

# BBC Radio Analogue Services

Finance Data Pack  
for the period  
April 1999/00 to March 2003/04

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# Section 1 – BBC Radio Financial Overview

# Financial Overview

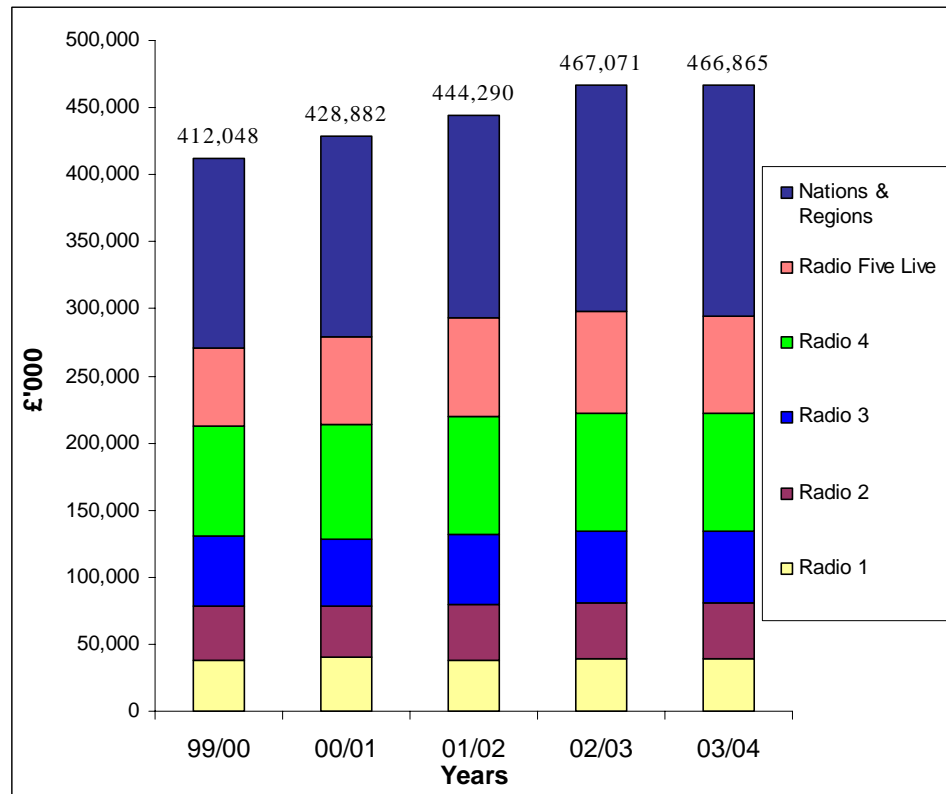
- This document presents the activities of the national BBC analogue radio networks and the regional analogue radio services supplied in Wales, Scotland and Northern Ireland as well as local radio stations in England. It does not encompass our digital and internet services.
- BBC radio analogue services have a combined budget of £467m (2003/04) and produce 306,229 hours of output. This is transmitted across 5 national networks (Network Radio), 7 Nations radio stations across Northern Ireland, Wales & Scotland and 39 local radio services in England (together referred to as Nations and Regions).
- BBC Radio also supports 5 orchestras and the BBC Singers (collectively referred to as the BBC Performing Groups). Funding for the BBC Performing Groups consists of a fixed subsidy and programme spend for commissions from Radio 2, Radio 3, Nations and Regions, BBC Proms and BBC Television. In 2003/04 the BBC spent £26.5m (2002/03 £25.2m) on its performing groups.
- Network radio had an overall funding level of £295m in 2003/04, representing just over 10% of total licence fee funding. It produces about 43,000 hours of output across a range of speech and music genres.
- Network radio funding has increased in nominal terms by 8.7% over the five year period under review.
- Nations and Regions' radio receives 6% of the licence fee in funding and has increased in nominal terms over the period by 22%. This reflects increased programme investment in local radio between 2000/01 and 2002/03 in particular, where, for example, sub opts were increased. In addition, from 2002/03 the full impact of a programme of improvements to accommodation and equipment was felt.
- Nations and Regions produced 262,831 hours of output in 2003/04 with a strong emphasis on speech.
- Total BBC Radio audience share has increased over the period by 2.4% from 50.4% in 1999/00 to 52.8% in 2003/04 consisting of a 2.1% increase for Network to 41.7% and a 0.3% increase for Nations and Regions to 11.1%. Reach has similarly increased by 1.9%, driven by increased reach for Network radio.

# Financial Overview

- In reviewing the overall trends a number of specific events have had an impact on the overall level of BBC analogue networks costs:
  - The Millennium (1999/00) saw increased programme spend as the BBC mounted significant events such as Music Live and coverage of the national celebrations. Significant investment in technical and IT infrastructure was also required to ensure the BBC's systems were Millennium compliant.
  - The BBC restructured in 2000/01 as part of the ONEBBC re-organisation, with Network Radio being largely reintegrated with its production base and BBC Broadcast and BBC Production – the former commissioning and production houses of the BBC - being disbanded. This produced savings in both management and programme support costs.
  - 2000/01 saw the introduction of SAP accounting software throughout the BBC and with it significant central set up and implementation costs.
  - The Olympic Games (Sydney 2000) and European football championships increased sports costs in 2000/01 whilst the Football World Cup and Commonwealth Games had a similar effect on 2002/03.
  - The Queens Golden Jubilee in 2002 saw a significant increase in the cost of live events coverage.
  - The General Election and the September 11<sup>th</sup> tragedy increased news costs in 2001/02, while the wars in both Afghanistan and Iraq and their aftermath, have led to higher levels of news coverage and spend.
- This finance data pack forms part of the overall submission to the DCMS review of analogue radio and should be read in conjunction with the audience data packs and the individual network submissions.

# Financial Overview

- Costs across the BBC's UK music networks – Radio 1, Radio 2 and Radio 3 – have remained broadly flat, while Radio 4's cost base is affected by news coverage of significant world and domestic event. Radio Five Live's cost base fluctuates according to both the sporting calendar - with the coverage of major events such as the Olympic Games and Football World Cups amongst many examples - and the news agenda.
- Local radio services has seen significant increased programme investment while spend on nations radio has remained broadly flat.



# Definition of Costs

The licence fee funded cost of BBC Radio has been analysed into the following categories:

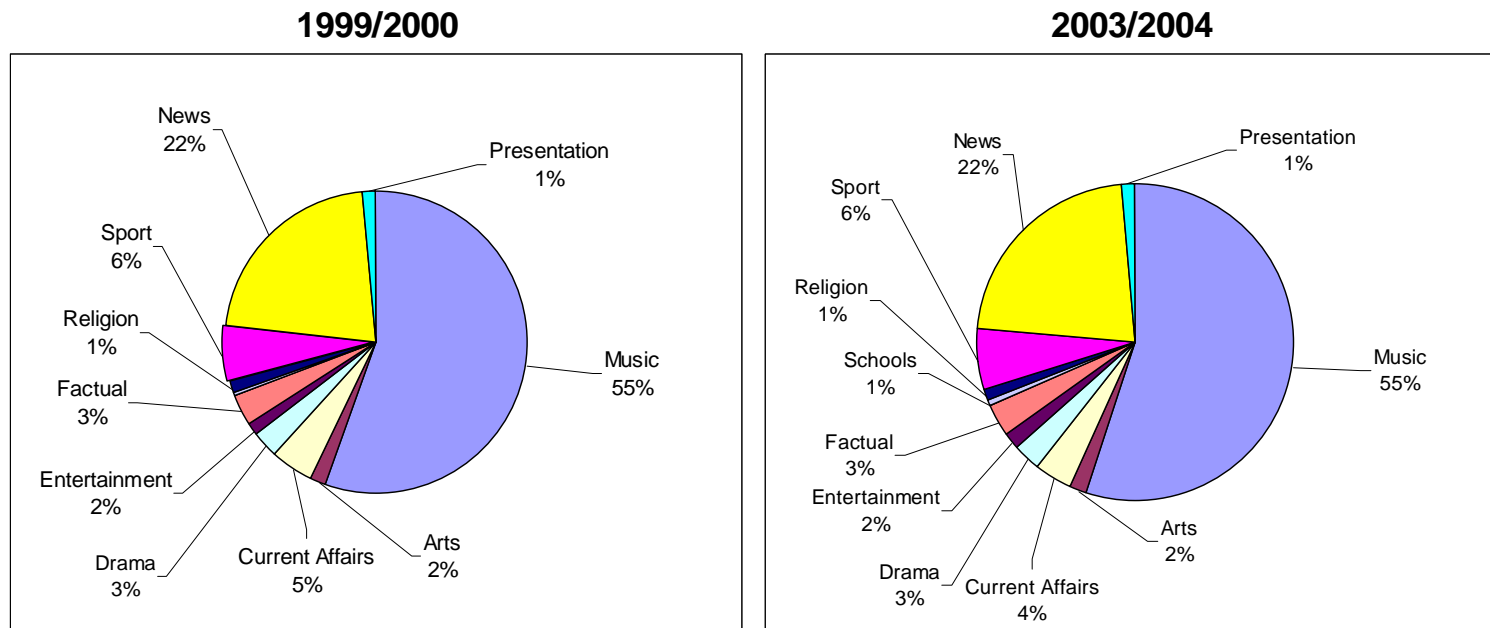
- **Direct Programme Costs** represent the direct cost of staff, talent, resources and production management in producing a programme either in-house or via an independent producer. These are further analysed under the genre analysis.
- **Indirect Programme Costs** includes presentation, commissioning and scheduling activity, network management costs and divisional support costs held centrally and used by all output areas.
- **BBC Performing Groups** represents direct corporate funding of the BBC's five orchestras, BBC Singers and the Proms. It excludes spend by the networks on commissioning programmes from the orchestras and singers which form part of direct programme costs.
- **Newsgathering** covers radio's allocated share of the cost of BBC correspondents, reporters and overseas bureaux and their facilities in providing live coverage, news packages and bespoke pieces of radio together with general news overheads.
- **Copyright** covers the costs of the Performing Rights Society, Phonographic Performance Ltd, Mechanical Copyright Protection Society and other copyright costs incurred by radio. Increases are driven by RPI and increased listeners calculated using the Rajar Index.
- **Audience Research, Press and Marketing** costs include the central BBC costs allocated to Radio each year to cover the activities of marketing including Rajar costs, audience research, audience help-lines and press support. Marketing costs are allocated on the basis of specific campaigns plus an allocation for BBC-wide campaigns.
- **Transmission Costs** represent radio's share of the transmission and circuit distribution costs of each analogue network plus Wireless Telegraphy Act (WTA) licence costs. Actual transmission costs have been used. Circuit costs are an estimate, based on the total bundled costs for TV and radio. The allocation of WTA licence costs is based on the number of transmissions of each analogue network.
- The cost of each output area excludes Corporate overheads which are paid for centrally and cover the central costs of the BBC (e.g. DG's office, Corporate Finance, Policy & Planning, Legal and Secretariat).

