



House of Commons
Committee of Public Accounts

**BBC commercial
activities**

Fifty-First Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

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The Committee of Public Accounts

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The current staff of the Committee are Richard Cooke (Clerk), Dominic Stockbridge (Second Clerk), Hannah Wentworth (Chair Liaison), Ameet Chudasama and Carolyn Bowes (Senior Committee Assistants), Zainab Balogun and Kutumya Kibedi (Committee Assistants), and Tim Bowden (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6593; the Committee’s email address is pubaccom@parliament.uk.

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Summary

The BBC is facing increasing challenges from commercial competitors including Netflix, Amazon and independent television channels. So its commercial work, which can help fund its public service broadcasting, is working in an increasingly competitive market. Through its commercial activities the BBC seeks to deliver additional value for licence fee payers by providing extra funding for BBC programmes, by contributing to the BBC's Public Purposes, and by promoting the BBC brand around the world. The commercial performance of these activities has been flat in recent years and the BBC faces significant risks to future performance arising from changing audience behaviour as people spend less time watching TV channels and buy fewer DVDs, while increasingly streaming programmes digitally via subscription video on demand services. The BBC has the challenge of striking the right balance between immediate UK audience needs, which must always be its primary focus, and creating programmes and other ventures that can be commercially successful and appealing to international markets. The twin roles of the newly-merged BBC Studios commercial subsidiary—both making content for UK audiences and generating financial returns from sales—mean that it is now crucially important to the future success of the BBC as a whole. The licence fee payer, therefore, has a fundamental interest in the value that the BBC's commercial activities deliver, for which the BBC Board is accountable. BBC Director-General Lord Hall is clear that quality programmes will ensure commercial survival but this will be severely tested in the next few years. This report is the Committee's first on the BBC's commercial activities, but we expect to look at them regularly in the coming years.

Introduction

The BBC's Charter permits it to undertake commercial activities provided these fit with its mission and Public Purposes, are not funded through licence fee income, and are undertaken with a view to generating a profit. In 2016–17, the BBC's total commercial revenue was £1.2 billion, compared to licence fee income of £3.8 billion. The BBC cannot undertake commercial activities directly, but must do so through subsidiaries. In 2017–18, the BBC had four main subsidiaries of varying size and complexity, sat under an umbrella subsidiary, BBC Commercial Holdings: these were BBC Worldwide, BBC Studios, BBC Global News, and BBC Studioworks. In April 2018, Worldwide and Studios merged, creating a new commercial entity, known as BBC Studios, which unites the BBC's commercial production, sales and distribution arms. The BBC's 2016 Royal Charter granted the National Audit Office audit access to the commercial activities for the first time, from April 2017. Our inquiry was, therefore, the Committee's first opportunity to scrutinise the BBC's commercial activities.

Conclusions and recommendations

1. **Delivering commercial success in a dynamic market undergoing significant change will necessarily entail the BBC taking commercial risks, not all of which will pay off.** The BBC is facing changes in how audiences access its content and increased competition from well-financed companies such as Netflix. In response, the BBC has undertaken new commercial ventures. At least one of these, the BBC Store, which allowed people to pay to download digital content to own, failed soon after opening as demand for purchasing programmes from the BBC archives was lower than expected. The BBC intends to continue trying new ventures to secure future audiences and revenue. With the limited capital at the commercial subsidiaries' disposal, they cannot afford to be slow in exiting unsuccessful investments, as the BBC now accepts happened after its unsuccessful purchase of the Lonely Planet travel business.

