

**BBC** North

# BUILDING THE BBC IN THE NORTH

AUTUMN 2013





## Foreword



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The BBC's move to Salford was completed on time, under budget and with no break in either broadcast or business continuity.

One of the most ambitious projects ever undertaken by the Corporation, our new creative hub on the banks of the Manchester Ship Canal at MediaCityUK is home to over 2,500 staff and some of the best known and loved brands in the BBC. In this rapidly changing media world, our goal is to create innovative content, to find new ways to connect with audiences, and to be at the forefront of digital development.

This report aims to set out the reasons why the BBC made the decision to move North in 2004, the challenges that a project of this scale and scope inevitably raised and what has been achieved to date as a foundation for our future ambitions.

BBC North is fully operational because of the hard work, commitment and vision not only of the people who embarked on this adventure in the North of England, but also due to the help, support and advice of people from across the rest of the BBC, as well as companies around the UK.

**Peter Salmon** Director, BBC North  
**Alice Webb** Chief Operating Officer, BBC North

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## Executive summary

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The story of BBC North is one of vision, passion and ambition. It's also one of rigour, co-operation and precision.

The vision was to establish a substantial creative centre in the North of England; a truly digital hub to create content for local, regional, national and global audiences, broadcast on radio, television, online and mobile. We wanted to make BBC North the benchmark for a new BBC – one that is better connected, technologically agile, more collaborative, open and transparent – the BBC for the digital age.

The ambition was to engage more closely with our audiences, especially those in the North, to serve them better both in terms of the programmes and services we produce and the way we produce them. We knew from past experience that this could not be done consistently and effectively from London, or elsewhere. We needed to be in the North of England in greater numbers.

In total, 24 BBC departments are now represented at BBC North.

Three divisions – BBC Children's, BBC Sport and BBC Radio 5 live – are completely based and managed from BBC North, accounting for over one third of the total number of staff based on the site. In addition MediaCityUK is home to the biggest journalism hub outside of London with BBC Breakfast, BBC Radio Manchester, local regional news and current affairs and Sports News. Beyond this, six out of ten of the BBC's online products, including BBC Homepage, are built and run from MediaCityUK. Other departments include BBC Learning, Marketing & Audiences, Religion & Ethics, Entertainment, Comedy, Drama, Research & Development, parts of BBC Radios 2, 3, 4 and 6Music and the BBC Philharmonic Orchestra – in short a snapshot of the entire BBC on the banks of the Manchester Ship Canal.

BBC North is not just an “outpost” in the North of England. It is a truly integrated mainstream part of the BBC. All are gathered together under one BBC North Board – a new model for co-operation and collaboration on the site.

# BBC North Timeline

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June 2004	Building Public Value outlines a potential move of major departments to the North of England.
December 2004	Mark Thompson (Director-General) announces the move of BBC Children's, BBC Learning, BBC Future Media, BBC Radio 5 live and BBC Sport to the North of England.
August 2005	BBC identifies four potential sites – two in Salford and two in Manchester.
January 2006	BBC reduces possible sites to Salford Quays and 'Central Spine' in Manchester.
July 2006	BBC announces MediaCityUK at Salford Quays as the preferred bidder.
April 2007	Final planning permission granted for the BBC and Peel Holdings by Salford City Council.
May 2007	Agreement reached between BBC and Peel Holdings and approved by the BBC Trust.
June 2007	Work begins on the site.
December 2008	Peter Salmon appointed Director, BBC North.
July 2009	Topping Out ceremony for MediaCityUK.
May 2011	BBC North Migration into new home begins.
April 2012	Migration ends with BBC Breakfast.

## Key objectives

The BBC saw an opportunity to further establish itself in the North of England and realise multiple benefits for the licence fee payer.

Historically, the BBC has underperformed in terms of audience share and approval in the North of England. The region accounts for almost 25% of all BBC licence fee payers, yet even as recently as 2010 less than 10% of TV programmes were being made and less than 7% of network programme-making budget spent in the North.

The BBC Board of Governors (now the BBC Trust) and the BBC Executive Board resolved in 2004 to address this, and sought to achieve four key objectives in building BBC North:



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- **Better serve audiences in the North**  
Closing the approval gap between the North of England and the rest of the UK.
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- **Deliver benefits to the region**  
Creating a world class media talent pool in the North and strengthening the independent production sector across the North.
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- **Deliver a “creative dividend” to the BBC**  
Increasing the quality of our programmes and services for all our audiences.
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- **Realise financial benefits for the BBC**  
Making BBC North more efficient, thus generating direct financial benefits.



