% of relevant broadcast hours, therefore being compliant with this requirement.
- A1.65 The BBC also reported that in 2022/23, 80% of its spend on relevant online material had been contested. This is a notable increase in the percentage of relevant spend on content that has been contested from the 72% reported last year.
- A1.66 We will continue to monitor and report on the BBC's progress in working towards the remaining upcoming quota requirements.

¹⁶ 'Relevant television programmes' means all television programmes included in the UK public services except: (a) Programmes reserved for independent productions; (b) News and news-related current affairs programmes; (c) Any programme where the BBC considers that complying with the obligation would not secure value for money.

¹⁷ As we reported in our previous Annual Reports, the BBC met these requirements.

¹⁸ Of the total time allocated to broadcasting relevant radio programmes on the UK public broadcast services.

¹⁹ 'Relevant radio programmes' means all network radio programmes included in the UK public services except: (a) news programmes; and (b) repeats, continuity, simulcasts, EBU material and autoplaced music.

²⁰ 'Relevant online material' means all online material included in the UK public services except: (a) programmes included in the UK public on-demand programme services; (b) news and news-related current affairs material; and (c) any material where the BBC considers that complying with the obligation would not secure value for money.

²¹ Of the total time allocated to broadcasting relevant radio programmes on the UK Public Broadcast Services.

The fair, reasonable, non-discriminatory and transparent (FRNDT) requirement

- A1.67 Schedule 3 Paragraph 7 is clear that, in meeting the quota, the BBC is required to ensure that there is genuine competition between BBC producers and external ones (whether independent producers or not) on a FRNDT basis.
- A1.68 Ofcom has received two complaints from stakeholders about commissioning processes, which we set out in further detail at the end of this annex, but we have not opened any investigations into non-compliance.
- A1.69 We have met a range of producers as part of our ongoing stakeholder engagement. No significant issues about competition within the BBC's commissioning process were raised. However, a number of points were raised about the commissioning process. There were mixed views from TV producers about the BBC's new co-commissioning model in the Nations: some were supportive of it, but some were concerned about the impact on the range of content made for nations and regions audience and the potential loss of a more local focus. Audio producers wanted to see more information on the outcomes of commissioning rounds, including feedback to producers. Some noted differences between the radio Networks in relation to commissioning in different nations or regions, and lead times and expectations during the commissioning process. One producer considered that the cost of tendering for ongoing series was high given the likelihood of success.
- A1.70 No other significant issues about the FRNDT nature of the BBC commissioning process were raised with us.
- A1.71 We will continue to monitor whether the BBC is meeting its obligations regarding FRNDT commissioning. This will include ongoing engagement with production companies to understand more about the BBC commissioning process.

Operating Framework requirements

- A1.72 Ofcom is required by Article 46 of the [Charter](#) to set an Operating Framework to secure effective regulation of the BBC's activities as set out in the Charter and Agreement.
- A1.73 The Operating Framework must include requirements to protect fair and effective competition in relation to:
- a) material changes the BBC proposes to the UK public services and non-service activities;
 - b) the effect of UK public services, trading activities and non-service activities on fair and effective competition; and,
 - c) agreements with, and conduct affecting, third parties in relation to UK public services, trading activities and non-service activities.
- A1.74 We must also include requirements about the relationship between the BBC and its commercial and trading activities. These are described in more detail below.
- A1.75 In March 2017, we published a statement (updated October 2017), [Introduction to Ofcom's Operating Framework for the BBC](#). In it, we explained our and the BBC's roles under the new regulatory scheme and detailed how our Operating Framework is structured.
- A1.76 We have set out the Operating Framework in a series of documents which impose requirements on the BBC and provide guidance on our regulatory approach. Most of these applied from 3 April 2017. **Table A1.3** below summarises the position in relation to the requirements we have set in the Operating Framework.