Recommendation: *The Committee recognises that the BBC needs to take risks to be commercially successful, but it should learn appropriate lessons from past failings, including the BBC Store, and should establish in advance fixed points at which it will assess whether all new ventures are paying off.*

2. **The BBC is increasingly dependent on working with partners in joint ventures and co-productions to deliver its commercial goals, but partners may have different ideas about how the relationship should develop.** In order to address the strategic challenges the BBC is facing, its commercial activities have been changing the ways they do business; for example, entering into increasing numbers of partnerships and co-productions. As a result, dependence on the revenue and returns from these partnerships has increased. For example, Worldwide's share of the profits made by joint venture and associate companies made up 31% of its own total headline profits in 2016–17, compared to 17% in 2012–13. Also, about two-thirds of the BBC's TV drama is funded by commercial deals. As a result, the potential impact on the BBC's commercial activities has grown should partners' strategic interests diverge from the BBC's. The BBC says that it is very clear about shared editorial values and editorial alignment when choosing its partners in order to mitigate against subsequent divergence in interests, but the market is nonetheless constantly, and often rapidly, evolving.

Recommendation: *The BBC should monitor its partnerships for signs of divergence between its and its partners' interests, and should make contingency plans for when these relationships end in order to minimise unexpected hits to its bottom line.*

3. **The BBC's failure to provide its Board with appropriate benchmarking data means that the Board is not well-placed to judge whether the broadly flat level of performance of the commercial activities in recent years is acceptable.** The BBC's total revenue from its commercial subsidiaries remained broadly unchanged at around £1.2 billion in each of the five years from 2012–13 to 2016–17. In this period only Worldwide made profits, and its profit after tax was 68% lower in 2016–17 than in 2012–13, although this was mainly due to two large one-off costs. According to the BBC, this represents a good level of performance given the changes its commercial activities have gone through in recent years and market conditions.

The BBC has undertaken benchmarking of its commercial activities, but has not, as a matter of course, shared the results with its Board, making it difficult for the Board to gauge whether the reported level of performance was acceptable. The BBC intends to include more benchmarking information in Board reports in future, and the Board itself is likely to commission more benchmarking soon as part of a review of the commercial operations that it must complete by the end of 2018.

Recommendation: *The BBC should set out how it will provide the Board with better information in future, so Board members can understand how the BBC's commercial performance compares to market norms. The Board should also publish the results of the commercial review it must undertake by the end of 2018, including high-level information about any benchmarking this generates.*

4. **Understanding of the BBC's commercial performance has been undermined by inconsistent metrics and a confusing target for "financial returns".** The BBC Board acts as the shareholder for the BBC's commercial companies, and, in this role, is the proxy for licence fee payers, safeguarding their interests. However, we cannot see how the Board could have scrutinised the performance of the subsidiaries effectively while the BBC, in reports to the Board, was using different profit metrics for different subsidiaries. The BBC says that, since 1 April 2018, it has rectified the situation. However, the BBC also now needs to look at how it measures the financial returns delivered by its commercial activities. Its measure of these returns is unique and consists of a complicated combination of up-front investment in BBC programmes and dividends from profits. The measure is further undermined now that Studios and Worldwide have merged, as some of Worldwide's programme investment has simply become a transfer within the new merged subsidiary, from its distribution to its production arm.

Recommendation: *The BBC Board should assess whether the unique "financial returns" target is fit for purpose. It should also, as a minimum, set sub-targets in future to distinguish between dividends and up-front contributions to programme costs, and should monitor delivery against these.*

5. **The BBC could not explain clearly how it reconciles the notable tensions that can arise between its commercial activities and its Public Purposes.** It is inevitable that tensions will sometimes emerge as the BBC looks for programmes and ventures that, on the one hand, can deliver commercial returns and, on the other hand, fit with its mission and contribute to its Public Purposes. We heard two examples. First, if the BBC decides to increase licence fee payers' access to programmes by extending the period for which they are available on the iPlayer, it may reduce opportunities for the commercial exploitation of these programmes. Second, the Global News subsidiary's BBC World News TV channel arguably delivers wider benefits for the British taxpayer by boosting the UK's reputation overseas through its provision of trusted and independent news. However, the market for selling advertising for global news is very difficult, and the future looks challenging, leading the BBC to seek a public subsidy towards Global News operations in Europe and Sub-Saharan Africa. We are not convinced about the extent to which the Board explicitly considers the balance between the delivery of commercial returns and the public benefit when examining both these specific situations and the performance of the commercial activities more broadly.

