



Siobhan Walsh
Content Policy Director
Ofcom

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Dear Siobhan,

Operating Licence conditions: BBC Four and Arts & Music

Within the context of unprecedented market competition and significant financial challenges, the BBC needs to maximise the impact of its spend, and rapidly provide much greater value for younger audiences. This will require internal change and reprioritisation of spend to ensure we are using our funding as efficiently as possible.

We have set out our new Arts & Music strategy and its implications for BBC Four in the BBC's annual plans for 2020/21,¹ 2021/22² and 2022/23.³ In March 2021, we committed to doubling the Arts & Music spend on BBC Two, with BBC Four becoming the home of both the BBC's rich archive and Arts & Music performances.

In order to implement this strategy we require changes to two of the Operating Licence conditions that apply to BBC Four: condition 2.21 on new Arts and Music programmes and condition 2.32 on peak and all hours original productions.⁴

Below we set out further details on our proposed strategy, the benefits for audiences, the implications for the Operating Licence and our view on potential market impacts.

Our Arts & Music strategy

The BBC offers unparalleled Arts & Music television content, with greater variety and range across the genres than any other broadcaster or service in the UK. However, by commissioning a high volume of lower cost Arts & Music hours on BBC Four, this spend and these programmes often struggle to cut through.

We are implementing an ambitious new approach to expand the reach of arts and music programming on BBC TV and iPlayer, ensuring the widest possible audience can access distinctive, world-beating Arts & Music content across our services. We will build on our learnings from other genres and prioritise series of scale, formats and bold ambitious films that will perform well on BBC Two, but crucially can drive viewing as boxsets on iPlayer for a number of years. For example, successful social history series like *Who Do You Think You Are*, *Digging for Britain* and *A House through Time* with David Olusoga;

¹ [BBC Annual Plan 2020/21](#), p.24

² [BBC Annual Plan 2021/22](#), p.22

³ [BBC Annual Plan 2022/23](#), p.27-8

⁴ [Operating licence for the BBC's UK Public Services](#), Ofcom, 19 May 2022

science and natural history programmes like *The Planets* with Brian Cox; distinctive programmes like *The Rise of the Nazis*; and award-winning filmmaking like *A Dangerous Dynasty: The House of Assad*, *Elizabeth's Spies* and *Once Upon A Time in Iraq*. These commissions on BBC Two will also be more commercially rewarding for producers of Arts & Music programmes and contribute to their business growth and sustainability.

BBC Four will become the home of the most distinctive content from across the BBC's archive – on iPlayer and on the channel. More effective use of themes and seasons will become the primary driver of the schedule. The proposed changes to BBC Four will build on the channel's current archive content offer which already comprises 70% of BBC Four's broadcast hours.

BBC Four will remain the home of Arts & Music performance, showcasing the *BBC Proms* and competitions like *Young Musician of the Year*. It will make the best use of the BBC's existing cultural resources, highlighting the excellent work of the BBC orchestras in a series of specially-shot programmes as well as bringing Radio 3's New Generation Artists to the screen for the first time. It will promote diverse artists across a range of genres, such as Ballet Black, Nitin Sawhney and Akram Khan. It will also maintain its unique role in championing the work of leading arts institutions across the country (e.g. The Lyric Theatre, Belfast; Birmingham Royal Ballet; The National Theatre Scotland and The Royal Shakespeare Company).

On iPlayer, the pipeline of high-impact content will enable us to build up an evergreen collection of "only on the BBC" Arts & Music documentaries and performance, enabling iPlayer to become a destination for audiences wanting this exceptional content. We will also launch eight major Arts & Music series for iPlayer each year, and relaunch *Arena* for BBC2 as a series of fresh, modern feature documentaries with scale and ambition, building our library of arts and music content on iPlayer.

Together, these changes will enable us to maintain greater range and depth of programming across these key public service genres than any other broadcaster or service in the UK, whilst increasing reach and impact with audiences and strengthening our role as Britain's creative partner.

The changes will improve the consumption and impact of Arts & Music content while reaching a broader audience

BBC Four holds an important role as a home of distinctive, reputational, high quality content with loyal audiences. However, it tends to best serve those who already receive a lot from the BBC.

While BBC Four currently broadcasts a greater volume of Arts & Music programming than BBC Two, BBC Two content attracts larger audiences and reaches a greater proportion of the population. In 2020, 28% of audiences watched at least one of BBC Two's 22 music programmes, while BBC Four's 50 music programmes together reached 12%. Arts audiences on BBC Two averaged 0.78m in 2020 – almost three times the average Arts audience on BBC Four (0.28m).

Furthermore, BBC Two reaches a broader audience than BBC Four for age, ethnicity and social class, for example, in 2021, on average BBC Two reached 13.9% of 16-34s each week, while BBC Four reached only 1.7% of 16-34s.