# Definition of Genre Categories

The following genre definitions apply to Network radio output only as Nations and Regions do not maintain genre analysis.

- **Arts** Programmes present a cultural or artistic performance or event (other than a programme falling within the definition of a Music programme), and programmes providing information, comment or critical appraisal of the arts. The subject matter of arts programmes will normally cover design, theatre, music, dance, cinema, visual arts, media and literature.
- **Children's** programmes include all dedicated Children's programming excluding Schools Education programmes.
- **Current Affairs** programmes contain explanation and analysis of current events and issues, including material dealing with political or industrial controversy or with public policy. Also included are investigative programmes with contemporary significance and consumer journalism.
- **Drama** productions including drama series and serials, single plays, anthologies, drama documentaries, readings and poetry programmes.
- **Entertainment** programmes include comedy drama and situation comedy, satire, chat shows, variety, quiz shows and game shows.
- **Factual** documentaries are programmes presenting a factual account of matters not falling within the definition of Current Affairs, Music, Arts and Religion. It includes any other form of factual programming including features and coverage of events (excluding Sport).
- **Music** covers all genres of music including music documentaries.
- **News** includes newscast or news bulletins providing coverage of national, international, regional or local matters. Also included are news magazines, containing a range of items related to news stories, which may include comment and elements of general interest; weather reports and forecasts and parliamentary coverage.
- **Presentation** covers on air sound, programme links and trails.
- **Religion** encompasses all forms of religious programming, including coverage of acts of worship, programmes providing religious or spiritual inspiration and programmes examining topics or issues relating to religion or from a religious perspective.
- **Sport** covers all forms of sports programming including coverage of a sporting event; sports magazines, highlights and sports news.
- **Schools** covers Schools education programming (but not Factual programmes that happen to have been co-commissioned with the education department).

# Number of Hours Transmitted by Genre – Network Radio



- Over the 5 year period under review the relative proportion of hours broadcast has remained constant across the genres.
- With 3 music analogue networks, music makes up a substantial proportion of Network radio output.

# Number of Hours Transmitted by Genre – Network Radio

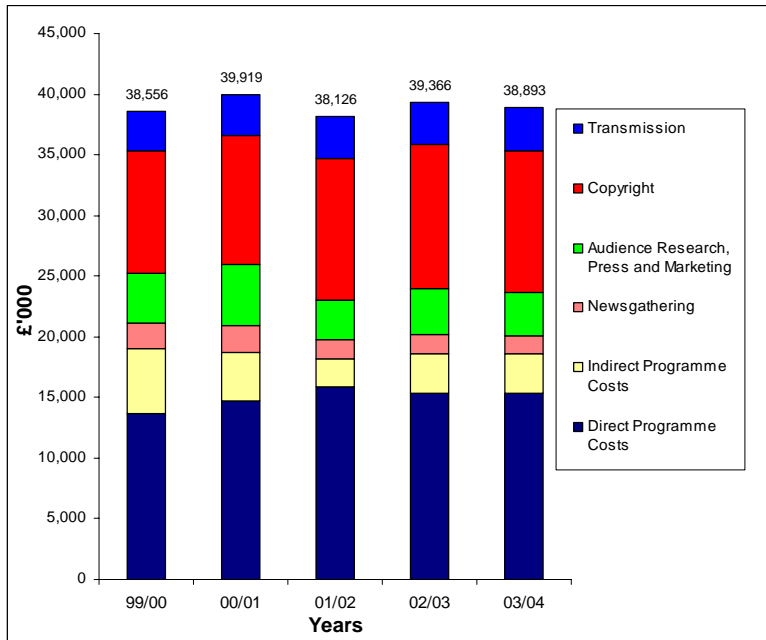
	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	23,809	23,822	23,853	23,849	23,979
Arts	773	728	730	715	730
Current Affairs	1,971	1,803	1,724	1,682	1,703
Drama	1,193	1,218	1,211	1,198	1,196
Entertainment	667	617	596	576	582
Factual	1,346	1,308	1,318	1,349	1,341
Childrens	1	7	66	74	76
Schools	204	208	196	202	224
Religion	532	529	550	539	541
Sport	2,582	2,680	3,001	2,985	2,678
News	9,390	9,457	9,421	9,548	9,747
Presentation	612	590	577	597	601
	<b>43,080</b>	<b>42,967</b>	<b>43,243</b>	<b>43,314</b>	<b>43,398</b>

## Section 2



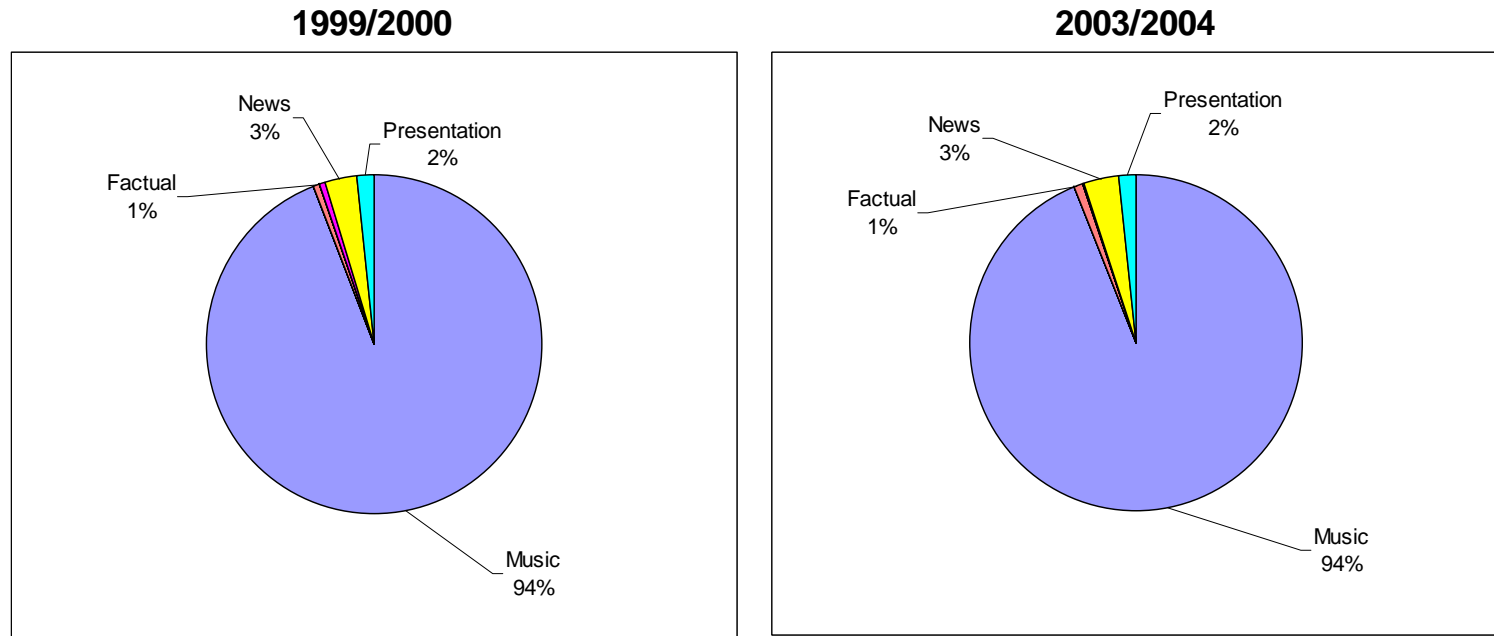
# Network Cost – Radio 1

**BBC Radio 1** offers an exciting, high-quality service for a young UK audience. It plays the best new music and delivers a comprehensive range of live studio sessions, concerts and festival broadcasts. The network aims to cover all young music genres with a wide ranging play list and a strong line-up of specialist DJs. Music programming is augmented by tailored speech output - including news, documentaries and advice campaigns.



