

## BBC Post Production Restructuring

### Introduction

This document outlines the context and reasons behind the restructuring of BBC Post Production.

### Overview

There has been huge change across the industry over the last four years, while BBC Resources prepared for sale. New technology and new ways of working, coupled with depleting production budgets, mean that the world in which we are operating now is very different.

Significant operational restructuring was put on hold during the sales process as the priorities would be different for each potential purchaser of the company. The decision not to sell BBC Post Production means that we are left with a different future than the one we expected. This presents immediate challenges.

In BBC Post Production customer demand has fallen and there has been a trend towards production carrying out more straight-forward post production work themselves. This means that our current staff base does not match our customer requirements and we will make losses this year as a result. The restructuring numbers in Post are high reflecting the scale of the changes needed.

It is now essential that the business reinvents itself, reinvigorates its relationship with its customers and adopts a new strategy.

The aim of the restructuring plan is to make the business smaller, more flexible and resilient to changes in demand, thus allowing it to build a profitable future with more opportunities than can be realised for the large, geographically-diverse business of today.

The vision for BBC Post Production is to create a smaller profitable core London business that sits alongside the Studio business providing complementary services to shared customers, as well as offering new products and services in line with the changing market landscape.

This restructuring proposal is the first step in that process:

### Restructuring

- BBC Resources is proposing to cease services in Bristol and Birmingham:
  - BBC Resources has reviewed the commercial viability of post-production services in Bristol and Birmingham
  - Regrettably we have come to the conclusion that it is not viable to keep these services going and we are proposing that they will be closing
  - BBC Resources has been in discussion with BBC Vision about ongoing post-production services

- However, given the changing digital production landscape, any provision is likely to be on a smaller scale than current operations
  - BBC Vision are in the process of seeking approval for a proposal which contains some limited opportunities for staff to transfer to BBC Vision
  - We will keep you updated with progress
- In London we are proposing that all operations which are no longer commercial viable will be closed and we will move from a fully staffed, high fixed cost operating model to one which is aligned with changing customer requirements. Fixed to variable cost ratios are changed in most craft staff categories, but key talent is retained to protect revenue, reputation and resilience. Peak demand is met by using the freelance market.

### Support

With reducing revenues for London Post Production as a whole and the need to run a smaller profitable London business it is essential that we operate with the minimum support structure possible. We are therefore proposing to close one *Post Producer* role, the *Team Assistant* role, two *System Administrator* roles, one *Technical Development Manager* role and the *Freelance Co-ordinator* role. With the changes to the mix of operational staff and our scheduling practices we are also proposing to close the *Scheduling Manager* role together with one *Scheduler*. Due to the reducing volumes of over the counter material through FTS we can no longer justify the dedicated *Operations Supervisor* role and are therefore proposing to close the two roles.

### Current Operations

BBC Post Production's Current Operations group has supported the movement of tape and film around the Television Centre site for many years. Many of the tasks undertaken by Current Operations closely mirror similar activities in the BBC I&A despatch area. BBC Post Production cannot continue to fund what is essentially a BBC function without payment. As a result we are proposing that Current Operations will close and a number of the activities and staff will transfer into I&A. We have been in discussion with BBC I&A regarding this transfer and they are considering the numbers of roles that may be required as well as seeking approval. We will keep you informed of progress.

### Stock and Hire Shop

BBC Post Production has operated its own dedicated stock and hire shop for a number of years. With falling volumes of raw stock and the reduced overall size of the business we can no longer justify the cost of this stand alone operation and we are proposing that the Stock and Hire Shop operation will be closed. The posts of *Section Assistant/Section Supervisor/Allocations and Purchasing Assistant/Equipment and Materials Supply Operator* will close.

### Tape Recycling

BBC Post Production's Tape Recycling operation has proved to be a valuable and profitable area of business in the past. However the move to tapeless technologies and the reduction in the cost of new stock has resulted in reducing volumes and income for the last 5 years. Since costs have risen we have now reached the point where the Recycling operation is in loss with no prospect of recovering from this. As a result we are proposing that BBC Post Production's Tape Recycling service will be closed. The post of *Section Assistant* will close.

### Engineering

With technology continuously changing we require an Engineering Support Team where skills and abilities match the needs of the business. We must also minimise the cost of this support service to ensure the business can compete with other post production suppliers. We are therefore proposing to close two *Senior Engineer* and one *Engineer* posts.

### Operational Craft Staff

#### *Editors*

BBC Post Production continues to evolve as programme making and the tools that we use develop. With variations in the load across the year the recent financial success of Post Production has depended on achieving high utilisation across the whole pool of Editors. With reducing income this is now impossible to achieve and a fundamental change in the way Post Production utilises the mix of staff and freelance effort is required. Due to the need to run a smaller profitable London business we are proposing to move to a greater use of freelance effort whilst retaining editors who can attract sufficient work to be sold throughout the year. Therefore the proposal is for 38 Editor posts in London to close.

#### *Assistants*

The Assistant role is now far more based in managing and operation of data based workstations and less in traditional tape based copying. With the changes in workload and skills required in this role and the need to run a smaller profitable London business we are proposing to move to a greater use of Agency staff whilst retaining those who can be deployed across the business throughout the year. The proposal is for 26 Assistant posts in London to close.

#### *Colourists*

To deliver a profitable business it is essential that all groups of staff are utilised to a high level. Within the Colourist category, there is insufficient high end work to achieve this. We are proposing to close 3 London Colourist posts.

In total 174 roles are affected (98 in London).  
The Proposed Changes table is attached.

### **Key Messages**

- To continue to exist, BBC Post Production must find ways of moving from loss to profit. The changes will create a smaller business that can flex with demand and operate in the same way as the rest of the industry.
- As a result of the changes BBC Post Production will comprise of a smaller London business that can meet the changing needs of the market and customers both within the BBC and outside.
- This will give the remaining staff and the BBC Post Production business the best opportunity of a successful future.
- The resized business will be in a healthier shape to address new business opportunities.

