

Director-General's review



In the 12 months between February 2002 and February 2003 the BBC launched more new national services than in the previous 80 years: in all we launched four national television channels and five national radio stations. It was a remarkable achievement that all were launched successfully, on time and were of high quality. These new channels fulfilled the BBC's commitment both to extend choice for licence payers and to promote the development of digital Britain.

Among the new television channels were two, CBeebies and CBBC, which have taken first and fifth place respectively for audience share among children's channels, within 12 months of going on air, by offering distinctive British-based content. BBC Four has had a very successful first year, winning Royal Television Society and documentary awards and reaching more than 12 million viewers with its eclectic mix of arts, drama, performance and current affairs. This year we also secured consent from the Government to launch BBC Three, aimed at younger adults. When we launched it in February 2003 it completed our new digital channel portfolio and surprised many with the breadth and originality of its UK-based productions.

BBC Radio is playing a catalytic role in the take-up of digital radio with five new stations: BBC Five Live Sports Extra, 6 Music, 1Xtra, BBC Asian Network and BBC 7. Digital radio has started to come of age this year with many more listeners via the internet and digital television. Analogue BBC Radio has enjoyed yet another extraordinary year, winning over 53% of the available audience in the first quarter of 2003. BBC Radio 4, the UK's biggest investor in new radio drama, broke records again and won the Sony Station of the Year award, while BBC Radio 2 firmly remains the nation's most popular radio station with over 13 million listeners a week.

BBC Television is sometimes criticised for failing to produce programmes of range and distinction but viewers must judge for themselves. A revitalised and refreshed BBC One is now established as Britain's favourite channel and continues to lead ITV in audience share. In an Independent Television Commission survey which asked viewers which channel they would choose if they could only have one, BBC One came out top for the first time. BBC Two leads innovation on British television and, after a very successful year, is now introducing more current affairs and arts programmes into peak viewing.

News, broadcast impartially and independently, is at the heart of our public service remit. We have stuck to these principles, often in the face of intense political and commercial pressure, through a violent and uncertain period. One measure of how much the public trusts and values this commitment is that 93% of the UK population used BBC television, radio, text or online services in the first two weeks of the war in Iraq. Our news, current affairs and BBC World Service journalists took great risks to bring impartial accounts of the conflict to the British public and audiences around the world. Award-winning BBC cameraman Kaveh Golestan and Kameran Abdurazaq Muhamed, a Kurdish translator, were



Left: BBC World Affairs Editor John Simpson was injured in northern Iraq.

Above left: BBC Three launched in February 2003, completing the BBC's portfolio of television services.

Above: The award-winning BBC Sport campaign for the World Cup.

both killed. John Simpson, Stuart Hughes, Craig Summers, Fred Scott, Tom Giles and Dragan Petrovic were all injured. We owe them all a great debt.

Bringing the UK together for times of great national celebration is another of the BBC's central purposes. The summer of 2002 saw the BBC do just that and help create a joyful national mood. The BBC staged classical and pop music concerts from Buckingham Palace for the Queen's Golden Jubilee and captured the imagination of the public at home and around the world, with more than 29 million people watching our television coverage in the UK alone. The World Cup 2002 and the Manchester Commonwealth Games completed this happy summer counterpoint to the sometimes solemn and formal nature of our unique national role.

The first full year of increased investment in BBC Nations & Regions has seen a rise in approval for the greater range of distinctive national and regional programmes. We continue, through our drama and current affairs programmes, to make sure we serve all audiences in the UK. BBC regional television news programmes now outperform the commercial competition in all but three areas of the UK and over the year the 6.30pm BBC regional news has remained the most popular news slot on British television.

Letting audiences know about the wealth of BBC content enables licence payers to get the most value from our services. Our award-winning marketing and communications campaigns have often become talking points in themselves. Important as connecting programmes to our audiences is, we have also achieved a much greater understanding of our viewers and listeners through our call centres and online forums.

Delivering value for money for licence payers and values for our staff are complementary objectives. Eighteen months ago we launched *Making it Happen* with the ambition of making the BBC the most creative organisation in the world. At the same time we are engaged in driving down costs. On both fronts we are making progress. We have reduced overhead costs from 24% to 13% in three years and, partially as a result of this, have increased programme investment by £616million over two years. In the past year 10,000 of our employees attended *Just Imagine* staff sessions, resulting in a series of initiatives including the publication of our six core values, which we believe will help make the vision of a One BBC that serves and enriches all our lives a reality.



Greg Dyke
Director-General



Above: BBC Four's broadcast of the world premiere of Nicholas Maw's new opera *Sophie's Choice*.



Left: Andy Kershaw and Verity Sharp, BBC Radio 3 presenters for the 2002 WOMAD festival.

Right: *Balamory* produced by BBC Scotland for CBeebies.