Recommendation: *The BBC should clarify for itself, Ofcom and Parliament how it will resolve tensions between commercial activities and Public Purposes in future, and should develop its ability to quantify the level of commercial performance it is sacrificing due to the Public Purposes. Specifically, the BBC should quantify the commercial income it will forego if it decides to make more series available for longer to licence fee payers via iPlayer. The BBC should also write to us explaining how Global News could continue as a commercial venture if it were to receive a public subsidy.*

6. **The creation of BBC Studios and its merger with BBC Worldwide constitute a high-risk strategy to protect the BBC’s position as a programme maker and owner of intellectual property (IP) in future.** The BBC established its in-house production arm as a commercial company in April 2017, and then merged it with its commercial distribution business, BBC Worldwide, in April 2018. Establishing BBC Studios represents the biggest change the BBC has gone through in a generation. The new subsidiary’s success—in delivering content for audiences and creating IP which can be exploited to generate financial returns—is critical to the BBC’s future. The BBC expects that accounts later this year will show that the former BBC Studios made a profit in 2017–18, with Worldwide having seen significant growth in profits. Going forward, the BBC expects both the production and distribution arms of the new, merged business to succeed commercially even as they have to compete more intensively than ever for access to the best programme-making talent.

Recommendation: *The BBC should set clear expectations for the performance of the merged BBC Studios and should act decisively if the business seriously underperforms. The BBC Board should be kept informed of varying levels of profitability within, and not just between, the subsidiary’s individual lines of business.*

1 Performance

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the BBC Director-General and two senior BBC executives.¹ The BBC's Charter permits it to undertake commercial activities provided these activities fit with its mission and Public Purposes, are not funded through licence fee income, and are undertaken with a view to generating a profit. In 2016–17, the BBC's total commercial revenue was £1.2 billion, compared to licence fee income of £3.8 billion.²

2. The BBC cannot undertake commercial activities directly, but must do so through subsidiaries. In 2017–18, the BBC had four main subsidiaries of varying size and complexity, contained within an umbrella subsidiary, BBC Commercial Holdings:

- BBC Worldwide, which generated revenue mainly from the sale and distribution of TV content and formats internationally and in the UK;
- BBC Studios, established as a commercial company in April 2017, which created and produced content, principally TV programmes, for the BBC and other clients;
- BBC Global News, which provided English–language news services overseas via the BBC World News TV channel and the international website BBC.com;
- BBC Studioworks, which sold TV production facilities, equipment and crews, and post–production services to the BBC and other clients in London and the South East.³

3. In April 2018, the BBC merged Worldwide and Studios, creating a new commercial entity, also known as BBC Studios, which united the BBC's commercial production, sales and distribution arms. Prior to this, the BBC had introduced new governance arrangements, both at the level of the BBC Board, which is accountable for all the BBC's activities including the publicly funded services in the UK and around the world, as well as its commercial activities, and of BBC Commercial Holdings. There has also been a significant change to the regulation of the commercial activities, with Ofcom becoming the BBC's regulator. From April 2017, the 2016 Royal Charter granted the NAO audit access to the commercial activities for the first time. This was therefore the Committee's first opportunity to scrutinise the performance of the BBC's commercial activities.⁴

Judging success

4. The BBC's total revenue from its commercial subsidiaries was broadly stable at over £1.1 billion in each of the five years from 2012–13 to 2016–17. Meanwhile, only Worldwide made profits throughout these five years, and its profit after tax was 68% lower in 2016–17 than in 2012–13, mainly due to two large one-off costs.⁵ According to the BBC, this represented a good level of performance, given the changes the subsidiaries

1 Report by the Comptroller and Auditor General, [The BBC's commercial activities: a landscape review](#), Session 2017–19, HC 721, 7 March 2018