- Radio 1's programme costs are driven by talent and live events costs which are integral to the network's strategy to serve young audiences.
- Direct programme costs increased in 2001/2 due to the introduction of national opt-outs in Wales, Scotland and Ireland, which are simultaneously broadcast with the regular national service.
- Indirect programming costs have reduced from 1999/00 due to additional one-off costs relating to the Millennium and savings from the reintegration of commissioning and production following the ONE BBC restructuring.
- The change in copyright costs is linked to both change in audience and change in RPI as the principle copyright deal is based on both these drivers. The structure of the deal was changed in 2001/02.
- Marketing increased in 2002/03 as Radio 1 benefited from a BBC marketing campaign promoting a summer of live events to coincide with the Queen's Jubilee concerts.

# Number of Hours Transmitted by Genre – Radio 1

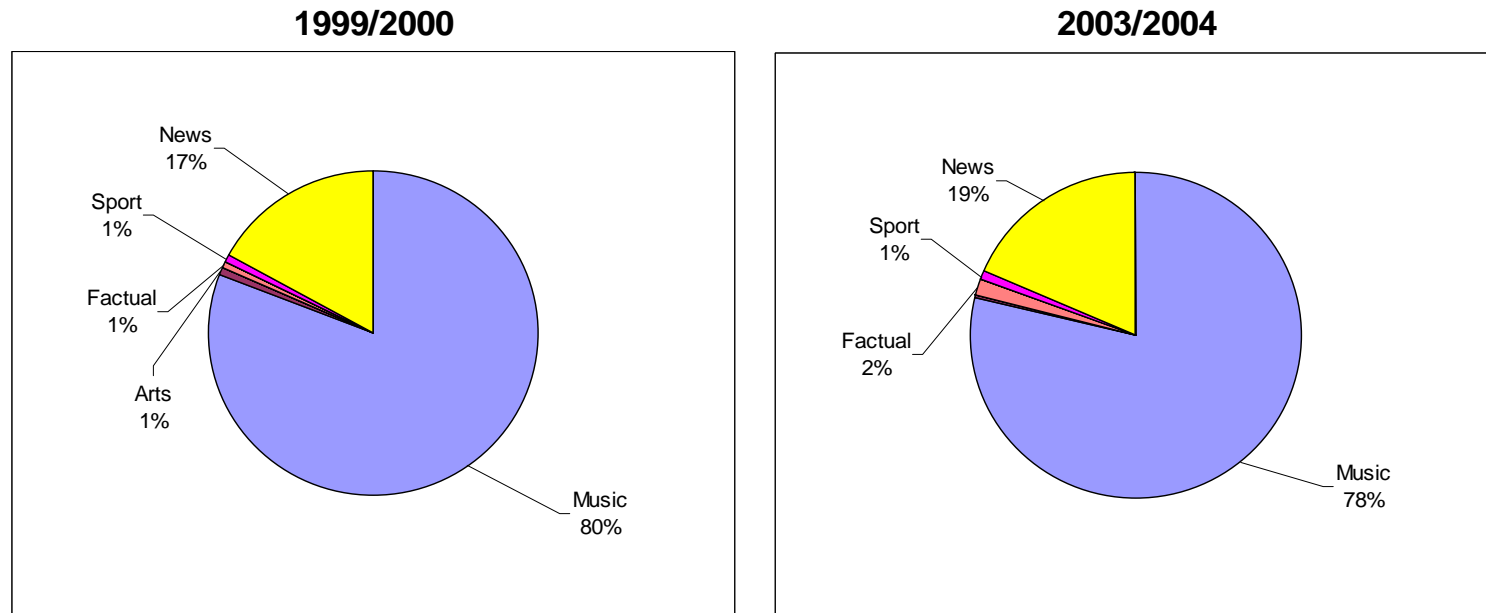


- Radio 1 aims to be the hub of young popular culture supporting live music and new talent with over 90% of output being in the music genre.
- The music genre covers a broad range of output with Radio 1 playing music spanning 19 different sub-genres.
- Newsbeat programmes are scheduled twice a day at 15 minutes each edition at the heart of mainstream output.

# Number of Hours Transmitted by Genre – Radio 1

	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	8,426	8,451	8,480	8,469	8,509
Arts	9	9	13	9	9
Current Affairs	-	-	-	-	-
Drama	-	-	-	-	-
Entertainment	-	-	-	-	-
Factual	48	61	63	62	60
Childrens	-	-	-	-	-
Schools	-	-	-	-	-
Religion	-	-	-	-	-
Sport	35	33	33	30	30
News	322	301	297	304	305
Presentation	157	149	145	147	148
	<b>8,997</b>	<b>9,004</b>	<b>9,031</b>	<b>9,021</b>	<b>9,061</b>

# Proportion of Spend by Genre – Radio 1



- The reduction in Arts spend relates to the Movie Update which is now part of Factual.
- Funding formerly held by BBC Education for Radio 1 factual output (social action campaigns and Sunday Surgery) in 1999/00 was transferred to Radio 1, hence the apparent increase in spend.

# Proportion of Spend by Genre – Radio 1

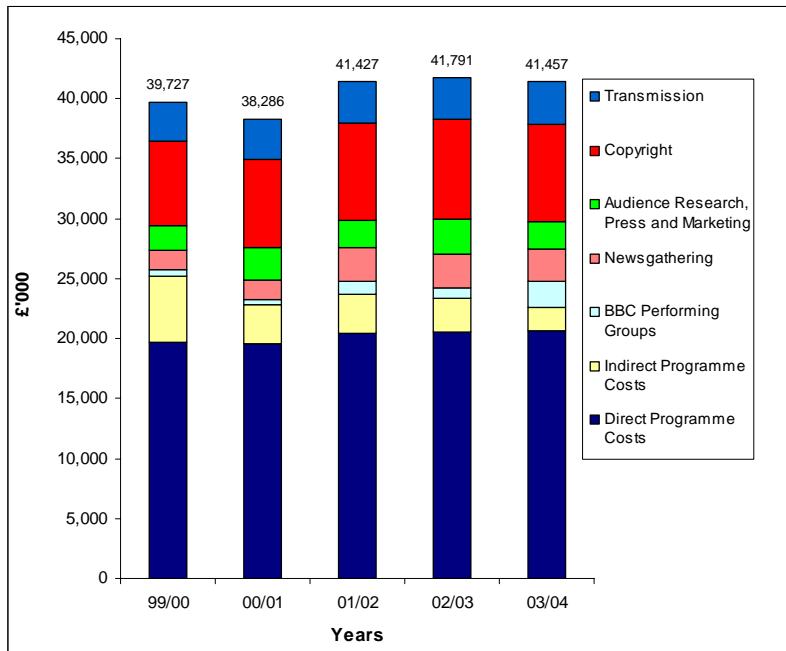
	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	£'000	£'000	£'000	£'000	£'000
Music	11,099	11,924	12,526	11,977	12,049
Arts	103	93	69	33	49
Current Affairs	-	-	-	-	-
Drama	-	-	-	-	-
Entertainment	-	-	-	-	-
Factual	89	-	237	252	253
Childrens	-	-	-	-	-
Schools	-	-	-	-	-
Religion	-	-	-	-	-
Sport	97	112	118	118	121
News	2,323	2,609	2,967	3,021	2,864
Presentation	-	-	-	-	-
	<b>13,711</b>	<b>14,738</b>	<b>15,917</b>	<b>15,401</b>	<b>15,336</b>

## Section 3



# Network Cost – Radio 2

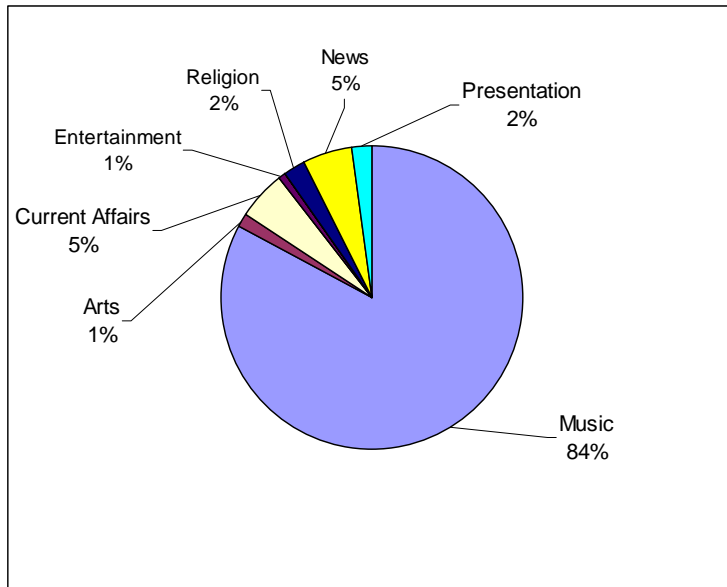
**BBC Radio 2** brings listeners a broad range of popular and specialist music with particular support for new British artists; live music through concerts and studio sessions; and song-writing. The network also offers news, current affairs, documentaries, comedy, readings, religious output and social action, designed to appeal to a broad adult audience.



