

## Your BBC licence fee in close up

Close ups on...

- Where the licence fee comes from
- Where the licence fee is spent
- BBC spending comparison across the UK



An analysis of BBC income & operating expenditure in its Nations & Regions, 2014.

Prepared by the Campaign for Regional Broadcasting Midlands (Feb 2015)



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It is possible to compare BBC income from across the UK with expenditure in each Nation & Region.

## Your BBC licence fee in close up

BBC regional spending has increased by an impressive 35% in 5 years\*.

Every BBC Nation & Region has seen an increase, *except one...*

**But which one?**



\* Between 2009 and 2014. See Appendix for data sources



## Your BBC licence fee in close up

**The BBC is divided into 7 operating areas.**

Firstly, the 3 Nations:

Scotland, Wales, Northern Ireland

Plus London and 3 English macro-regions :

The North	North East, North West, Yorkshire & Humberside
The Midlands	East Midlands, West Midlands, East of England
The South	South East, South West
London	Greater London



The Nations & Regions have been used as distinct reporting divisions by the BBC since its creation



# First Close Up

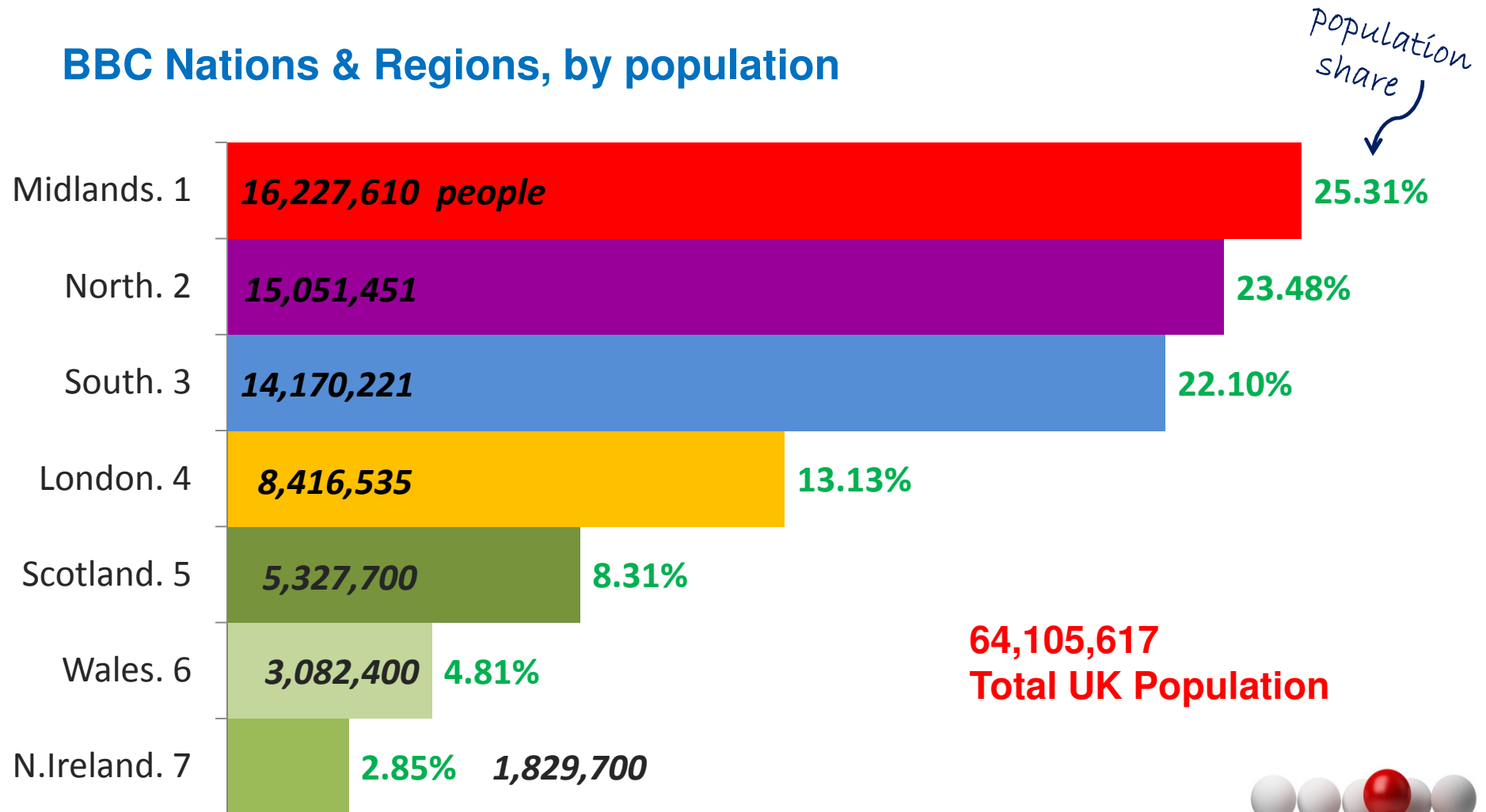
## Where the licence fee comes from

1. BBC Nations & Regions, by population
2. By estimated licence fee holders
