

**Press release from VLV**

**For immediate release 17 January 2022**

## **VLV VERY CONCERNED ABOUT CUTS TO BBC SERVICES FOLLOWING INADEQUATE FUNDING SETTLEMENT**

The Voice of the Listener & Viewer believes that the BBC funding settlement announced today means the corporation will be forced to cut services for UK licence fee payers. If it continues to provide the same level of output as today, VLV analysis shows that this is likely to lead to a deficit of between £3 and £5 billion by 2027, depending on production cost inflation. This is clearly unsustainable.

The deficit is due to BBC income not rising with inflation for the coming 2 years, as announced by the Secretary of State today, alongside £88m annual funding for S4C being derived from TV Licence income and significant inflation in production costs, currently estimated as between 5% and 35% depending on the genre of programme being made. If inflation in production costs averages 6% for the coming 5 years, this leads to a deficit of £3 billion. If inflation is 9%, this increases the deficit to £5 billion.

VLV's analysis of BBC public funding since 2010 and the additional responsibilities it has already been given since then shows that prior to today's settlement BBC public income had already declined by 25% since 2010 in real terms. Detailed figures and a briefing note will be available shortly on the [VLV website](#).

Until now the BBC has managed to absorb the cuts and cost increases since 2010 without closing any services, largely through efficiency savings and reducing costs on content. Ofcom recently noted that BBC content spend dropped by 28% in real terms between 2010 and 2020. VLV considers there is not much more which can be cut without losing services or increasing the number of repeated programmes.

VLV has long argued that the process for setting the BBC's funding should not be conducted behind closed doors. VLV proposes that an independent body should be established to recommend a level of funding for the BBC and that no decision should be reached until there has been Parliamentary debate. This would provide greater transparency and reinforce the independence of the BBC, including protection from political decisions by the Government of the day.

Colin Browne, Chairman of the VLV, said 'It is disgraceful that this decision has been taken with no public or parliamentary engagement of any kind. This settlement will force the BBC to cut services which are cherished by audiences around the UK to the clear detriment of viewers, listeners and citizens.'

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### **Notes to editors**

1. The Voice of the Listener & Viewer (VLV) is an independent, non-profit-making membership association, free from political, commercial and sectarian affiliations, working for quality and diversity in British broadcasting content. VLV represents the interests of listeners and viewers as citizens and consumers across the full range of broadcasting issues. VLV is concerned with the structures, regulation, funding and institutions that underpin the British broadcasting system. VLV is a charitable company limited by guarantee.

2. For nearly 40 years VLV has played a unique role in keeping a citizen's eye on major legislative proposals and action taken by regulators and broadcasters, enabling the voice of consumers to be heard, independently from the interests of political parties, industry players and other pressure groups.

3. VLV is run by a board of Trustees, chaired by Colin Browne.

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