



HOUSE OF COMMONS

## Public Accounts Committee

### Oral evidence: The BBC's implementation of Across the UK, HC 426

Monday 19 February 2024

Ordered by the House of Commons to be published on 19 February 2024.

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Members present: Dame Meg Hillier (Chair); Olivia Blake; Sir Geoffrey Clifton-Brown; Mr Jonathan Djanogly; Peter Grant; Ben Lake; Sarah Olney; Sarah Owen; Ms Marie Rimmer; Gary Sambrook.

Gareth Davies, Comptroller and Auditor General, Louise Bladen, National Audit Office Director, and Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1-97

#### Witnesses

**I:** Tim Davie, Director-General, BBC, Thomas Wrathmell, Programme Director, BBC, and Leigh Tavaziva, Chief Operating Officer, BBC.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Report by the Comptroller and Auditor General

The BBC's implementation of 'Across the UK' (HC 190)

Examination of witnesses

Witnesses: Tim Davie, Thomas Wrathmell and Leigh Tavaziva.

**Q1 Chair:** Welcome back to the Public Accounts Committee on Monday 19 February 2024. We are now examining the BBC's implementation of its project Across the UK, which aims to reflect its audience's lives and support creative industries outside London by moving the production of a number of programmes, including music and other creative elements of the BBC's work outside London. It is currently behind its own target on hiring apprentices outside London and has failed so far to move radio and music out, as it had planned, so we really want to quiz the witnesses in front of us today about why its projects are not quite on track and whether it will evaluate how they work, among other things.

We will dive into the questions in a moment, but first I will introduce our witnesses. We have, of course, Tim Davie, the director-general of the BBC— welcome to you, Mr Davie—and he is joined by Leigh Tavaziva, who is the chief operating officer at the BBC, and Thomas Wrathmell, who is the Across the UK programme director at the BBC, so he is the man who will know the detail, with no disrespect to the director-general.

Before we go into the main session, I want to ask you, Mr Davie, if you could update us on the negotiations about the licence fee and say whether you can tell us anything about that.

**Tim Davie:** Specifically, we have our licence fee to 2027-28. So, when you refer to the "negotiations", obviously we have the two years flat and the four years CPI, which in the context of the broader market we welcome because it allows us some certainty, despite all the very significant challenges that we are about to talk about, in terms of making the budget meet in the context of the amount of change we have to deliver to respond to the market.

Beyond that, obviously we know that the Government are undertaking a funding review, within which we will be highly proactive, and we are talking to DCMS, serving in data and talking to them about how that process works. Separately, we are already beginning work in terms of what options we have beyond 2027-28; what are the right ways of delivering universal fee and what are the consequences of different processes of running that? That is the work we are going into now.

I think we have to pace it appropriately. We have some certainty for a number of years, but don't read that as complacency. There is not a media organisation in the world—certainly not a traditional so-called broadcast organisation—that does not need to fundamentally look at its model and make sure it is in the right place.



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Q2 **Chair:** When will we see anything about your own work on what might replace a licence fee, or any modelling on that?

**Tim Davie:** We will undertake that this year. I don't want to commit to an exact month, but the Government have said that they will do work through to autumn and we will begin that work as well.

Q3 **Chair:** How public will that be? Will there be a discussion with the Department first, or will there be something you can share?

**Tim Davie:** What we would like to do, obviously, and we are working through it, is very significant public engagement. At the end of the day, the BBC's here to serve one shareholder, which is the public and the licence fee payer, so any decisions around how we evolve payment of the licence fee or how we deliver universal service are so precious that we need to take our time and liaise with the public. Absolutely, there is no scenario in which this is done behind closed doors. I see the BBC as a highly transparent public organisation that needs to engage the public in this conversation.

Q4 **Chair:** With the licence fee, there is always a mid-term review period. When will that fall for this period?

**Tim Davie:** We have just completed the mid-term—

Q5 **Chair:** That is the mid-term review.

**Tim Davie:** That is the mid-term review, to be clear. This is for new readers: you have obviously got the financial settlement, which was two years flat, four years CPI. We can talk about the joys of quite high inflation in year two and the additional pressures that we have as the BBC—like many businesses and organisations beyond us, to be fair, but this does create enormous challenges.

Separate to that, you have the mid-term review that the Government have completed and we have worked with them. That was looking at governance. Remember, even in my time, we have had governors, trusts, various ways of governing and overseeing the BBC. The good news is that the mid-term review said that the system is working well as a unitary board. I have seen a number of systems, and while none is perfect, I think this works well. There were some specific changes around ensuring responsiveness of the complaints process, and other tightening of process that we thought was sensible and welcome. Overall, it has been a constructive process for the BBC, and we keep improving.

Q6 **Chair:** Of course, you have a new chairman, who appeared before our sister Committee. I think he has to appear again. Is that right?

**Tim Davie:** I am not an expert on the appointment of my boss. Subject to all the various processes you have to go through, I expect him to start in March, and away we go.

Q7 **Chair:** So you expect that the first meeting he will chair will be in March.



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**Tim Davie:** That would be my expectation, but my powers are limited in this regard.

**Chair:** Indeed, and quite rightly too.

**Tim Davie:** Absolutely. Appropriately limited, Chair.

**Chair:** Thank you very much indeed. I know Sarah Olney and Peter Grant both have issues they want to raise. Over to you, Sarah.

Q8 **Sarah Olney:** Since the decision of the Upper Tribunal in the Atholl House case, can you tell us what advice the BBC is now giving, in relation to the IR35 rules, to those people it is commissioning from?

**Tim Davie:** If I may, I will hand to Leigh, as she has been in the guts of working through the outstanding cases.

**Leigh Tavaziva:** Those high-profile cases, including the one you specifically referenced there, are largely related to the individual tax affairs of individuals prior to 2017-18. Those processes are still being worked through. When the legislation changed in 2017, the BBC took full responsibility for determining the employment tax status of everybody we hire and engage. We are confident in the IR35 rules that we have and the processes that we follow. We generally apply three tests around that. One is particularly on control—the nature of control that the BBC has when we engage somebody. There is also the personal service that the individual is providing, and whether they do business on their own account. We would be considering those tests particularly for the large volume of freelancers and contributors that we engage outside of PAYE.

We also continue to work with HMRC as part of a wider media industry on clarification and further guidance relating to both on-air and off-air employment status engagement. We continue that work and learn from recent case law as well.

Q9 **Peter Grant:** In 2019, this Committee, shortly before I joined it, published a report that was extremely critical, to put it mildly, of the way the BBC had treated a lot of its contractors, freelancers and so on. What progress have you made to resolve the relationship between the BBC and some of its key staff? A lot of them had just lost confidence in the BBC by that time.

**Tim Davie:** I did not fully understand the question. Are you talking about the freelancers, or staff within the BBC itself?

**Peter Grant:** No, the freelancers who were cut off.

**Tim Davie:** That is a very good question. We are undertaking a lot of work. At last count, I think we have 23,000 people on the books in terms of the BBC public service and the commercial arm, but we have multiples of that working with the BBC as freelancers. We are doing a lot of work to ensure that we are appropriately getting in shape the processes, training, treatment, whistleblowing—all the various processes that are essential to keep people safe, secure, properly informed and rewarded at work. Leigh,



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you might want to add something on the work that is going on, because there is a lot of it. It is a very good question.

**Leigh Tavaziva:** As an organisation, we feel very strongly that the experiences of contributors and freelancers who work with us should be considered very carefully. That includes everything from the first engagement, the contracting, the determination of the employment status, which is an important part of that, to the day-to-day management of all our freelancers and contributors, including the training process they have to engage in to undertake the work for the BBC. It is that end-to-end, front-first engagement, all the way through to when the contract may end as well. We have a full look at all those processes. As Tim says, we are about to embark on a new review of what we call our extended workforce, which is looking at how we continue to improve the experience and engagement of all those who work with the BBC.

Q10 **Peter Grant:** Are you still pursuing presenters for recovery of the tax that you unilaterally agreed to pay HMRC on their behalf without their consent and without their knowledge?

**Leigh Tavaziva:** We have a recoupment process that we engage with where relevant, but it is individual to every individual circumstance, and we apply individual reflections on how we recoup, or we may use alternative ways of looking at that. We may look at the length and term of the contract and the engagement, or at other ways of receiving the recoupment, but yes, we are still continuing to do that.

Q11 **Peter Grant:** You mentioned the process by which you assess whether someone should be treated as on payroll or off payroll. Some presenters have told me that the assessment the BBC does insists that they provide details of all the work that they have done for anyone else in the past two years and everything that they have diaried already for the future year, but they also say that no one else asks for that. How do you justify what would appear to be a serious breach of privacy and possibly a breach of their duty of commercial confidentiality to their other clients, when no other broadcast organisation seems to need to know that?

**Leigh Tavaziva:** We take the guidelines that we have from HMRC on IR35 very seriously. We are very careful, with every individual person we engage, about ensuring that we apply those three tests that I talked to you about. We engage about 50,000 freelancers, contributors and so on, so it is a very large number of people. That work is time-consuming, but we do it. More than 80% of the freelancers whom we engage are on a self-employed basis, so it is important that we understand their employment tax status when they engage with us.

Q12 **Peter Grant:** Have you had legal advice that you must ask that particular invasive question as part of the assessment?

**Leigh Tavaziva:** I need to take that question away, because I do not know—



**Tim Davie:** May we take that question away? There is no desire on our part to be over-bureaucratic. When you say to me, "Are we doing too many checks?", my mind is saying, "I hope not"—bluntly—but the BBC is also in a situation where if we do not have full transparency, this Committee would be interested in whether we could properly lay out the evidence for those cases. Also, we are spending public money, which is different from others—we are spending public money. It is a fair question; we don't know the answer.

Q13 **Peter Grant:** The issue for me, though, is that the whole point of IR35 is supposed to be that somebody who earns a certain amount gets treated the same for tax purposes, regardless of employment status. That is something I do not think anyone would argue with.

Is there not also an argument that, regardless of employment status, the benefits of working for the BBC should be the same? Yet a number of freelancers have contacted me to say that they do not get holiday pay or sick pay, which is in effect a 12% or 15% pay cut. They are also not covered by the BBC's professional indemnity insurance, and their own insurance will not cover them. They think they should be covered. It is a frightening prospect for a broadcaster who is not insured. Some of them who have tried to claim maternity pay, too, have had two to three-year battles to be allowed to claim it.