3. By estimated licence fee paid



Where the licence fee comes from

## BBC Nations & Regions, by population

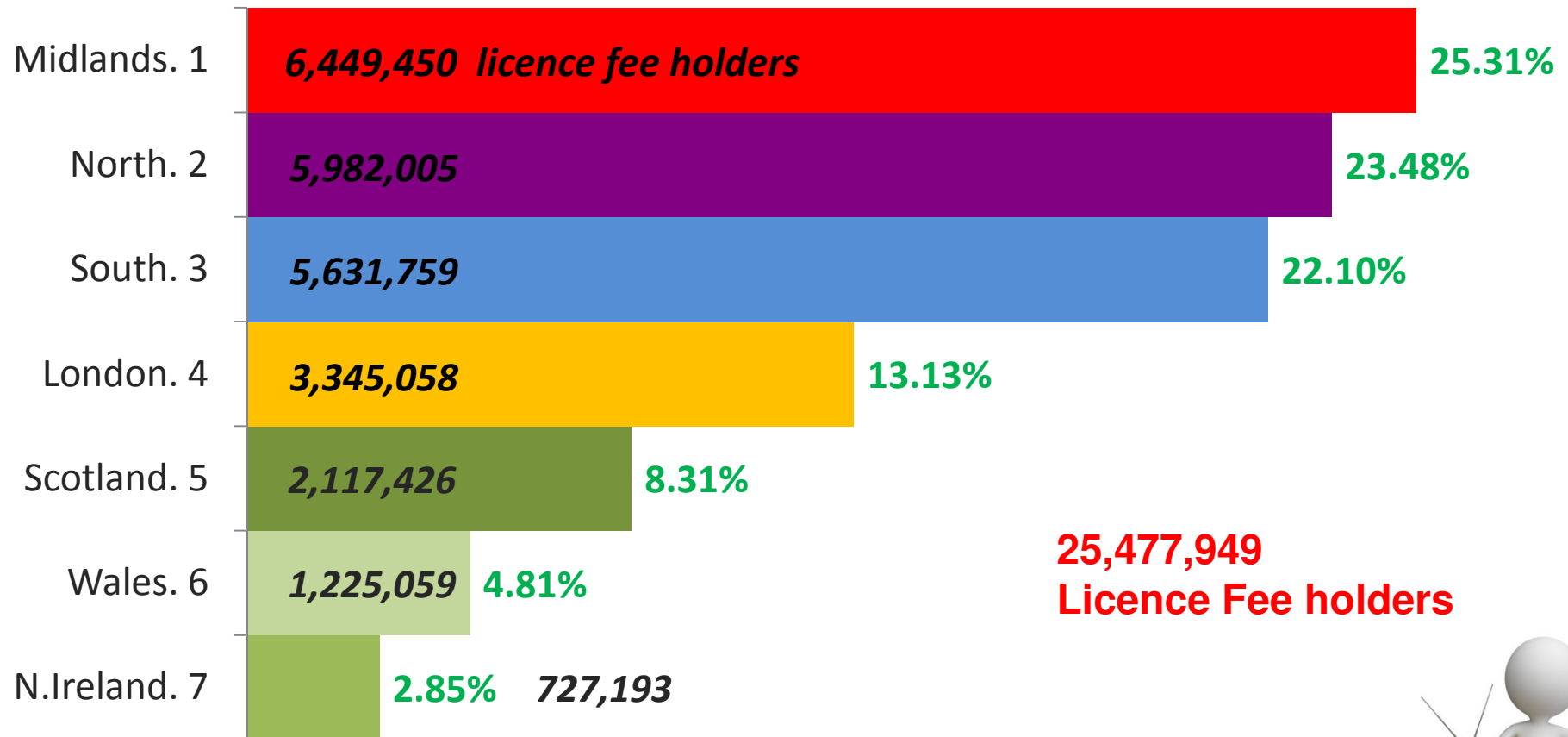


Source: ONS mid-year 2013 population estimates, mapped to BBC Nations & Regions



Where the licence fee comes from

## BBC Nations & Regions, by licence fee holders



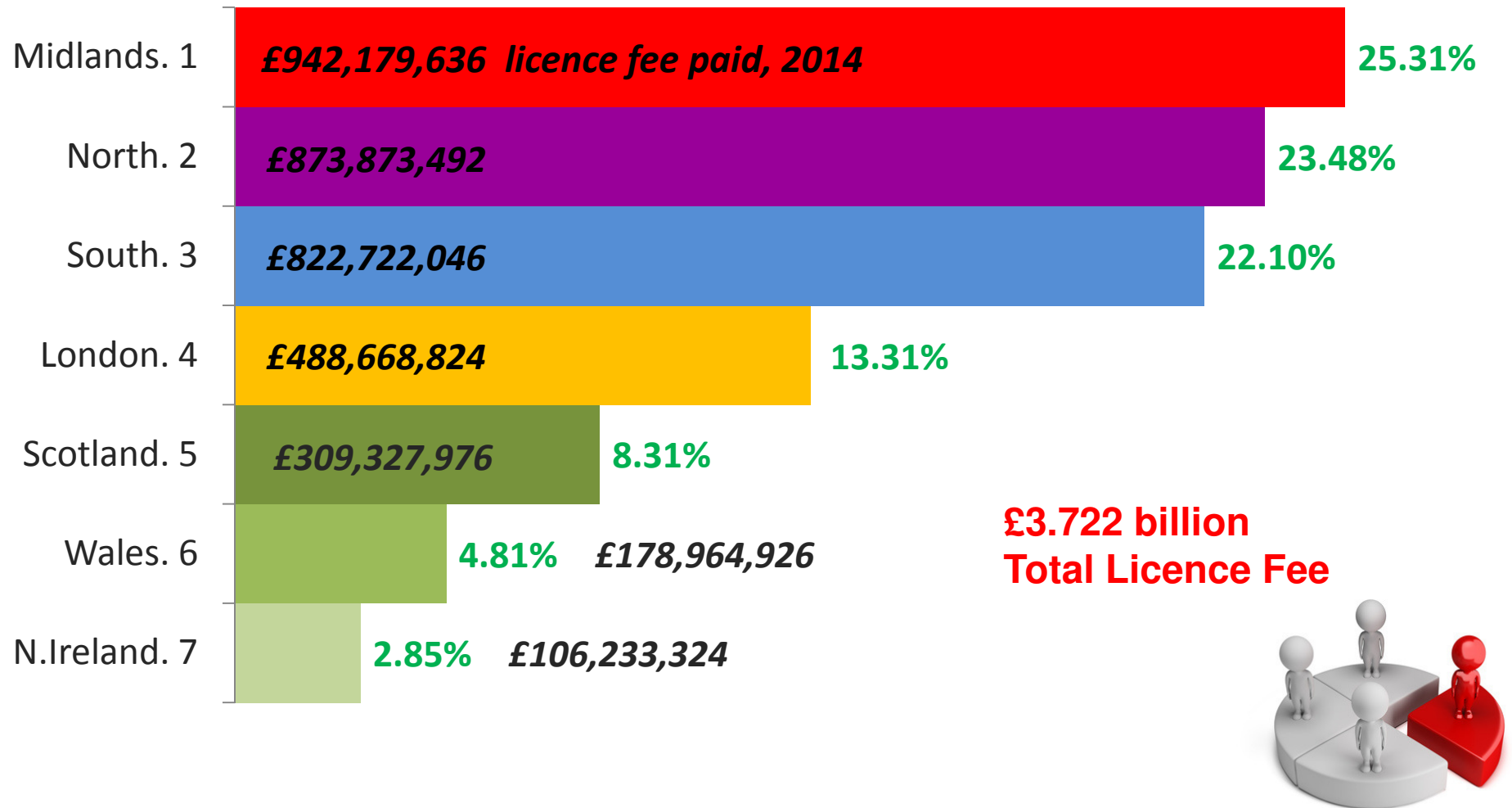
Source: 25,477,949 Licence Fee holders, BBC Trust 2014. Distributed by population share

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Where the licence fee comes from

## BBC Nations & Regions, by licence fee paid



Source: Licence fee income £3.722 billion, BBC Annual Report 2014. Regional contribution by population share



