



24 August 2017

Jacquie Hughes
Content Policy Director
Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Dear Jacquie,

Further to our consultation response and subsequent correspondence about the Operating Licence, I am writing to raise a further issue, where our latest data highlights a significant discrepancy relating to a proposed quota and our ability to fulfil it.

This concerns the requirement in the draft Licence for BBC One and BBC Two to broadcast 335 hours of non-news opt-out programming immediately before or after peak (2.49.5).

This quota is currently set at 280 hours and we understand that your rationale to increase it to 335 hours is based in part on our historic output levels which indicate ample headroom. Our 2016 outturn was 383 hours.

However, earlier this year we made an editorial decision to decommission *Scotland 2016* (which ran four nights a week starting at 10:30pm, i.e. in 'shoulder peak') and replace it with *Timeline* (Thursdays at 7:30pm, i.e. not in 'shoulder peak'). This change is one which we believe better serves audiences in Scotland, but has resulted in a reduction of output that meets this quota of around 80 hours a year. We have also moved a programme in Northern Ireland from 'shoulder peak' to 'peak'. This means that our latest forecast for 2017 is that we will only just meet the current quota of 280 hours. Forecasting for 2018 is not yet possible as it is complicated by the planned launch, subject to regulatory approval, of a new channel in Scotland and the knock-on effects this may have for opt-outs on BBC Two Scotland.

As you know, in order for programming to qualify towards this quota, a non-news opt-out programme needs to transmission immediately before 6pm or immediately after 10:30pm on BBC One or BBC Two. Therefore our room for manoeuvre is restricted and in order to hit the new proposed level we would either need to re-prioritise funding away from other programming budgets (which is not practical or desirable and would impact our ability to meet other opt-out quotas) or need to make some scheduling decisions which we don't feel are in the interests of the audience such as filling these important parts of the schedule with a high number of repeats simply to make up to the quota.

Therefore we propose that, because our forecast performance for 2017 is significantly lower than the outturn on which Ofcom proposed to increase the quota level, this quota is reverted back in the final Licence to the current level of 280 hours.

I am sorry to raise this issue so late in the process and of course we are happy to discuss further.

Yours sincerely

Clare Sumner
Director, BBC Policy