Table A1.3: Operating Framework requirements

Relevant Charter/Agreement provision	Operating Framework requirement	Assessment of BBC compliance
The impact of proposed changes to the BBC’s public service activities (Articles 11 and 20 of the Charter and Clauses 7 to 11 and 15 to 20 of the Agreement)	Specified requirements contained within: Assessing the impact of proposed changes to the BBC’s public service activities: Ofcom’s procedures and guidance ²²	We have set out in this annex and the main body of this report more detailed comments on what we and the BBC have done in these areas
The impact of the BBC’s ongoing public service activities (Article 11 of the Charter and Clauses 12, 15, 21 and 22 of the Agreement)	Specified requirements contained within: Assessing the impact of the BBC’s public service activities: Ofcom’s procedures and guidance	
The impact of the BBC’s commercial and trading activities (Clauses 23 to 27, 28, 31 and 32 of the Agreement)	Specified requirements contained within: The BBC’s commercial and trading activities: requirements and guidance ²³	
The impact of the distribution of BBC public services (Article 11 of the Charter and Clauses 15 and 61 of the Agreement)	Specified requirements contained within: Distribution of BBC public services: Ofcom’s requirements and guidance	

Commercial and trading activities

A1.77 As set out in our main report, in April we published our [Statement on how Ofcom regulates the BBC’s impact on competition](#). This included putting two new requirements in place on the BBC which helped address our two concerns outlined in the [Review of the interaction between BBC Studios and the BBC Public Service](#).²⁴ The BBC is making changes to its processes to respond to our findings. We provide more detail about these changes in section 4 of this document.

Other specified requirements and relevant matters

A1.78 We are also required to report on the BBC’s compliance with the additional specified requirements set out in **Table A1.4** below. We have not found the BBC in breach of the specified requirements in Table A1.4 between 1 April 2022 and 31 March 2023. We have provided more detailed comments on the BBC’s approach to complaints handling in our

²² In April 2023 we published our decision on these changes, [How Ofcom regulates the BBC’s impact on competition](#).

²³ This is the unofficial consolidated version of the trading and separation requirements and guidance. For the avoidance of doubt, in the case of any difference between texts, the text set out in the 11 February 2019 publication and any subsequent documents published on Ofcom’s website shall take precedence. Modifications were made to the trading and separation requirements in the BBC Studios’ line of business statement, 30 April 2021. The trading and separation requirements should be read alongside the subsequent documents published on Ofcom’s website.

²⁴ In summary, our concern was that there were two significant areas where we were not currently satisfied that the BBC had appropriate controls and procedures in place to ensure that it is operating in line with our regulation. These two areas were secondary content sales and the supply and pricing of goods and services.

main report. We have also provided further information regarding complaints made to Ofcom at the end of this section.

Table A1.4: Other specified requirements

Relevant Charter/ Agreement provision	Requirement	Assessment of BBC compliance
Provision of information to Ofcom (Article 47, the Charter)	The BBC must provide information that Ofcom formally requires under Article 47.	We have not found the BBC in breach of this requirement.
BBC complaints handling (Clause 56, the Agreement)	<p>In September 2017, Ofcom published its first determinations in relation to the BBC’s complaints handling, which set out:</p> <ul style="list-style-type: none"> - the period for which the BBC must retain records of its handling of relevant editorial complaints; - the form and intervals at which the BBC must report editorial complaints to Ofcom; and - the form and intervals at which the BBC must publish information about the operation and effectiveness of its procedures for editorial complaints. <p>Ofcom published revised determinations on 3 July 2020 and 22 June 2022, requiring more transparent publication of BBC Executive Complaints Unit findings on relevant editorial complaints.</p> <p>In October 2018, Ofcom published its equivalent determinations in relation to the BBC’s non-editorial (competition and other regulatory) complaints handling.</p>	<p>The BBC has complied with the determinations Ofcom set in relation to editorial complaints handling and non-editorial (competition and other regulatory) complaints handling. As we explain further in the content standards section of our 2022/23 Annual Report on the BBC, our revised determinations in relation to editorial complaints has led to the BBC publishing its reasoning in 188 not upheld cases in the period 4 July 2022 (when our revised complaints determinations were introduced) to 21 November 2022.</p> <p>We have set out in the main body of this report more detailed comments on what Ofcom and the BBC have done in the area of the BBC’s approach to complaints handling more generally.</p>