2 [C&AG's Report](#), paras 1, 1.4; BBC, [Public Purposes](#) (accessed 26 June 2018)

3 [C&AG's Report](#), para 2

4 [C&AG's Report](#), paras 3–4, 8–9; BBC ([LBA0002](#))

5 [C&AG's Report](#), para 10

had gone through in recent years and market conditions. In particular, both Studioworks and Global News had undergone restructuring: Studioworks had closed its loss-making digital repurposing business and now had fewer studios, while Global News had reduced its costs and restructured its advertising sales operations. Global News had also invested in an “editorial uplift” to improve its service but then had difficulty generating additional advertising and subscription income off the back of this, as the advertising market for news was not good.⁶

5. We probed the BBC about whether the flat performance was really good enough. The BBC confirmed that it considered performance to be good, although it said it was not complacent and wanted to do even better in future. To this end it had, for example, set growth targets for Worldwide’s margins and a stretching target of £1.2 billion for Worldwide’s financial returns. It also said that BBC Studios rigorously assessed the predicted return on investments.⁷ In respect of the financial year just ended, 2017–18, the BBC explained that it expected the accounts to show that Studios, Studioworks and Global News had all made a profit. It also expected there to have been significant growth in Worldwide’s profits.⁸

6. However, we remained concerned about the ability of the BBC Board to scrutinise the performance of the commercial activities, and especially its ability to know whether or not their reported performance was in line with the broader markets in which they operated. The BBC had not, as a matter of course, shared the results of its benchmarking of commercial activities with the Board.⁹ It explained that it aimed to benchmark or market-test a large proportion (“pretty much all”) of its activities, but that there needed to be a balance between the amount of strategic and operational information that was provided to Board members. The BBC said it now intended to include in Board reporting a reference to any significant benchmarking it undertakes and to provide the Board with this benchmarking if that would be helpful. The BBC also noted that the Board was required to undertake its own review of the commercial operations by the end of this calendar year. The BBC, therefore, thought it likely that the Board would be carrying out its own extensive benchmarking during the year.¹⁰

7. The BBC disagreed with the suggestion that its Board was light on commercial experience. The BBC said its Board members came from very diverse backgrounds and included directors with experience in retail, the media, and financial and other commercial areas. The BBC felt the capability of its main Board had grown immensely and rapidly since its establishment in April 2017 and that the Board was now actively challenging the BBC to make sure its decisions were made properly and in a well thought through way.¹¹ Similarly, the two non-executive directors on the Commercial Holdings Board had commercial backgrounds. They had previously fulfilled the same role on the BBC’s Executive Board under the old governance structure, where the Executive Board was answerable to the BBC Trust. They therefore brought some experience of the BBC to the new corporate governance arrangements. The BBC assured us that it applied the normal rotation rules to appointments to refresh board membership.¹²

6 Qq 21, 23, 46

7 Qq 21, 23, 67

8 Qq 37–39, 46

9 [C&AG’s Report](#), para 10

10 Qq 65, 68, 111

11 Qq 81, 88, 100, 101

12 Qq 103–107; BBC ([LBA0002](#))

Reporting performance

8. A further area of concern for us was the confusing approach the BBC had taken to reporting on the profitability of commercial subsidiaries to the Board, employing a number of different measures that varied from subsidiary to subsidiary: for example, Profit Before Tax for Studios but Earnings Before Interest, Tax, Depreciation and Acquisition (EBITDA) for Worldwide. The BBC explained that it had done this because its four main subsidiaries were different businesses operating in distinct markets and on different scales. However, from the beginning of this financial year, in response to the NAO report, it said it had been using the same profit measures for all its main subsidiaries in Board reports.¹³