## Second Close Up

### Where the licence fee is spent

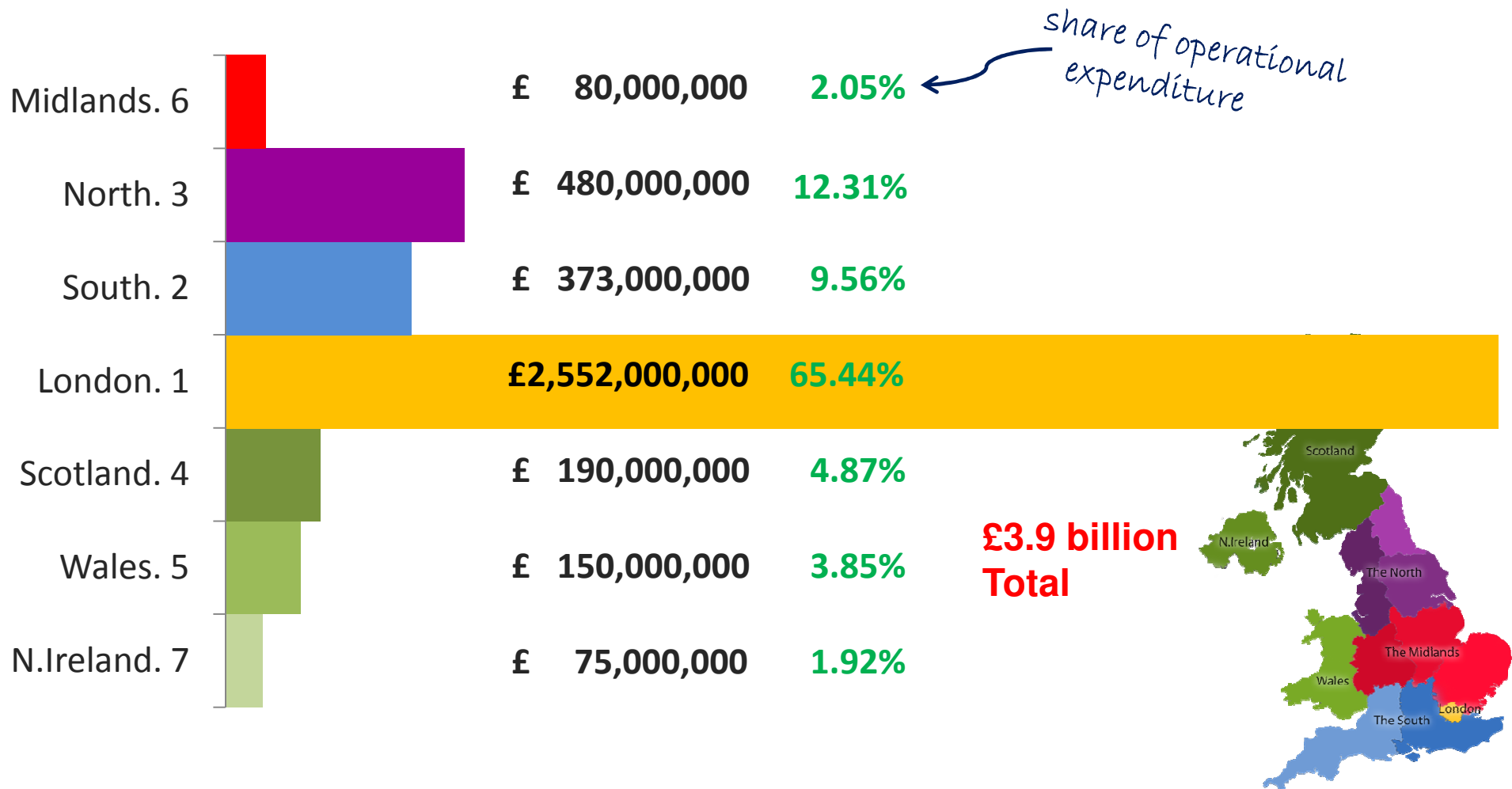
- 4. Operational expenditure in each BBC Nation & Region
- 5. By each Licence Fee payer





## Where the licence fee is spent

### Operational expenditure in each BBC Nation & Region



Source: £3.9bn Public Service Broadcasting Operational expenditure, BBC Annual Report 2014  
Regional spending breakdown - see Appendix



Of the £80 million operating expenditure in the Midlands,  
only some £18 million was spent on network production  
for national television and radio