Do you understand the immense frustration out there still, among a lot of people who are household names and therefore reluctant to go public with the situation, because it looks as if they are just looking for sympathy? Do you understand the degree of frustration that is leading to a lot of the kind of people who make the BBC what it is seriously considering whether they want to work for the BBC again? Is that something that concerns you?

**Tim Davie:** Of course it would concern me if I thought that was happening everywhere. We talk to people individually. I think we have a situation in which we listen very hard to some of those concerns. As you have heard, we think that there are some opportunities where, to be blunt, it is often the broader freelance community and those people at the lower end of the pay scale. There are different issues here. There are the household names and how we get through the various challenges that you have outlined, which I think is totally fair, but if I have to be honest about where my primary concern is beyond that, it is with an industry where we have seen many of the people in it—not so much the BBC, but others—pulling out of productions. The amount of job security in the industry has always been a challenge for a lot of the freelancers. As you have heard, we have done an enormous amount of work. We are talking to freelancers. We take it very seriously, because they are critical to the delivery of what the BBC does. But they are not full-time employees, so you have that case with public money on how much you—

Q14 **Chair:** We have looked at this a lot in the past, and one of the problems, before you were director-general, was that a lot of people were managing people, but they were not trained managers, and they were advising



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people to go down this route, and so some people who were employees took this route. There is a lot of history.

**Tim Davie:** Absolutely, Chair. There are different levels of issue with that history. That needed fixing, and I think we are in a good place.

Q15 **Chair:** People were given advice, but not proper advice, and they put themselves in a difficult position. A few years ago, the BBC was off the hook because an election was called, but a number of us had been talking very privately to a lot of people, including at lower-paid levels, about the impact on their lives of the way this has been handled by the BBC, and we heard about a really distressing set of circumstances. Fortunately for you, maybe—but not for them or the Committee—the Committee was dissolved because Parliament was dissolved, so we never got to air all that in the public domain.

**Tim Davie:** Of course, any further evidence you have—our only objective is to make sure freelancers are fairly treated and are very happy to work with the BBC, and we have very strong demand in that area. By the way, I think they are going to become more rather than less important in an industry that is under enormous pressure, so your points are well taken.

Q16 **Peter Grant:** The final part of the BBC's response to the 2019 report said: "Issues around employment benefits will be considered in the light of the outcome of the discussions" that at that time were ongoing with HMRC. From the message I am getting, these issues have clearly not yet been resolved. How much longer do you expect it to be before you can say that you have resolved the ongoing issues with all your presenters?

**Leigh Tavaziva:** There is a cohort that continues to have personal tax claims, and work done with HMRC, pre-2017-18. We are working with over 100 individuals who still have cases in relation to HMRC in relation to that period. That requires us to answer an enormous number of questions for those individuals and involves, I certainly accept, very challenging personal circumstances for many of them for such long-running tax questions about their employment tax status. I think we would absolutely welcome that process being speeded up. We would welcome engagement with HMRC to focus on that.

Since 2017-18, when the BBC took responsibility for the employment status, we have continued to work and strongly engage with everyone who works with us. We do not know the examples—of course, as Tim said, we would be really happy to look at them—but they are two different cohorts. For those before the legislation changed, that process is for HMRC individually with those individuals. We continue to support those individuals, but we think the process could be speeded up in terms of the resolution of their tax status from that time.

**Chair:** You can sense that there is a frustration. Actually, I sense it a bit from both sides. We have also talked to HMRC about this.

Let's move on to our main session. The primary reason we have our witnesses in front of us today is to discuss the BBC's plan for





implementing Across the UK, which I described earlier. Jonathan Djanogly MP will kick off.

**Q17 Mr Djanogly:** Good afternoon. For the benefit of those listening, we are talking about the BBC's Across the UK policy, which the NAO Report describes as follows: "In March 2021, the BBC published *The BBC Across the UK* (ATUK), setting out its ambitions to strengthen its delivery for the whole of the UK, particularly in areas where perception of the BBC's relevance are relatively low, and to ensure that every household gets value from the BBC. It plans to do this by cumulatively spending at least an extra £700 million outside London between March 2021 and March 2028." Mr Davie, why did you announce such significant expenditure commitments—at least £700 million—before finalising the Across the UK plan budget and business case?

**Tim Davie:** I think we had a pretty good plan at that point. By the way, I welcome the NAO Report, which said we are making good progress. I actually found the Report very useful, because there are certain things in terms of what a Green Book business case looks like versus our business case. Having delivered many business cases across many industries, there is lots of good learning here from the NAO.

There was a balance in this in terms of how I, running the organisation, work as well. Sometimes you have to set a bit of an ambitious target to push the organisation. Some of it is that this is about an editorial organisation, so you are not going to move every programme or whatever. It is not like moving a factory or other things. This is a creative process as well.

For me, it was setting an ambitious target. What I believe fundamentally is that the BBC is utterly dependent on being relevant to every household. You increase relevance, let alone the distinct benefits for the wider creative industries, which we may talk about, by pushing that. We are uniquely placed.

By the way, this is interesting in the context of this Committee. We want to be very financially efficient; we want to be benchmarked against the best. But sometimes the decisions that we are going to talk about today actually have broader societal impacts for public service spending beyond just the most efficient way of doing something.

The answer to your question is that I had enough evidence that this was possible and we had an ambitious set of initial ideas that made me think that we could deliver this. I still do. I think we are on track to deliver it and it is very exciting. I am really proud of the programme.

**Q18 Mr Djanogly:** I am pleased to hear that. You said twice that you set ambitious targets, but I am looking at the NAO Report, paragraph 1.12, which says that "the ATUK business case was underdeveloped". It goes on: "The BBC's lack of initial planning created delivery risks. For example, the lack of market assessment led to unrealistic timelines for moving roles and local recruitment outside London". Had you actually set





ambitious targets at the start?

**Tim Davie:** Yes, I think we had.

**Mr Djanogly:** Or did you do it as you went along?

**Tim Davie:** We set targets, and I can give you examples. We had a target for 60% of TV production to be beyond the M25. We are at 58%, which is a good result. In audio, it has been more challenging: we are at 41%. I will not go through it all, but we had broad overarching targets in terms of the delivery of our plans—absolutely.

Q19 **Mr Djanogly:** Let me move on to Ms Tavaziva. Why did you not follow the BBC business case template for the overall business case for Across the UK?

**Leigh Tavaziva:** Can I clarify that? We did follow the BBC's processes for setting the business case for Across the UK. When we announced Across the UK in March 2021, we had done a thorough strategic assessment. As Tim had indicated, we were confident enough based on individual divisional commitments to specific programmes, which we announced in that initial announcement in March, that we could deliver it.

We then undertook a thorough baseline business case, which we produced by October '21. That enabled us to go through a detailed design of the shape and delivery timescales for each of the component parts of Across the UK. That did follow the processes for the BBC. It included a thorough set of authorities and sign-off, which included all the way up to the BBC board, which is responsible for all our big strategic projects. The audit risk committee reviewed that baseline case and signed it off.

On the point that you are referring to—specifically, that paragraph of the Report in which the NAO considered the business case in October to be underdeveloped—the NAO was comparing it specifically to the Treasury's Green Book of best practice. That is different from the BBC's processes. There are some specific examples in there that, as Tim articulated, we have learned from. We have continued to develop and evolve our BBC process.

Q20 **Mr Djanogly:** So the BBC process that you have now is not the same BBC process that you had at the start of this project?

**Leigh Tavaziva:** We are continually looking to improve—

**Mr Djanogly:** How have you improved it?

**Leigh Tavaziva:** We have looked at a number of things. I think the NAO specifically called out how we could assess risks—could we develop a more detailed review of risk assessment? We had done an overarching risk assessment, and we absolutely accept the point about a more detailed risk assessment. The NAO also wanted to see options or scenario planning. We had been quite specific in our plans that we wanted to go for a set of articulated and shared objectives. We did not have scenario planning in that, so that was another area where we felt like we could adjust.

We have reviewed both our strategic investment process and our financial investment process to move it from cost investment to more of a broader business case that also looks at management controls, risk assessment and benefit cases in particular. We are just in the process of relaunching those reports to our project manager leaders across the BBC. We have had one conference with them already, and we have another that includes training. We have taken the opportunity to look at the Treasury's Green Book of best practice and, where we feel we can take learnings from the NAO Report into our BBC processes as well, we will, to continue to improve them.

**Q21 Mr Djanogly:** Thank you for explaining that. Mr Davie, looking at the move to Salford in 2012, what lessons did you learn from Salford that you put into practice with this project?

**Tim Davie:** I think we had a lot of learnings. The first one is that it works. By moving out significant chunks of the BBC, you can see very significant effects on the local creative economy. I spent some time with the local political leaders there and I spoke to the creative industries, and I think there were some great successes in Salford. The economic impacts are well documented and very strong.

There are a number of things that are very important when you are building these clusters. A slightly different conversation, which we may get to, is what makes a creative cluster. I have just a couple of things to say on this. One is that the learnings from Salford are about moving significant areas of output. It is not just about moving people or headcount. When you move big chunks of sports output, breakfast television and so on, you then attract significant benefits for broadcasting, but also for the local area.

The next thing I would say is that attracting others with us is really important. The BBC cannot build clusters alone. If you go to Salford, one of the triumphs is that the "Coronation Street" set is just across from us, and ITV is a partner. That has been really important.

**Q22 Chair:** Do you think the BBC is a driver of that?

**Tim Davie:** Without a doubt.

**Q23 Chair:** Are you always the driver, or are you sometimes the follower to a hub?

**Tim Davie:** I would never be as—

**Chair:** I don't sense you would like to be a follower, Mr Davie.

**Tim Davie:** I am happy being a follower if we get creative industry growth. In fact, sometimes I would quite like to be a follower, but the issue is that often we are a peculiarly effective first domino. If you talk about the north-east or the west midlands deal and the discussions we are having there, there are certain component parts. I could talk about this at length. Steven Knight as a creative leader in Birmingham—we might get to



these things, but they are ingredients that drive economic growth. I think the BBC not being the only show in town is critical to delivering scale.