Complaints made to Ofcom

- A1.79 In enforcing compliance by the BBC with ‘competition requirements’²⁵ and other ‘relevant requirements’,²⁶ Ofcom may consider complaints and carry out investigations into compliance as we consider appropriate.
- A1.80 In 2022/23, we received two complaints related to the BBC’s requirements regarding commissioning.
- A1.81 The first complaint related to a decision by the BBC to no longer commission a specific programme due to a change in the programme format. We did not take this complaint forwards. As set out in the Agreement, in relation to TV the BBC must secure competition for 100% of “relevant TV programmes” by 31 December 2027. This would mean that by 2027, the BBC would need to ensure the programme the complainant referred to was subject to a contestable process, if it fell under the definition of a relevant television programme. However, ahead of that deadline the BBC can decide on a case-by-case basis whether it runs a contestable process for a specific commission.
- A1.82 The second complaint related to the commissioning process for a specific programme and the BBC’s decision of who to award the commission to. Under the BBC Charter and Agreement, we referred this complainant to the BBC First complaints process and also the requirements set out in the Agreement regarding how the BBC commissions content. There are also quotas that are set in the Operating Licence to ensure that the BBC distributes its network production resources across the UK and we consider how it has met these quotas in our annual report.

²⁵ A ‘competition requirement’ is any requirement placed on the BBC by Ofcom to regulate the impact of the BBC’s activities on competition. These requirements are set out in Ofcom’s [Procedures for enforcement of BBC competition requirements](#).

²⁶ A ‘relevant requirement’ is a specified requirement placed on the BBC by Ofcom or the Charter and Agreement, which is not covered by a more specific Ofcom enforcement procedure. These requirements are set out in Ofcom’s [Procedures for enforcement of requirements in the BBC Agreement and compliance with Ofcom enforcement action](#).

A2. Our approach to performance measurement

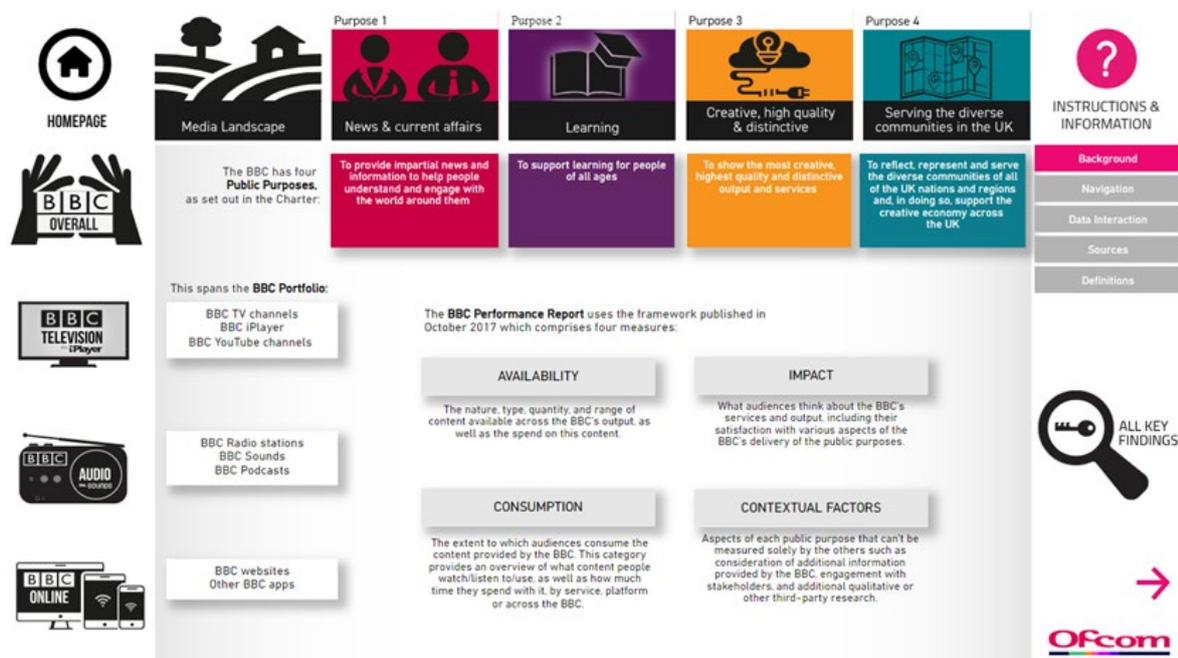
Approach to this year's report

Each year, we must report on how the BBC has performed against the performance measures we set as detailed in the [performance measurement framework](#). Underlying data and evidence that supports our assessment is included in the accompanying [interactive report](#).

