

The case for fairer BBC regional spending

By the Campaign for Regional Broadcasting and Production, November 2024.

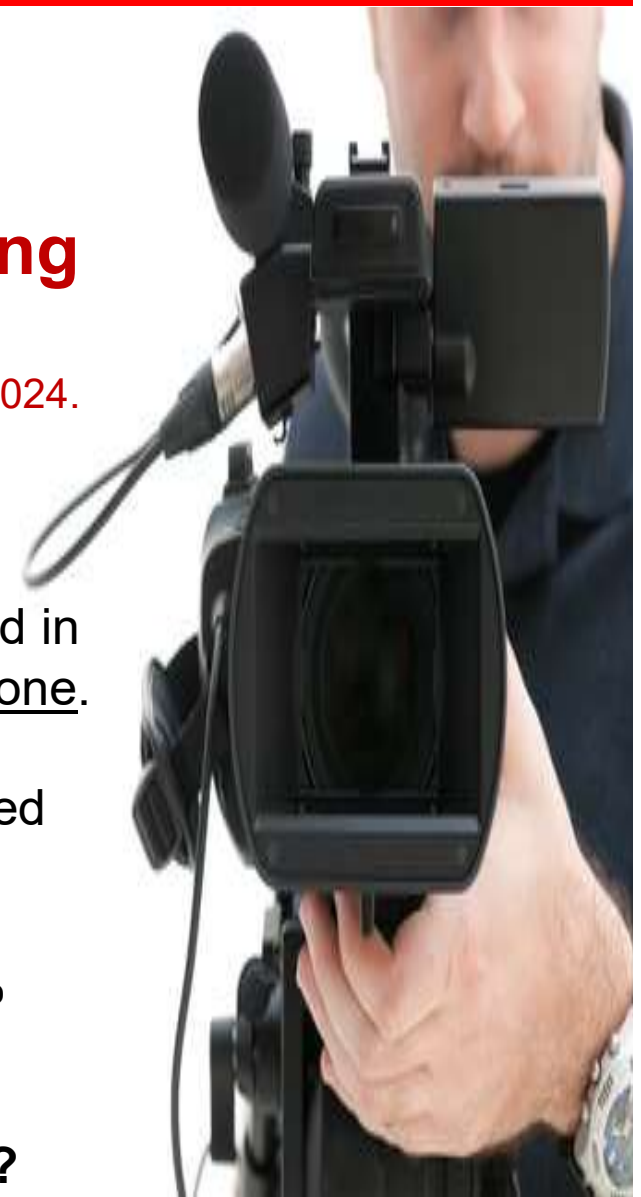
BBC spending on television & radio production has increased in recent years in every Ofcom region outside London, except one.

And for network television production, this region has received the lowest share of the BBC budget in 9 of the last 10 years!

Oddly though, this region is also the UK's largest with a 25% population and licence fee share!

How can the largest Ofcom region get the lowest spend?

Using the latest data, let's zoom in on the who, what and where of the UK's television licence fee...



Who, What and Where of the Television Licence Fee



The Television Licence fee: Who, What, Where

In this presentation, we compare BBC spending in the Ofcom defined reporting regions for broadcasting:

The Nations

Scotland, Wales, Northern Ireland

and England, which is often broken down further into
North, Midlands & East, South, London

These 7 areas differ greatly by population, licence fee or airtime income.

You might expect that radio & television production spend across them to be allocated fairly and proportionately, related to their audience size and the income contributed by each of them.

However, this is far from the case...



The public service broadcasters (BBC, ITV, Channels 4 and 5, S4C) report to the regulator and public about their regional spending and performance for these Ofcom defined regions.

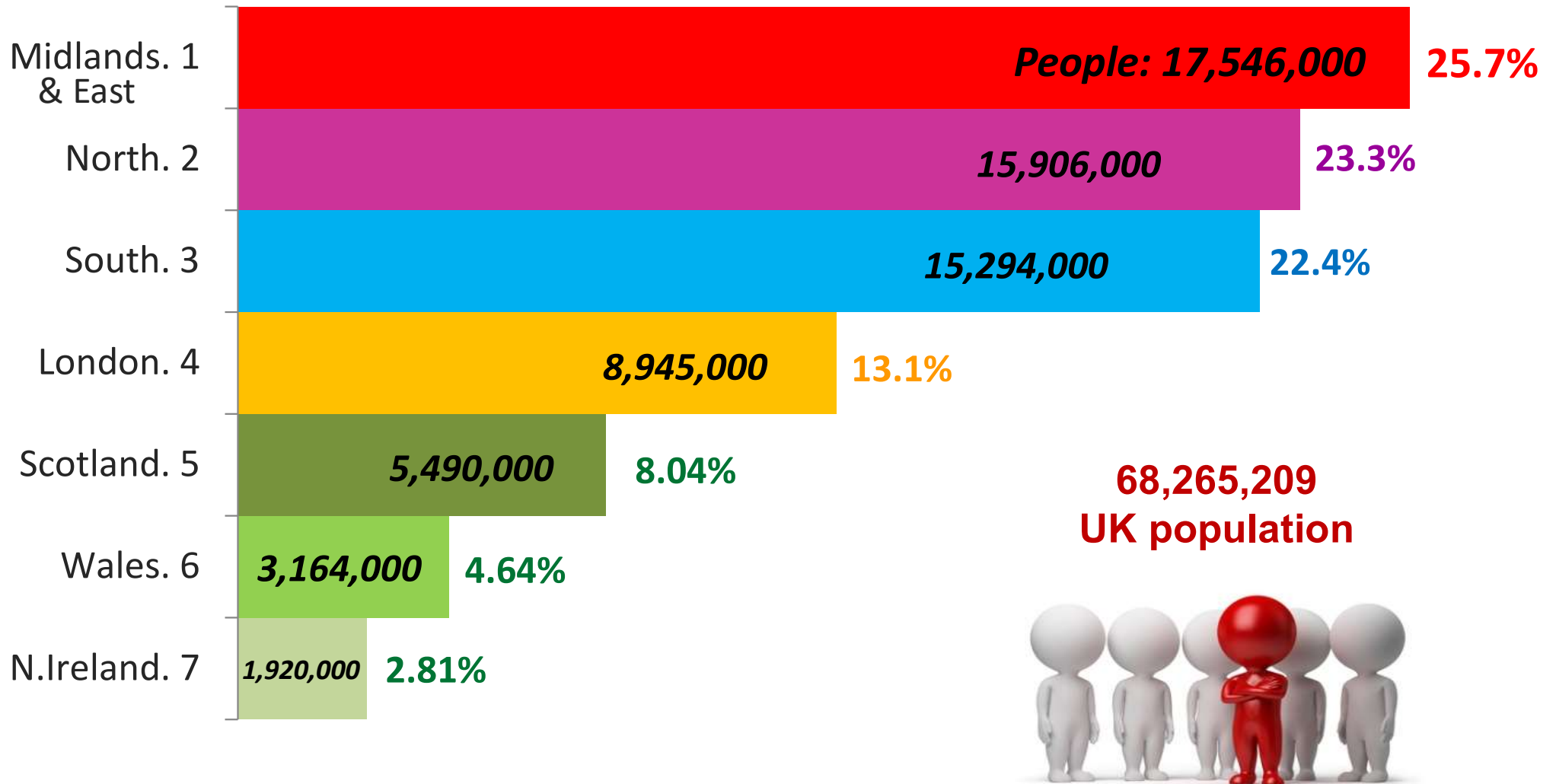


**Who pays the
licence fee?**



Who pays the licence fee?