There is some learning that we built into these programmes, which is that it is always better if you can build local hires. Inevitably in our game you have a situation—I have had this in other businesses—where in the short term you may have people going up and down on trains, which is not ideal, to be blunt with you. But one of the successes of the current Across the UK plan is that 65% of hires are local, and you then have relocation. That is massive. You always have that first period, but if you go and walk around Salford now, BBC Children's, Radio 5 Live and all the areas have a lot of local hires. It has been a learning to get to that as fast as possible.

**Q24 Mr Djanogly:** That is all really helpful and very positive. I am looking here at paragraph 2.14 of the NAO Report. It is not in any way decrying what you have said, but it puts in a hint of realism. It says, "For its move to Salford in 2012, the BBC relocated 854 BBC staff (compared with 254 recruited locally) at considerable relocation expense and made 548 BBC staff redundant because of the move. Its approach to ATUK has been different. It has made the overall decision to move expenditure in line with its *Value for All* strategy, while moving fewer roles than for the move to Salford." Is this being realistic, or is it an example of trying to have your cake and eat it?

**Tim Davie:** Which cake? It is a change of approach and an adjustment, of course. There are only so many people, in terms of fixed headcount, who you move out of London, but what we have learned is that it is not just about BBC jobs; it is also about money.

I was on the set of "MasterChef" the other day. That will be 130 jobs—not BBC jobs, but jobs with Shine, which is an independent company. There will be tens of millions of pounds of business and four "MasterChef" strands, and they will be based in Digbeth Loc. Studios.

To answer your question, based on our learning there is definitely a strategic shift within the Across the UK plan, though we can only go so far in moving BBC people out of London. The £700 million was obviously an investment target rather than a people target, and that was the headline there.

**Mr Djanogly:** And that is the explanation of it being in line with the Value for All strategy—you have just explained that.

**Tim Davie:** I agree with every word, and the biggest impact to audiences is editorial. The most catalytic thing we can do is bring programming to an area, by the way.

**Q25 Mr Djanogly:** In terms of challenges for implementing the next phase of the strategy, the NAO has the rather helpful figure 1 on page 16, which has three columns: audience value, creative value and public/economic value. I am not going to read them all out now, but there is quite a long list. Mr Davie, how will you actually know when your Across the UK goals of adding audience value, creative value and public/economic value have



been achieved? What is the BBC's key indicator for the overall progress of this project?

**Tim Davie:** I can answer that, but maybe Tom, who is leading the project, could give you a bit of a change of scene. He might be able to give you a flavour of some of the objectives.

**Thomas Wrathmell:** Thank you, Tim. Clearly there are some input measures in terms of judging the success of this programme. The £700 million is the key one. Evaluating the success of the programme is a basket of measures. As Tim said, this is an enabler of the Value for All strategy; this is about driving more positive perceptions of the BBC. The genesis of the strategy was that we observed that we have perception gaps across the UK, and we have high-performing regions and lower-performing regions.

As Tim said, we felt that we needed to point our creative investment towards regions that were lower-performing. Over the period of the programme, we expect to see a narrowing of the gap and a better-balanced output that represents and reflects the whole of the UK, rather than specific regions. That is the driver of the £700 million, but it is more than that.

We know that our spend drives the growth of creative clusters. We have just published some research in south Wales that shows the impact of *Doctor Who* on the regional economy in south Wales. We are very proud of the impact of the licence fee. The economic value, the economic measures, really do matter as well, because those are what will drive the sustainability of the strategy. As Tim said, this is not just about the BBC doing things alone. What we are doing is necessary, but for it to be sufficient for the UK creative industries, we need others to come in around us.

We know from Salford that that model works. When we invested in Salford, the local supply chain grew by 70%. That is significant. That has resulted in the "Coronation Street" set being there and in the use of dock10 as the studio by suppliers aside from the BBC. It is a broad base of measures. We have deliberately structured it in terms of audience value being the primary driver of this strategy, but the creative and economic value is a real focus for us because we believe—as the BBC, as recipients of the licence fee—that we can work harder than just serving audiences. We can prove the value of our investment in the creative economy, but also grow skills and talent as a result.

Q26 **Mr Djanogly:** It sounds as though you are pretty confident about reaching those objectives within the timeframe.

**Tim Davie:** If I may, I think that there are objectives you can be highly confident in, and there are objectives that are more risky. The objectives we can be confident in are the input objectives. We can be confident that we can move 60% of our television production outside London. I am just being blunt with you: we are at 41%, and we need to get to 50% of the audio network. We are a bit behind. We believe that we can get there, but



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you are working through programmes, presenters and teams and getting through that work. I think that that in itself has huge validity.

You then get to the output measures. We want to close the perception gap. It is not rocket science. We want to make sure that everyone feels that the BBC is for them. There is no doubt that locally anchored output is part of that. Bluntly, I think "BBC Breakfast" is an outstanding show. It is infused with a sense of coming from Salford. It is not everything, but it is in there. Separately, locally set drama is critical in terms of storytelling. One of our roles at the BBC is to tell local stories.

We track the numbers like a hawk for those output measures. How many people use the BBC? I can tell you for last week, the week before last or whenever I got my last data. We are all over it, but we need to ensure that those numbers are as equal as possible around the country.

When it comes to creative value, there are clear measures. I have spent a lot of time on this, because we are talking about 2 million jobs. The creative industry is growing faster than the rest of the economy and it is a massive opportunity. However, the truth is that if you look at something like the BBC, which delivers about £5 billion of GVA—it has an upside to its actual investment, because of all the net effects—it is still based too much within the M25, to my mind, which is why I announced the programme. We are better than most, but the opportunity to push that money out—dare I say it, to level up with some of it—has enormous impact, and we can do that.

The other thing is some of the creative work coming up. It is an industry that can work. It does not need to be centralised in one location; it can be driven by creativity. By the way, that is measurable: I am in the northern corridor meeting with Andy Haldane this week trying to pull together targets for the north from coast to coast.

**Chair:** We will come on to geographical areas.

**Tim Davie:** That is what we are working on. I could go on, but I think it has been clear—

**Chair:** We have had enthusiastic answers, but I think we now need to dive down into precise questions. I urge witnesses to be a little briefer in their answers; that would be helpful. We sense your enthusiasm, Mr Davie, but we now need to drill into some precision. Sarah Owen MP will set us an example.

Q27 **Sarah Owen:** I love confidence and optimism as much as the next person, but we need to look at what the history is and what has happened here, particularly with the expected concert orchestra relocation, which would have transferred £23 million outside London. Should you realistically have foreseen the problems with the move beforehand? What have you done to ensure that this does not happen again with future parts of Across the UK?



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**Tim Davie:** It is a fair challenge. If you look at the list of outputs, that is one of the areas. If you forecast every change early on when you start the programme, you will hit one or two areas where you cannot deliver. To specifically answer your question, what happened was that we did the case, and it just did not make sense. To your point about detail, when you got into the £23 million it did not make sense based on what we have at East Bank and the classical music plan to make the change. The simple answer to your question is that we are now looking at what other things we could do in the field of audio to fill that gap, and we are confident that we can do it.

**Q28 Sarah Owen:** That leads in nicely to the next question, because a lot of the conversation so far has been about Salford and TV and the success of that, but there will obviously be a huge chunk of cuts to local radio and audio. Given all the BBC's other change programmes, is there anything on the horizon in the BBC that could affect Across the UK's impact, particularly in the area of audio?

**Tim Davie:** I don't think you can ever say that it will not impact, as we look to shape our budget around output. I am just being honest. What I can tell you is that we are utterly committed to hitting that 50% and we have lots of levers to do that. We have all our national networks. You can see some of the changes we are making and some of the programmes we have moved, and we will continue to do that. However, when taking opportunities we have to be somewhat tactical in this and say, "These are the opportunities we are going to take." That is what we will do.

**Q29 Sarah Owen:** It is interesting that you mention opportunities when we are talking about cuts to local radio. Mr Wrathmell, given the cuts to local radio, what beneficial impact will Across the UK deliver for local communities once it is fully implemented? You talked earlier about a "basket of measures". Can you tell the Committee what those measures are?

**Thomas Wrathmell:** In terms of the impact of the strategy, we make content across the UK. Particularly with television, we are very footloose in the way in which we make content, and we know that audiences consume a variety of services and programming from the BBC. They value their local services, but they also consume network content from across the BBC. Moving more of our network spend outside London across TV and radio is really important.

In terms of opinions of the BBC, we also understand what pieces of content drive positive perceptions and perceptions of value from the BBC, which is why we have over 110 drama or comedy titles in the plan.

The impact of local radio is not my responsibility—that is a separate strategy that is being delivered within the BBC—but my role is to make sure that we look very carefully at our audience performance across the UK and that our commissions deliver exactly as planned for different regions. We have, as I said, a basket of measures, some of which are input-driven, as Tim said. One that we are looking at very, very carefully





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is how we measure perception accurately in the short term, and also in the longer term.

**Tim Davie:** Could I answer the question about local directly, because Mr Wrathmell is running the Across the UK? The Across the UK programme is about taking network pieces of our output and pushing it across the UK.

**Chair:** Yes, we are aware.

**Tim Davie:** Sorry, but I am being asked about local radio and I am linking it. If you ask about relevance to someone in a postcode, there are two elements that we are dealing with—it is not complicated. We are pushing more of the network output out so that it gets closer to you in Salford and you connect with more of it. Separately we have very clear targets. We want 50% of the population to get value from our local and regional services. To be clear, we have not cut money from local services. We have reallocated money under enormous budgetary pressures. We have reallocated money from local radio. These are not easy choices. They are incredibly difficult. This Committee has been through this. We have reallocated money from radio to online. I can get into much more detail, but we have not taken money out of local; we have reallocated it.

Q30 **Sarah Owen:** I have two questions following up from that. I really want to get an answer, Mr Wrathmell. Apart from perception, what are the tangible beneficial impacts of Across the UK for people, particularly when it comes to local radio and audio? What are the beneficial impacts, apart from perceptions of the BBC? That is the only thing we have heard so far, and maybe one statistic around the economic impact in Salford. What will be the beneficial impacts of Across the UK for communities outside London?

