

Statement of Operation for Radio

I OVERVIEW

- 1.1 BBC Radio commissions independently made productions by entering into programme production agreements with third parties (“Independent Productions”) for all ten UK networks¹ and the five national networks² in Scotland, Wales and Northern Ireland. The minimum proportion of that output being Independent Productions (“the Quota Requirement”) is determined by the BBC Trust in accordance with Clause 58 of the agreement between Her Majesty’s Secretary of State for Culture Media and Sport and the British Broadcasting Corporation of July 2006 (“the BBC Agreement”). The BBC’s Executive Board is responsible for ensuring any requirement the Trust imposes under Clause 58 of the BBC Agreement is met. (There is no requirement for BBC Local Radio or the World Service to broadcast Independent Productions although they may do so if they wish.)
- 1.2 Performance against the Quota Requirement is monitored by both the Executive Board of the BBC and the Trust and the proportion of network radio programmes which are Independent Productions each year is reported in the BBC’s Annual Report.
- 1.3 In this document the BBC explains the calculation of the Quota Requirement (paragraph 2), the monitoring and reporting of the Quota Requirement (paragraph 3), the principles underpinning commissioning (paragraph 4) and goes on to set out a statement of operation (paragraph 5).

2 ELIGIBLE HOURS

- 2.1 The Quota Requirement imposed by the Trust is expressed as a percentage (currently 10%) of what are known as ‘eligible hours’. Not all types of output constitute eligible hours. News programmes, repeats and continuity announcements, for example, are currently excluded from the Quota Requirement and the eligible hours total on which the Quota Requirement is based.
- 2.2 Until last year, under voluntary arrangements operated by the BBC prior to the creation of the Trust, the Quota Requirement was limited to eligible hours on the five analogue national networks. However, from April 2006 the 10% Quota Requirement was extended to eligible hours on the five nations networks and also to live sports programming.
- 2.3 From 1st April 2007, eligible hours on the five national digital networks will also be subject to and included in the calculation of the 10% Quota Requirement.

¹ Radio 1, 1xtra, Radio 2, 6 Music, Radio 3, Radio 4, BBC 7, Radio Five Live, Five Live Sports Extra, The Asian Network

² Radio Scotland, Radio nan Gaidheal, Radio Wales, Radio Cymru, Radio Ulster

- 2.4 Any future proposal to vary the types of eligible output must be approved by both the Executive Board and the Trust.
- 2.5 As a matter of principle, the Quota Requirement may be met from anywhere within the eligible hours of the radio portfolio. In practice, however, each network is generally asked to meet or exceed the target percentage. The exception at present is Radio 4 to which different arrangements apply and these are described at paragraph 5.7
- 2.6 In the event that an Independent Production is not delivered by the third party producer (eg through company failure) then the hours originally commissioned will be deemed to count toward the Quota Requirement, regardless of any steps which may need to be taken by the BBC to complete or replace the original commission.
- 2.7 The BBC recognises the considerable contribution made by independent radio producers and the extension of the eligible hours referred to above will see the hours needed to meet the Quota Requirement increase from approximately 2,600 to 7,300 hours per year from April 2008. The BBC has undertaken that the Quota Requirement is a floor not a ceiling and BBC Radio is open to further growth of the sector on the basis of creative merit and value for money.

3 MONITORING AND REPORTING

- 3.1 The Executive Board of the BBC is responsible for ensuring BBC Radio complies with the requirements imposed by the BBC Trust in relation to Clause 58.
- 3.2 The Executive Board is responsible for monitoring performance against the quotas and targets and for ensuring that BBC Radio complies with all of the requirements. The Executive Board will report performance to the Trust on a half-yearly basis.
- 3.3 The Executive Board should report to the Trust on an interim basis where a significant risk of not achieving a quota arises. The Trust may request further updates as necessary to ensure appropriate remedial action is taken.
- 3.4 The performance against Quota Requirement is audited annually by the BBC's internal audit service.
- 3.5 As soon as possible after the end of each financial year the Executive Board submits a report to the Trust which includes the outturn in relation to the Quota Requirement along with the Executive Board's commentary on the effectiveness of the operation of the arrangements for the year concerned.

- 3.6 The Trust reports publicly on this outturn in the BBC's Annual Report and Accounts.