Ofcom Nations & Regions: By population numbers

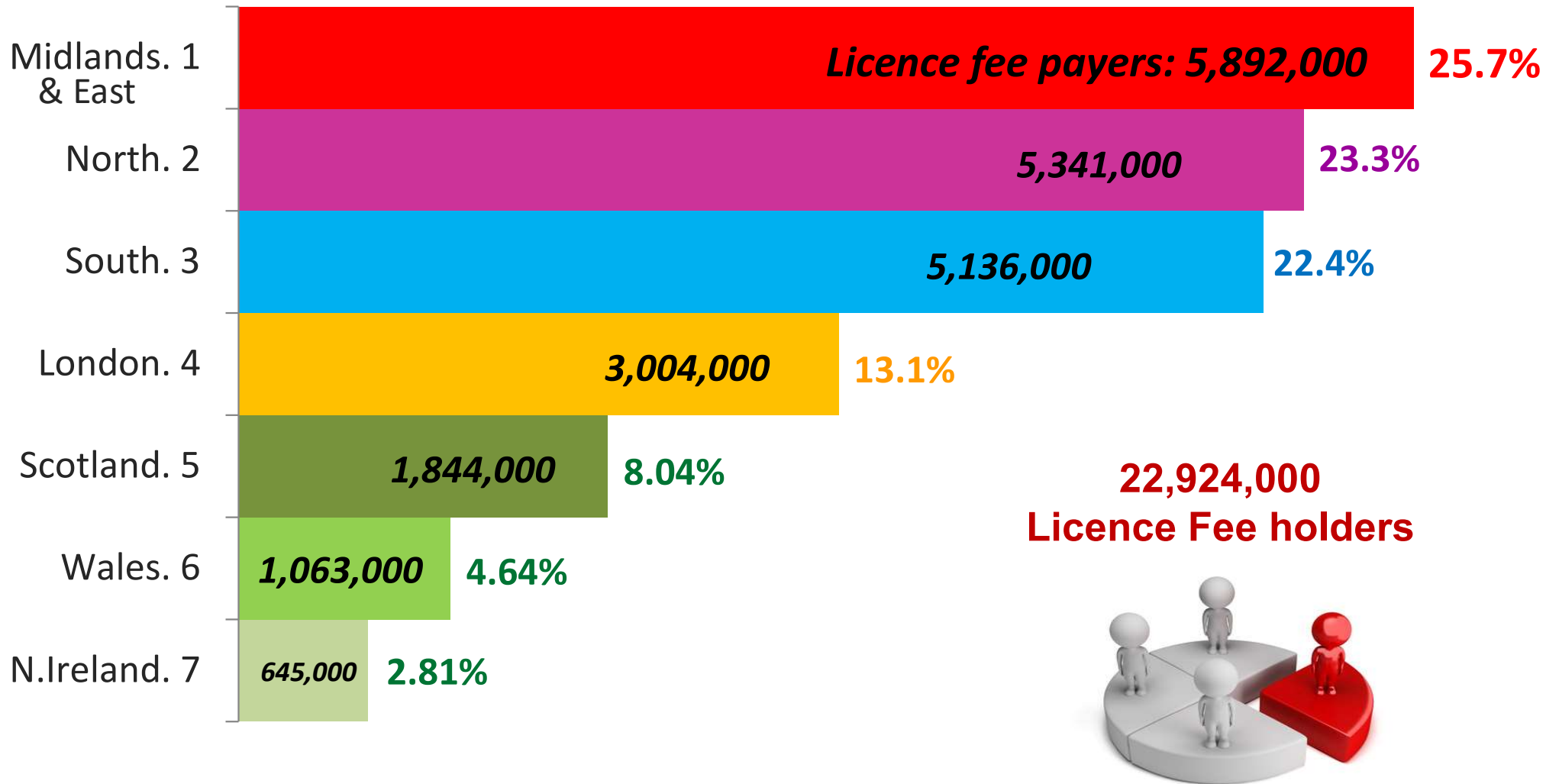


Source: ONS mid-year 2023 UK population estimates (published October 2024), mapped to Ofcom reporting regions.



Who pays the licence fee?

Ofcom Nations & Regions: By TV licence fee payers

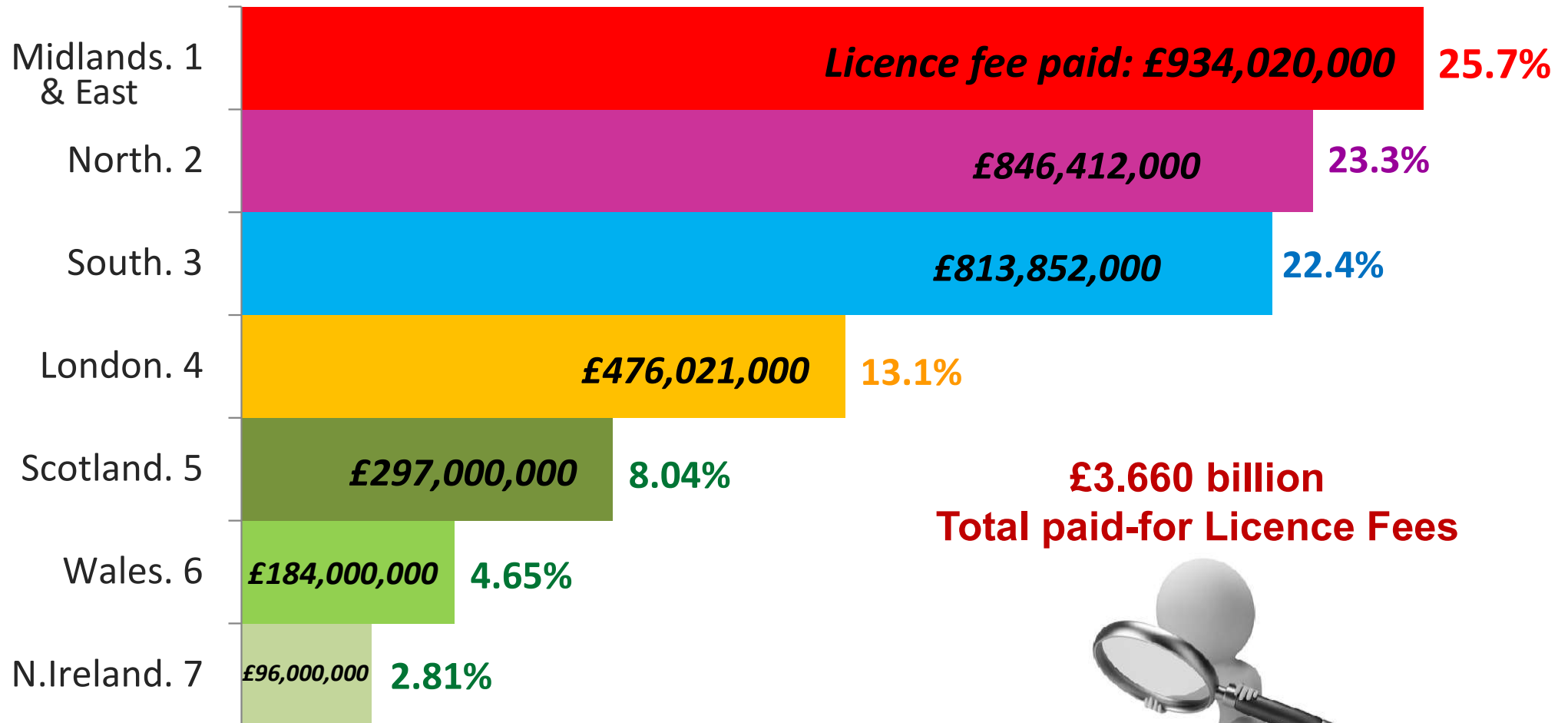


Source: 22,924,000 'Paid-for' Licence Fee holders, BBC Annual Report 2024 (published July 2024). Excludes free licences for qualifying over 75s. Nations & English regions licence fee numbers: Calculated using population shares applied to paid-for licence fee holders..



Who pays the licence fee?

Ofcom Nations & Regions: By TV licence fees paid



Source: Total Licence fee Income £3.660 billion and nations revenues for Scotland, Wales, Northern Ireland & England as a whole, BBC Annual Report 2024.
English regions only: Calculated using population shares applied to England's declared licence fee income.



Factsheet 1: The BBC has its purposes

The BBC is publicly owned but it is not a state broadcaster. Its independence is guaranteed - it operates under a parliamentary Charter, renewed every 10 years.