**Thomas Wrathmell:** On the input measures, there is a substantial expansion of our creative spend. What that means for radio is a significant expansion of programming that is based outside of London, produced and presented in different parts of the UK. What that means in practice thus far is that Radio 1 has moved programming to Salford. It now broadcasts seven days a week from Salford with a variety of daytime and weekend shows. Likewise in Cardiff. Cardiff is now not just a base for radio in Wales, but a base for radio from Wales for the rest of the UK, broadcasting across five networks. In the autumn of last year we announced we are going to create a new audio production hub across Belfast and Glasgow. That will drive more factual content across Radio 3 and Radio 4. Those are just some examples.

In terms of the measures, the measure is the spend. We are focusing on driving the input measures. On perception, there are four measures that show or will demonstrate to us whether audiences are responding positively to that.

Q31 **Sarah Owen:** Mr Davie, one person's reallocation is another person's cut, especially when it comes to perhaps local—

**Tim Davie:** With respect, the budget is flat.



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**Sarah Owen:** Sorry—I haven't finished. When it comes to BBC local radio listeners, 80% are over 55. What impact has that had in terms of moving quite a lot of the content online, albeit still local? Have you had any feedback from any of the audiences, particularly in that over-55 category?

**Tim Davie:** We have not been short of feedback. If you share your afternoon shows rather than—we have not closed any local radio stations, but it has been incredibly difficult for the teams. Last week I was in Sheffield and Gloucester. On the sharing of weekday programmes with some of the changes made at the weekend, there is no doubt that some listeners are very sad to see their local presenters go. That has not been easy. But if you look at local radio reach—I say it with deep love, because there is nothing like the connection to linear radio; I have the numbers by constituency here—about 15% of the population go to local radio.

By the way, there is a reallocation. To be clear, I do not think there is any confusion. The budget stays flat, but there have been cuts within the budget to one area to move it to another. It is not complicated. That is what we are trying to do. Even among 65 to 74, their biggest consumption is news. I am ferociously protective of local democracy and our ability to report it. Between October and December in 2023, we grew online—if you go to our main news app on the BBC, you can get your local news, and that is up 22%. I am not saying that that has not been at a major cost to the listeners of local radio, but those are the choices that we have to make.

Q32 **Sarah Owen:** I have one other question on this, and then I want to go back to the concert orchestra answer you just gave, Mr Davie. On this, on a lot of the people who have been affected, it would be good to know whether you have done more work on how it has affected people's local news consumption, especially among that older category. When we saw covid, radio was particularly vital for keeping people connected and for public health. It was critical. A large number of those people are also vulnerable people or have protected characteristics.

My set of questions is about future challenges for Across the UK. It does not exist outside the political bubble, so how are you ensuring that the BBC's content and spend, and Across the UK's progress, are protected from all outside influences, such as the retrograde, so-called "war on woke", which even the Culture Secretary has talked about? How does that fit in with the BBC's activities?

**Tim Davie:** There is a lot in that question, coming from different angles. Trying to be as brief as I can, we are fighting as much as we can for impartiality and for fair and balanced coverage. If you go to our local radio stations, they are exemplary at navigating amid enormous noise all the factors in the culture wars to deliver fair and balanced coverage. They are some of the best in the BBC at delivering balanced outcomes.

**Chair:** You can take it as read that a number of us rate the round of local radio interviewers. Often, they are better than some of their national counterparts—let us park the praise—



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**Tim Davie:** I don't have an issue with that. If I am blunt, we have to keep a watching brief. I think we have been around the block on this one in that we are keeping all local radio services—all of them. We are keeping all the breakfast shows. Local radio is utterly precious. I do not want to go backwards on that. We are doing all that we can to protect it, but the idea that we are the only company in the media world that does not offer our services online is wrong. That is why we have tried to get the balance right.

You asked a separate question earlier. Very quickly, this is not perception; it is usage. This is not just soft—it is, "Do you feel connected to the output?" The other thing is, if we relocate "Newsbeat" to Birmingham, that is material to jobs—I could go through a list, but I will not, bearing in mind the comments. But if we relocated "Newsbeat", there are jobs and other people coming around that, and it affects the local economy. We have numerous examples of that. And I am not being too gung-ho about it—we are a small piece of the jigsaw, but we are a piece.

Q33 **Sarah Owen:** I would have liked time to go through the positives in other issues, but I have to focus on how we can improve the progress of Across the UK. In your answer, Mr Davie, about it not making financial sense for the BBC to move the concert orchestras, is that the only reason?

**Tim Davie:** Yes. As far as I am aware.

Q34 **Sarah Owen:** It was not about whether members were concerned about other work opportunities in other parts of the UK.

**Tim Davie:** Not that I am aware of.

**Chair:** Members of the orchestra are not full-time.

**Tim Davie:** I can give you more detail. I do not have a full answer to that question now. We would always want to talk to the players, and to consider their concerns and how it fits with them, but the key thing is that we needed a robust economic proposal and we could not get one away. We also have the development in east London—

Q35 **Chair:** Why was it proposed in the first place, if it fell apart so quickly?

**Tim Davie:** Because there was a lot of interest and we were talking to a potential partner.

Q36 **Chair:** Okay. At which point did you involve the musicians of the orchestra?

**Tim Davie:** I don't know specifically, but we were talking—

Q37 **Chair:** Will you write to us with a timeline?

**Tim Davie:** I can give you a timeline. That is no problem at all. I think it was a sensible outcome.

Q38 **Peter Grant:** Mr Davie, the annual report gives examples of specific



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pieces of work that were within the scope of ATUK, but are now being done outside the scope of ATUK. It has given some examples of something that was explicitly stated to be not part of ATUK now being badged as ATUK—

**Chair:** Shall we say Across the UK? The more I hear it, the more I realise it might be confusing for people.

**Peter Grant:** How can you reliably monitor progress against targets when you keep changing the rules about what you are including and what you are not?

**Tim Davie:** Can you give me the specifics? I may ask Tom to respond to that.

Q39 **Peter Grant:** One of the examples in the Report is the network of 100 digital community reporters that was originally described as part of Across the UK and is now part of the BBC local strategy. Paragraph 2.4 says that the relocation to new premises in Digbeth, Birmingham—one of the ones you mentioned—was not originally part of Across the UK, but your 2022-23 report includes the benefits of that project as part of the claimed benefits of Across the UK. When the scope—not necessarily what has been done—of what counts as Across the UK and what doesn't keeps changing, how can we reliably measure the benefits of Across the UK against other work that was going to happen?

**Tim Davie:** That is a fair question. Tom, do you want to come in?

**Thomas Wrathmell:** The primary change in scope related to nations and local activity took place between March and October 2021. The October business case, which we have referred to today, set out the scope of the programme today, and that does not include the local and nations elements that have been delivered independently.

On your point about Digbeth and the relocation of the BBC from the Mailbox in Birmingham to the Tea Factory, that has always been a separate project to Across the UK. It has separate governance, separate resourcing and separate budgets. The reference in the NAO's Report is because we referred to it in the annual report last year because of the adjacency of that building to other activity that we have as part of Across the UK in east Birmingham, in Digbeth. The building is a two-minute walk from the new production facility at Digbeth Loc., where "MasterChef" will be filmed—Tim just referred to that.

Within the BBC, the governance is clear and the tracking is monitored independently. We think, in terms of communicating with the public what we are doing, that it makes sense for us to explain those two things. They are connected, and the outcomes they will create in east Birmingham will be connected. They are managed separately internally within the BBC, but in terms of what the BBC is doing for audiences and the local economy in Birmingham, they are very connected developments. We stand by the fact that we have explained it in that way.



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**Q40 Peter Grant:** Do you understand why some people listening to this might think that when something related to the decentralisation of activity brings benefits, you grab it and claim the benefits for Across the UK, but when favourite radio shows are being pulled locally, regionally or nationally, you don't want that associated with Across the UK because that is a bad news story? I know that is not what you are saying, but do you understand why there is public confusion about what Across the UK means and does not mean?

**Tim Davie:** I can understand that risk.

**Q41 Peter Grant:** Your organisation's only purpose in life is to communicate, so what are you going to do to make sure people understand that?

**Tim Davie:** I understand the risk, but I think we have made the right calls. Those are valid concerns, and there is absolutely a question about making sure we have the right investment in our local services and those local stations. If I am being honest, you could wash that up into a big programme and you would have more risk. It is really important that we are held to account on that local investment. Across the UK is clear: it is our network investment through which we are pushing out all those big things on BBC 1, Radio 1 and all those services.

Imagine if we had included Digbeth; that is just moving money around in Birmingham. To Tom's point, it is material in that having that new building helps us build the cluster. It is absolutely appropriate, but I understand the risk and I need to reflect on it because we need to be very clear. This is about network money being pushed around and outside the M25, and I would rather have that focus. We are not running hundreds of projects here; it is not bureaucracy gone mad. We have an absolutely clear plan, and Across the UK pushes that network money out.

**Q42 Ms Rimmer:** Has that plan been developed from the community?

**Tim Davie:** Which plan? Across the UK?

**Q43 Ms Rimmer:** No, you said that you had buy-in and that it was going to be a local plan.

**Tim Davie:** On the Across the UK plan, it is absolutely essential that as we move money out we talk to local authorities. We will not go through all the various agreements. Whether it is west midlands, north-east—

**Q44 Ms Rimmer:** Before you come up with the actual plan.

**Tim Davie:** They are involved in that. It is organic.

**Q45 Chair:** We will come to that in more detail. One thing we were concerned about, as the NAO has highlighted, is the lack of evaluation. I want to play back to you some of the comments you have made. You have said, "It works". We heard Mr Wrathmell talk about a basket of measures, as Ms Owen has said. You talked about the BBC being the first domino. How do you know all of this when you have not got an evaluation framework that was set up from the beginning? How can you be confident that these inputs that you keep talking about are delivering the measurable



outputs? Who will answer that? Mr Wrathmell?

**Thomas Wrathmell:** I think we have quite a long-term experience of delivering related activity to Across the UK. When we said we are confident in delivering the programme of work, the input measures are very clear from our perspective and we track those on a monthly basis. There is a high degree of transparency internally about where we are in the plan. We have, as Tim just mentioned, separate agreements with different parts of the country that are not just agreements verbally. We have set them up as a memorandum of understanding. Tim has signed on behalf of the BBC what we are going to deliver over what timeframe. Partners have signed those documents, and they are formalised partnerships between the BBC and our partners.

In terms of our experience of building economic clusters and creating broader economic benefit, we have quite long-term experience of measuring our impact and the impact of the licence fee. We update that view quite regularly. We commissioned KPMG in 2021 to run an assessment of the multiplier effect of the licence fee for every £1 spent.