The [interactive report](#) for our sixth annual report on the BBC, published in November 2023, used several data sources. These included 16 data sources from Ofcom annual trackers (e.g. BBC Performance Tracker, News Consumption Survey), industry sources (e.g. Barb, RAJAR), and other third-party sources (e.g. IPA TouchPoints, Ampere Analysis). In addition to this we also use a range of data sets supplied by the BBC including from their own trackers and internal analytics. See below for the full list of sources used in this year's assessment.

For transparency, we publish the data from the majority of the different sources we have used in our assessment. The [interactive report](#) includes around 60 different sections, presented using a three-way matrix of media platform, Public Purpose and measurement area (availability, consumption, impact, contextual factors):

Figure A2.1: Interactive report overview page



In this section we have focused on Public Purpose 1 as an example of the type of information and data we use to assess the BBC's performance in delivering the public purposes. The examples we provide relate to BBC TV news but we collect data on the BBC news provision across all platforms to inform our assessment of PP1.

For example, Figure A2.2 shows the BBC TV network hours for news and current affairs output, split by channel. In assessing the BBC's performance here, we consider the hours of output the BBC has delivered during peak and non-peak times, how much content is first-run UK originated, and the

amount of regional programming. We can also assess the BBC’s spend in this area in both real and nominal terms.

Figure A2.2: Interactive report Public Purpose 1 TV availability data

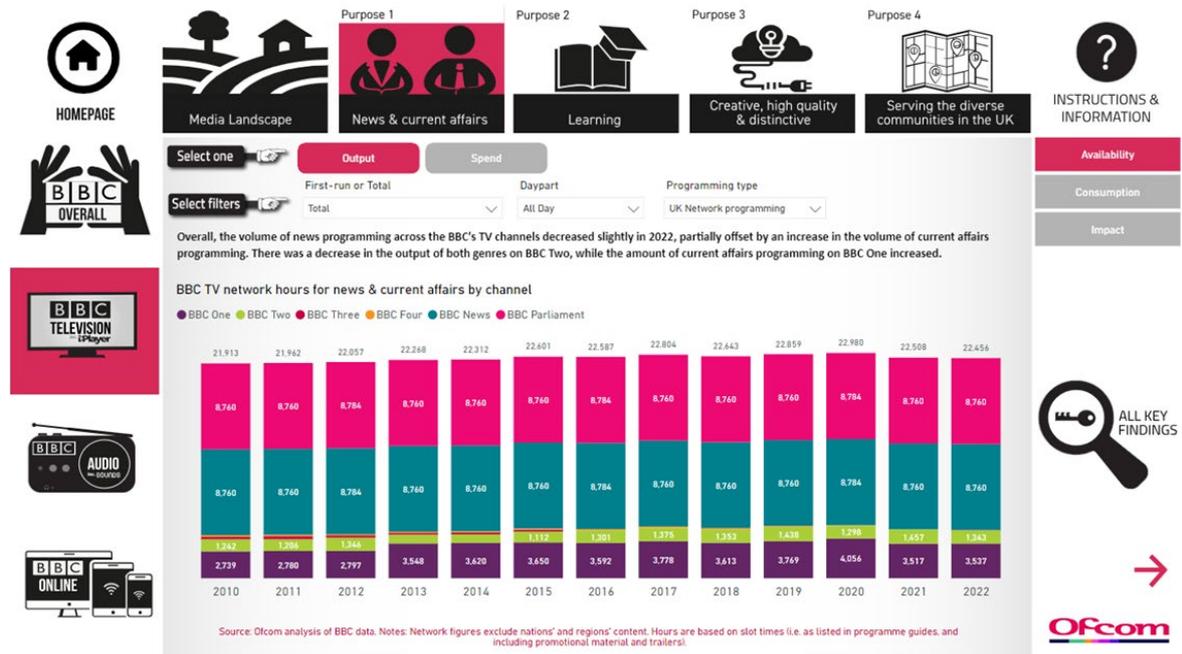


Figure A2.3 shows Barb viewing data to the news genre across all BBC channels combined; we are also able to consider the audiences reached by each of the individual BBC TV channels. In assessing the consumption metrics for Public Purpose 1, we also draw on our annual News Consumption Survey to consider how audiences use BBC TV for news in relation to a range of other services.