The Charter sets out 5 public purposes for the BBC, which include impartiality, learning, creativity and representation.

Purpose 4 requires the BBC to:

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.

... in commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development.

In return for a compulsory TV licence fee, Parliament requires the BBC to invest in the UK.

We say: The BBC should be required to spend across the UK fairly & proportionally.



**What is the
licence fee
spent on?**



What is the licence fee spent on?

The BBC is a Public Service Broadcaster (PSB) funded by the licence fee, providing:

- 8 national television networks
- 2 television channels for Scotland
- 10 national radio networks
- 6 radio networks in the Nations
- 39 local radio stations, England
- National / local opt outs and news services
- Streaming / On demand services
- Online services
- World services
- Orchestras and support for the arts



In 2023/24 the BBC spent **£3.824 billion*** providing all these PSB services. This **‘Total Service Spend’** includes:

*National and local radio and television production;
Online services; Content acquisition; Development and distribution (e.g. transmission and server) costs.
Plus various administration and support costs.*

*Source: BBC Annual Report 2024 (page 56).

PSB expenditure excludes BBC commercial activities such as BBC Studios or BBC Studioworks.



Factsheet 2: The licence fee can be a driver of regional growth

The licence fee is raised from across the UK and funds a whopping £40 billion or more of BBC expenditure over a typical 10-year Charter period!

In recent years, BBC spending has increased significantly in the north of England, Scotland and Wales. However spending across England in particular has become highly uneven, with no relationship to where the revenue is raised from.



Does that matter? The significant sum of public expenditure that the BBC controls, dictates that it does. A report written by KPMG in 2021 confirms this:

“For every £1 of direct economic output (GVA) generated by the BBC, the BBC generated a further £1.63 of economic output in the rest of the UK economy, making its total economic contribution £2.63...”

We say: The BBC can be a substantial driver of regional growth. That's why *where* the BBC spends the licence fee really matters.

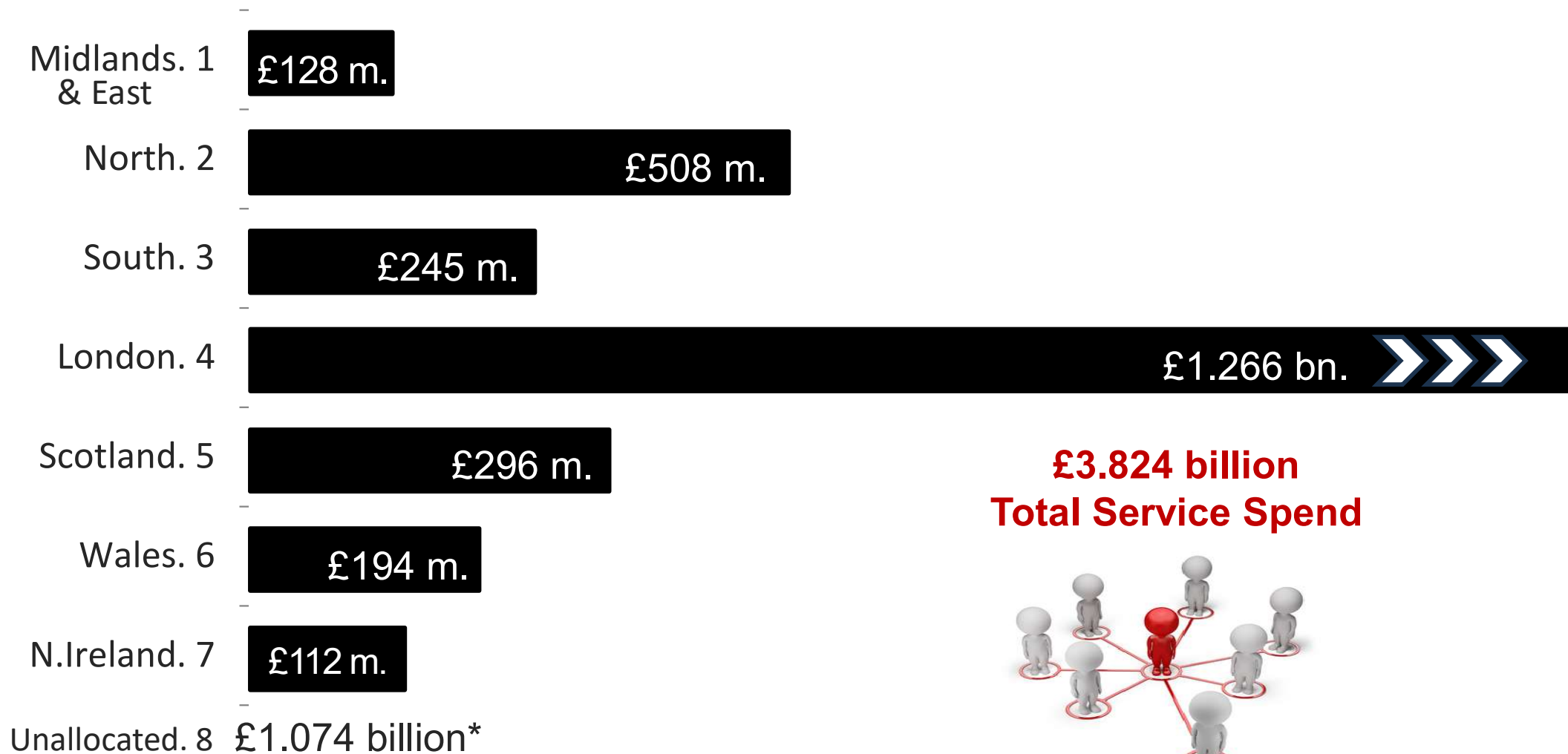


**Where is the
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Where is the licence fee spent?

BBC Total Service Spend across the UK, 2023/24



Source: Total Service Spend across UK, £3.824 billion. BBC Annual Report 2024 (page 56).

Nations allocated spend for Scotland, Wales, Northern Ireland & England as a whole: BBC Annual Report 2024 (pages 153 to 168), total £2.750 billion.

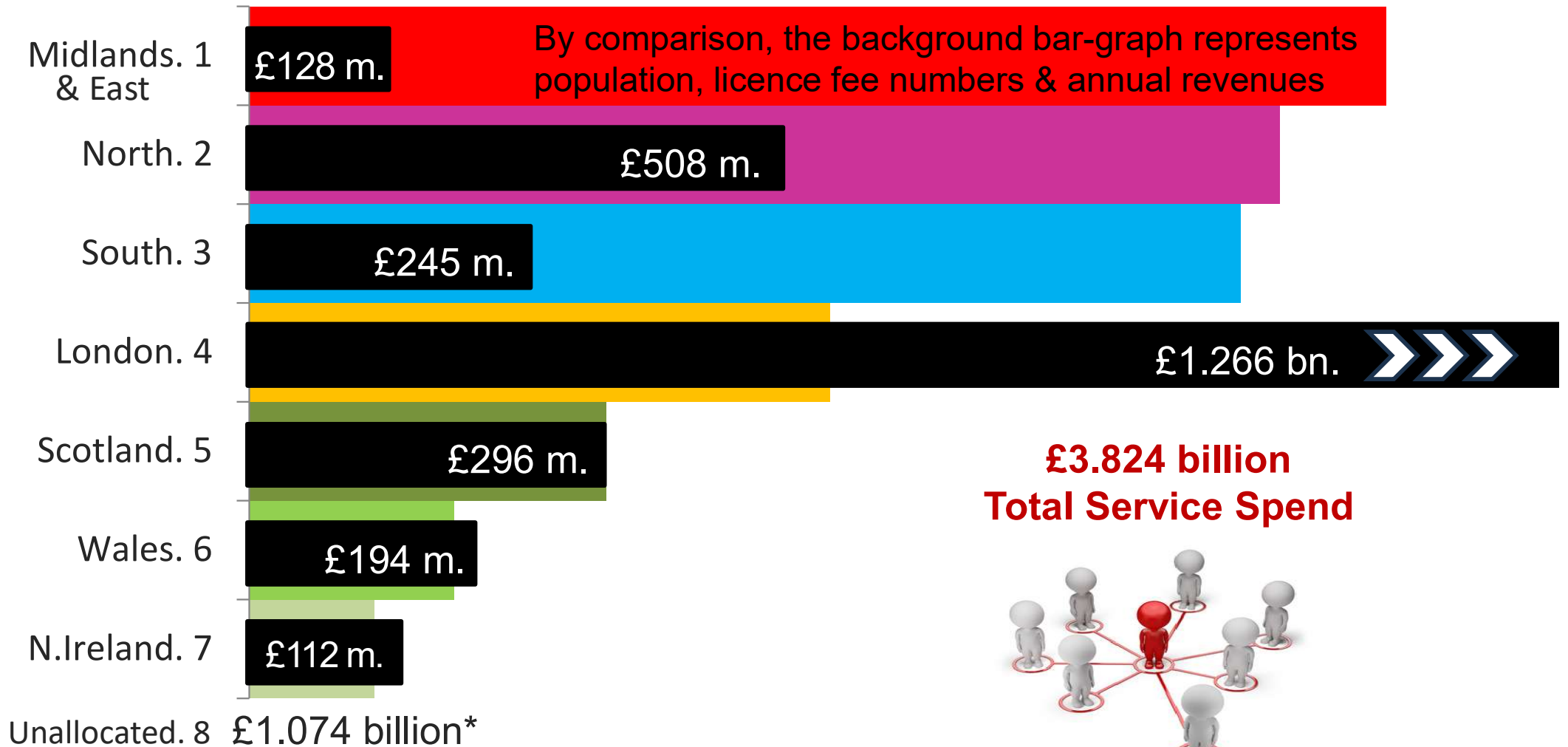
English regions: Campaign estimates, based on BBC activity by region and data provided elsewhere in the Annual Report.