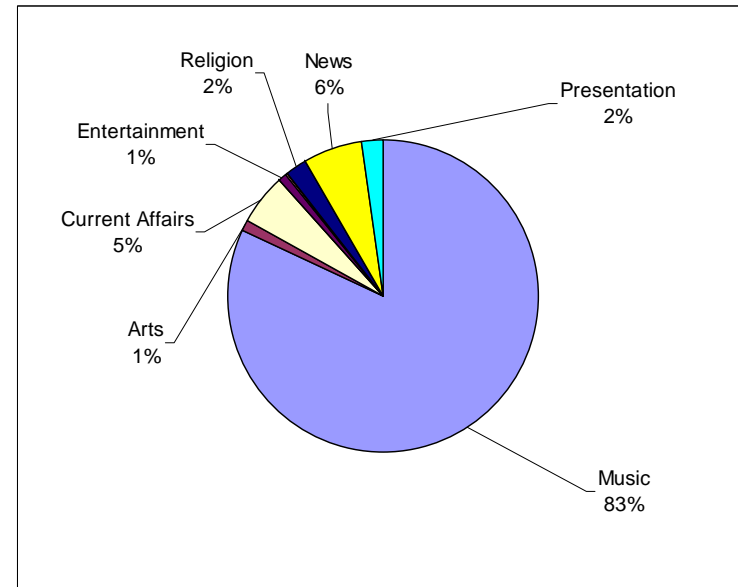
- Radio 2 direct programme spend has remained broadly flat.
- Indirect programming costs have reduced from 1999/00 due to additional one-off costs relating to the Millennium and savings from the reintegration of commissioning and production following the ONE BBC restructuring.
- The BBC Performing Groups received additional core funding in 2001/02 and 2003/04 to compensate for a declining market in live classical music and increased artist costs.
- Increased spend on newsgathering is due to the coverage of September 11<sup>th</sup> and the Afghanistan and Iraq wars.
- Change in copyright costs is linked to both change in audience and change in RPI as the principle copyright deal is based on both these drivers. The structure of the deal was changed in 2001/02.
- In 2002/3 Radio 2 launched a campaign informing the audience of the key change in daytime presenter from Jimmy Young to Jeremy Vine.

# Number of Hours Transmitted by Genre – Radio 2

1999/2000



2003/2004

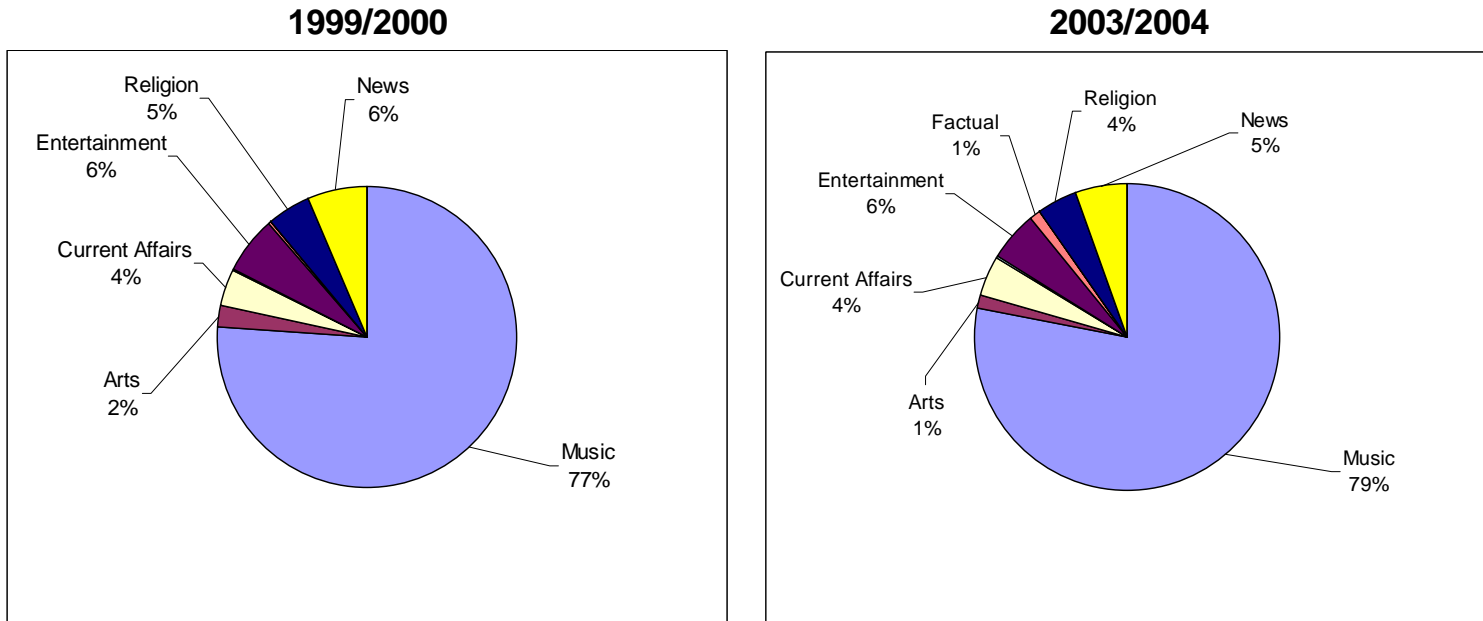


- Radio 2 aims to provide a unique mix of music and speech including social action campaigns to a broad adult audience.
- The music genre covers a broad range of output with Radio 2 playing music spanning 21 different sub-genres, including music documentaries.
- Religious output covers a range of faiths to reflect the religious calendar of a multi faith nation.
- Peak time programming includes a major news and current affairs strand including live interviews and audience participation.
- News coverage has increased to include daily business news and entertainment news during the mainstream output.

# Number of Hours Transmitted by Genre – Radio 2

	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	7,235	7,249	7,260	7,285	7,206
Arts	122	95	119	85	88
Current Affairs	455	455	453	451	458
Drama	14	13	13	13	14
Entertainment	90	106	78	71	71
Factual	17	17	17	13	27
Childrens	-	-	-	-	-
Schools	-	-	-	-	-
Religion	189	189	193	191	192
Sport	-	-	-	-	-
News	457	455	448	455	533
Presentation	205	181	179	196	196
	<b>8,784</b>	<b>8,760</b>	<b>8,760</b>	<b>8,760</b>	<b>8,785</b>

# Proportion of Spend by Genre – Radio 2



- Religious output, in terms of hours, has remained stable but efficiencies have been achieved in costs.
- Arts output previously included a monthly Reading Music strand which is no longer commissioned.
- Factual output in 2003/04 consists of Social Action campaigns previously funded through BBC Education

# Proportion of Spend by Genre – Radio 2

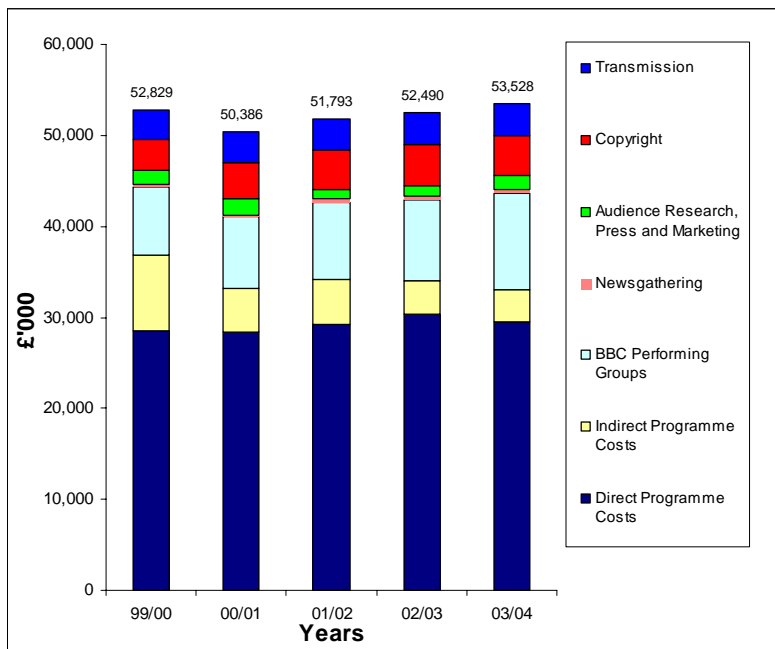
	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	£'000	£'000	£'000	£'000	£'000
Music	14,991	14,874	15,468	15,990	16,066
Arts	450	288	253	299	308
Current Affairs	768	774	706	859	861
Drama	82	89	88	93	68
Entertainment	1,188	1,219	1,122	1,055	1,101
Factual	28	37	236	241	229
Childrens	-	-	-	-	-
Schools	-	-	-	-	-
Religion	945	908	958	809	851
Sport	-	-	-	-	-
News	1,264	1,429	1,562	1,192	1,133
Presentation	-	-	-	-	-
	<b>19,716</b>	<b>19,618</b>	<b>20,393</b>	<b>20,538</b>	<b>20,617</b>