Q46 **Chair:** That does not relate to Across the UK, though.

**Thomas Wrathmell:** No, but it helps us understand that figures like the £850 million economic benefit are well within our capability, given that multiplier.

Q47 **Chair:** So it is within your capability. How are you going to measure and what precisely are you going to deliver? Your figure 1 is a useful summary of what you think you are going to do, but we have not had much evidence of precise delivery.

**Thomas Wrathmell:** The two aspects of the evaluation criteria that we have taken some time to develop are the audiences framework with the perception measures that I referred to earlier in the meeting. The second element is the economic framework and how we are going to measure GVA. In our baseline business case that we agreed in October 2021 we were clear that delivery and implementation of those two measures, those two aspects of the evaluation criteria, would take place in the second phase of the programme. We have approved those frameworks internally. We are already delivering measurement—

Q48 **Chair:** Can I stop you there? You talk about your second phase of the programme. Did you have a baseline against which you are measuring the local gross value added? If you start in the second half of the programme, what are you measuring it against?

**Thomas Wrathmell:** As part of that, we have developed a baseline, which is previous to the programme. The one complication in agreeing what that baseline should be is that the production economies were quite disrupted by the pandemic, so it has taken some time for us to work through what a robust baseline should look like. That, again, was one of the findings of the NAO Report and we have taken that feedback on board as well.





Q49 **Chair:** We may be a bit cynical, Mr Wrathmell—you are new to this Committee—but we see lots of Government projects that promise the earth, including jobs created, money generated, economic growth, and very often they are optimistic assumptions, to put it politely, and they do not always deliver. How can you convince us that you are really going to measure that local gross value added in terms of numbers of jobs? With the partners you are working with, are you looking at working with them, too, to deliver on that evaluation?

**Thomas Wrathmell:** The first thing I would say is that we commissioned PwC to undertake a study of creative clusters last year. They independently assessed our plans for Across the UK. They believe that our £700 million investment could create up to 45,000 jobs and over 4,000 additional suppliers.

Q50 **Chair:** That is what it could do.

**Thomas Wrathmell:** That is their opinion, not ours. First, it is important that that view was independent, not just a BBC perspective. Secondly, we are going to measure this. On the GVA measure, where we spend money in the country really matters and when we spend it really matters because it is quite a volatile measure.

Q51 **Chair:** How far are you drilling down? To take a parallel example, when HS2 was active at Euston, a lot of businesses were challenged, but they were also trying to make sure that when staff working on HS2 went out, they went to a local sandwich shop and things like that. It was not a full evaluation, but there was a ripple effect. How far down are you measuring what the gross value added to an area is?

**Thomas Wrathmell:** I am not the chief economist of the BBC. We have a clear framework that we have developed. It has been developed with the chief economist of the BBC. I think we would be happy to provide information on that framework. Indeed—

Q52 **Chair:** My point is that when you have an outside film unit, for example—I am in a borough where the Hackney borough film office is extremely adept at selling off Hackney's sites—those trucks and wagons are not all local and they can move around the country. You can have something in the west midlands or Sheffield or wherever, and someone has travelled a very long way with their equipment, but they are not actually local jobs.

**Tim Davie:** Absolutely, and this is why it is so critical. That is central to our thoughts, so it is a wise conversation for us, because we are really challenged by—I put a massive premium on continuing our output. "MasterChef" is 46 weeks a year rather than just someone flying in and out. You are absolutely right. A drama sitting in the middle of a county, if I can be honest, might get you somewhere in portrayal, but in terms of GVA and local impact it might be very short-lived.

I think your question is extremely pertinent to the thinking we are now doing. How we are thinking about this is—apologies if I sound too gung-ho. I do think there are some risks in here, but the first thing you need is a set of measures that make this project sensible, anyway, dare I say,



which is a bit different from some other risk projects or high-risk projects—

**Q53 Chair:** We have played some of that out about the BBC being connected to communities—

**Tim Davie:** But that is important in terms of the jobs we create and the money we push out. I would do that, anyway, if I am honest. We have a methodology, which we can share with you.

**Q54 Chair:** We would be interested to see it.

**Tim Davie:** We looked in Wales. We looked in detail at what happened after Russell T Davies moved “Doctor Who” in and we looked at the contribution to GVA. In fact, many people thought we under-called it. We looked at the multiplier in terms of the economics and we got the process agreed. I spoke to a launch. The next December we went through it and we shared that. To your question, which is well put, we are able to get an overall headline of the £5 billion GVA. This is how much now is sitting outside of the M25. Part of that will be what productions we put out there. But in terms of a really robust look at this, we are going to have to take the key clusters, like the west midlands, like the north-east, and go into some detail and look at the effects at that level.

**Q55 Chair:** So you will do that?

**Tim Davie:** I don’t think it is postcode, but I do think in these regions we will need better data to look at phase 2 and phase 3 and the impacts.

**Q56 Chair:** Again, call us cynics, but when, for example, the Olympics was established and they talked about local employment, local employment could mean any old person arriving in London and renting a room in that postcode, whereas the local young people on the estates were not always getting a look in. So there are ways of measuring that can be, frankly, fiddled. How will you make sure that you get really accurate data and information? We hear so many glib comments here about growing the economy, growing the jobs, and often very little actual data on it, so how will you make it different and prove that those jobs have been created? Or work with your partners to make sure?

**Tim Davie:** Again, it is a challenge that we need to wrestle with, or we probably have not got all the answers.

**Q57 Chair:** You are making the promises. We just want to know how you are going to measure it.

**Tim Davie:** Specifically I am making the promises around the inputs. You can hold my feet to the fire on those. I think they stack up for themselves. Yes? So that is a good thing in a project. You have then got the output measures in terms of GVA and others. I think there are hard measures within that—jobs created. We can show those examples like these shows. By the way, this has big implications for the freelance community. It is a very positive thing to say—we can show that—how much value do you bring when you bring “Peaky Blinders” or whatever the shoot is, or



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“Morning Live” on the top of a Manchester tower block? That is measurable. You then get into the multiplier and the GVA, and you are right that we need to be at the—small c—conservative end of those forecasts and see how that goes.

The other thing is that, as I said earlier, we know that 65% of all the jobs we are creating are local. We can show that. I think we can get to robust measures, and we are already there on some of the things we are delivering.

Q58 **Chair:** Well, I hope it turns into reality. We will want to pursue this because it is really important. We all represent different parts of the UK, so we have that interest for our constituents. Before I move on to the governance issues, I want to touch on the programme board, which was established in 2022, but in February 2023 a steering committee was set up because of some of the gaps in governance. Why did it take so long to work out what the right governance process should be to make sure this is properly delivered?

**Leigh Tavaziva:** Actually, I think that is an example of good governance in the BBC. We have processes and we learn lessons as we go through it.

Across the UK is a seven-year programme. The first phase was specifically about setting up how that programme is developed and getting some early quick wins. Within that, at the end of the first phase, we did a lessons learned exercise. We asked our internal audit and assurance teams to assess our process. When we started the process, we felt very strongly that delivery absolutely needed to be in a line or in a division. That is a principle that we generally operate across all our big programmes. We are now operating programmes that stretch across the BBC and are not limited to just news or local radio. They have dependencies or interdependencies, and risks and issues that need to be managed much more holistically.

We started the programme with a very divisional-based focused and a very small central team. At the end of phase 1, we did the internal audit, and that assurance process told us that we needed to strengthen our central governance to make sure the oversight and unblocking of those divisional deliveries were connected well together. It also indicated that we needed to put in place an overarching steering group, rather than a working programme board, which is what we did. It also suggested that we up the resources, so we increased the volume of central oversight of the programme, because it is an enterprise-wide led programme.

This is quite a different way of working at the BBC. Previously, you generally had very silo-based projects in the organisation. Our strategic projects today are pan-BBC; they stretch across the whole organisation and work together. The strengthening of the governance at the end of phase 1 is absolutely an example of our lessons learned exercise, which we will do through each phase.

Q59 **Chair:** What skills did you bring to the steering group that weren't on



there before? Were any of them from the board, or were they executives?

**Leigh Tavaziva:** We had divisional accountability and ownership, but we didn't have programme skills in the centre that were looking across the whole programme. Initially, every division set up its own project team to manage its bit. Of course, there are dependencies and things that get in the way, so we have particularly reinforced Tom's role as the overall programme director. We put Rhodri Talfan Davies in place as the executive sponsor, so he sits across the whole organisation. He is the director of nations, so he has a particular interest in ensuring he can see the transition and the commitments we are making from network into our local and nations areas. We also brought in more project management—general capability—to ensure portfolio management, risk assessment and so on. Those are the kinds of things we are doing.

Q60 **Chair:** Going back to the evaluation, we have talked quite a lot about the gross value added, and you talked, particularly with Ms Owen, about improving perceptions of the BBC, but at the moment they are separate projects. When are you bringing the whole evaluation together? How will you precisely explain to the licence fee-paying public what the outcome has been?

**Leigh Tavaziva:** Do you mean Across the UK specifically?

**Chair:** Yes, for Across the UK specifically.

**Leigh Tavaziva:** One of the items of feedback in the Report was the question of how we are communicating and telling the story. We have more formal communication moments in the BBC, including an annual plan that we announce at the end of every March, and our annual report and accounts. The annual report and accounts for 2022-23, under public purpose No. 4, which is generally where Across the UK sits, went into quite a lot of detail about how we communicate the progress of Across the UK. I understand and appreciate that that is where some of the confusion lies, because we talk about the overall benefit of purpose 4 to the BBC, whereas we are managing quite tight and specific programmes in terms of programme governance. It is important that our programme governance is really clear and that we can demonstrate change in control, change in benefits or change in scope in all our programmes. However, when we communicate more broadly, we would use tools like the annual report and accounts and the annual plan to set out publicly our overall ambitions and how we are meeting the wider public purposes.

Q61 **Chair:** That is the ambitions; we will come back to you on the evaluations, Mr Wrathmell. We have had your evaluation of the perceptions and evaluation of the GVA. Presumably, they will come together at some point, but why are they not together now? Why do you have separate evaluation strands?

**Thomas Wrathmell:** They are separate evaluation frameworks, but effectively they sit under me as programme director. They are already agreed and being delivered. The inputs are being gathered, and as Leigh said, we will find the appropriate moments to share our performance.