* Unallocated spends of £1.074 billion includes: distribution, various support / administration and World Service costs.



Where is the licence fee spent?

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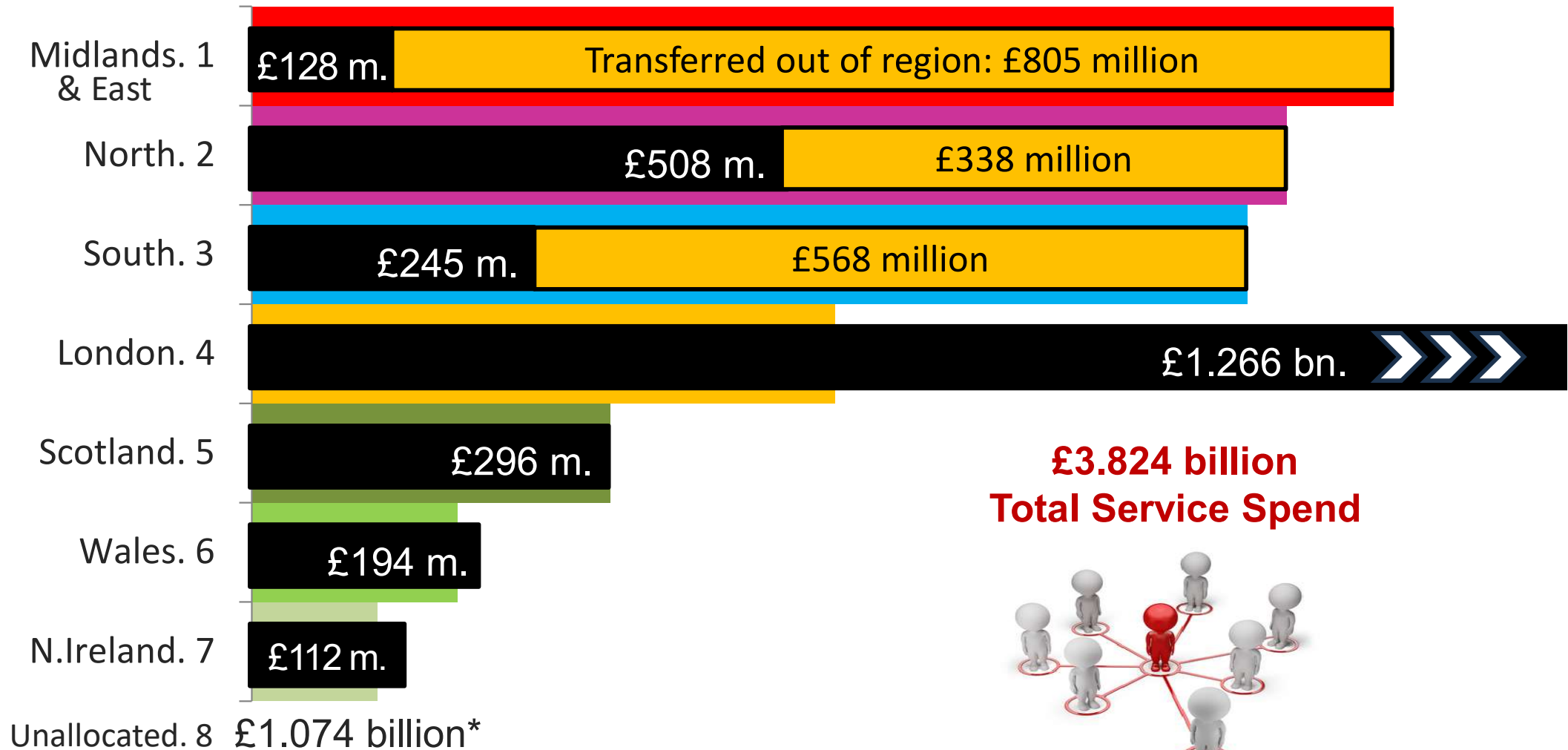
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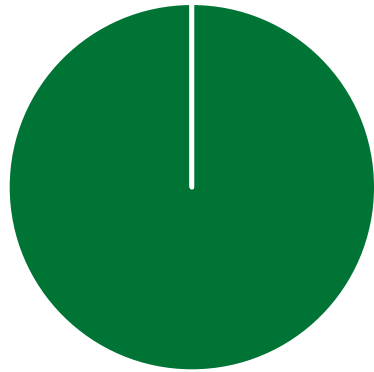
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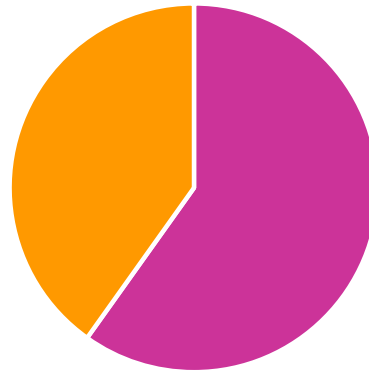


Where is the licence fee spent?