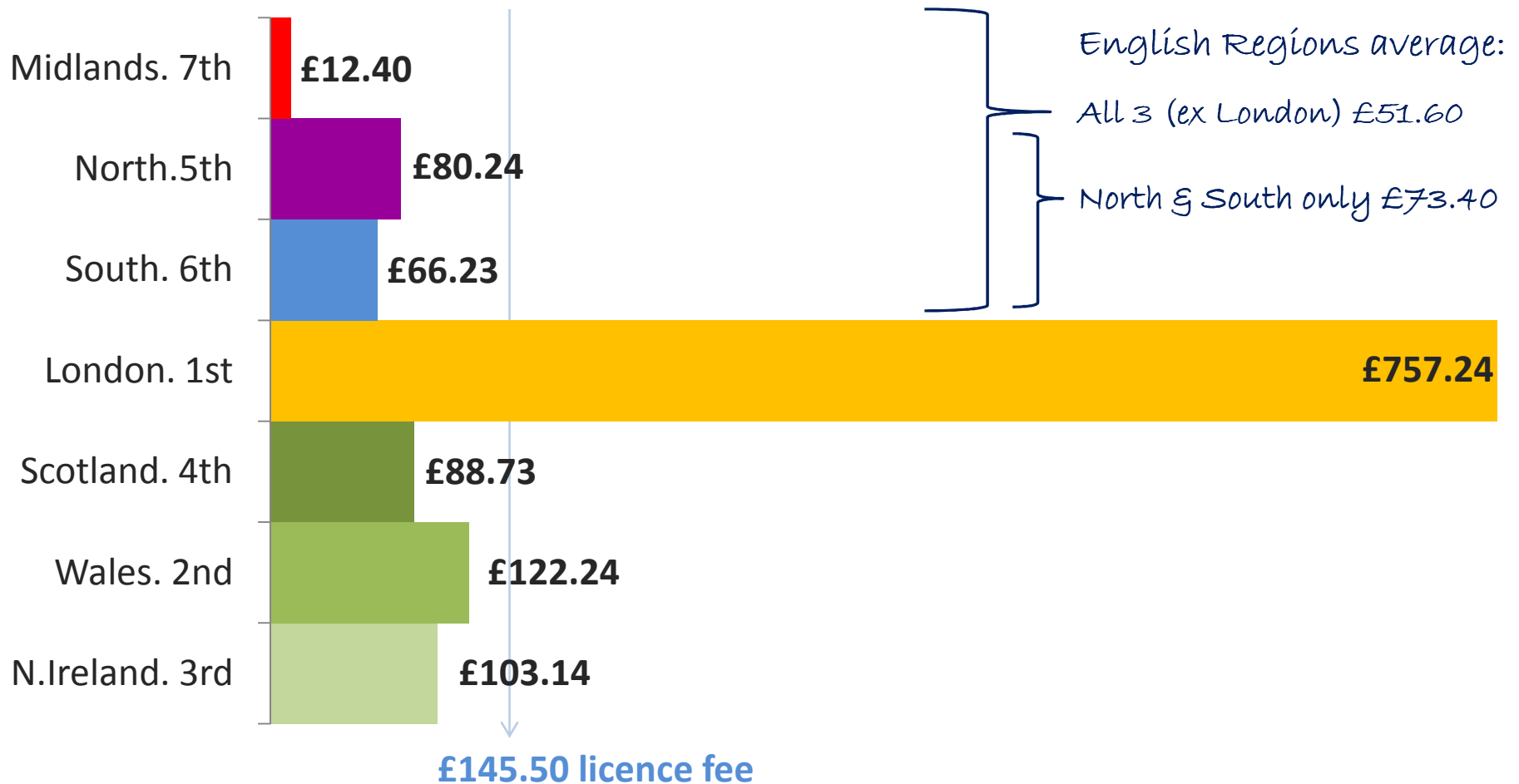
0% of Radio 1, Radio 2, Radio 3, Radio 5, BBC2, BBC3, BBC4  
or peak-time BBC1 is made in the Midlands

There is a connection between the above two statements



## Where the licence fee is spent

### By each Licence Fee payer



2014 regional spending, estimated per licence fee holder

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If the same average was spent in the Midlands,  
as the North and South of England (not including London),  
BBC expenditure in the region would rise  
from £80 million to over...