Overall, we expect our new strategy to deliver a significant net increase in overall viewing of Arts & Music programming driven by greater exposure and investment on BBC Two, while reducing viewing on BBC Four by only c.5 minutes per head per week.

New Arts & Music programmes condition

Condition 2.21 states that the BBC must ensure that “at least 175 hours [of BBC Four in each financial year] are allocated to new arts and music programmes. For the purpose of this requirement, “new arts and music programmes” includes acquisitions.”⁵

The table below sets out the volume of new Arts & Music programmes broadcast on BBC Four in the last three financial years, and our most recent forecasts 2022/23 and 2023/24. Beyond this, we expect BBC Four to still transmit at least 60 hours of BBC first-run Arts & Music programmes each year.

	Quota	Actuals			Forecast	
		2019/20	2020/21	2021/22	2022/23	2023/24
New Arts & Music programmes (hours)	175	224	229	189	100	85

We consider that rather than set a quota, Ofcom should set a qualitative condition similar to those it has set for BBC Three in relation to news and first-run originations.⁶ We also consider that this condition should be set across all the BBC’s channels and iPlayer to provide flexibility in how the BBC delivers its Arts & Music strategy.

Original productions quota

The Operating Licence requires that at least 60% of BBC Four’s programming in peak viewing time and 75% of its programming for all broadcast hours are original productions (i.e. programmes commissioned by the BBC).⁷ These are greater than those that had previously been required by the BBC Trust (50% in peak and c.70% all hours).

In order to enable the implementation of our Arts & Music strategy we consider that the Operating Licence should be amended to set a single ‘all hours’ original productions quota of 60% for BBC Four. There are strong editorial justifications for this change, as well as reasons of regulatory principle.

Editorial justification

Acquisitions have always been an important part of BBC Four’s programming (as reflected by the peak quota for original productions being set at a lower level than for

⁵ [Operating licence for the BBC’s UK Public Services](#), Ofcom, 19 May 2022, condition 2.21

⁶ [Operating licence for the BBC’s UK Public Services](#), Ofcom, 19 May 2022, conditions 2.5A and 2.34A

⁷ [Operating licence for the BBC’s UK Public Services](#), Ofcom, 19 May 2022, condition 2.32=

any other channel. Acquisitions provide many functions. BBC Four will use acquisitions to strengthen the channel and round out its curated seasons and themed collections. For example, when curating a collection about a well-known artist we may also acquire films of their work or a related documentary.

Acquisitions can also help bring the best of the world to BBC Four (for example, music documentaries like *Hip Hop: The Songs that Shook America* and *Hemmingway* to foreign language drama like *Spiral* and *Hidden Assets*), and help to maintain BBC Four as a multi-genre channel, whilst operating on a lower budget.

The increased focus on live performance capture from partners (set out above) will also contribute to increased acquisitions. Last year 28 out of 40 hours of our performance capture were classified as acquisitions.

Therefore, we consider that Ofcom’s Operating Licence should continue to reflect the contribution that acquisitions make to BBC Four.

Regulatory principles

It is also important to note that BBC Four is unique as the only part-time channel with both ‘peak viewing time’ and ‘all hours’ original productions quotas. Our other ‘part-time’ channels – BBC Three, CBBC, CBeebies, BBC ALBA, BBC Scotland and BBC Parliament – have only ‘all hours’ original productions quotas, as does the 24-hour-a-day BBC News channel.

Additionally, as BBC Four’s peak viewing time is defined as from 19:00-00:00, the only BBC Four hours that are not ‘peak viewing time’ are those from midnight to the close of the service.

The combined result of these requirements is that if BBC Four is meeting the 60% peak viewing time quota, we are obliged to keep BBC Four broadcasting until at least 03:00 and for 100% of these programmes to be original productions in order to hit the 75% all-hours quota. Across 2021/22, 85% of viewing to BBC Four happened from 19:00-00:00 (approximately 63% of broadcast hours). The average audience of BBC Four during its peak-viewing time is 246k, while from 00:00 to close it is 29k.

It is clearly not the intention of the condition to either (a) indirectly determine the overall broadcast hours of BBC Four or (b) prevent the BBC offering peak viewing time content as allowed by the Operating Licence.

The table below sets out the BBC’s performance over the past three calendar years and our forecasts for 2022 and 2023.

	Quota	Actuals			Forecast	
		2019	2020	2021	2022	2023
Original productions (peak)	60%	86%	78%	74%	N/A	N/A
Original productions (all hours)	75%	88%	80%	77%	60%	60%

We propose that Ofcom should set a single all-hours quota for original productions on BBC Four, as it has done for all channels other than BBC One and BBC Two. We consider that this should be set at the same level that Ofcom has already deemed satisfactory for the significant majority of both BBC Four's broadcast hours and viewing, i.e. 60%.

Yours sincerely,

Chris Rowsell