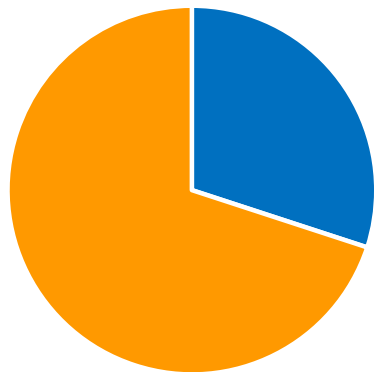
Proportion of £159 licence fee spent in-region



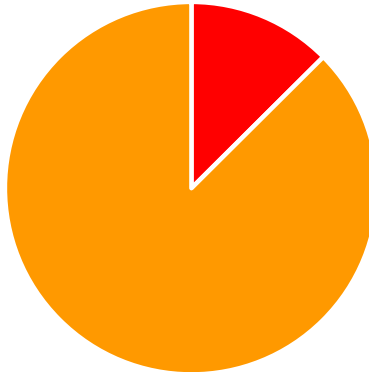
The Nations: £159 / 100%
Scotland, Wales & N.Ireland



North: £95.11 / 60%



South: £47.78 / 30%



Midlands & East: £21.77 / 13.7%

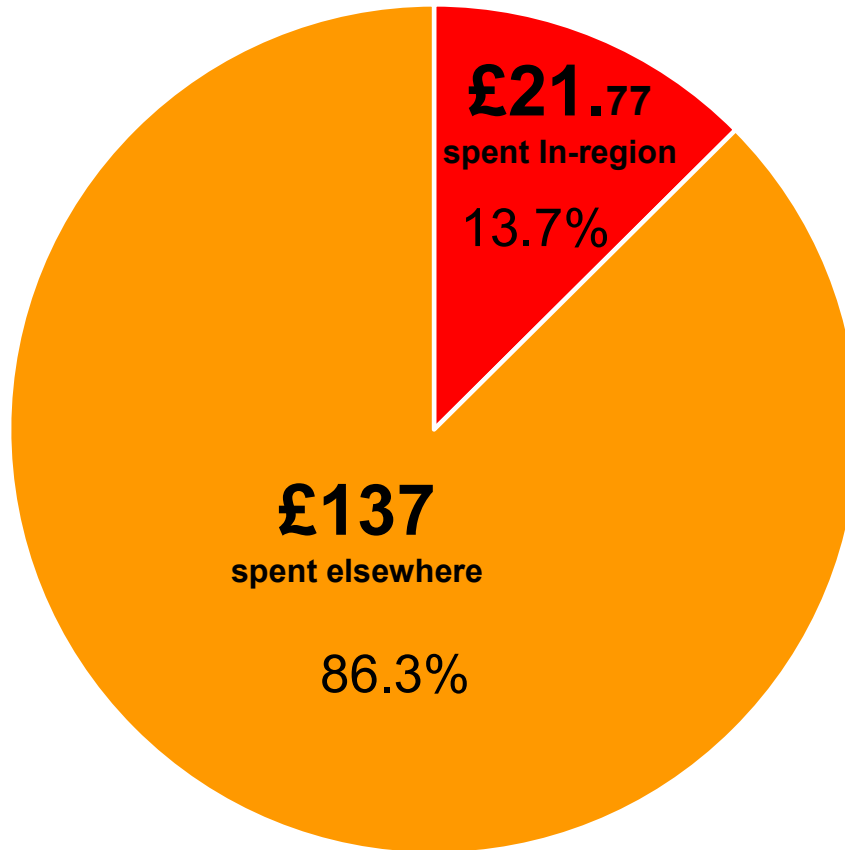


Note: Licence fee in 2023/24 period £159. Nations spends: BBC Annual Report 2024 (pages 153 to 168). English regions: Campaign estimates, based on BBC activity by region and data provided elsewhere in the Annual Report.



Where is the licence fee spent?

The Midlands & East £159 Licence Fee



The Midlands & East of England receives the lowest proportion of spending in-region

Note: Licence fee in 2023/24 period £159.

Midlands & East: Campaign estimates, based on BBC activity in region and data provided elsewhere in the Annual Report.



Factsheet 3: Look out for the Midlands & East!

With 86% of its licence fee spent elsewhere, the Midlands & East is largely absent in BBC radio & TV schedules.

Currently, there are no regular programmes to be seen on any BBC TV channel nationally, made in the Midlands & East. **We have complained since 2012, but it's always “jam tomorrow”!**

The closure of The Drama Village in Birmingham, March 2024 compounds the problem. It was the only BBC Studios television production facility in the entire region. An ill-considered cut back.

The BBC will open a new West Midlands regional office in 2027: The Tea Factory. It will not contain a network television studio!

On radio, *The Archers* (13 minutes a day on Radio 4) and *Newsbeat* (Radio 1) are made in Birmingham. Some programming is made for Radio 1 Xtra and The Asian Network.

The Midlands is not to be seen nor heard much on the BBC.



We say: The BBC should spend more of our licence fee in the region and grow a significant production presence in the Midlands & East.



**Take a close
look at BBC
television...**



Getting the picture?



The BBC's largest single spend is for making network television programmes for its national channels - BBC1, BBC2, BBC3 and BBC4.

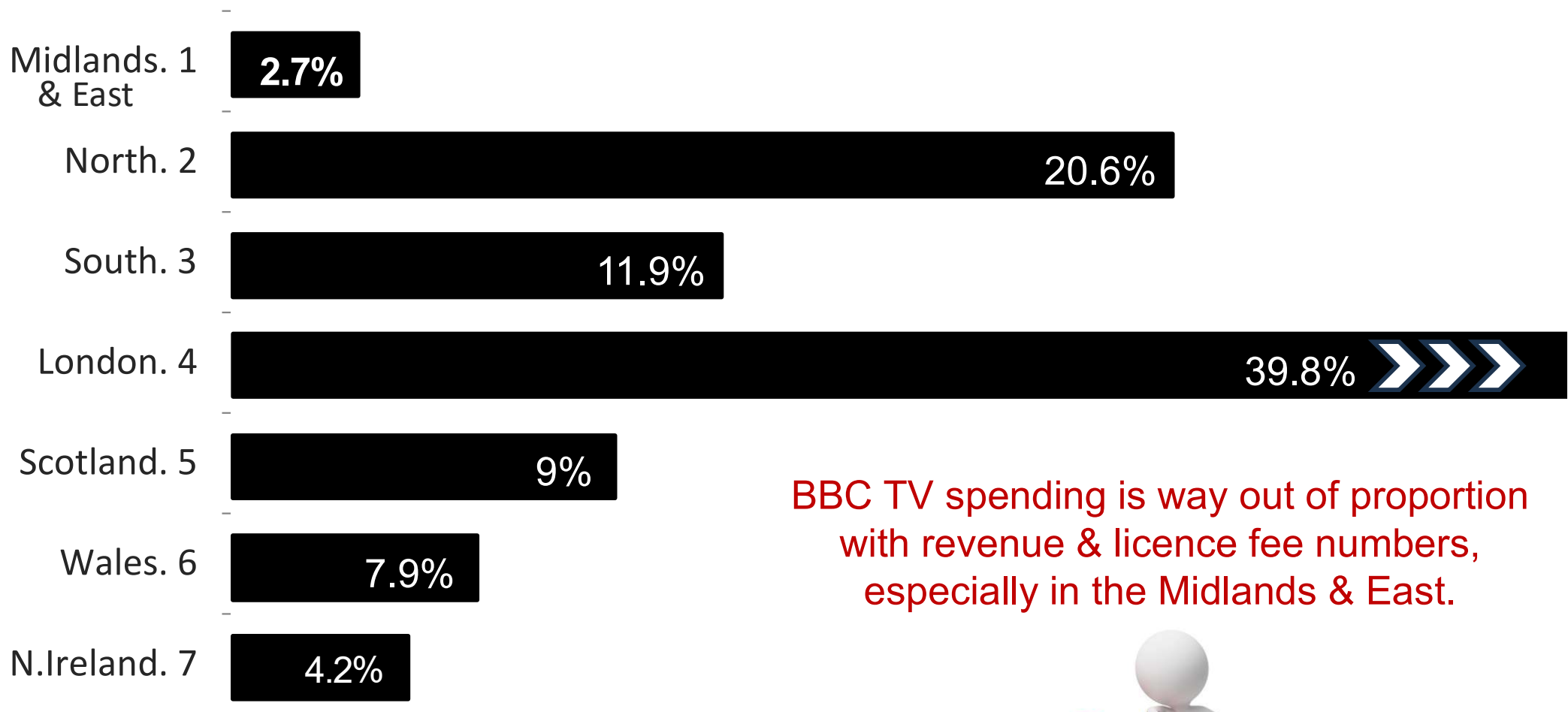
The Nations & English regions share of this spend is published annually in the BBC Annual Report.

The figures are published as a percentage...



Where the licence fee is spent

BBC network television spend. Share by region



BBC TV spending is way out of proportion with revenue & licence fee numbers, especially in the Midlands & East.

