

Across the UK, virtually everyone gets something from the BBC each and every week. This report sets out how we are delivering our programmes and services to audiences, our vision for the future, and how we spend the licence fee. It sets out our achievements, and highlights some of the challenges we face in continuing to deliver for everyone.

This year there is a lot to be proud of.

On BBC One, Britain's favourite channel, we have brought the nation together to celebrate, to commemorate, and to share amazing television moments. We saw history being made on Centre Court last summer; *Sherlock's* unforgettable return to our screens; and, more recently, Sarah Lancashire's unmatched performance in *Happy Valley*.

With BBC News I believe that Britain has the best news organisation in the world. It offers a unique service: a network that is local, regional, national and global. This year I have been particularly pleased at the way our local radio stations responded to the terrible weather this winter; and our journalism in Syria, and in covering the conflict in Ukraine has been first-rate. The BBC is by far the most trusted news service in the UK, and the most retweeted source of news the world over – these are achievements to be rightly proud of.

It has been a year in which we celebrated half a century of BBC Two, with some great comedy and brilliant new drama in *Line of Duty*, *The Fall* and Golden Globe winning performances in *Dancing on the Edge* and *Top of the Lake*.



At the core of the BBC's role is something very simple, very democratic and very important – to bring the best to everyone. Wherever you are – whoever you are – whether you are rich or poor, old or young, that's what we do... Everybody deserves the best.

Tony Hall, Director-General

Helena Bonham Carter and Dominic West in BBC Four's *Burton and Taylor*



The crowd enjoying the Asian Network's London Mela Event





BBC Introducing brings together all of the BBC's supporters of undiscovered and unsigned music

I am also pleased that I can report another exceptional year for BBC Radio. In this, the oldest part of the Corporation, we are seeing record-breaking audiences and distinctive talent – from Chris Evans, on Radio 2 every morning, to the *Today* team on Radio 4. Highlights for me include Sir Kenneth Branagh's magnificent performance in *Antony & Cleopatra* and Grayson Perry's exuberant Reith Lectures. I have also been impressed by BBC Introducing – a scheme that gives talented musicians, all across the country, a chance to shine, supported by BBC local radio, and across the UK on Radio 1.

And, the BBC also has the power to present extraordinary international events. Last November millions of people joined together across six continents to mark 50 years of *Doctor Who* in *The Day of the Doctor*.

But I want us to do even better.

The BBC has always been an innovator. We are the radio company that pioneered television; the broadcaster that embraced the internet. And, with expectations now changing fast, I want us to innovate again; to bring the wonders of digital technology to everyone. To inform, educate and entertain in new and surprising ways.

That is why I set out some big creative ambitions for the BBC last October – shaping new ideas, new partnerships, and a new kind of relationship with our audiences.

We are starting to see the results. This year has seen record audiences for BBC News online. Our vision for the iPlayer is starting to take shape, with a new version launched in March and more to come. We also launched Playlistr, a new digital service

for music fans. And across the UK we are offering everyone new ways to enjoy some of our country's greatest events: Glastonbury, Glyndebourne, Hay, the Edinburgh Festivals, the Proms, Wimbledon, Glasgow 2014. All of these events, and more, are being brought to you live, wherever you are. In addition, we have seen the launch of the BBC Weather app; a new app for CBeebies; and new digital guides, bringing learning to internet connected devices. In 2015, we plan a major series to inspire the nation with coding and computing.

We have started along the road of changing the way we interact with our audiences. We want not just to listen but to actively engage with them. That relationship should no longer simply be about the BBC, but my BBC – and work is underway for audiences to become their own schedulers, our next creators, our future innovators.

As we look to the future, I believe that the BBC should reflect Britain's strengths. As part of this, I want us to bring the best to everyone in science, natural history, comedy and drama. I also know from personal experience that the UK is world class in music and arts. That is why, last October, I announced that we would be putting music and arts at the very heart of the schedules. I have appointed single Directors for BBC Music and BBC Arts and I believe that we are already beginning to see a difference. The BBC is working in partnership with some of Britain's great institutions and some of our finest creative talent; joining up across television, radio, iPlayer and online to showcase Britain's artists, performers, writers and composers. This is something only the BBC can do, and we are proud to do it.

I also want us to do more to nurture and support new talent – from all backgrounds; all around the UK. Last year, I set new targets for apprenticeships and we are meeting them two years early. I also set new ambitions for women in local radio and we have made significant progress on this objective. Diversity will be a really important part of my agenda in the coming year.

As this report sets out, we face significant challenges ahead.

The BBC is operating with a flat licence fee settlement and new financial responsibilities. As a result, the amount of funding we have for public service in the UK will be 26% less in real terms by 2016/17. At the same time, we are working in an increasingly competitive market. The revenues of other media organisations are much larger than the BBC in the UK, and even they are dwarfed by some of the global giants that operate in the same market as we do.

In response, we are making savings to live within our means. We have now delivered £374million p.a. through our current savings programme, and we are on course to deliver the £700million p.a. savings we said we would make by 2016/17. I have also set the organisation a target to find an extra £100million p.a. of savings to fund our new ambitions. We are achieving all this by taking advantage of the latest technologies, introducing new ways of working, getting the best value for money whenever we renew our contracts, increasing our commercial income, and addressing talent costs and top management pay.

I believe the iPlayer is a key part of our future, and with our proposal to the BBC Trust to move BBC Three fully online we aim to keep the best from the linear world but also bring new formats, different durations, and more individualised content to an audience most ready for an online world. At the same time, we help meet the challenge of delivering high quality content for all our audiences at a time of financial constraint.

We are also looking hard at every aspect of what we do and at every pound we're spending. We are benchmarking our costs against the rest of the industry and looking in detail at our staff base.

The challenges are significant, but I am confident that we will meet them.

The BBC is an organisation brimful of talent. Every week, I meet teams who share a passion for the BBC and what it stands for. Very often, they are achieving above and beyond what you'd expect: our local news teams producing a vital service during months of flooding in places like Cornwall, Somerset and Sussex; serious entertainment in the *Strictly* ballroom; or BBC Science launching a new Longitude prize that will change our world fundamentally. I'd like to say thank you to all our teams and all the people outside the BBC who work with us.

But most importantly I'd like to thank our audience. Throughout this year – my first full year in post as Director-General – the statistic that most impressed me was how much money the BBC has helped raise through charity appeals supported across our services. Through our own charity *Children in Need*, or in partnership with others like Comic Relief; through big television nights and via regular appeals on radio, this year we helped raise over £84million for good causes. That's broadcasting at its most powerful. The BBC at its best.

Tony Hall
Director-General
19 June 2014

Last Night of the Proms 2013