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Clock-wise from top:

BBC Breakfast; Blue Peter presenter Lindsey Russell; The Ottomans

# The scale of the project

If the opportunity was great, so too was the challenge facing the team tasked with creating BBC North. Starting with a brownfield site, together with our partners and suppliers we have created a state of the art digital production and broadcast centre on the banks of Salford Quays, Greater Manchester.

The 750 BBC staff originally based at Oxford Road in Central Manchester needed to move across the city, to join 1500 posts moving from London.

About one half of those posts were filled by people relocating from London – often with their families – and the other half new recruits.



Clockwise from top:  
MediaCityUK – Salford Quays;  
View of the Piazza; MediaCityUK Gardens



## The facts at a glance

- 330,000 ft<sup>2</sup> open plan office accommodation
- £87m technology fit out
- Over 4,000 days of training
- Relocating staff over 36 consecutive weekends without any break in output
- 2500 staff on site, flexing to 3000+ in busy months
- 2 national TV channels
- 2 national radio networks
- 6 of the BBC's 10 online products
- Thousands of hours of programmes produced each month
- 24/7 operation reaching over 100 million people each week



Clockwise from left:  
Building interior – Quay House;  
BBC Breakfast Studio – Quay House;  
Building interior – Bridge House

# The Cost of BBC North

The project successfully balanced achieving value for money with the long-term ambition to build a new creative base in the North of England for the benefit of all licence-fee payers.

The final forecast cost for setting up BBC North was £224 million with a final net cost of £180 million.

Building design and fit-out	£41m
Relocation, recruitment, training and redundancy	£69m
Technology and infrastructure, including radio studios and editing facilities	£87m
Migration and dual-running	£15m
Project North team	£12m
Offset projected capital spend in pre-migration locations	(£44m)
<b>Total</b>	<b>£180m</b>



From left:  
MediaCityUK site;  
MediaCityUK Studio block and gardens

The lifetime cash cost of BBC North over twenty years will be £942 million. This includes the £224 million set up cost for BBC North as well as twenty years of operating costs.

This remains significantly better value for money than the alternative – keeping key departments in London that would not only have resulted in higher costs in terms of location but also in terms of upgrading technology. Additionally the BBC would not have fulfilled its commitment to move major production divisions out of London or been able to take full advantage of the technology based in the new base at Salford that enables the delivery of large-scale and ambitious campaigns such as London 2012 and other major sporting events of the future.

Additionally, and in line with the rest of the Corporation, BBC North has been tasked with finding further efficiencies. Over the next twenty years BBC North will need to deliver £151 million in efficiencies.

BBC North is on track to deliver those savings with £123 million (80 per cent) of the savings already identified.



Quay House interior

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# An approach blending ‘art and science’

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The success of Project North was dependent upon delivering this ambitious and complex accommodation, technology and recruitment programme, while at the same time capturing and keeping the ‘hearts and minds’ of staff.

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Success has been achieved by having a clear vision and principles. The vision for a creative, collaborative and connected organisation was summarised as five core aspirations.

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- **Clear and consistent communication**  
The senior team made themselves visible to staff, personally presenting the vision and aspirations to everyone considering relocation. It was critical to formally and informally communicate the target culture for BBC North, and the values that would make it a reality.
  - **Being genuinely innovative**  
Taking inspiration and learnings from industry innovators as far away as Silicon Valley to understand how they were engendering creativity and collaboration, and bringing these insights into the design for BBC North. This included the layout of the buildings, design of the creative spaces, and stimulating a creative culture. Now we regularly have visitors from organisations worldwide coming to Salford to see how we have done it too.
  - **Rigorously applying formal project management practices**  
An undertaking of this scale required a detailed Operating Model and a formal delivery approach – the art was in presenting the change sensitively and consistently with the vision and principles, as well as the culture, of the BBC.
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- **Engaging and empowering the business**  
Giving ownership of the change to each business area, with appropriate targets and deliverables, with the Project North team supporting and intervening only where required and requested.
  - **Monitoring performance**  
In order to satisfy ourselves and our stakeholders that Project North was on track, we commissioned regular health check reviews by independent third-parties, acting on their observations and recommendations to ensure the continued health and success of the project.
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The Five Aspirations are at the heart of BBC North and its Operating Model, providing focus for staff and project teams alike:

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- A centre for **creative excellence** in the North
  - Highly **connected** to our audiences and externally
  - Recognised for **high-performance** teams and culture
  - Enabling and encouraging **flexible and collaborative** ways of working
  - Pioneering a more **efficient, effective and sustainable** BBC
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From left:  
Mr Bloom and Friends;  
Sarah Millican

# Key challenges and achievements

## Creating a sustainable new blueprint for technology and services in the BBC

Our objective was to create a centre of excellence for production, technology development, training and digital media. We sought to support flexibility and creativity through the application of the latest technology solutions, ensuring that BBC North is sustainable and future-proofed.

