

INDEPENDENT PANEL ON BBC CHARTER REVIEW

SEMINAR: BBC FUNDING

PAPER: FACTS AND FIGURES

BBC Revenue, 2003-04

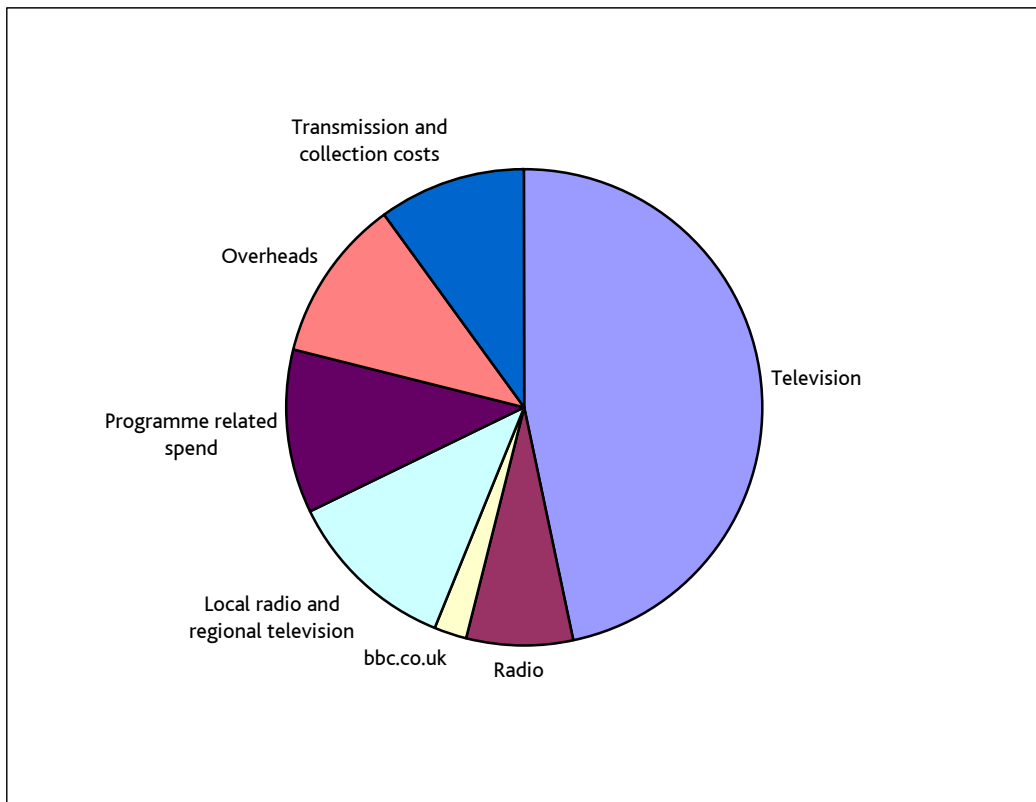
(BBC Annual Report and Accounts, 2003/2004)

| Source | £millions |
|---|---------------|
| UK Public Service Broadcasting Income | |
| <u>TV licence fee</u> Includes payments totalling £407.8 million from the Department for Work and Pensions for free licences for people aged 75 or over. | 2,798.1 |
| <u>Other income</u> Includes provision of content and services to overseas broadcasters, concert ticket sales and exploitation of the programme archive. | 19.1 |
| Commercial Businesses | 645.6 |
| World Service | |
| <u>Grant-in-aid</u> | 220.1 |
| <u>Subscriptions</u> | 16.7 |
| <u>Other income</u> | 6.3 |
| Total | 3752.6 |

| Revenues of UK Commercial Television Broadcasters, calendar year 2003 | | | |
|---|-----------------|--|--|
| | | | |
| Total market | £million | | |
| Net advertising revenue | 3,423.5 | | |
| Sponsorship | 106.2 | | |
| Subscription | 1,664.0 | | |
| Other | 787.9 | | |
| Total | 5,981.6 | | |
| | | | |
| Terrestrial broadcasters | | | |
| Net advertising revenue | 2,555.9 | | |
| Sponsorship | 64.7 | | |
| Subscription | - | | |
| Other | 56.2 | | |
| Total | 2,676.8 | | |
| | | | |
| Cable/satellite broadcasters | | | |
| Net advertising revenue | 867.6 | | |
| Sponsorship | 41.5 | | |
| Subscription | 1,664.0 | | |
| Other | 731.7 | | |
| Total | 3,304.8 | | |
| | | | |
| | | | |
| Source: Ofcom. Based on data returned by broadcasters. | | | |
| Note that not all cable and satellite channels provide revenue figures; | | | |
| channels included in this analysis account for at least 97% of total viewing to cable and satellite channels. | | | |
| | | | |
| | | | |
| | | | |

Total BBC Broadcasting Spend 2003/2004
(Source: BBC Annual Report and Accounts 2003/2004)

| Item | (£million) |
|-------------------------------------|--------------|
| Television | 1,400 |
| Radio | 212 |
| bbc.co.uk | 71 |
| Local radio and regional television | 345 |
| Programme related spend | 337 |
| Overheads | 326 |
| Transmission and collection costs | 303 |
| Total | 2,994 |