**£473 million per annum**

The gap is an extra £393 million... per annum



## Third Close Up

### BBC spending comparison across the UK

- 6. The Nations
- 7. The English Regions
- 8. London
- 9. Trend: 2009 v 2014



# BBC spending comparison across the UK

## The Nations

### Wales. 1

Licence Fee paid: £178,964,926

Spent in region: £150,000,000

Spent in London: £ 28,964,926

### N.Ireland. 2

£106,233,324

£ 75,000,000

£ 31,233,324

### Scotland. 3

£309,327,976

£190,000,000

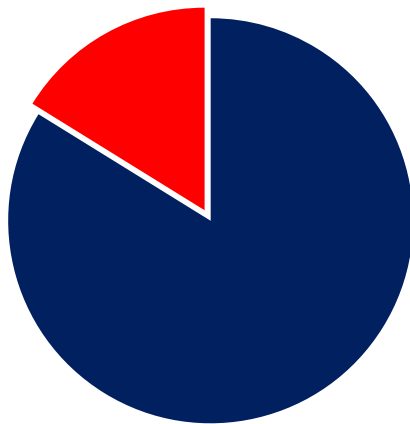
£119,327,976

*Proportion spent in London*

**16.2%**

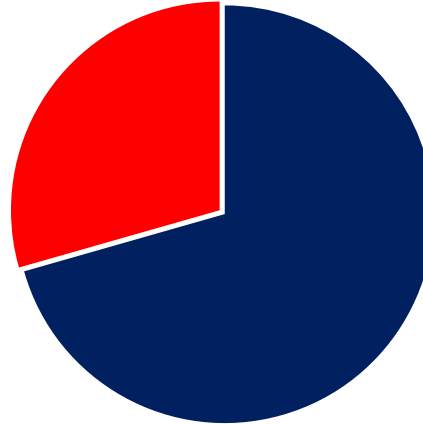
*Proportion spent in region*

**83.8%**



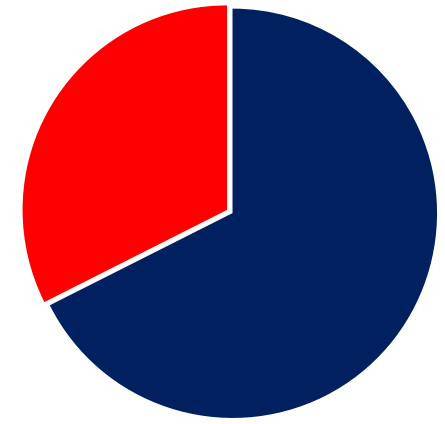
**29.4%**

**70.6%**



**38.6%**

**61.4%**



2014 regional spending – see Appendix



# BBC spending comparison across the UK

## The English Regions

### North. 4

Licence Fee paid: £873,873,492

Spent in region: £480,000,000

Spent in London: £393,873,492

### South\*. 5

£822,722,046

£373,000,000

£449,722,046

### Midlands. 6

£942,179,636

£ 80,000,000

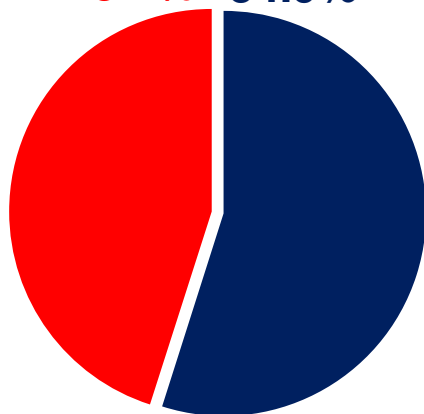
£862,179,636

*Proportion spent in London*

**45.1%**

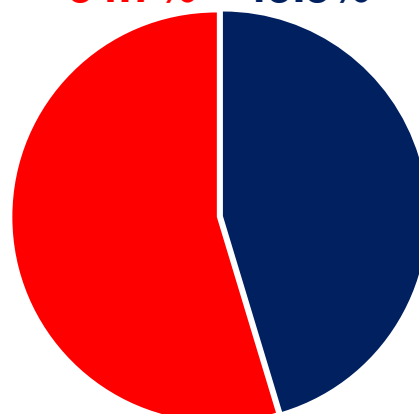
*Proportion spent in region*

**54.9%**



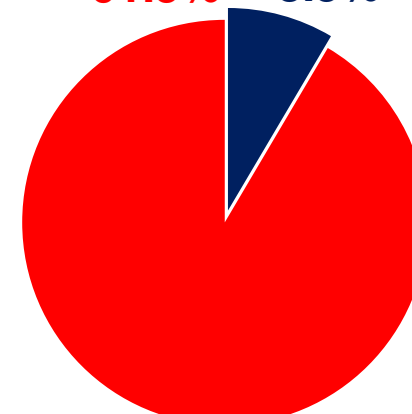
**54.7%**

**45.3%**



**91.5%**

**8.5%**



\*South excludes London. 2014 regional spending – see Appendix



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No other Nation or Region sees a lower proportion of its own  
licence fee spent in the region, than the Midlands

Between 2009 and 2014, every Nation & English Region outside  
London saw a proportional increase in its licence fee spending  
except the Midlands