9. We asked the BBC about its use of other common measures of commercial performance in its Board reporting, such as Return on Capital Employed and profit margin. The BBC told us that, although it was good to take a shareholder's perspective from time to time when assessing the performance of its commercial activities, it could not act as a full-blooded commercial company, but instead needed to strike a balance between delivering commercial returns and using the commercial activities to contribute to the wider BBC Public Purposes. Thus, for example, Worldwide had not concerned itself with delivering earnings per share or an increase in asset value with a view to the possible sale of the company. Instead, it sought to deliver cash returns and a supply of programmes and intellectual property (IP) to the BBC, at times choosing to invest more in programming, potentially at the expense of profits.¹⁴

10. From 2012–13 to 2016–17, BBC Worldwide delivered financial returns to the BBC of £989 million and it has a target to deliver further returns of £1.2 billion from 2017–18 to 2021–22. The BBC intended the £1.2 billion target to be very stretching, given a tough market with lots of new competitors. However, it acknowledged that it now needed to revisit the figure in light of possible cost synergies and other benefits and changes arising from the merger of Studios and Worldwide.¹⁵ In particular, in 2017–18, some of Worldwide's programme investment took the form of payments to Studios, but such transfers would in future take place entirely within the new Studios subsidiary, potentially making it harder to justify classing them as financial returns.¹⁶

11. More generally, the BBC's definition of financial returns was an area of focus for us, since it includes both dividends paid by Worldwide and other payments that the company makes to the BBC's public service broadcasting operations as contributions to programmes and payments for associated rights. The metric is unique to the BBC and therefore is not comparable with measures of financial performance used by other commercial companies.¹⁷

12. The BBC currently has great flexibility over the balance it strikes between dividend payments and programme contributions. The balance varied from year to year, with decisions on dividend levels influenced, for example, by how much future investment was required in the commercial subsidiaries.¹⁸ The BBC told us that the Board already approved the proposed returns figure for the year as part of its consideration of the annual

13 Qq 109, 118–119

14 Qq 24, 33, 69, 110

15 [C&AG Report](#), para 16; figure 16; Q 67

16 [C&AG Report](#), paras 19b, 3.8, 3.16; Q 67

17 [C&AG's Report](#), paras 13, 2.24, 3.17

18 [C&AG Report](#), para 3.17

budget. However, the BBC committed in future to giving the Board the opportunity to be more prescriptive about the amount that should be returned through dividends and through investment in programmes respectively.¹⁹

Balancing the tensions between commercial and public purpose objectives

13. We questioned the BBC further on the tensions that can exist between the need to deliver commercial returns and the need to comply with the BBC's mission and contribute to its public purposes. The BBC acknowledged, among other things, that it would commission different programmes if its only aim was to maximise global returns. However, it considered that the tensions it faced could be overstated, since British content produced for British audiences could also be commercially successful. It pointed, in particular, to 'Blue Planet', 'Sherlock' and 'Doctor Who', and said that "we make most money when we are most BBC".²⁰

14. The BBC provided two examples where it seemed to us that the tensions truly were significant. First, it highlighted the balance that it needed to strike between any potential increase in licence fee payers' access to programmes, by extending the period for which the programmes were available on the iPlayer, and the commercial returns that could be made by selling the right to air these programmes (after their first airing on a BBC channel) to either an advertising- or subscription-funded video on demand service.²¹

15. Second, the BBC considered that the World News TV channel, operated by BBC Global News, delivered wider tangible benefits for the British taxpayer by boosting the UK's reputation overseas through the provision of trusted and independent news. The BBC pointed to surveys showing that, in countries where the BBC was strong through news or other programming, trade with Britain also tended to be strong.²² However, although the BBC expected Global News to be profitable in 2017–18, the advertising market for global weekly news was very difficult, and Global News' future therefore looked challenging. As a result, the BBC had approached the Department for Digital, Culture, Media & Sport for a subsidy so that it could make some of the content it provided to Europe and Sub-Saharan Africa freely available, instead of placing it behind a paywall as at present. The subsidy would replace the subscription income lost as a result of this change.²³