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We are pretty confident that we have all the ingredients in place to measure and communicate effectively.

Q62 **Chair:** Even if you had a choice? What if, when you are looking at it, you find that one is delivering more than the other? Is there a hierarchy of all the aims in figure 1?

**Tim Davie:** There is one overarching hierarchy, which is value for all.

Q63 **Chair:** What does “value for all” mean?

**Tim Davie:** It means relevance and usage by our licence fee payer. If you are going to support a licence fee, as I do, and if we are going to fight for this institution, it is about usage, as you have heard me say before.

We keep talking about perception. Perception is critical, but let me tell you one thing: if you broadcast from Birmingham, you get a bigger audience. Yeah? I can tell you that Radio One listening for the One Big Weekend will be quite significant in Luton. Yeah? That is a bit of an in-out job. It’s a wonder—it’s a wonder. It has a lasting effect.

**Chair:** Just to be really clear—

**Tim Davie:** The top priority, to answer your question, is usage and being relevant to audiences. Now, the great news about this is the network effect, and the GVA comes from that, but that is the hierarchy.

**Chair:** Mr Wrathmell?

**Thomas Wrathmell:** To build on that, the programme is set up in three phases. The first phase, which was evaluated by the NAO, was about enabling—setting up the programme and delivering the early news editorial moves. The second phase, which we are in at the moment, will run to the end of the next financial year and it will see the majority of all editorial moves take place.

There is a third phase thereafter, which goes to the end of the charter. The purpose of that phase is to maximise the impact of this strategy, to evaluate the performance of the programme moves and the commissions made to date, and, where necessary and as demonstrated by the evidence, to make changes to our commissions, to ensure that we are getting the maximum return and the maximum value.

Q64 **Chair:** Can you make the changes at that late stage?

**Thomas Wrathmell:** We make commissioning changes on an ongoing basis. There will probably be some programmes that we discuss today. Our creative decisions are ongoing. What this programme of work is helping the BBC to do is to make better commissioning decisions, to use data and performance analysis from Across the UK to really sharpen our commissioning at the network level, and to make sure, as Tim said, that we are really focusing on providing the maximum value to our audiences.

**Tim Davie:** We make changes quite late in this process. The reason is that it is a bit different to a building project, in that if a brilliant script



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comes up from the north-east and suddenly an indie wants to relocate there—this is a story that is actually happening—we want to be able to have a degree of responsiveness to follow the editorial and creative leaders in the work. We know, from our analysis of the Welsh case or the economic case, that two things happen: you get my hierarchy of needs—you get the usage and you get great product; content and programmes—but you are also able to have that maximum effect. That is why a little bit of this has to be about adapting to where creative processes are happening.

**Q65 Chair:** I am a bit puzzled. I can see, of course, about the editorial—great script and all that—but if you are running through a big and expensive relocation programme, which you are, and you are talking about starting phase 3 in 2025 or thereabouts, and you might make some changes, are you actually talking about changes of location? What kind of changes are you talking about? You are talking about editorial changes, but what will be the impact of those? Would that mean physically shutting down production in one area and opening up in another? It would be very late in the day to start changing this, wouldn't it?

**Thomas Wrathmell:** When it comes to our TV commissions I said that locationally they are very, very flexible. In terms of their contribution to the £700 million spent outside of London, there is some flexibility in the plan to make changes to the shape of the commissions.

**Q66 Chair:** But if you are a local partner—we will get on to the local stuff shortly—who has made a deal and thinks a programme is going to be made in your area, but then editorially it is moved somewhere else, that is a big shift. Am I misunderstanding?

**Thomas Wrathmell:** Certain regions are priority regions for the BBC. Creatively, we have made commitments to provide production investment to those regions. What that money gets spent on might change over time, according to how the content performs.

**Q67 Chair:** Within the region.

**Thomas Wrathmell:** We have been very clear with specific regions that the money stays within the region. That is really important. We achieve the programme ambition to make that investment and to work with partners and be clear on our commitment, but ultimately that money needs to be spent. In a way, that is a creative decision, and that creative decision is driven by the performance of that commission.

**Chair:** I understand. Thank you.

**Q68 Sir Geoffrey Clifton-Brown:** Mr Davie, I love your expression that the BBC is using this programme as a levelling-up programme.

**Tim Davie:** I said that with caution, to be fair.

**Sir Geoffrey Clifton-Brown:** You said it and it is on the record. You should be proud of it.

**Tim Davie:** I stand by it, yes.





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**Sir Geoffrey Clifton-Brown:** On that theme, what criteria did you use when considering raising GVA in a particular area? You could have used a number of criteria, but what did you use?

**Tim Davie:** There are multiple criteria that come together—Tom might want to say something about this—and we have touched on them to a degree. First, can we see a route to meaningful scale, because I believe in hubs, not just spending the money everywhere? That is tough because we are overwhelmed with different areas looking for economic growth through the creative industries. If you just atomise the budget, you lose the impact of it, in my view. You have to choose some hubs.

We also looked for a vision from local bodies and politicians who said, “Okay, we want to support this. We are interested in growing it and we have a strategy around a plan.” That counts as well, and the people wanting to get involved has come from across the political spectrum.

The next thing is that we look at the level of local skills and our own expertise. Do we have something to build from? In the south-west, Bristol and Cardiff we have things to build on. We have expertise that we can build on in Salford and so on. Birmingham already had “The Archers”, but it also had quite a lot of experience in terms of youth broadcasting and younger people coming into the building.

The final thing is that we look at the broader community. Birmingham would be a good example. With “Newsbeat” and some of our other radio stations, you have a young, diverse community that you can attract into the BBC. They are the kinds of factors we look at.

I keep mentioning this, and it is definitely to the Chair’s comment: the regions are underpinned with strategic agreements around investment, but one of the common factors is brilliant creative leaders. Steven Knight, who wrote “Peaky Blinders”, is a force and he wants to build a huge studio on the outskirts of Birmingham, pretty close to HS2. That has a real chance of creating something of enormous scale, which therefore affects our decision making.

Q69 **Sir Geoffrey Clifton-Brown:** Fantastic. On what basis are you still confidently forecasting that you will achieve your target of £700 million extra spend outside London by 2028, and will you include the extra £900 million television expenditure you have identified to move outside London?

**Tim Davie:** I think we have already covered this a little bit. We remain confident that we can deliver the number. It is in our gift and we have enough of a runway timing to do this, so we are confident. What was the question about the £900 million?

Q70 **Sir Geoffrey Clifton-Brown:** The £700 million, and £90 million of television expenditure.

**Leigh Tavaiva:** All our spend is annualised, so we have annual targets. We have now delivered nearly three years of the programme, from ‘21 through to ‘23, and of course we are nearly at the end of this financial



year. We track the movement of that spend every year. In fact, it is tracked through individual business cases, so every single piece of movement or work is identified through a single business case, which goes through our financial assessment and is signed off by our CFO. We know at any point in time the spend being delivered through the programme, and we can report on that—reporting on that spend is part of Tom’s role—as well as the costs to make those changes; we also report on those. Although the NAO Report said that we were three months behind when we did the initial assessment from March ’23, we caught up in June, we have continued to accelerate, and we remain on track. So far, in line with our baseline budget, our spend is on track. We will be reporting that through the end of this financial year, and we will keep track of that. Our underlying costs also remain in line with spend on an overall basis for the programme. All those input measures are specifically tracked, and every individual business case looking at a specific programme and how it is moving is also considered and tracked.

**Q71 Sir Geoffrey Clifton-Brown:** Let us go back to Ms Owen’s question about BBC local radio. I am sure Radio Gloucestershire will be delighted that it is going to continue, but it may not be so delighted that some of its budget is to be taken away. Why is it that, looking at figure 8 on page 33, it seems more difficult to shift audio rather than television into the regions?

**Tim Davie:** I am sensitive to being clear in our communication. Across the UK is different to local and regional services. We try to keep it as simple as we can, but they are literally different budgets. At the top level, Leigh, myself and the BBC board, and the executive—we can move money around within that. It is all one pot of money but, within the projects, they are different things, so when we talk about the challenge to audio, that is the speed at which we put out, beyond the M25, network radio programming such as Owain’s doing early Radio 2 from Cardiff. We are working through that. We could go through the long list, which I will not do, of all the various network outputs, by which I mean national services.

When it comes to our local services—I will not go through the same speech again—we have kept the budget flat. It has been very painful. This is in the context of something that we may well get on to, which is an extremely tough set of choices for the BBC.

**Q72 Sir Geoffrey Clifton-Brown:** Thank you for that explanation. I am sure it will be grateful. I want to come back to you, Ms Tavaziva, on the planned overall shape of the £700 million, which I referred to. Will it still be delivered, given that audio is proving so difficult to move?

**Leigh Tavaziva:** We are currently holding our radio, music and audio teams to delivering a 50% spend outside of London. They are behind that target; they have been behind. They are currently working through those plans, but they are committed to the delivery of that, and we are holding them centrally to it. That is something that we continue to monitor, and we expect to hear from them very soon on the detail of that.



**Q73 Sir Geoffrey Clifton-Brown:** You say very soon. To give the Committee an idea, what sort of timescale can we expect on this?

**Leigh Tavaziva:** Can I ask the programme director to respond?

**Sir Geoffrey Clifton-Brown:** Of course.

**Thomas Wrathmell:** I would expect it to be early in the next financial year. We spoke a little bit about the classical review. There have been two major strategic reviews related to the savings programmes within network radio. We decided that it was better that those reviews were concluded before moving teams and programmes across the UK. There is more work to do to address the change to the concert orchestra. We are confident that that will be addressed, and that radio will achieve its 50% target. That process has allowed us to announce new plans such as those for the additional audio hub for Glasgow and Belfast, which we announced in the autumn. Overall, we are very confident that they will deliver their plan.

**Q74 Sarah Owen:** Before I start, Mr Davie, I am really glad you mentioned 1 Big Weekend because this Lutonian is looking forward to it massively, even if I am not in the right demographic anymore.

**Tim Davie:** No one is in the wrong demographic. That is not how we roll.

**Q75 Sarah Owen:** I am not entirely sure my constituents would agree with you there, the younger ones especially. Mr Davie, you talked about 65% local hires and that is a really good statistic, but I have a few questions about that 65%. Is that the same across all pay grades or are we looking at lower pay grades being 65% and it tapering off towards the top?