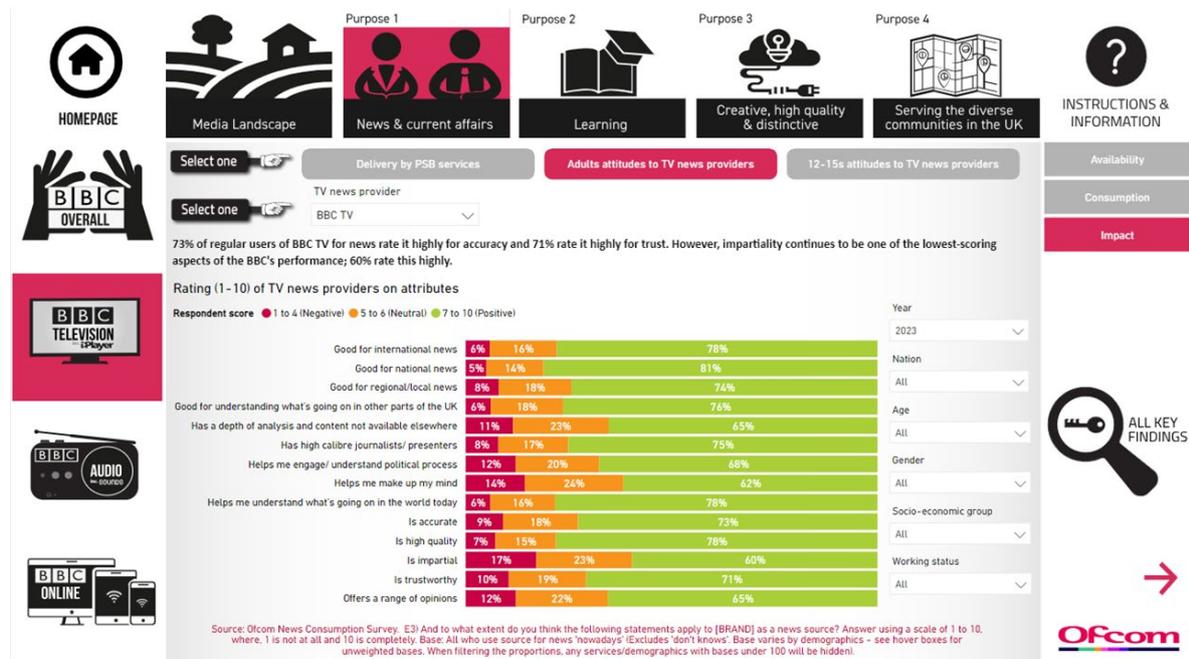
Figure A2.3: Interactive report Public Purpose 1 TV consumption data



The final example (Figure A2.4) shows how we also use a range of measures to consider the audience perceptions of the BBC’s TV news output. For Public Purpose 1, we primarily use our

annual News Consumption Survey to understand how audiences consider BBC TV news to be delivering against a number of attributes. We can also assess the BBC relative to audience perceptions of other TV news providers. These can be considered across a wide range of demographics including age, gender, region, socio-economic group and working status. For Public Purpose 1 we also use our annual Teens News Consumptions Survey as well as our annual Public Service Media Tracker.