16. The BBC assured us that all the decisions within its commercial activities took account of the need to balance commercial returns and the public purposes, since all changes had to comply with the BBC's four commercial criteria. This means they had to: fit with the BBC's mission and public purposes; deliver a commercial return; be concomitant with the BBC brand; and not distort the market.²⁴ The BBC said it had a rigorous process for reviewing the commercial and public purpose aspects of any new proposal. However, it admitted that the Board was yet to reject any commercial proposal because it conflicted with the public purposes. The BBC said it would have already rejected proposals at a lower

19 Qq 62–64, 67

20 Qq 41, 44

21 Qq 72, 76

22 Qq 48, 49, 52

23 Qq 23, 46, 47, 53

24 Qq 24, 55, 58

level before this point in the process. Nonetheless, we were not convinced about the extent to which the Board gave explicit consideration to the balance between the delivery of commercial returns and the public benefit.²⁵

2 Future challenges and risks

Risk taking

17. The BBC's main commercial subsidiaries operate in sectors that are constantly changing, bringing many opportunities, challenges and risks. They face significant risks from changing audience behaviour, as people, particularly the young, spend less time watching "linear" TV channels and buy fewer DVDs. Instead, people are increasingly streaming programmes digitally via subscription video on demand services.²⁶ The subsidiaries also operate in markets that are increasingly dominated by non-traditional media organisations which have entered the market and grown rapidly, including Netflix, Amazon and Google.²⁷

18. All media companies are increasingly emphasising the development and ownership of content, and the related intellectual property (IP), as a means of guaranteeing their commercial future. The BBC told us that it considers that its position as a provider of high-premium, British-driven content will help it succeed in the global market.²⁸ Just as importantly, the BBC also assured us that it had rigorous processes for opening, closing and changing commercial ventures, approving programmes, and managing strategic and operational risks. However, it accepted that some of its investments would win and some would lose, and it therefore looked to have a basket of investments to spread its risk.²⁹

19. One venture that failed was BBC Store, which had allowed people to pay to download digital content from the BBC's archives to own themselves. Despite what the BBC considered to be good research, the service had not proved popular as people preferred to access newer content elsewhere. BBC Store had consequently been losing money, and the BBC therefore moved quickly to close it. The relative speed of the closure reflected one of the lessons the BBC learned from its unsuccessful acquisition and ownership of Lonely Planet. The BBC had eventually sold this as it did not fit with the BBC's mission and purposes and was not delivering value for the licence fee payer, but the sale incurred a very large loss.³⁰

Partnerships and joint ventures

20. The BBC told us that, in order to address the strategic issues it faced, its commercial subsidiaries had been changing how they do business by entering into increasing numbers of partnerships. For example, Worldwide sold part of BBC America to AMC in order to gain a partner that could help it improve its position in the US market. The UKTV partnership was also important in delivering money back to the BBC. As a result, Worldwide's dependence on the revenue and returns from partnerships has increased. For example, in 2016–17 31% of its headline profits came from joint venture and associate companies, compared to 17% in 2012–13. The BBC also told us that co-productions were phenomenally important to it. About two-thirds of its TV drama was funded by this sort of commercial deal: for example, such deals provided 78% of the funding for "Blue Planet II".³¹

26 [C&AG's Report](#), para 15; Qq 21, 22, 121

27 [C&AG's Report](#), para 15; Qq 67, 123–124, 126

28 [C&AG's Report](#), para 3.5; Qq 36, 44

29 Qq 39, 58, 93–96

30 [C&AG's Report](#), figure 12; Qq 56, 75, 130

31 [C&AG Report](#), figure 20; Qq 21, 22, 32

21. The BBC assured us that it had rigorous processes for considering any prospective partnerships. It told us that it spent a lot of time on the pre-selection of partners in terms of their editorial values, and it would not enter into partnerships with those who wanted to go in an inappropriate direction creatively or were not editorially aligned with where the BBC wanted to take a business. It was only following such considerations that the BBC decided to sell part of BBC America to AMC and selected Sony in India as a partner for its BBC Earth Channel.³²