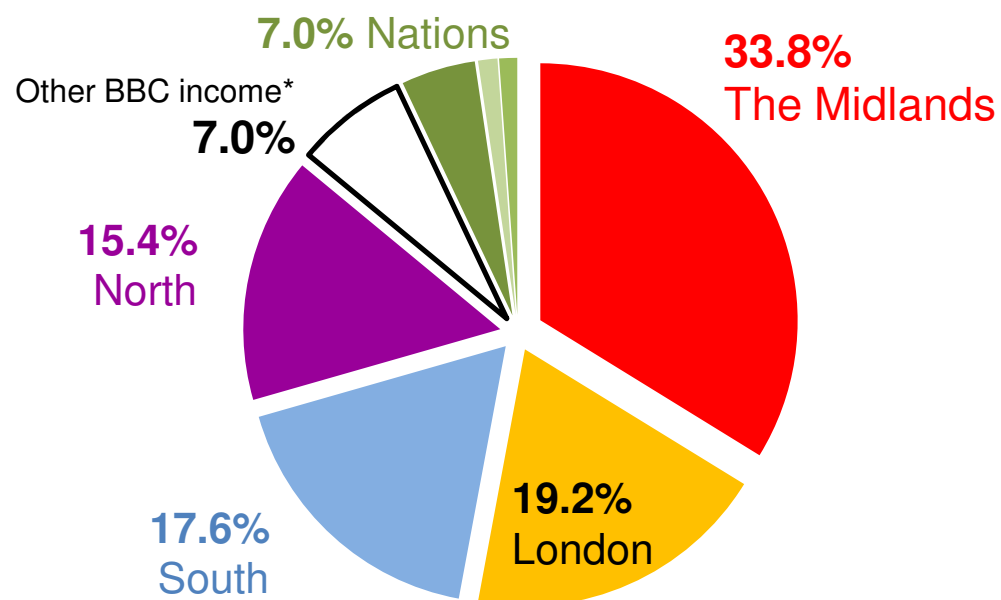




## BBC spending comparison across the UK

### London

#### Sources of London expenditure:



Transfer from Midlands:	£862,179,636
London Licence Fee:	£488,688,824
Transfer From South:	£449,722,046
Transfer from North:	£393,873,492
Other BBC income:	£178,000,000
Transfer from Nations:	£179,526,266

**TOTAL LONDON EXPENDITURE: £2,552,000,000**

London is the base for all television networks, news, national UK radio networks (except Radio 5) and several production departments.

\*Other BBC income includes contribution from BBC Worldwide & other commercial ventures. Regional spending – see Appendix



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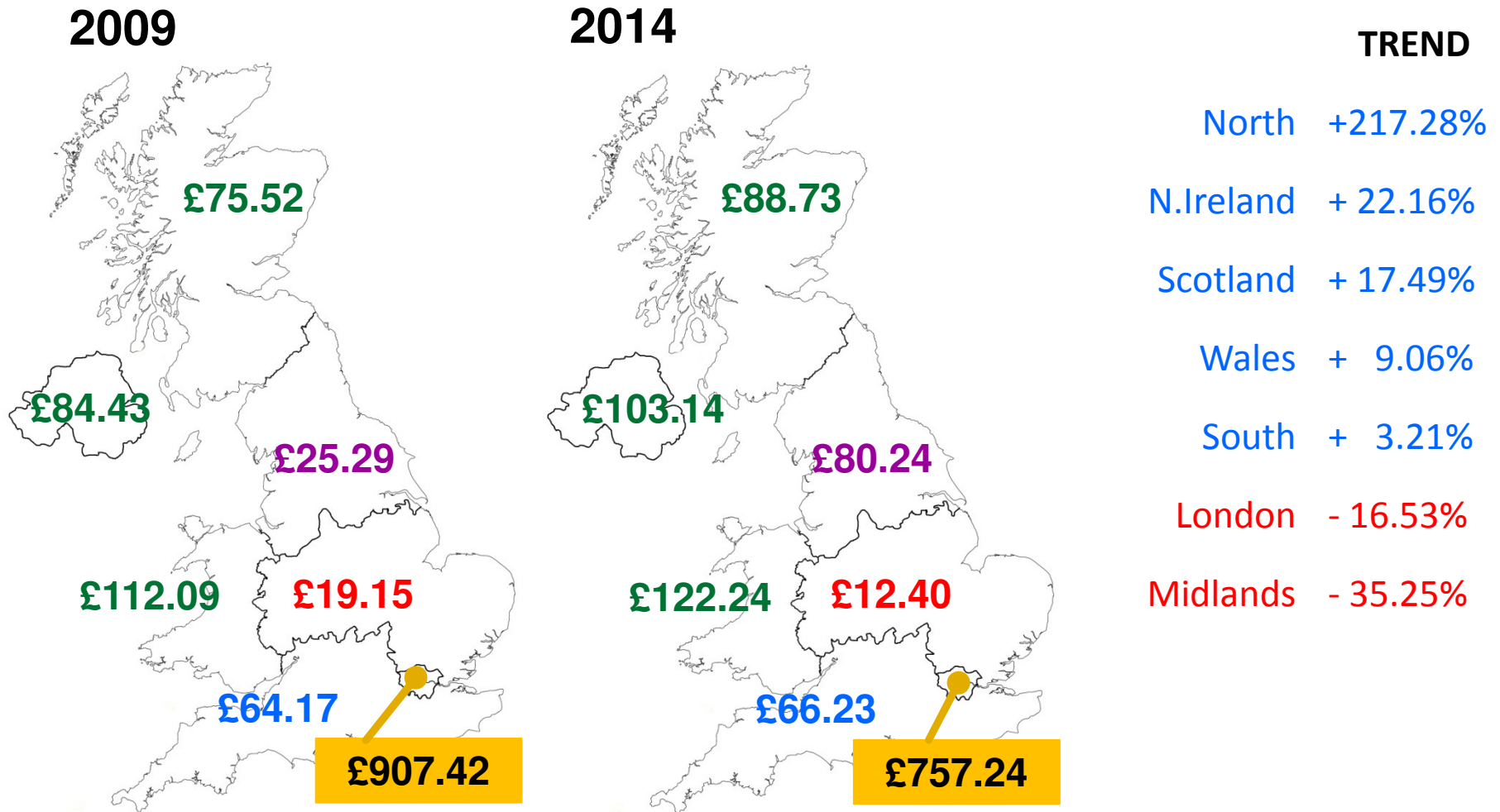
In 2009, the Midlands already contributed 86.1% of its licence fee to spending in London. The highest of any region