Expenditure and Reach of Individual BBC Services
(Source: BBC Annual Report and Accounts 2003/2004)

| Service | Expenditure (£m) | Audience share (%) | | Audience reach (%) | |
|------------------------------------|------------------|--------------------|---------------------|--------------------|---------------------|
| | | All homes | Multi-channel homes | All homes | Multi-channel homes |
| BBC1 | 812.3 | 25.2 | 19.2 | 83.7 | 79.8 |
| BBC2 | 365.2 | 10.9 | 7.0 | 67.0 | 57.3 |
| National and regional television | 212.3 | | | | |
| BBC 3 | 99.4 | 0.3 | 0.6 | 7.0 | 12.6 |
| BBC 4 | 35.2 | 0.1 | 0.2 | 2.1 | 3.7 |
| CBBC | 46.2 | 0.2 | 0.4 | 2.3 | 4.2 |
| CBeebies | | 0.7 | 1.2 | 5.0 | 8.9 |
| BBC News 24 | 23.5 | 0.4 | 0.6 | 3.9 | 6.9 |
| BBC Parliament | 2.5 | 0.0 | 0.0 | 0.2 | 0.3 |
| Interactive television (BBCi) | 15.3 | | | | |
| BBC Radio 1 | 17.6 | 8.0 | | 20.7 | |
| BBC Radio 2 | 21.7 | 14.8 | | 24.5 | |
| BBC Radio 3 | 32.1 | 1.1 | | 4.0 | |
| BBC Radio 4 | 69.9 | 10.7 | | 17.7 | |
| BBC Radio Five Live | 51.5 | 4.3 | | 11.6 | |
| BBC Five live Sports Extra* | 1.7 | 0.1 | | 0.6 | |
| 1 Xtra* | 5.1 | 0.1 | | 0.6 | |
| 6 Music* | 4.1 | 0.1 | | 0.3 | |
| BBC 7* | 4.3 | 0.1 | | 0.6 | |
| BBC Asian Network* | 4.1 | 0.3 | | 0.9 | |
| National, regional and local radio | 133.4 | 10.4 | | 18.9 | |
| bbc.co.uk | 66.7 | | | | |
| Digital Curriculum | 4.1 | | | | |
| BBC World Service | 233.9 | 0.6 | | 2.5 | |

| | |
|--|---|
| Television Licence Fee | |
| Current cost of TV licence: | <div>colour £121.00</div> <div>black and white £40.50</div> |
| Concessions: | Free licences for people aged 75 or over |
| | Half-price licences for registered blind people |
| | A £5 fee for retired people aged 60 or over and disabled people living in nursing homes and certain types of sheltered housing. |
| Licences in force as at 31 March 2004 | 23.9m |
| Estimated number of domestic households requiring a television licence (31 March 2004) | 98% |
| Estimated number of households without television (31 March 2004) | 2% |
| Estimated evasion rate (31 March 2004) | 5.7% |
| Estimated cost of evasion (2003/2004) | £168.1 million |
| Cost of collection (2003/2004) | £151 million |

Prosecutions and convictions for television licence evasion

Number of defendants proceeded against and found guilty of offences under the Wireless Telegraphy Acts 1949 to 1967 (mainly television licence evasion) in 2002

(Sources: Home Office, Scottish Executive and BBC)

| | |
|-------------------|----------------------|
| Proceeded against | 111,671 ¹ |
|-------------------|----------------------|

| | |
|--------------|---------------------|
| Found guilty | 99,395 ² |
|--------------|---------------------|

- The maximum penalty for television licence evasion is a fine of £1,000. There is no power to imprison a person for television licence evasion, although the courts have a power to imprison fine defaulters. In 2002, a total of 14 people (2 women and 12 men) in England and Wales were imprisoned for default on fines for television licence evasion.

¹ Excludes prosecutions in Northern Ireland.

² Records of convictions in Northern Ireland relate solely to television licence evasion.

NEW TECHNOLOGIES

Multi-channel homes

- Percentage of multi-channel homes: 56.7% (including analogue cable)
Source: Ofcom Digital TV Update, Q1 2004)
- Number of households with Freeview: 4 million in mid-June 2004 (source: GFK).

Internet access

(Source: Ofcom Internet and Broadband Update - April 2004, unless otherwise stated)

- 64% of UK adults have a PC at home
- 53% of UK adults have internet access at home (equivalent to around 13 million homes)
- 68% of small businesses have internet access
- Percentage of internet users over 15 accessing BBC website - 46% of total for GB (March 2003, source BMRB) (BMRB figures do not cover Northern Ireland)

Broadband

(Source: Ofcom Internet and Broadband Update - April 2004)

- 3.99 million total broadband connections
- 2.45 million DSL connections
- 1.54 million cable modem connections
- 15% of homes have broadband
- DSL services are available to 84% of UK homes and businesses
- Cable modem services are available to 45% of UK homes and businesses