4 PRINCIPLES UNDERPINNING COMMISSIONING

- 4.1 Commissioners seek to bring audiences and the licence fee payer great programmes which represent the best possible value for money. The BBC believes this is best achieved by a combination of in-house productions and Independent Productions with an element of competition between the two sectors.
- 4.2 In some cases the BBC will commission directly from its in-house production base. Wherever and whenever independent producers are invited to pitch for commissions the BBC is committed to fair and equal treatment of all potential bidders and a transparent commissioning process. In practice this means:
- 4.2.1 each network will provide a clear summary of its commissioning cycle, commissioning processes and personnel along with the slots available for tender and who is eligible to compete;
 - 4.2.2 all eligible suppliers will be treated equally and provided with equivalent information so none gains an unfair advantage; and
 - 4.2.3 commissioning decisions will be based solely on the creative merit of the proposal and the value for money offered to the audience and the licence fee payer.
- 4.3 The BBC will maintain clear and efficient management of information and will seek to minimise the costs relating to the commissioning process borne by suppliers and the licence fee payer.

5 STATEMENT OF OPERATION:

- 5.1 Within the above principles, each network is free to determine its own structure for commissioning and commissioning cycles - which will vary according to the demands and needs of the network. Networks may operate a list of registered suppliers from whom all Independent Productions are commissioned. Some programmes may be commissioned through an invitation to tender to a number of suppliers selected by objective criteria. The aim is always to find the most efficient, effective and fair way to identify and commission the best ideas.
- 5.2 Fairness means being honest with suppliers about their prospects of success. Encouraging producers to devise and submit more proposals than can reasonably be considered is a waste of time and money, both for them

and the BBC. It is also pointless to invite proposals from individuals or organisations unable to demonstrate the ability to deliver what the BBC requires.

5.3 Details of processes, commissioning cycles, a guide to who's who in commissioning, full details of the BBC's new terms of trade for independent commissions and details of BBC guidelines and policies are available at www.bbc.co.uk/commissioning.

5.4 BBC Radio operates categories of commissioning so suppliers may target their efforts on areas where they are most likely to succeed and so commissioners may efficiently manage the workload associated with their commissioning cycles. The main categories of commission are:

5.4.1 Universal or 'Open' slots

These commissions are open to all and enable the commissioner to seek proposals from the widest range of potential producers. This approach may suit slots where previous experience of a particular type of programme making is unnecessary, where the BBC seeks submissions in a new area of programming and/or where the volume of submissions is expected to be at a level where it remains feasible for the BBC to provide the degree of consideration which each proposal merits.

5.4.2 Open to External Suppliers Only

As the name implies, in-house departments are excluded. In addition, some stations may limit these slots to suppliers on a registered supplier list or to selected suppliers (where appropriate due to the specific needs/experience of a production).

5.4.3 Limited to Selected Suppliers

For certain commissions it may be desirable to limit bids to suppliers who have experience of a particular genre, access to key talent and/or other specialist skills. Proposals will then be invited from a suitable range of producers who meet the requirements. Areas where this category of commission may be used include complex live outside broadcasts, which demand particular skills and expertise, talent led programmes, where some producers have exclusive arrangements with key talent, and drama where experience of working with writers on new material and directing actors for radio is essential.

5.4.4 Topical Commissions

Networks involved in current affairs programming routinely leave some slots unfilled until close to transmission against the need to

transmit topical programmes at short notice. This means producers, both in-house and independent, may bring ideas to commissioners outside the normal commissioning process. The commissioning information for stations will state whether such ad-hoc approaches will be entertained and in what circumstances. Similarly, networks may approach suppliers with a known capacity or expertise in order to meet programme requirements which arise at short notice.

- 5.5 The information to be provided by each network will include:
 - 5.5.1 commissioning guidelines which explain the process, make it clear who can pitch and set out a timetable for offers and commissioning decisions;
 - 5.5.2 commissioning briefs which contain clear guidance on the editorial, audience and price requirements for available slots;
 - 5.5.3 guidance on how to write and submit programme proposals;
 - 5.5.4 guidance on what the BBC expects the proposed price to reflect, in particular in terms of underlying rights requirements and any new media content and/or metadata needed; and
 - 5.5.5 a clearly stated complaints process.
- 5.6 Networks may choose to provide the acknowledgements and information described above by providing access to an online database of proposals.
- 5.7 Radio 4 is the network with the most pre-recorded 'built' programmes and provides a significant opportunity for the development of creativity and best value through competition. Unlike other networks, Radio 4 has a formal commitment to a minimum of 10% independent production coupled to a 10% window of creative competition (WoCC) which is open to both independent and in-house producers. Radio 4 is currently the only network operating a list of registered suppliers.