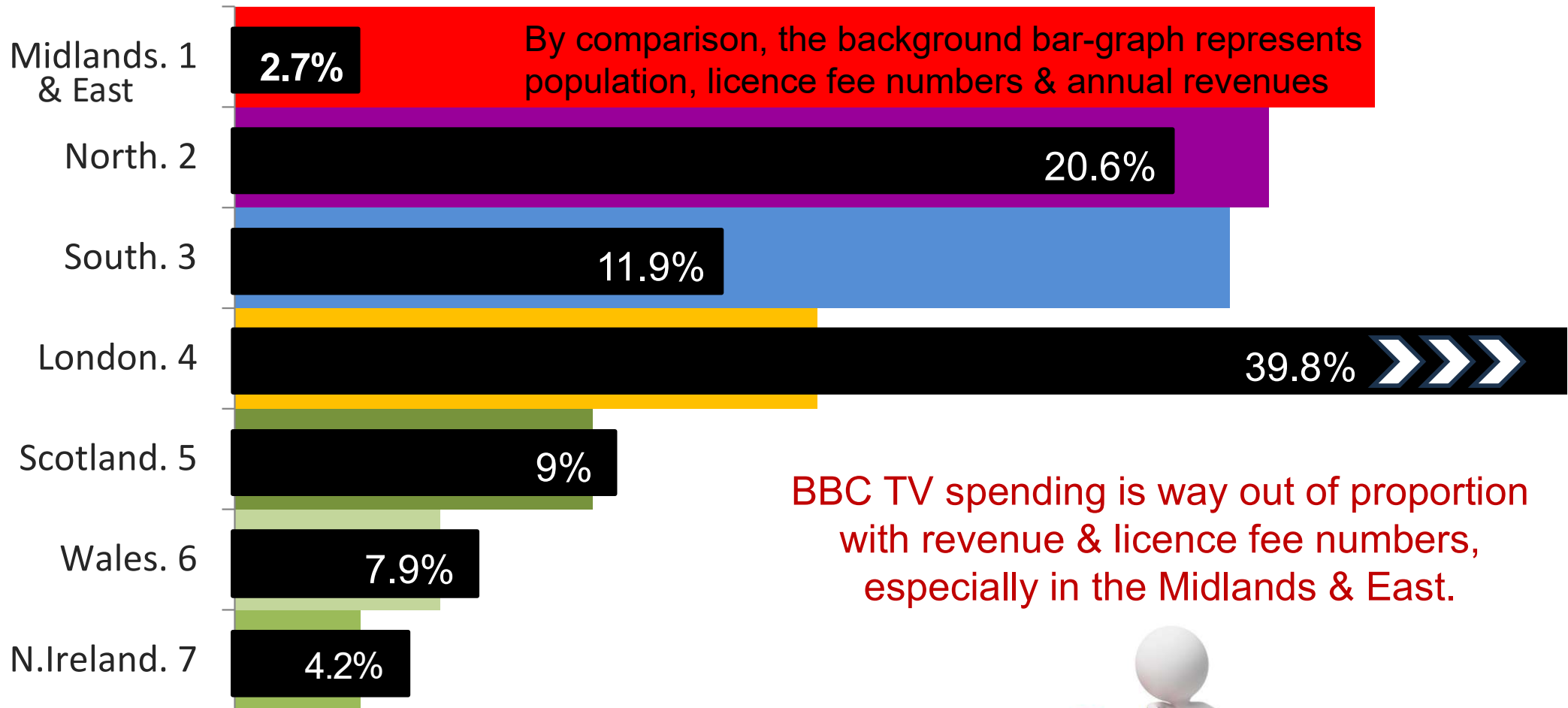


Source: BBC Annual Report 2024, page 33. Spending shares for calendar year 2023.



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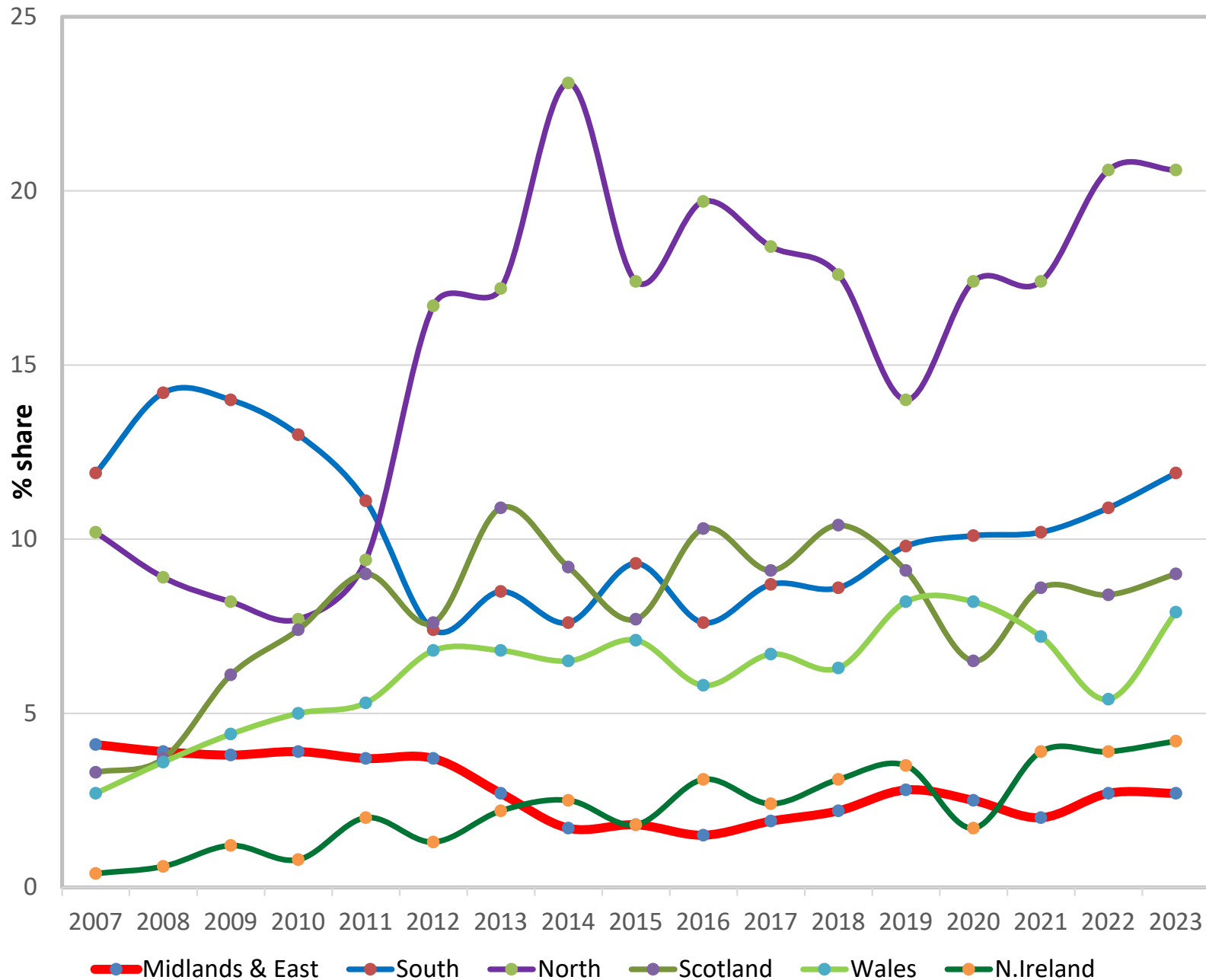
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Source: BBC Annual Report 2024, page 33. Spending shares for calendar year 2023.



BBC network television spend 2007 – 2023



The Midlands & East had already fallen behind the North and South of England for BBC television spend by 2007.

More cuts continued from 2012.

The region is at the bottom of the BBC TV spending league (and has been for 9 out of the last 10 years), with only a 2.7% share of the network TV budget in 2023.



**Mind
the gap...**



Q: How to boost the Midlands & East economy by £7.9 billion over the next 10 years... without spending an extra penny?

2024: BBC spending in the Midlands & East was under £22 per licence fee payer.