Figure 2.4: Interactive report Public Purpose 1 TV impact data



Sources used (2022/23 monitoring)

We use a range of sources to inform our performance assessment of the BBC across all four purposes and for TV, radio and online:

	Sources
Availability	<ul style="list-style-type: none"> • Ampere Analysis • BBC Annual Report and Accounts • BBC supplied data: BBC Sounds genre analysis • Ofcom analysis of BBC data • Ofcom analysis of broadcaster data • Ofcom EDI in Broadcasting 2023 • RadioMonitor
Consumption	<ul style="list-style-type: none"> • BBC supplied data: <ul style="list-style-type: none"> ○ AT internet/Piano Analytics ○ BBC Bitesize web & app traffic ○ BBC research: Compass by Ipsos MORI ○ BBC Teach web traffic • Barb • IPA TouchPoints • Ipsos Iris • Ofcom Audio Survey • Ofcom BBC Children’s Performance Tracker • Ofcom News Consumption Survey • Ofcom Podcast Survey • RAJAR
Impact	<ul style="list-style-type: none"> • Ofcom Audio Survey • Ofcom BBC Children’s Performance Tracker • Ofcom BBC Performance Tracker • Ofcom News Consumption Survey • Ofcom Public Service Media Tracker • Ofcom VoD Survey • Ofcom Podcast Survey
Contextual Factors	<p>Contextual factors are a broad measure, that include a range of metrics. Sources include quantitative data, which looks to understand the BBC’s place in the context of the wider marketplace, or qualitative assessment of the BBC’s record or strategy in a certain area.</p>

Approach going forward

Alongside the new Operating Licence, we published an [updated performance measurement framework](#) in July 2023.

We are reviewing the way we monitor the performance of the BBC to ensure it aligns with the new Operating Licence but also allows for flexibility. This review process will include:

- Reviewing our annual Trackers (BBC, Public Service Media, Audio, Podcast and VoD)
- Reviewing data available from third-party sources
- Closer engagement with the BBC on their internal data
- Exploring other research tools to be able to measure impact on audiences more quickly or with greater sensitivity than regular surveys

A3. Estimated shares of video and audio listening

Figure A3.1: Estimated viewing shares for all linear, BVoD and SVoD services, and VSPs

	Aged 4+	Aged 16-34
	2022	2022
Broadcast - Live + recorded playback share	59%	25%
BBC linear portfolio	19%	6%
ITV incl. portfolio channels	13%	6%
Channel 4 incl. portfolio channels	6%	4%
Channel 5 incl. portfolio channels	4%	1%
Multichannels	17%	7%
BVoD share	7%	9%
BBC iPlayer	3%	4%
ITVX	1%	1%
Channel 4	1%	1%
Other players	2%	2%
SVoD/AVoD share	15%	29%
Netflix	9%	17%
Amazon Prime Video	3%	6%
Disney+	3%	5%
Other SVoD	0%	0%
VSP share	19%	38%
YouTube	14%	25%
TikTok	4%	11%
Other VSPs	1%	3%
BBC live + recorded playback + BBC iPlayer total	22%	10%
Total	100%	100%

Source: Ofcom estimates from Barb and IPA TouchPoints.²⁷

²⁷ Viewing shares may vary seasonally. The IPA TouchPoints data is self-reported and samples all individuals in Great Britain aged 15+ and 15-34 while Barb surveys UK individuals aged 4+ and 16-34.

Figure A3.2: Total audio listening shares

	Aged 15+	Aged 15-34
	Wave 1 2023	Wave 1 2023
Radio (not including online)	52%	24%
BBC Radio	26%	8%
Global Radio	11%	7%
Bauer Media	9%	6%
Wireless	2%	1%
Other	4%	2%
Online radio listening (live and catchup)	10%	5%
BBC Radio	4%	1%
Global Radio	3%	2%
Bauer Media	2%	1%
Wireless	1%	<1%
Other	1%	<1%
Podcasts	4%	9%
Spotify	2%	5%
Apple Music	<1%	<1%
Amazon Prime	<1%	1%
Google	1%	1%
BBC Sounds	<1%	1%
Global Player	<1%	<1%
Other	1%	1%
Streamed music	21%	50%
Spotify	15%	40%
Apple Music	2%	3%
Amazon Music	3%	4%
Google	1%	2%
BBC Sounds	<1%	<1%
Other music streaming service	1%	1%
Other forms of audio²⁸	13%	13%
BBC (Radio and Sounds)	30%	10%

Source: Ofcom estimates based on data from IPA TouchPoints and RAJAR.

²⁸ Personal music (CD and digital), music video sites/channels, audiobooks.