By 2014, the Midlands' contribution had risen to 91.5%  
- the only BBC region that increased

The Midlands contributes more to BBC spending in London, than any other nation or English region, including London itself



## Spending by licence fee payer: 2009 v 2014



Between 2009 and 2014, BBC nations & regions expenditure increased by 35.21% from £997 million to £1.348 billion

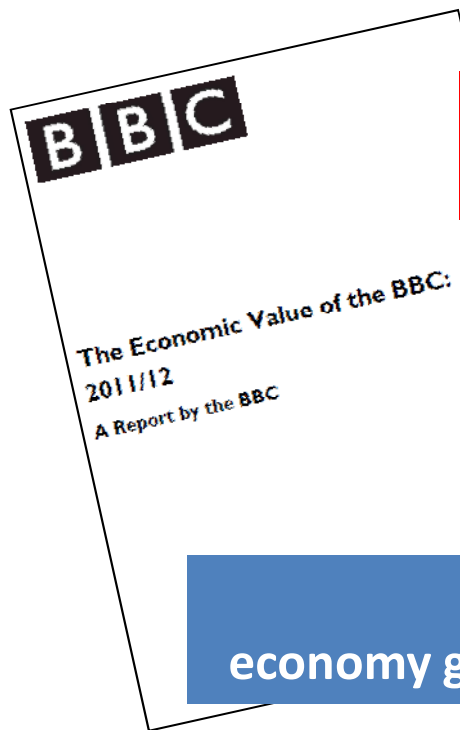
BBC expenditure in the Midlands decreased by 35.25%.  
The only region that declined outside London

BBC spending in the Midlands, by licence fee payer, was already the lowest in 2009, even before the decrease!



## Why it matters

*'The Economic Value of the BBC 2011/2012'* (published by the BBC, 2012) gave many reasons for a more equitable distribution of our Licence Fee, including:



**“...the BBC’s spending and investments have a positive economic impact”**

**“...forms a critical source of demand for other parts of the creative economy”**

**“...the BBC’s spending out of London helps to rebalance the economy geographically, spreading the benefits of growth across the UK”**



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Since the closure of Pebble Mill in 2004, the Midlands is the only BBC region that does not contain a network television studio

BBC spending is 6 times higher in the North than the Midlands;  
4.7 times higher in the South and 32 times higher in London

There is still one big piece of the regional spending jigsaw  
that needs to be filled, in the BBC's largest region  
– The Midlands



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# 50% Let's go halves!

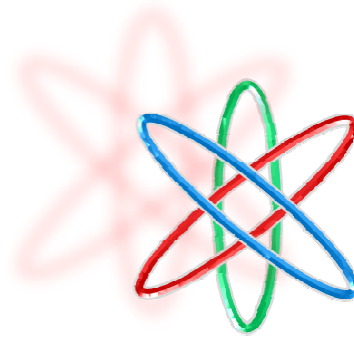
**We are not looking for subsidies.**

**A fair 50% MINIMUM share of our own licence fee,  
to be spent on programme making in the Midlands,  
is not a lot to ask.**

*Devolve  
BBC spending!*



CAMPAIGN *for*  
REGIONAL  
BROADCASTING  
*Midlands*



[www.crbmidlands.org.uk](http://www.crbmidlands.org.uk)

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## Appendix.

Sources of data for this research include:

- The Office of National Statistics, mid-year 2013 population estimates
- The BBC Annual Report 2014
- BBC Trust licence fee data

BBC spending figures by region are provided in:

*'The Economic Impact of the BBC 2008/2009'* published by Deloitte LLP, 2010

*'The Economic Value of the BBC 2011/2012'* published by BBC, 2012

*'Driving efficiency at the BBC'* published by BBC, November 2014

Midlands and South regional PSB spend for 2014 is estimated by using the figures declared in *'The Economic Value of the BBC 2011/2012'*. We have transferred £20 million from the Midlands to the South region to account for the move of Factual Unit & network radio – from Birmingham (2012). No other spending deductions have been made to our Midlands estimate, and no other additions to the South.

London operational expenditure of £2.552 billion is calculated as the net amount after deducting all other Nations and Regions from the total PSB spend provided in the BBC Annual Report 2014.

We have made no other adjustments to published BBC regional spending figures. Spending share by region or licence fee payer are straight-forward calculations using the listed data sources.