**Tim Davie:** Good question. I am not sure I have got the data. I have not seen that data.

**Q76 Sarah Owen:** Okay. I just wondered whether any work is ongoing to improve things or to make sure that those local hires are reaching the highest levels in the BBC.

**Tim Davie:** Totally. I think it's a very, very good challenge. Sometimes that takes a bit of time—if I'm honest—because of the level of expertise you need, inevitably, to run 5 Live or do those things. We are finding a particular dynamic, which is that often people who have come to London and developed their careers are going back—dare I say it?—home to take senior roles in these areas and run them because it's an incredible opportunity for them. So while they may not all be local hires at senior level, I take your challenge. I think it will take—if I'm being honest—a few years to get to what you are talking about. It's definitely what we envisage.

One thing that I am proud of is that now, if you want to become an editor in network news—not local news but network news—you don't have to move to London. If you want to run the Natural History Unit, in BBC Studios, you don't have to come to London. If you want to run a national radio station, you don't have to come to London. That is a massive change, and the senior jobs will change significantly over time. It is



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definitely work in progress. There are people going back to, if you like, their hometowns or whatever, and that is what we are somewhat reliant on in this first phase. I take your point.

Q77 **Sarah Owen:** That's good. I think many people would look at apprenticeships and the apprenticeship scheme outside London. A more diverse nation deserves a more diverse national broadcaster.

**Tim Davie:** Agreed.

Q78 **Sarah Owen:** Do you share the concerns that targets on diversity and inclusion in your apprenticeship scheme are not being met currently, and is there any particular reason for that?

**Tim Davie:** Which target are you talking about specifically?

Q79 **Sarah Owen:** The apprenticeship scheme—you are currently not meeting the targets on diversity and inclusion.

**Tim Davie:** On socioeconomic diversity?

Q80 **Sarah Owen:** Yes and, I think, on diversity in ethnicity as well.

**Leigh Tavaziva:** I wouldn't recognise that, but I would need to check.

**Tim Davie:** The issue we have had, if I may say so—do you want me to cover apprentices, Chair, more in terms of the issues we have had, or—

**Chair:** Just answer that question.

**Tim Davie:** Well, specifically, I believe the issue to be the socioeconomic diversity of the apprentices. The Committee may know that I have been pretty aggressive in setting D&I targets for the BBC. I started at 50 20 12, which was for gender, BAME and people with disabilities. The great news is that we have seen really good numbers. We're now at 50%, over 17% and about 9.5%—that's declared people with a disability. The issue is that I also wanted—we have added in the number 25, which is for socioeconomic diversity, which looks at parental occupation when you were 14. The industry currently has an issue with this. At the BBC, we are at about 21.1% from that lower socioeconomic group, which I see as progress because it's moving up marginally. But if there is one area I would like to see more of in the apprentice scheme—to the question—I would like to see us do better in that, bluntly. I think we are better than the overall BBC, but we could do better. So it's a fair challenge in terms of that lower socioeconomic diversity.

Q81 **Gary Sambrook:** I am very excited about the west midlands deal because I think, for my part of Birmingham and the whole city—having lived there my whole life, I think it is going to provide a lot of opportunities. Part of those opportunities, of course, are the apprentices, who are coming through. But on the west midlands apprenticeship hub, they haven't really been meeting the figures that we probably would have liked. I think that 50 were targeted for May of last year, but there were only 27. So, as part of your review work, what have you found are the biggest barriers, and what are you doing about that at the moment?



**Tim Davie:** It's fascinating. I am going to hand over to Tom, because the guts—it's in the detail and it's really interesting. I am passionate about the apprenticeship scheme. I would rather do slightly less but do them perfectly. We thought that, because the creative industries struggle with bringing certainty to apprentices, we would, in the west midlands, pilot something called the apprenticeship training agency—to your point—and we have had quite a lot of learning, so I think we're going to have to reskin it a little bit in terms of how we do it. Tom?

**Thomas Wrathmell:** Thank you, Tim, and thank you, Mr Sambrook, for your question. Working with the Department for Education, we undertook to trial a new apprentice model in the west midlands. It was originally called the flexi-job apprenticeship agency, which, compared with ATUK, was even too much for us to use regularly, so we branded it as the apprentice hub internally. The key aspect of the model was that it was a demand-led model. Effectively, under the model, the BBC undertook to cover all the recruitment and management costs of the scheme and provide one day of paid employment in every week. We relied on partner companies coming on board to provide the remaining four days a week on salary costs. We explored many partner companies in the west midlands, such as Create Central, which was also running its own boot camps and skills development programmes, and with representatives of the Mayor.

Unfortunately, the biggest challenge and learning that we faced was that the prevailing economic conditions were challenging for the small creative businesses that we wanted to work with. They were facing rising costs and pressure on their headcount. To be able to take on early-career apprentices and to cover that additional cost was probably too much, and was greater than we forecast or anticipated when we put the original plans together. We are evaluating that scheme at the moment, and how we improve our apprenticeship offer and, as Tim said, the experience of our apprenticeship offer within the BBC. We are exploring whether we can continue to work with small, partner creative businesses on an ongoing basis, but we will have to review that and come to something that is workable for the BBC in the longer term.

Q82 **Gary Sambrook:** You mentioned early-career opportunities. In my part of the world, Birmingham is mostly a post-industrial area. In my patch in particular, we used to have lots of industrial jobs. People who have left those industries are now looking for new opportunities. What work are you doing with older people trying to get into the workplace? How can those apprenticeships help, too?

**Thomas Wrathmell:** A lot of work is going on in the region, and we are part of that. As we explained previously, the development in Digbeth is a growing cluster of creative and industrial activity. Part of that work includes retraining opportunities with our partner companies. I will have to go away to put together further details of exactly how the schemes are targeted at older age groups, but we are aware of the challenge.

One of the most pleasing aspects of my job has been working in the west midlands and with partners that are committed to offering opportunities to



all, as a result of both the Tea Factory work and the developments of the likes of Digbeth Lock. I know that Steven Knight in particular does not want it to be a creative hub just for writers and producers; what is key to growing sustainable clusters in the production sector is set builders, electricians and so on. I met a partner that announced just this month that it is relocating to Digbeth—it is a set builder that is part of our cluster in south Wales, but has been looking to expand to the west midlands, and it confirmed that this month. We are trying to build a coalition of businesses and investors that will ensure that all the ingredients are there for the studios and the region's business to grow.

**Q83 Gary Sambrook:** I will come back to this slightly later, but as locality is very important, the only BBC footprint in my constituency is "Doctors", which is being cancelled. For local people, that is the thing that they can point to as something that operates locally—people want to get involved and they look at it as giving them sight of future career prospects. How does cancelling things like "Doctors" impact on the opportunities for people or on everything not being sucked into the city centre?

**Thomas Wrathmell:** It goes back to the comment I made earlier about the kind of creative choices that the BBC has to make and about thinking about the value that we offer to audiences. That decision was a creative decision taken by my colleagues in television. I think the most important thing to say is that that is a creative decision. The overall investment from that production will stay within the west midlands. Since starting this strategy, since signing the MOU with the West Midlands combined authority and Create Central, we have grown the drama pipeline in the west midlands. Before the announcement, we committed to relocate "Silent Witness", which is the major returning drama, to the west midlands. It is almost continuously shot throughout the year. That will remain on the table. All the production investment from "Doctors" will be reinvested in new activity. I think, Tim, you were in in Birmingham a couple of weeks ago, at the Writers Room—

**Tim Davie:** Yes. It was not easy. It is a tough decision, but in television you are going to have things that you can afford to keep going and things that you need to bring in. The key is what we were talking about earlier, which is the agreement with the region. Obviously, you're spending time with the regional Mayor and talking to him with Create Central. We are in deep discussions around—to the earlier questions—the underpinning of investment, and, actually, we will probably be ahead of that.

I think that there is one sub-question underneath that, which we also got to earlier, which is around how much of that investment is going into returning drama or returning production. It is really important that "Silent Witness" or "MasterChef" are not just coming in for three weeks or a month and then disappearing.

I know that there is a lot of sensitivity over "Doctors", because it has done brilliant work. It has brought a lot of young talent and young actors through—not even young, actually, retrained, or fresh talent, we should say—and I think that we need to make sure that we have that base.





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I am very excited about the plan for the west midlands, by the way, and it is probably a separate meeting to talk about how far we can take it, but I really think that, in terms of us underpinning the investment—and I'd put the test on how much of that is around returning investment—I think we will step up to the mark.

**Chair:** We will come to some more on the west midlands, I think—we'll give you your west midlands moment later.

**Tim Davie:** I think I've had it, but anyway—

**Chair:** Well, you have clearly mugged up after the Shaun Bailey Black Country issue.

Q84 **Peter Grant:** Mr Davie, what specific data do you have to tell you what BBC staff think of Across the UK?

**Tim Davie:** I do not think I have anything specific with regard to that strand. We have a very comprehensive staff survey where we look at how people feel in terms of each office, like with a normal operation. We do a very significant staff survey by location, so I can look by geography at how happy people are in Salford. Do they support the plans? Do they feel they are well led? I do not have all that data in front of me, but we have world-class data on staff engagement.

Q85 **Peter Grant:** Given the importance of the entire project, and the clear importance you attach to it, and given that it is designed to change the culture of the BBC and will have to be disruptive to some of your London based-staff at some point, would it not have been a good idea to find out what they thought about it just now, rather than waiting until you tell them that they will have to move?

**Tim Davie:** Absolutely. By the way, it is not all about surveys, is it? It is also about good leadership to listen to people and talk to them. I am around and about, talking to teams that are relocating all the time. I think we have an appropriate system in place. If we did a staff survey on every particular project—"Welcome to the BBC"—I think we'd sink. I think we need an organised, simple, world-class staff survey where we can get feedback and people can give us their overall verbatims on all the things they do, plus we can get the staff engagement scores. That seems to be proportionate to me.

Q86 **Peter Grant:** Isn't it the case, though, that the move to Salford was not particularly popular among a lot of your staff to begin with? Possibly, better engagement with staff earlier would have—

**Tim Davie:** I have been in many, many situations where I have relocated people, and it is really tough. It is difficult not to generalise, but if you have family roots in an area, if you're at different life stages or you have children fixed in school—let's just be straightforward: people find that extremely hard, if we are relocating and they are passionate about their service. I think that has never been easy. What you have to do is be kind and caring, but also clear about why you are doing that.