To deliver this ambition we needed partners who could provide a sustainable supply of technology and services on the scale, complexity and reliability required by an international 24/7 broadcaster. There are very few such suppliers internationally, and we had to work closely with colleagues across the BBC and with companies in the region to build a new supply chain. We asked them to push their boundaries and many stepped up to that challenge, creating important new capabilities in the North of England.

In BBC North we have created a model for the BBC in the digital age. Our buildings are better connected, both internally and externally, everything is fully HD and production is file-based throughout. This new technology enabled us to provide 24 channels of Olympic coverage in 2012 and a massive sports online offering just months after moving in – a service which would have been unachievable with our old systems. Now the BBC – and Salford – is better equipped than ever to cover exciting events like the World Athletics Championships in 2013 and a huge year of sport in 2014 – including the Winter Olympic Games from Russia, the Commonwealth Games from Glasgow – and beyond to the World Cup in Brazil in 2016.

From left:  
Chancellor George  
Osbourne at the BBC  
News Festival;  
Newsround presenter  
Leah Gooding



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## Relocating over 800 staff and their families from London and the South

There are 24 departments represented at BBC North, and whilst there are some new posts and many have moved across from former BBC offices in Manchester, the majority came from London.

Detailed relocation planning started in September 2008, when the formal commitment to Salford was made and a series of presentations were offered to staff in the relocating departments. In recognition of the fact that staff would be moving to Salford to work and live, familiarisation visits – including partners where appropriate – were also organised.

In addition, Project North actively involved Manchester-based staff in information sharing with staff considering relocation – some even used their creative abilities to make short videos to showcase their local area. Many more volunteered to act as “buddies”, providing independent and impartial opinions and advice to help colleagues throughout the decision-making process.

Staff moving from London were asked to make decisions by a number of dates between April and September 2009, based on their grade. BBC Breakfast was added to the Salford plan a little later, in August 2010. Wherever possible we confirmed line management structures to junior staff before they were required to make their own commitment.

The project’s working assumption had been that 30% of redeployed posts from London would be filled by relocation. The final figure was 57%. This was in large part attributable to the exciting vision for BBC North, which enthused and encouraged staff to make this move.

The first staff relocated in the Spring of 2011 and migration was fully completed with the arrival of BBC Breakfast at Easter 2012.

The final cost of relocation was £24 million. With the average relocation costing the BBC £28k versus an average redundancy cost of £49k, BBC North ultimately saved £8.5 million with a higher than expected number of staff choosing to move rather than take redundancy. Additional savings of £4.5 million were also made through successful redeployment of some staff who were unable to move north across the wider BBC.

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## Recruiting almost a third of the workforce

Whilst the relocation was very successful, it was still necessary to hire almost 800 new staff to work at BBC North in the course of one year.

This represented the BBC's biggest recruitment drive in its history. At its peak in 2011, three new staff were joining BBC North each working day – every day.

BBC North is building a workforce for the future – one that is diverse, representative of our national audience – and able to adapt to work with new technologies.

Therefore, a dedicated BBC North career portal was launched. Over 70,000 people applied online and many thousands who passed the initial assessment were subsequently interviewed.

Fundamental to the recruitment process was our determination to hire people not only for their skills and experience but also people whose attitudes and behaviours reflected BBC North's principles and vision.

Over half of those newly recruited into BBC North came from the North West of England and again, half of those came from Greater Manchester. Additionally, ten per cent of the workforce in BBC North – existing employees as well as new recruits – come from Salford.

Sustainability was a key consideration in terms of our workforce as well. We have built a varied training and recruitment pipeline through developing relationships across the region and we created two schemes aimed at offering entry-level opportunities for people in the Greater Manchester area.

In May 2011, BBC North launched the Young Ambassador and BBC North Apprenticeship schemes.





The Young Ambassador scheme – working with local youth employment organisations – offers 16-19 year olds with few or no qualifications a minimum of a six-month salaried placement with BBC North. Following a specifically created work plan that builds not only their skills and experience but also their confidence of working in a large organisation, the Young Ambassadors are deployed in departments across the campus, are mentored by a BBC manager and study for a professional qualification. Between 2011 and 2013 there have been 21 Young Ambassadors at BBC North and six have obtained further work with BBC North, with the others transitioning to other employment, apprenticeship or college.