## Section 4



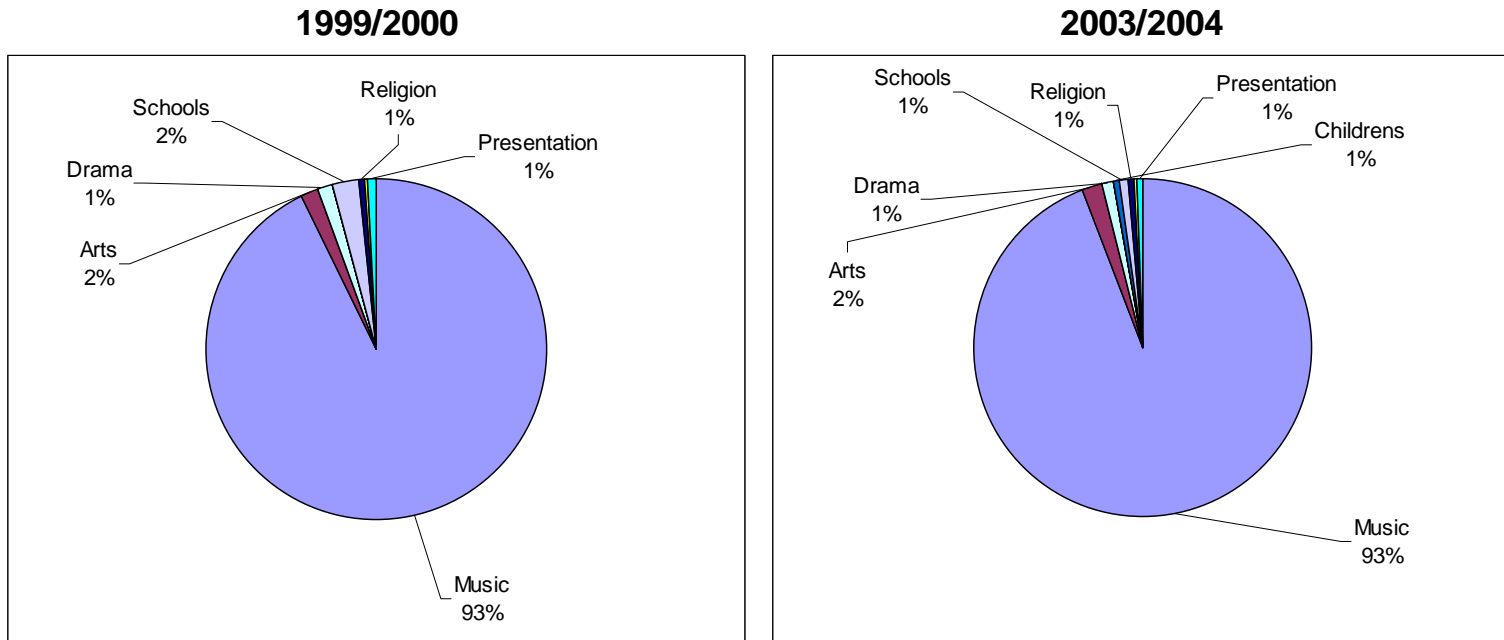
# Network Cost – Radio 3

**BBC Radio 3** makes available a broad spectrum of classical music, jazz, world music, drama and arts discussions. It focuses on presenting live and specially recorded music from across the UK and beyond, including contributions from the BBC’s own performing groups.



- A significant element of Radio 3’s direct programme costs relate to the artistic and production costs relating to live transmission or recording of music performance. In 2003/04 over 57% of live music content was either live or specially recorded.
- Direct programme costs increased in 2001/02 due to the transfer to Radio 3 of World Service classical music production, the International Relations Unit and the production unit associated with Radio International. World Service production moved to Factual in 2003/04.
- Indirect programming costs have reduced from 1999/00 due to additional one-off costs relating to the Millennium and savings from the reintegration of commissioning and production following the ONE BBC restructuring.
- The Performing Groups’ costs have been increasing year on year because of the increase in Conductors, Soloists and Musicians rates. These costs have been covered by additional BBC funding to enable the Performing Groups to maintain the quality of their activity.

# Number of Hours Transmitted by Genre – Radio 3

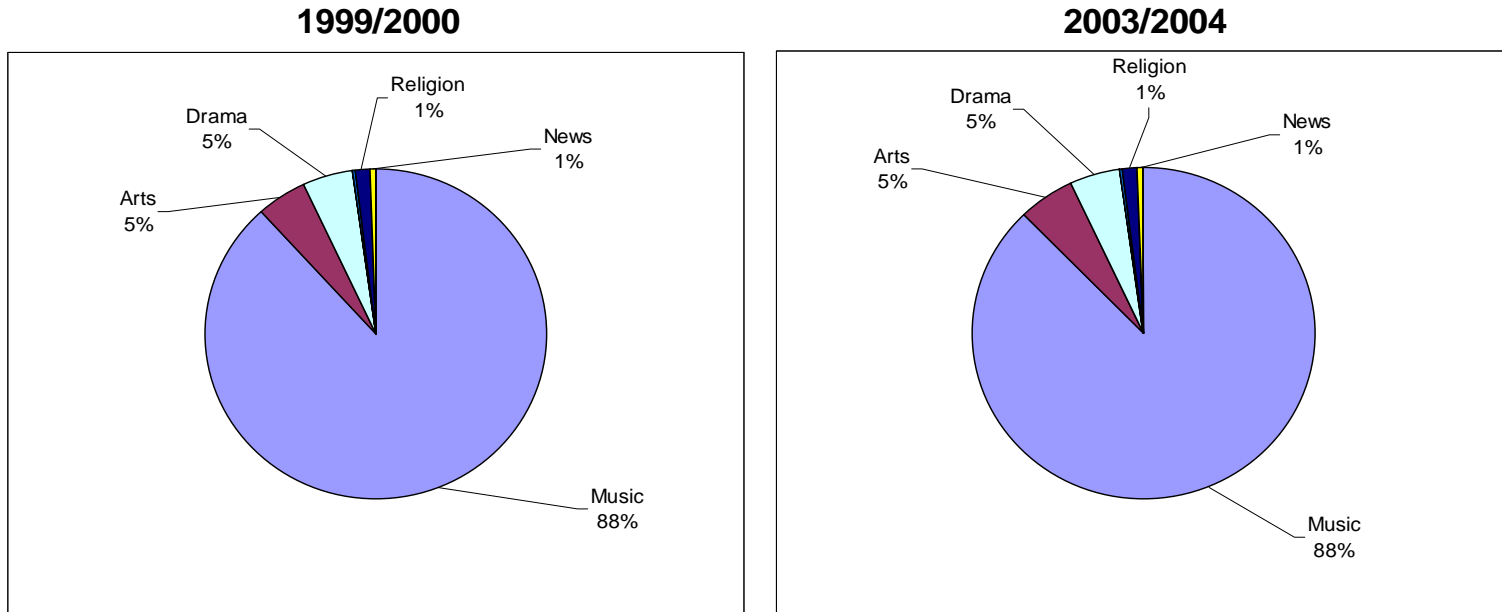


- Around 93% of Radio 3's output comprises music and music-related programming.
- Schools programmes ceased broadcasting on Radio 3 at the end of the Summer term 2003 and moved to Radio 4 digital.

# Number of Hours Transmitted by Genre – Radio 3

	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	8,148	8,122	8,113	8,095	8,264
Arts	160	164	160	179	169
Current Affairs	-	-	-	-	-
Drama	115	114	108	103	103
Entertainment	-	-	-	-	-
Factual	4	-	-	-	-
Childrens	1	7	42	48	50
Schools	204	208	196	202	64
Religion	59	63	64	56	60
Sport	-	-	-	-	-
News	19	16	18	18	19
Presentation	74	66	59	59	55
	<b>8,784</b>	<b>8,760</b>	<b>8,760</b>	<b>8,760</b>	<b>8,784</b>

# Proportion of Spend by Genre – Radio 3



- The proportion of spend by genre has been consistent throughout the period.
- Music costs include the direct funding of BBC Performing Group output as distinct from the core funding that the Performing Groups receive as a subsidy from the BBC Corporate centre.

# Proportion of Spend by Genre – Radio 3

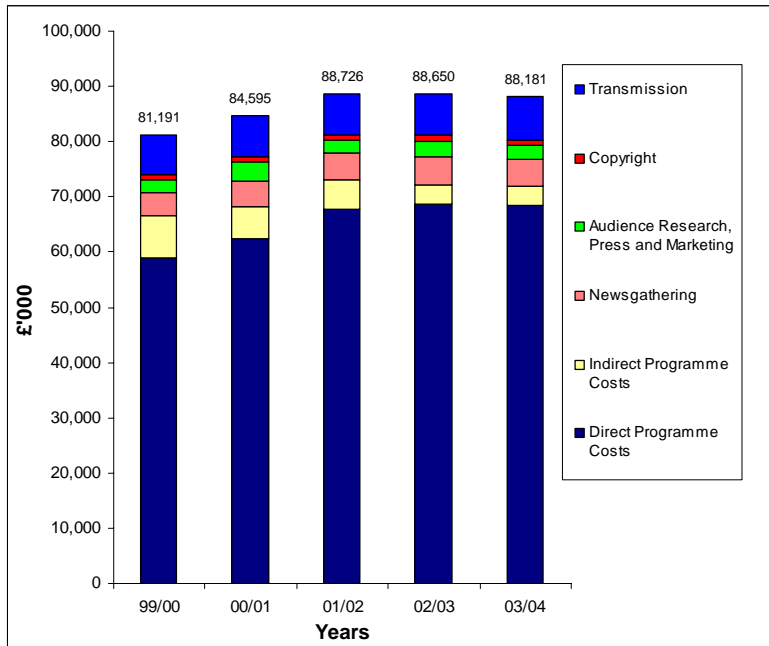
	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	£'000	£'000	£'000	£'000	£'000
Music	25,249	25,203	25,776	26,914	25,855
Arts	1,350	1,356	1,382	1,531	1,530
Current Affairs	-	-	-	-	-
Drama	1,310	1,222	1,315	1,350	1,394
Entertainment	-	-	-	-	-
Factual	45	-	-	-	-
Childrens	3	23	78	60	118
Schools	-	-	-	-	-
Religion	410	424	432	389	400
Sport	-	-	-	-	-
News	184	208	226	161	164
Presentation	-	-	-	-	-
	<b>28,551</b>	<b>28,436</b>	<b>29,209</b>	<b>30,405</b>	<b>29,461</b>