In the North & South of England - outside of London - it averaged £72.

If the same was spent in the Midlands & East: total BBC direct spending would go from £128 million to £423 million.

That's an increase of £295 million every year. Over a 10-year Charter period, that's an extra £3 billion in the region.

**Using the KPMG formula, that's an extra GVA of £7.9 billion!
A complete game changer for the Midlands & East.**

This boost to the Midlands' creative economy would not cost the BBC nor the UK Government an extra penny. It would be the result of a fair and equal share of BBC spending of our own licence fee, spent in-region.

Mind the Gap?



'The BBC in the West Midlands' report



The BBC in the West Midlands – released on 11th November, 2024

The report states that BBC spending in the West Midlands region will result in additional GVA of £282 million in the ten years to 2031.

This assumes increases in spending in the future, which are not fully detailed in the report.

We are hopeful that BBC spending will continue to increase in the Midlands. Based on the evidence of the last 15/20 years, we remain to be convinced.

Compared to the north & south of England, much more needs to be done for Midlands & East licence fee payers, either in direct investment or representation.

£282 million of extra GVA over ten years is quite simply not enough for parity.

We say: GVA over the next 10 years is at best, an opaque measure. Regional production; infrastructure and equal billing in the schedules are not.



And finally...



And finally...

BBC spending across the UK is inconsistent and particularly inequitable in English regions. The problem is not new, and the gap continues to widen.



Network television programming spend by region as a percentage of eligible spend		
	2024	2023
London	39.8%	42.3%
Scotland	9.0%	8.4%
Wales	7.9%	5.4%
Northern Ireland	4.2%	3.9%
Total nations	21.1%	17.8%
Midlands	2.7%	2.7%
North of England	20.6%	20.6%
South of England	11.9%	10.9%
Multi English region*	3.0%	3.8%
Total English regions	38.2%	38.0%
Other multi-region*	0.9%	1.9%
Total regions excl. London	39.1%	39.9%
Total nations and regions	60.2%	57.7%
Grand total	100.0%	100%

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

BBC Annual Report 2024, page 33.

The Midlands in particular has been targeted with BBC cutbacks to studio facilities and production over the last 20 years - with even more in 2024.

Despite many complaints, polite requests and regional representations to the highest BBC levels, little has changed: the BBC TV spending figures for the last 10 years, are proof of that.

As are their programme schedules – see if you can find the Midlands on BBC 1 tonight! Or BBC2. Or BBC3. There might be a repeat on BBC4.



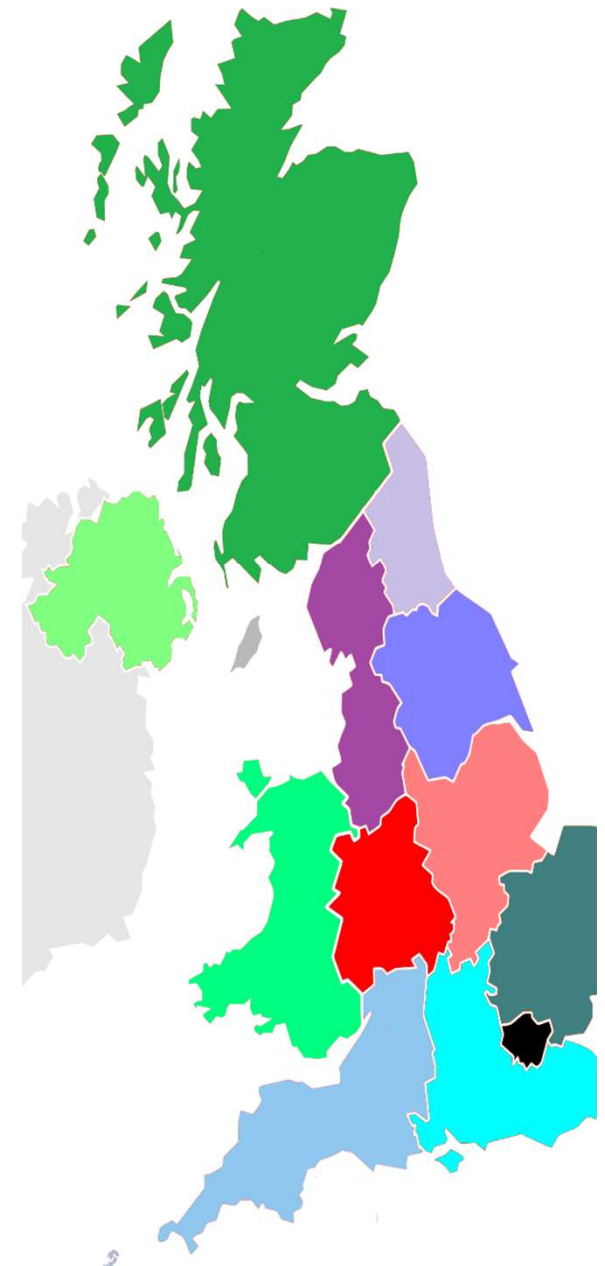
Get regional!

We call upon Government to legislate for fair and equitable spend of the licence fee across all 9 English regions, related to the population and financial contribution made by those regions, and to incorporate this requirement into the new BBC Charter.

This is essential if public funding (in any form) of the BBC is required in the future; ensuring a consistent approach by the BBC to every region, for both spending and representation.

Secondly, we call upon Ofcom to align their reporting for England to the Government's 9 regions of England for all PSB channels (rather than the historic 4 macro regions) and to apply the same level of scrutiny at these regional levels, as they do currently for the 4 UK nations.

The aim is for a fairer distribution of spending and production across all English regions, and to improve their representation in the broadcasting landscape.



Hear here!

“For all the efforts made by many of you, it should shame us all that television is one of the most centralised and exclusive industries in the UK, because who tells the story determines the story told.”

“If you aren’t commissioning content from every part of the country – towns and villages as well as major cities – why not? If you bus people in rather than recruit locally, stop it. Talent is everywhere. Opportunity is not.”

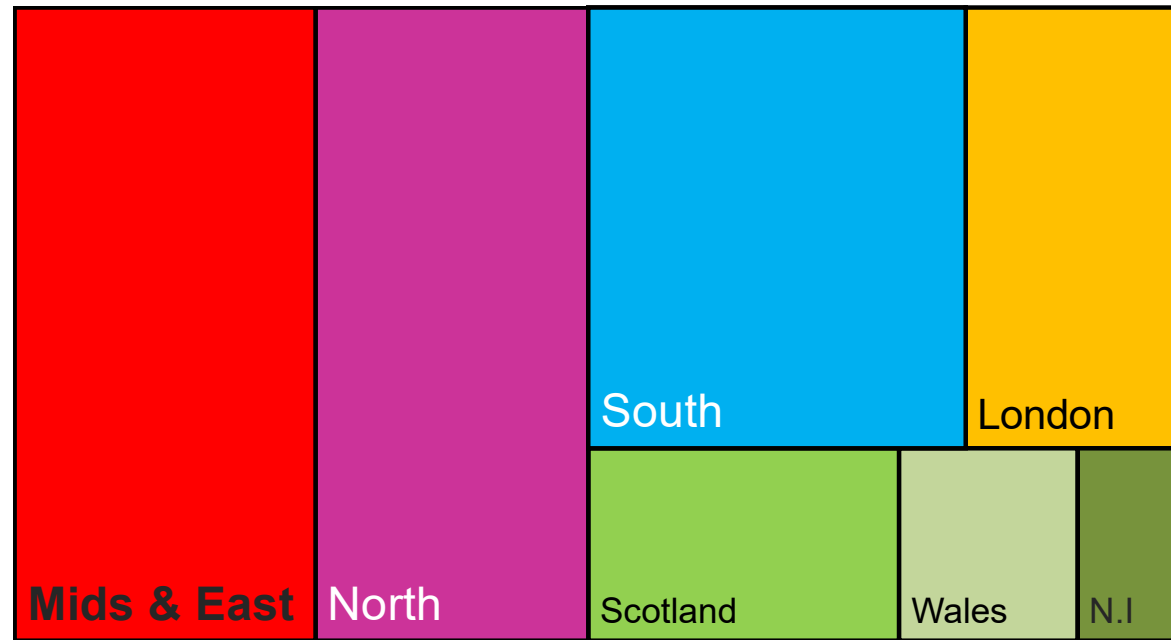


“And if you’ve moved jobs and people and content, but the heads of departments and commissioners are all still in an office in London, do something about it”

Lisa Nandy MP.
Secretary of State for Culture, Media, and Sport
speaking to the Royal Television Society, October 2024

Who pays the licence fee?