The BBC North Apprenticeship scheme is based on the traditional model of jobs with training. Following 12 to 18 months training during which time they receive mentoring from a BBC manager and study for a qualification, the apprentices are given employment at BBC North.

BBC North has recruited 29 apprentices to date, with a commitment to 100 in the next five years.

BBC North also hosts the two-day induction for all new staff joining across the BBC. Regardless of where they are based in the organisation all new staff come to Salford at the start of their BBC career.



Clockwise from top:

Dragons' Den; Citizen Khan; CBeebies Christmas Panto

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## Establishing a creative, collaborative culture supported by new ways of working

A creative and collaborative culture is critical to support a digital BBC, fit for the future.

After all, new ways of working and flexible careers were key elements of the proposition to staff. With 37% of our total staff relocating from London, 29% from Manchester and 34% new to BBC North, we took the opportunity to “re-mix the DNA of our workforce.” We adopted best practices from across the BBC, restructured many areas and also learned from new staff with different backgrounds and experiences.

Traditionally, opportunities for collaboration and innovation between departments at the BBC have been a challenge. This was something that staff moving North told us they wanted to see changed. In creating BBC North, we literally broke down the walls, creating open plan offices, and informal creative spaces.

Additionally, initiatives like ‘Hot Shoes’ give staff an opportunity to experience and build networks through short, simple placements in other departments. Since 2011, over 400 staff have taken up this opportunity, with overwhelmingly positive feedback.

Key to delivering the promised career growth and flexibility is The 3MEs. This web-based interactive network brings together the career, creative and social aspects of working in Salford. It helps staff to develop, collaborate and share ideas more freely and openly. The 3MEs has been tremendously successful in BBC North, with over 80% of staff registered and it is inspiring similar initiatives in other parts of the BBC.



From left:  
The Paradise;  
Wizards vs Aliens



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## Managing the external communications environment

Negative, and in many cases misinformed, press coverage was a constant challenge, as was ensuring that this didn't taint BBC North for licence fee payers or for staff affected by the move.

Executives proactively briefed the media and opinion formers, and we organised extensive site visits to ensure that the scope and objectives of the project were clearly understood.

We coordinated consistent messaging across internal and external communications, and continue to swiftly rebutt inaccurate and unfairly negative stories.

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## Investing during a global financial crisis

Although BBC North had been planned since 2004, the majority of the investment came during the period from 2009 to 2012 when the economic landscape dramatically changed. The licence fee had been frozen – a 20% cut in real terms – and there was very strong pressure to deliver even more value from the budget, and to give any immediate savings back to the wider BBC.

In the process of relocating and restructuring departments, we took the opportunity to reduce the number of Senior Managers in post, ahead of planned wider BBC changes.

We have taken 20-year leases on the buildings in Salford Quays, reducing our fixed overheads, and are also able to demonstrate clear savings simply by moving away from London.

A further challenge during such difficult economic times was that our suppliers were under pressure too, meaning that we had to be doubly vigilant for early warnings they might be struggling to deliver. We also needed to strike the right balance between obtaining the best value for the licence fee payer and making a positive and long-lasting economic impact on the region.

# Outcomes and benefits

Project North was delivered on time, under budget and with no break in either broadcast or business continuity. Over the course of less than a year, we moved nearly 2500 people into new offices, using new technology to make programmes and services that in some cases won awards during their transition.

Many of the benefits will continue to be realised over the coming years, but some are already in evidence.



Clockwise from top:  
Womens Euros 2013; Songs of Praise; Radio 5's Big Day Out

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## Helping to reinvigorate the creative industries in the North

BBC North is for the whole region, not just Greater Manchester. In the past two years BBC North, often in collaboration with other departments across the BBC, has been investing in content and events right across the region in Liverpool, Sheffield, Bradford, Tyne-side, Leeds and The Lake District – to name but a few.

New and returning dramas are being filmed all across the North, including *In the Flesh* in Manchester, *Last Tango in Halifax* from Lancashire and Yorkshire, *Prisoners' Wives* in Sheffield, *The Village* in Derbyshire and *Peaky Blinders* in Leeds.

BBC Children's has been at the vanguard of reinvigorating production in the North East with series such as *Wolfblood* and *The Dumping Ground* and has been joined by BBC One's major new series *The Paradise*.

Comedy has also been part of our North East story with *Jesting About* in Newcastle resulting in both network TV and radio commissions featuring Northern talent. And *Hebburn*, the BBC's first comedy filmed in the North East for over twenty years, was commissioned alongside *Citizen Khan* from the BBC's first Sitcom Showcase.