## Section 5



# Network Cost – Radio 4

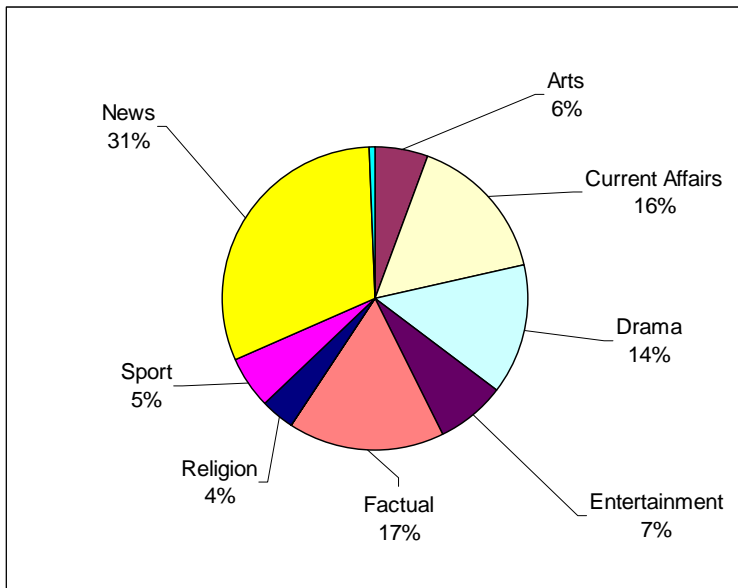
**BBC Radio 4** uses the power of the spoken word to offer programmes of depth which are surprising, searching, revelatory and entertaining. The network aims to offer in-depth and thoughtful news and current affairs and seeks to engage and inspire its audiences with a rich mix of factual programmes, dramas, readings and comedy.



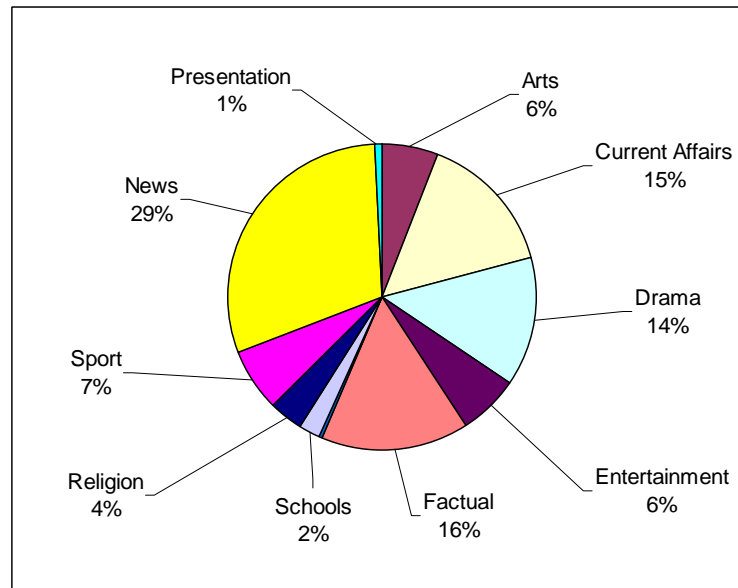
- Direct programme expenditure has increased over the period due to:
  - the establishment of a new factual programmes unit in Manchester as part of the BBC's increased support for the Regions in 2000/01.
  - increased costs and funding in specific genres, such as children's programming.
- Indirect programming costs have reduced from 1999/00 due to additional one-off costs relating to the Millennium and savings from the reintegration of commissioning and production following the ONE BBC restructuring.
- Increased spend on newsgathering is due to the coverage of September 11<sup>th</sup> and the Afghanistan and Iraq wars.

# Number of Hours Transmitted by Genre – Radio 4

1999/2000



2003/2004



- Current affairs shows a slight decrease over the last five years as some of the Current Affairs phone-in shows introduced to the schedule in April 1998 were replaced with factual output.
- Core news output has remained largely fixed over the period, although News programmes were extended during the Iraq War.
- Sport output relates mainly to cricket and rugby commentaries on Radio 4 Long Wave. Variations from year to year are event led. There was a significant increase in hours of domestic coverage caused by changes in the cricket calendar (Test Matches, plus International and County one day games), with the commencement of the new contract with the ECB in 2001/02.
- 2000/01 saw a drop in Entertainment hours in part offset by increased to factual and arts programming.
- Children's output is the weekly programme Go4it, introduced in April 2002.
- Transmission of Schools programmes was transferred from Radio 3 overnight service to Radio 4 digital in 2003/04.

# Number of Hours Transmitted by Genre – Radio 4

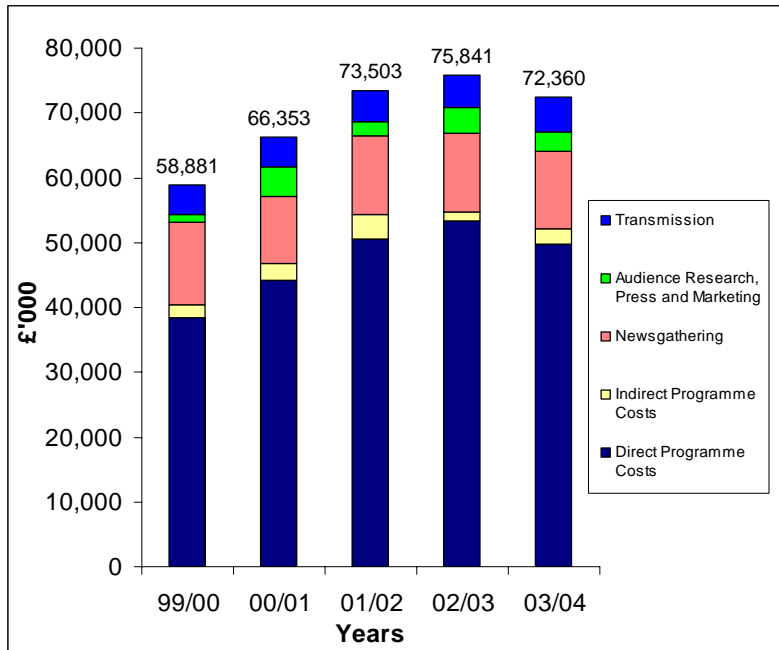
	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	-	-	-	-	-
Arts	440	460	438	442	464
Current Affairs	1,217	1,217	1,207	1,188	1,199
Drama	1,064	1,091	1,090	1,082	1,079
Entertainment	577	511	518	505	511
Factual	1,277	1,230	1,238	1,274	1,254
Childrens	-	-	24	26	26
Schools	-	-	-	-	160
Religion	284	277	293	292	289
Sport	421	453	698	756	542
News	2,415	2,390	2,372	2,393	2,404
Presentation	36	54	54	55	56
	<b>7,731</b>	<b>7,683</b>	<b>7,932</b>	<b>8,013</b>	<b>7,984</b>

## Section 6



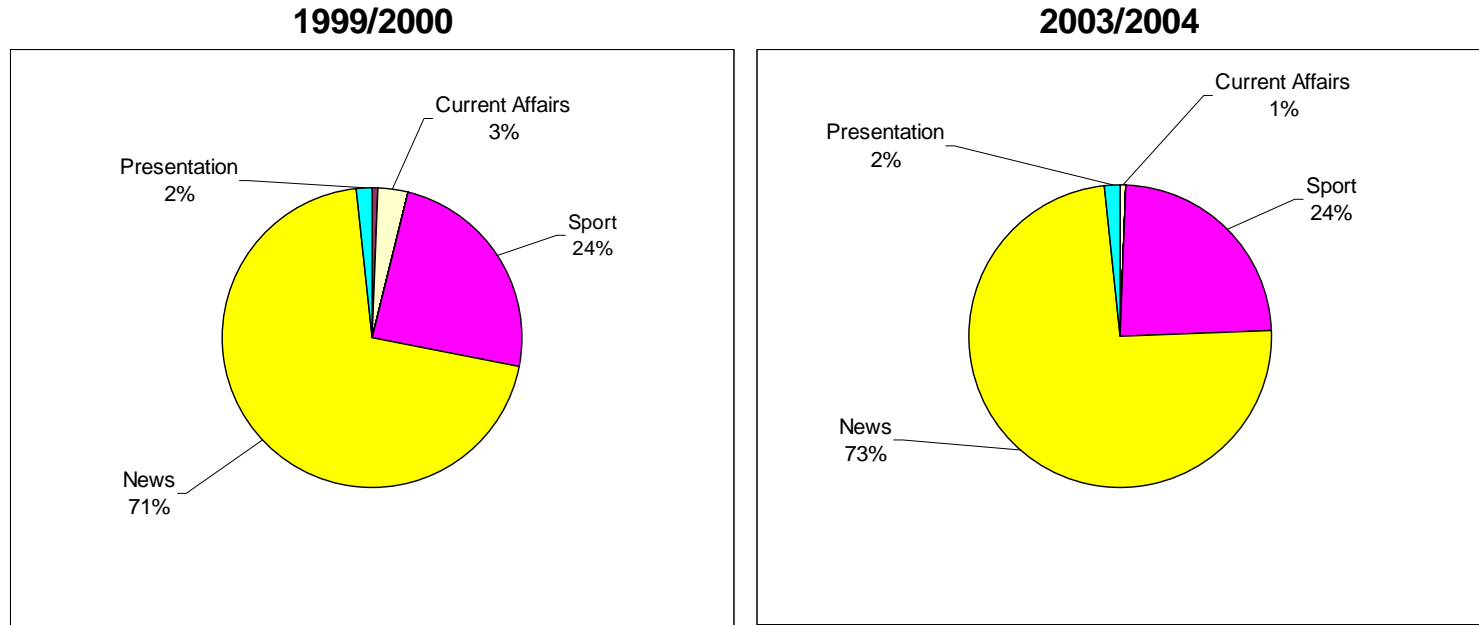
# Network Cost – Radio Five Live

**BBC Radio Five Live** broadcasts live news and sport 24 hours a day, presenting events as they happen in a modern, dynamic and accessible style. Radio Five Live covers national and international subjects in depth, using wide-ranging analysis and debate to inform, entertain and involve news and sports fans of all ages, with particular emphasis on 25-44 year olds. It also provides extensive live events coverage, supported by the BBC's global newsgathering operations and a portfolio of sports rights.