22. We asked about the recent change in ownership of the BBC's partner in UKTV, Scripps International. Scripps owned 50% of UKTV but was purchased by Discovery earlier in 2018. While acknowledging that it was still early days, we expressed concern that new partnerships sometimes did not work, and, more generally, we feel it is important that the BBC has contingency plans in place for all its partnerships. The BBC agreed that, when a partnership went wrong, it could go very wrong, but it noted that it had had a good relationship with Discovery in the past and was working with it to consider the future of UKTV.³³

Merger of BBC Studios and BBC Worldwide

23. In April 2017, the BBC established its in-house production arm, BBC Studios, as a commercial company. In April 2018, it then merged this with its commercial distribution business, BBC Worldwide, creating a new BBC Studios.³⁴ The BBC told us that establishing BBC Studios was the biggest change it had been through in a generation requiring, most significantly, a transformation in Studios' culture as the BBC moved to open up almost all its production to competition by 2027. Ensuring the change worked was of the utmost concern to BBC management as the success of Studios over the next five years in developing content and the related IP was critical to the BBC.³⁵

24. The BBC told us that BBC Studios was also fundamental in its battle to retain the creative talent it needed to develop the best content. Companies like Netflix had been able to outbid the BBC and lure talent away. Studios' commercial status might give it greater flexibility over how it worked with talent in future. However, the BBC acknowledged that there was a risk of a "football-style transfer market" developing for talented generators of valuable IP, like natural history content, with a consequent impact on costs.³⁶

25. Although the BBC acknowledged that there was real jeopardy around Studios' prospects in the context of the global market and associated challenges, it was confident about the subsidiary's opportunities for future growth. Studios had succeeded in winning business from both the BBC and other broadcasters in its first commercial year, including making a programme about fatbergs for Channel 4, shown the night before our evidence session. The BBC expected that both the production and distribution arms of the new BBC Studios would perform acceptably in their respective markets, commenting that both parts of the business at least "have to wash their face" in future.³⁷

32 Qq 22, 33–35, 58

33 Qq 25–27, 29, 31, 33

34 [C&AG's Report](#), paras 2, 3; figure 2

35 Qq 30, 71, 72, 120, 124

36 Qq 124, 126, 128

37 Qq 30, 37–40

Formal minutes

Wednesday 27 June 2018

Members present:

Meg Hillier, in the Chair

Caroline Flint

Lee Rowley

Anne Marie Morris

Gareth Snell

Draft Report (*BBC commercial activities*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 25 read and agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Fifty-first of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 2 July 2018 at 3.30pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 25 April 2018

Question number

Lord Hall of Birkenhead, Director-General, BBC, **Anne Bulford**, Deputy Director-General, BBC, and **Tim Davie**, Chief Executive, BBC Studios, and Director, Global

[Q1-137](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

LBA numbers are generated by the evidence processing system and so may not be complete.

- 1 BBC ([LBA0002](#))
- 2 Pact ([LBA0001](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Tackling online VAT fraud and error	HC 312 (Cm 9549)
Second Report	Brexit and the future of Customs	HC 401 (Cm 9565)
Third Report	Hinkley Point C	HC 393 (Cm 9565)
Fourth Report	Clinical correspondence handling at NHS Shared Business Services	HC 396 (Cm 9575)
Fifth Report	Managing the costs of clinical negligence in hospital trusts	HC 397 (Cm 9575)
Sixth Report	The growing threat of online fraud	HC 399 (Cm 9575)
Seventh Report	Brexit and the UK border	HC 558 (Cm 9575)
Eighth Report	Mental health in prisons	HC 400 (Cm 9575) (Cm 9596)
Ninth Report	Sheffield to Rotherham tram-trains	HC 453 (Cm 9575)
Tenth Report	High Speed 2 Annual Report and Accounts	HC 454 (Cm 9575)
Eleventh Report	Homeless households	HC 462 (Cm 9575) (Cm 9618)
Twelfth Report	HMRC's Performance in 2016–17	HC 456 (Cm 9596)
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