Many of these new series, proving popular with audiences across the UK, have been recommissioned. *Last Tango in Halifax*, *The Dumping Ground*, *The Paradise*, *Hebburn*, *Citizen Khan* and *In The Flesh* will all return to our screens in the near future.

Both Radio 5 live and BBC Sport have commissioned programmes from Northern-based indies and extended the range of voices heard not only in their news coverage but in their choice of commentators and pundits.



From left:  
*In the Flesh*; *Hebburn*

## Better serving audiences in the North

As well as increased content investment, BBC North is forging a closer and more direct relationship with audiences and partners across the region via a coordinated series of activities including insight days with local communities and businesses, and mass audience participation events.

In the past two years nearly 155,000 members of the audience have had the chance to come to an event or watch a show at MediaCityUK, with a further 133,000 getting the chance to attend one of our broadcast events across the region, such as Bollywood Carmen Live in Bradford, Radio 5 Live's Octoberfest in Sheffield, Frankenstein's Wedding... Live In Leeds and BBC Philharmonic Presents across the North.

As a result we are beginning to see a slow but steady reversal in the decline in audience appreciation in the North, and we are starting to nudge it upwards. What used to be 3-4% difference between North and South, is now more like 1-2%.

This has also been reflected in a decreased in the approval gap for the BBC's services.

The television share gap has been reduced from 1.9% (2011) to 1.6% (2012) and in radio it has fallen from 3.4% to 2.7% in the same period without this success being at the expense of other audiences.



Clockwise from left:  
Bollywood Carmen; BBC Philharmonic at the Proms; CBBC Live in Leeds

## Delivering benefits to the region

We also sourced the majority of materials used in fitting out BBC North from suppliers in the region. We are proud of the fact that 50% of the materials came from recycled sources, and 98% will be recyclable at end of life.

As well as direct investment, a recent BBC economic impact report demonstrates that the BBC's expenditure generates the equivalent of two pounds of economic value for every pound of the licence fee.

The Gross Value Added is the value generated for the UK economy as a result of the BBC's expenditure on a range of activities including third party suppliers across content, technology, publishing, marketing, and other areas. Gross Value Added attributable to the BBC in the North (expenditure £203m/GVA £391m) increased by almost a fifth between 2009/10 and 2011/12.

We have recently commissioned a comprehensive new economic impact report to ensure that BBC North continues to make a long term and sustainable impact in the regional economy.



From left:  
Stargazing; Wimbledon



## Delivering a creative dividend to the BBC

High-level indicators, from internal pan-BBC surveys, suggest that two years on, staff in BBC North continue to feel as much as 15% more engaged than before the move, and leadership behaviours, career development and communication all score very highly. Staff value the creative, collaborative atmosphere at BBC North, and appreciate how their work directly impacts on audiences across the country.

We have doubled staff mobility between departments in our first full year of operation compared to the BBC average, thanks to initiatives like Hot Shoes. This has resulted in greater collaboration across departments, innovation in editorial best practice and even enabled us to be more responsive to breaking news.



Clockwise from top:

Blue on BBC Breakfast; Seasick Steve performing on BBC Breakfast; BBC Breakfast Presenters



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## Realising financial benefits for the BBC

The buildings are flexible and open-plan, greatly reducing accommodation costs. Now, 70% of staff use laptops and mobile phones, instead of desktop computers and phones, saving £1m per annum in technology alone.

The new technology in our production areas has led to sustainable cost savings. As an example, the new BBC Breakfast studio is lit by energy-saving LED lamps, saving on energy and air conditioning needs, reducing equivalent power consumption from 300 Amps to just 25 Amps.

In creating BBC North, we took the opportunity to reprofile the organisation, changing staff ratios to be more responsive to the natural peaks and troughs of our business. We now have, on average, 80% permanent and 20% flexible staff, enabling us to reduce our overall staff costs by 10%.

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## We have optimised our service provision based on the needs of our different productions:

- For constant output like news and radio we use self-supplied technology and services.
- For the majority of our more variable productions (like series and serials) we use embedded external companies to operate our systems.
- For some one-off and less regular productions (particularly where we are accommodating peak in demand or specialist requirements) we contract services of external providers – all part of our aspirations to reinvigorate the facilities and production sector in the region.



## Our Home

We occupy three buildings and a shared studio block at MediaCityUK, the UK's first purpose built media city situated in Salford Quays, owned and developed by The Peel Group.

### Contact

[www.bbc.co.uk/bbcnorth](http://www.bbc.co.uk/bbcnorth)  
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