- Radio Five Live's direct programme expenditure varies year on year in response to major news and sporting events.
- 2000/01 saw the Olympic Games in Sydney and the European Football Championships in Belgium and Holland.
- 2002/2003 was also a major year for Sport with the Football World Cup from Japan and Korea, the Commonwealth Games from Manchester and the Cricket World Cup. Increased marketing spend supported these events.
- Spend on both news and newsgathering increased in 2001/02 due to the General Election and the September 11<sup>th</sup> tragedy.
- Spend on news was largely sustained at this level due to the wars in Afghanistan and Iraq.

# Number of Hours Transmitted by Genre – Radio Five Live



- Over the period Radio Five Live has focussed on its live news remit. This has resulted in a reduction in pre-recorded programmes in favour of live output with a resultant transfer from the Current Affairs to News genre.

# Number of Hours Transmitted by Genre – Radio Five Live

	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	Hours	Hours	Hours	Hours	Hours
Music	-	-	-	-	-
Arts	42	-	-	-	-
Current Affairs	299	131	64	43	46
Drama	-	-	-	-	-
Entertainment	-	-	-	-	-
Factual	-	-	-	-	-
Childrens	-	-	-	-	-
Schools	-	-	-	-	-
Religion	-	-	-	-	-
Sport	2,126	2,194	2,270	2,199	2,106
News	6,177	6,295	6,286	6,378	6,486
Presentation	140	140	140	140	146
	<b>8,784</b>	<b>8,760</b>	<b>8,760</b>	<b>8,760</b>	<b>8,784</b>

# BBC Nations & Regions Financial Performance 1999-2004

## Section 7

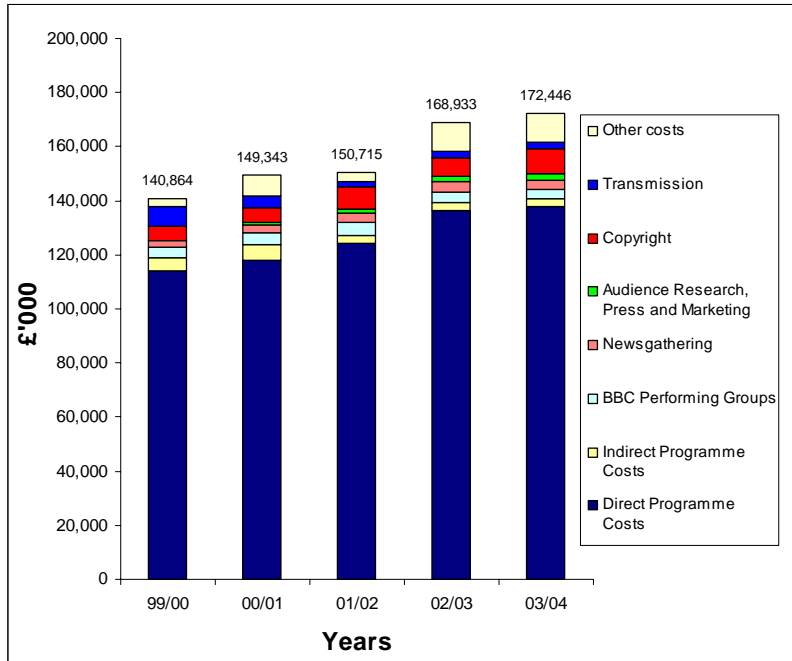


**BBC RADIO ULSTER**



**BBC RADIO SCOTLAND**

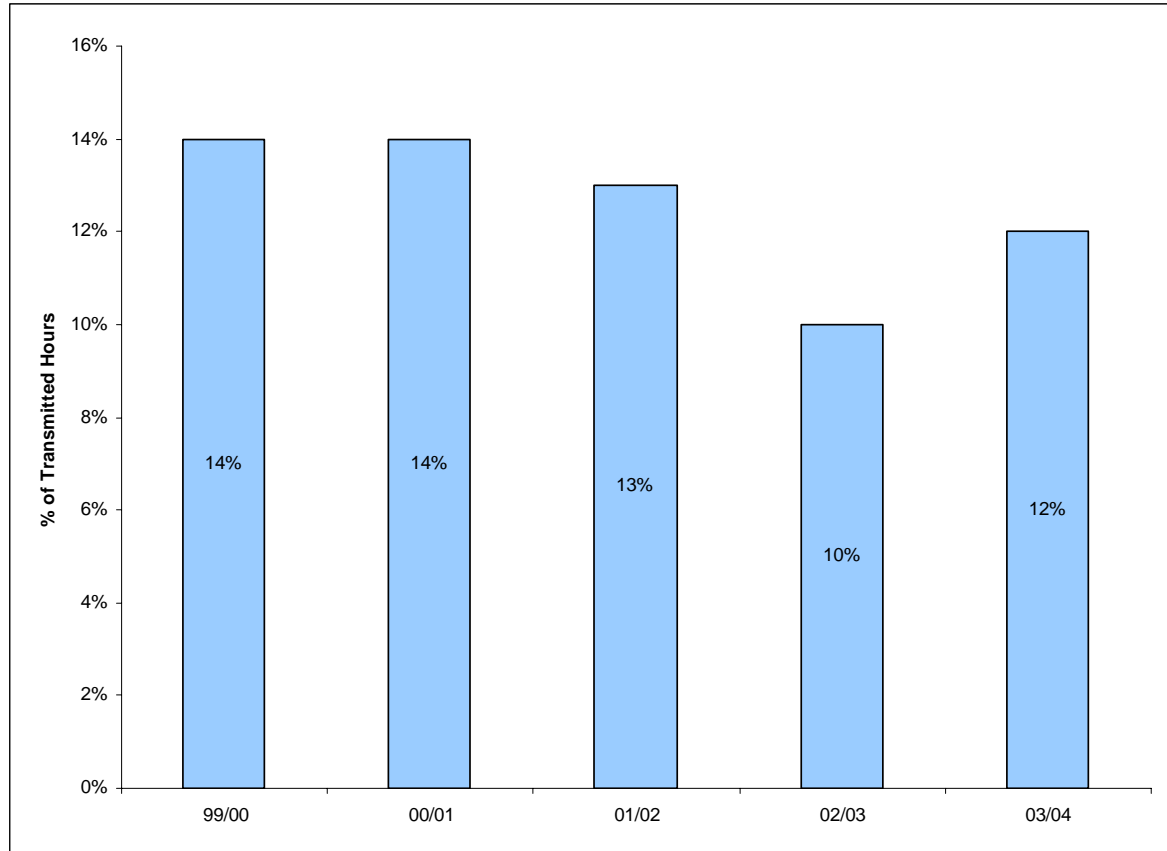
# Network Cost – Nations & Regions



- A number of costs which were not allocated to the division in 1999/00 were allocated in 2000/01. This is the main reason for the increase between the years other than inflation.
- In 2001/02 copyright cost allocations rose by £3.2m, while direct programme spend rose by £6.7m. In the main the latter was in English Regions: additional spend arising from the split of the South East region into two regions in new locations; additional sports rights; increase in local sub-opts and the introduction of community service volunteers.
- In 2002/03 direct programme spend increased by £12m. There is a similar profile in English Regions to 2001/02. In addition, in Scotland, Radio nan Gaidheal's hours increased to close the transmission gap between noon and 5pm and Radio Scotland increased the number of news bulletins. Across the division, there was additional spend on coverage of the Queen's Golden Jubilee and the Commonwealth Games. Other costs rose by £7.3m, which includes the increased running costs associated with digitalisation, refurbishment and renewal of accommodation and equipment, primarily in English Regions.
- In 2003/04 direct programme costs rose slightly, mainly because this was the first full year of transmitting 20 hours/day on Radio Cymru. The remaining costs have a similar profile to 2002/03, except for an increase in the allocation of copyright costs.

# Section 8 – Independent Production

# Independent Production



- Radio & Music has a voluntary quota to commission at least 10% of eligible programme hours (excluding news and sport) from independent producers. This voluntary target has been consistently exceeded.
- In 2002/03, although BBC Radio commissioned considerably more than 10% from independent production companies, the voluntary liquidation of a key supplier (Wise Buddah) in the course of the year reduced the amount of independent production transmitted since the programming produced by Wise Buddah was temporarily taken in-house by Radio 1 to ensure broadcast continuity.

# Independent Production

	99/00	00/01	01/02	02/03	03/04
<u>Independent Hours</u>	Hours	Hours	Hours	Hours	Hours
Radio 1	1,536	1,585	1,564	483	1,079
Radio 2	1,036	984	924	883	900
Radio 3	590	548	541	565	662
Radio 4	368	358	356	348	368
Radio Five Live	214	165	165	272	299
<b>Total Independent Hours</b>	<b>3,744</b>	<b>3,640</b>	<b>3,550</b>	<b>2,551</b>	<b>3,308</b>
<u>Total Eligible Hours</u>					
Radio 1	8,465	8,492	8,533	8,515	8,557
Radio 2	8,035	8,027	8,050	8,052	7,962
Radio 3	5,868	5,787	5,885	5,790	5,854
Radio 4	3,579	3,591	3,539	3,570	3,519
Radio Five Live	941	513	615	755	768
<b>Total Eligible Hours</b>	<b>26,888</b>	<b>26,410</b>	<b>26,622</b>	<b>26,682</b>	<b>26,660</b>
Indie Proportion %	14%	14%	13%	10%	12%
Radio Target %	10%	10%	10%	10%	10%

- Eligible hours represent total hours of output less core news, sport, weather, social action and EBU output.