Visualisation: Licence fee paid by Ofcom areas, 2023/24



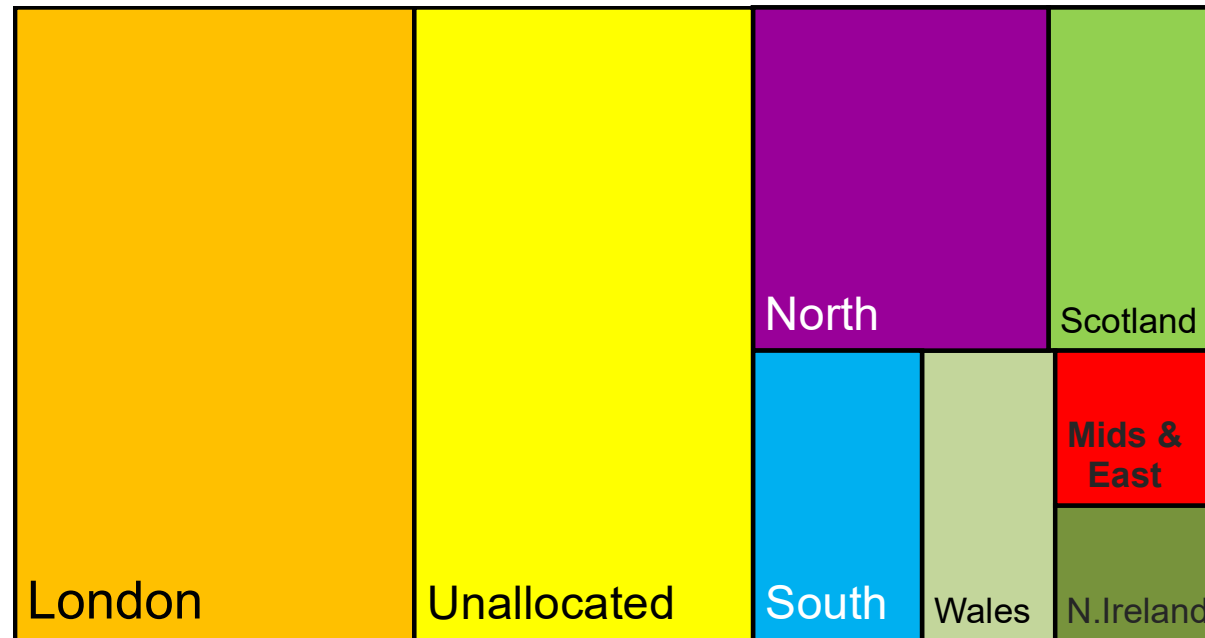
Midlands & East	£933,683,000	25.7%
North	£846,412,000	23.3%
South	£813,852,000	22.4%
London	£476,021,000	13.1%
Scotland	£297,000,000	8.0%
Wales	£184,000,000	4.6%
Northern Ireland	£96,000,000	2.8%

Source: Licence fee income £3.660 billion and nations revenues for Scotland, Wales, Northern Ireland & England as a whole, BBC Annual Report 2023/24.
English regions only: Campaign calculation using population shares applied to declared England licence fee income.



Where is the licence fee spent?

Visualisation: BBC 'Total Service Spend' 2023/24



London	£1,266,000,000	33.1%
Unallocated	£1,074,000,000	28%
North	£508,000,000	13.3%
Scotland	£296,000,000	7.7%
South	£245,400,000	6.4%
Wales	£194,000,000	5%
Midlands & East	£128,250,000	3.4%
Northern Ireland	£112,000,000	2.9%

Source: Total Service Spend across UK, £3.824 billion. BBC Annual Report 2024 (page 56).

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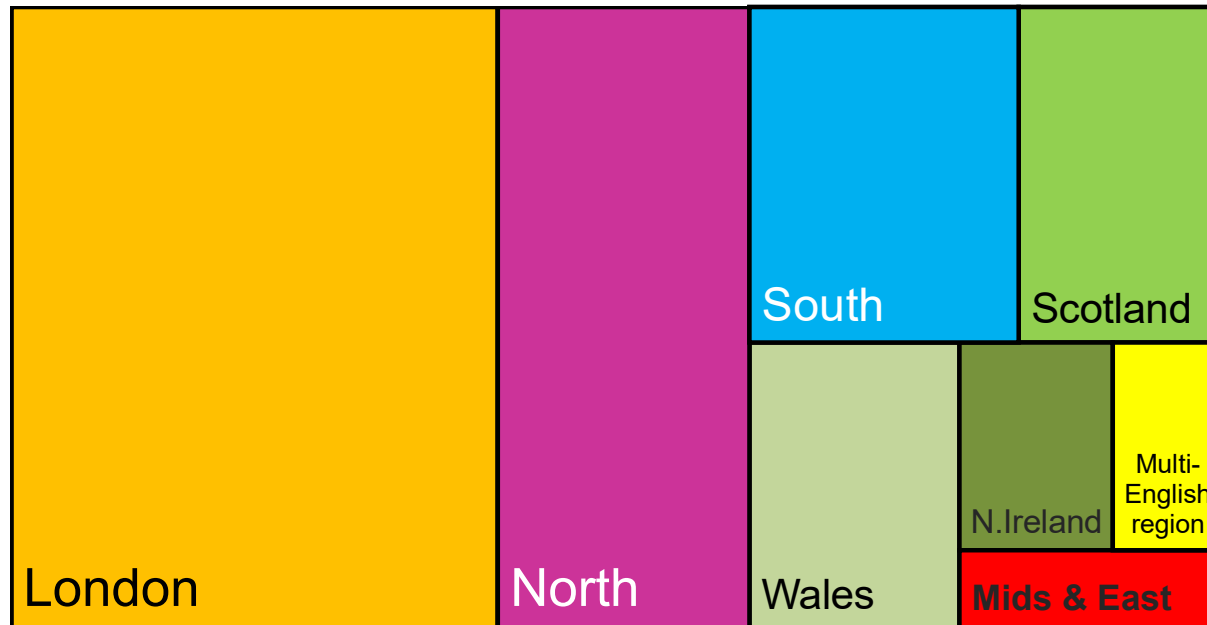
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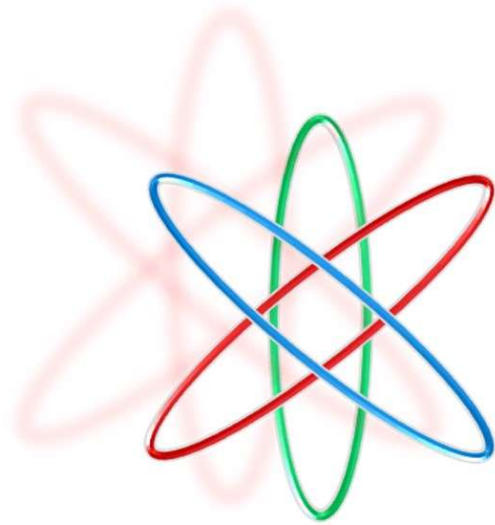
Visualisation: BBC Network television spend 2023



London	39.8%
North	20.6%
South	11.9%
Scotland	9%
Wales	7.9%
Northern Ireland	4.2%
Multi-English Regions	3%
Midlands & East	2.7%

Source: BBC Annual Report 2024, page 33. Spending shares for calendar year 2023.





Campaign *for*
Regional Broadcasting
***and* Production**

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