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I do not think there has ever been much pushback on the overall logic of moving the BBC out of London, and how that can be beneficial to the BBC and the licence fee payer, and is fair. My view is that that logic has held, even though people themselves have been involved in sometimes quite difficult decisions around programmes. I have done it myself: when I ran radio, I relocated a couple of programmes, and it was very hard. That was in Salford. I remember it. It is really hard on individuals.

**Q87 Peter Grant:** I want to move on to something that you have already referred to in some of your other answers, which is the partnership working in various places. Regardless of how local government funding is allocated in the different UK nations, there is not a council in the UK that is not strapped for cash just now. A significant number of councils in England are officially on the verge of declaring themselves bankrupt. A significant number of councils are seriously considering withdrawing everything apart from what they legally have to provide. In addition, a lot of the other bodies that you are looking to work with are funded directly or indirectly by the UK and devolved Governments. What changes are you making to your approach to partnership to recognise the fact that a lot of your would-be partners simply do not have the money?

**Tim Davie:** Tom may want to make some observations on this, but I think we are not in a situation potentially like that of a big infrastructure build where vast financial commitments are needed from councils or the like. Sometimes there is seed money, such as in the north-east where there has been an amazing collection of combined authorities all getting together to provide some seed money with us.

**Q88 Chair:** How much have they provided, Mr Wrathmell?

**Thomas Wrathmell:** We are working in partnership with 15 authorities across the north-east, 12 of which are local and three are combined. As a public document, I think it is just over £14 million, in public—

**Chair:** It is now, if you are going to tell us.

**Thomas Wrathmell:** It is just—

**Tim Davie:** I think we will say £10 million to £15 million.

**Thomas Wrathmell:** Yes, between £10 million and £15 million across the group.

**Tim Davie:** It gives you a sense across all those authorities.

**Q89 Chair:** How much money are they putting in?

**Tim Davie:** Between £10 million and £15 million.

**Chair:** So £10 million to £15 million between them? Okay, sorry.

**Tim Davie:** Yes, between them.

**Chair:** Between the 15 local authorities. Sorry, there are too many 15s floating about.



**Thomas Wrathmell:** The BBC has put in £25 million, and that is a minimum commitment from us. It is an incredible partnership and I think it is the first time that all those regional authorities have worked together in partnership on an opportunity. We do not take the state of the public finances lightly. As someone who grew up in the town of Woking, I am acutely aware of the issues that some local authorities face.

I think that the early signs in the north-east are quite encouraging in terms of the impact of that investment. The model whereby creative or screen agencies are created in the regions and production funds are assembled has been proven to provide a return on investment. In different parts of the UK, they are very much following that model. We are really happy that we are putting in £25 million, but we are very clear that we need others to come in as well. I am delighted that there are other broadcasters and producers applying to access that production fund set up by the north-east authorities and they are bringing their commissions and productions to the region. It is early days, but again the pressure is that that will have to provide a return on investment. That will be measured and they will be scrutinised just like any other local authority.

Q90 **Peter Grant:** It is all very well to do an assessment and say this investment has a positive return in four or five years' time. If you do not have the money to invest just now, then that becomes academic. At the moment, the BBC is in a lucky position—believe or not—because you have a pretty good idea how much money you have for the next several years. Most local authorities, if they are lucky, know what they have for 2024-25, and they have no idea what they have after April 2025. A lot of central Government-funded bodies do not know if they have any money from April of this year. Do you have contingency plans in place in case one of your partnerships gets past a point of no return, and then a significant partner has to pull out because they are simply not getting the resources that they hoped to?

**Tim Davie:** If I may, this is interesting because we have projects, like the property projects, that are dependent on significant investment from partners. These projects that we are talking about here are not. If you are a council leader, I really need your ability to set a clear vision and bring people together. It is about the marketing bodies, or the bodies that champion their region. I absolutely take your point that the finances are extremely stretched, but the levels of funding that we are talking about are very small. Then you are trying to do what you will really need help in, which is bringing in private investment and creative leaders. In some ways, we are asking for those benefits as much as hard cash.

We are also having discussions—I do not know the full impacts of this—because sometimes there might be an infrastructure question. For example, how do you get to the place of work? Do you need a bus? Overall, we do not have those as significant, but I can tell you a couple of locations where we are having those kinds of conversations. Overall, when I look at this programme, do I think there is a £15 million or £20 million investment that, if we weren't to get it, the thing will fall over? No. What we need from the local authorities is support, and having a very good plan



to attract investors, rather than their own cash. That is the shape of the programme really.

- Q91 **Gary Sambrook:** For local partnership work we have two great examples—well, one of them is not a particularly great example because our local authority going bankrupt in Birmingham is probably the biggest example of how not to manage budgets and do your partnership work. As we speak, local authorities are announcing their budgets for this year, so is there anything you would be concerned about when working for them—especially examples like Birmingham—on how this programme may not necessarily see all of its benefits?

**Tim Davie:** Clearly there is concern if you are working with partners, but we have good reassurance that some of the private investment that is going in to develop places like Digbeth, and other things we need, is not threatened by the issues within the council budget. We have got good assurance of that and, as I said in the previous answer, we can go about our business with that support. We have got both the regional conversation as well as the city conversation.

I do think there remain healthy questions about infrastructure. One of the concerns is that we are much more effective if the whole region is lifted, and you want to make sure that you have hit critical mass on that. My judgment is—again, we may want to have a more detailed discussion—that in the west midlands there is enough momentum around the productions coming in, the creative energy, and the private investment going in which I think will define this project, more than just public money.

- Q92 **Gary Sambrook:** In Birmingham this bankruptcy was wholly avoidable. We are very lucky to have Andy Street who is—

**Tim Davie:** That is not something I will be opining on.

**Gary Sambrook:** We can go forward with Andy to make sure that these programmes, and what we are doing in Digbeth and the surrounding midlands, actually sees the benefits. When you are evaluating, what work are you doing with the Mayor going forward in trying to evaluate what the set objectives were and what the outcomes are?

**Tim Davie:** We work across party of course; we have no fear or favour there, and we deal with all parties in the same way. In all our agreements, whether in Northern Ireland or elsewhere, we look at what kind of investment we can bring to the party. This is largely around level investment, and then we get to the question around programming strands—that is what we bring, and that is what we do. The west midlands agreement is an outstanding example of us committing and getting money out into the area.

- Q93 **Gary Sambrook:** You mentioned previously the Welsh model and “Doctor Who” and the evaluation that you did there. Can we see something similar in the west midlands?



**Tim Davie:** Yes, as per the answer I gave earlier. I was a bit cautious because I just don't know how many clusters you can do. I am very sensitive to the proper challenges—I have been on the receiving end—around grand numbers and prognoses of other benefits. We can definitely do it at the top level, but I would be very surprised if at the right point we did not want to go to the west midlands, as one of our main clusters, and do the kind of work we have done, and really understand jobs. The good news in this particular one—and we have kind of hammered it to death—is there are now specific examples of jobs beyond the BBC and others that are coming in that are quite hard, and that is good to hear.

Q94 **Gary Sambrook:** One final question: sometimes your partners, such as local authorities, might throw you a curveball, but then the Government might change their mind about major infrastructure projects like HS2, which obviously provides you with a new challenge. What sort of impact work have you done looking at the change in HS2 and how that might impact on Across the UK?

**Thomas Wrathmell:** We had an existing operation in Birmingham. In the process of relocating the building from the Mailbox into east Birmingham in Digbeth, the procurement of a site needed to be done; whether we stayed at the Mailbox or moved elsewhere, that needed to happen. Our programme of work in terms of moving activity, teams and programmes across the country, as Tim said before, we believe is directionally correct.

Q95 **Chair:** So HS2 has not made a difference.

**Thomas Wrathmell:** In many respects, it is unaffected by HS2. We obviously observe what has happened with that programme, but our work continues.

Q96 **Chair:** Aren't you glad that you are just observing and not having to deal with it?

**Tim Davie:** Our work continues, and we believe we can deliver the case whatever the scenario in that particular debate.

Q97 **Sarah Owen:** I want to ask about the future-proofing of the Across the UK programme. If these clusters are successful where we might have seen some success in the west midlands, in Salford and outside of London, what are you doing in terms of ensuring that you are not just replicating the problem of London elsewhere in the future and ensuring that there is a pipeline of talent for people across the entire UK? For example, there are kids from Luton going to Norwich. If you talked about the infrastructure and how to get there in a TV studio, that just is not there. How are you future-proofing that?

**Tim Davie:** I am just thinking through the future-proofing, because it is definitely something that we talk about a lot.

**Chair:** To be clear for people on the geography, Luton is classed as being in the same region as Norwich, but it is a very difficult journey.

**Tim Davie:** I am good on Luton.



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**Chair:** We would not want to trip you up, Mr Davie, on the geography of the UK.

**Tim Davie:** That's all right; I am all tooled up on that one. The approach we are taking is one deliberately of bigger clusters and hubs, if I am being honest, because if you are in the outlying areas, it is a bigger decision. It is a lesser decision to go into some of the areas near to you versus going to London. This is sensitive territory, because we can produce a drama anywhere, but it is about when you are really locating.

Also, our budgets are such that you do not want to be building studios everywhere, and we are a broadcast operation, so you need a studio. You need a radio studio, and you need infrastructure. If we spread ourselves too thin, the financial effectiveness will diminish, but we want to be suitably dispersed. You see us saying, "Okay, we can make drama anywhere. Technology allows you to broadcast from anywhere. Local radio stations we need everywhere." We have 70 locations across the BBC, whether in Aberdeen or wherever. That remains, and that is precious. However, in terms of these hubs—where, to your earlier question, you really get a career where you can get to a senior level—if we could see that operationally in Glasgow, Cardiff, Birmingham or Salford and with a thriving sector in the north-east, that would be a massive step forward in how people think about getting into this industry. I would probably prioritise that over the network output trying to get every postcode, because at that point we would have another discussion with this Committee.

**Chair:** Thank you to all our witnesses for your time. The transcript of this session will be available on the website uncorrected in the next couple of days. We will be producing a report that is likely to come after the Easter recess, but we will keep you posted.