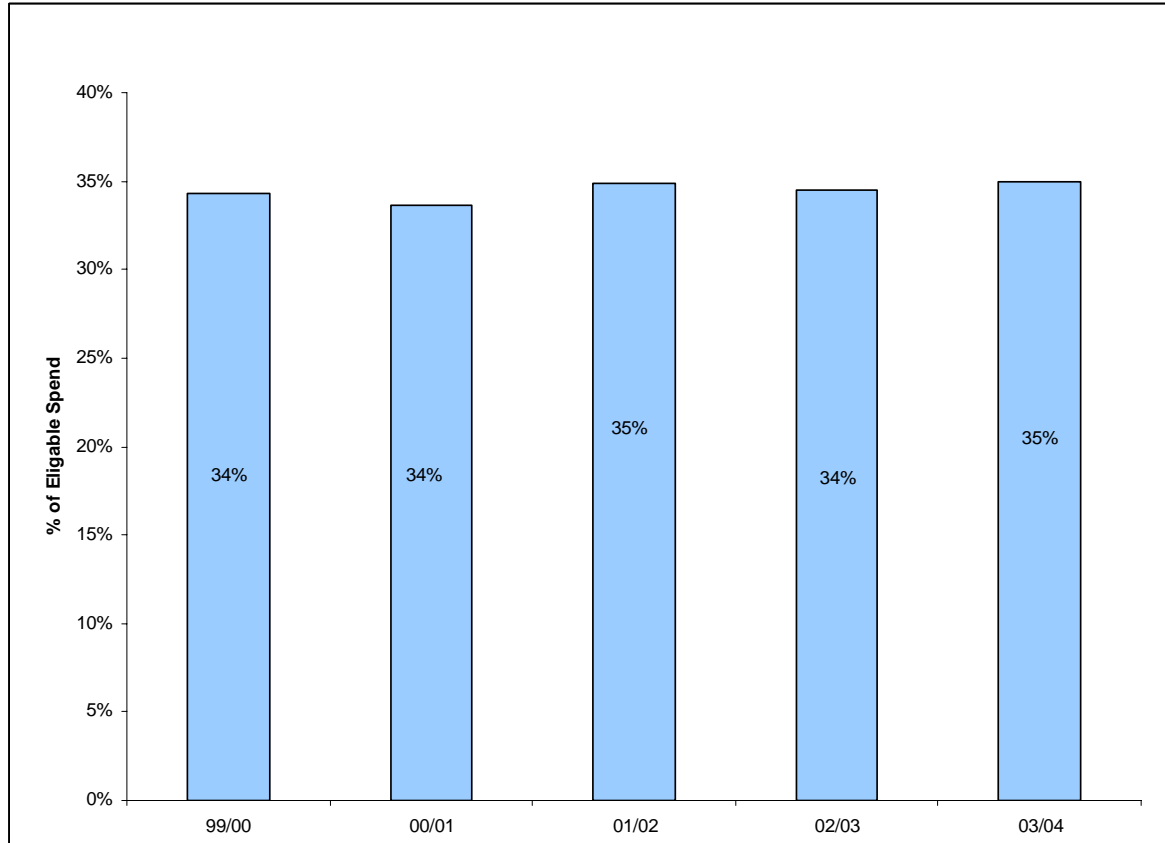
# Independent Production Costs

	<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
	£'000	£'000	£'000	£'000	£'000
Radio 1	1,927	1,979	1,917	666	1,055
Radio 2	3,964	4,006	3,743	3,457	3,294
Radio 3	1,947	1,796	1,305	1,442	1,460
Radio 4	4,741	4,623	4,857	4,872	5,304
Radio Five Live	1,235	1,204	940	1,126	1,086
	<b>13,814</b>	<b>13,608</b>	<b>12,762</b>	<b>11,563</b>	<b>12,199</b>

- The reduction in spend in 2002/03 is due to the voluntary liquidation of Wise Buddha.
- Radio 4 has increased the tariff for drama from independent producers.

# Section 9 – Regional Production

# Regional Spend



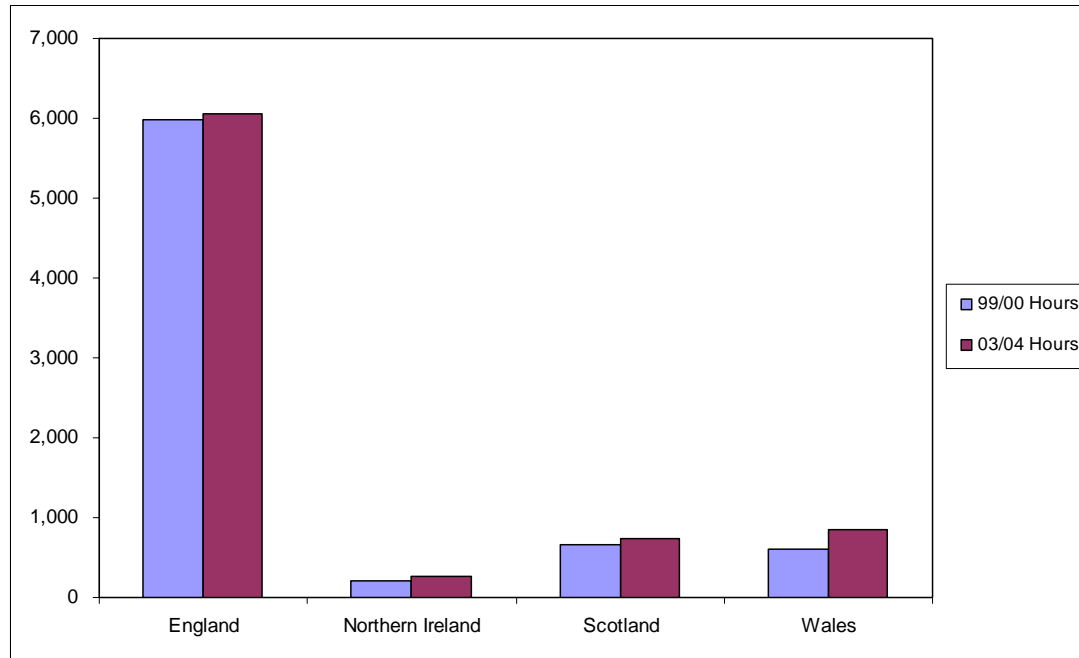
- Network radio has voluntarily agreed that over 33% of its eligible spend (excluding news and sports) will be produced in the regions. This is known as the “Hatch” target. This target has consistently been exceeded

# Regional Spend

	99/00	00/01	01/02	02/03	03/04
	£'000	£'000	£'000	£'000	£'000
Radio 1	1,353	1,482	1,534	1,459	1,394
Radio 2	5,642	5,633	5,521	5,672	5,518
Radio 3	17,571	17,930	17,633	18,162	18,886
Radio 4	13,985	14,412	16,744	17,591	17,962
Radio Five Live	1,235	940	924	1,077	1,138
<b>Total Regional Spend</b>	<b>39,786</b>	<b>40,397</b>	<b>42,356</b>	<b>43,961</b>	<b>44,898</b>
Radio 1	11,400	12,016	11,977	12,279	12,351
Radio 2	18,232	18,068	17,604	19,284	19,412
Radio 3	40,519	42,097	41,513	44,469	45,020
Radio 4	42,237	43,642	45,508	47,649	48,194
Radio Five Live	3,732	4,128	5,020	3,910	3,565
<b>Total Eligible Spend</b>	<b>116,120</b>	<b>119,951</b>	<b>121,622</b>	<b>127,591</b>	<b>128,542</b>
Regional spend %	34%	34%	35%	34%	35%
Hatch Regional Spend Target %	33%	33%	33%	33%	33%

- Regional spend is defined as expenditure incurred outside the M25. Eligible spend represents total spend less core news and sport, repeats and orchestra costs.

# Regional Hours of Production



- The level of production from the regions has consistently exceeded 7,000 hours p.a. The bulk of this is from the BBC's regional bases in Bristol, Birmingham and Manchester.
- The reorganisation of Radio 3's jazz schedule in 2000/01 resulted in the cessation of Jazz Notes produced from Birmingham.
- 2001/02 saw the impact of the BBC's Northern Initiative to increase production from the North of England with the establishment of a new factual programmes unit in Manchester.
- The increase in hours from Scotland in 2002/03 was partly due to Radio 3's residency at the Edinburgh Festival.
- The introduction of a repeat slot for Radio 3's Composer of the Week, which is produced in Cardiff, explains the increased hours from Wales in 2003/04.

# Regional Hours of Production

## Region

England  
Northern Ireland  
Scotland  
Wales  
Total

<b>99/00</b>	<b>00/01</b>	<b>01/02</b>	<b>02/03</b>	<b>03/04</b>
Hours	Hours	Hours	Hours	Hours
5,974	5,782	6,185	6,241	6,054
200	233	253	242	261
660	622	740	779	744
611	579	623	674	854
<b>7,445</b>	<b>7,216</b>	<b>7,801</b>	<b>7,936</b>	<b>7,913</b>