CASE STUDY

BBC

Building a "Digital Britain" at the British Broadcasting Corporation

The Client

The BBC is the largest public service broadcasting corporation in the world with eight national television channels, ten national radio stations and 40 local radio stations. The corporation's mission is to enrich people's lives with programmes that not only inform but educate and entertain.

As a public service broadcaster, the BBC is funded by the licence fee that is paid by UK households and governed by the BBC Trust, which is in place to set the overall strategy and represent the interests of the licence fee payers. The BBC is also home to the World Service, which broadcasts news and information in over 32 languages around the globe, and BBC Worldwide, which operates a range of commercial businesses such as publishing books and selling programmes, merchandise and DVDs.

The BBC has a vast estate to manage with 493 properties across the United Kingdom that cover approximately 617,000 m², and include 98 primary buildings. There are also two major developments under construction, with Media City in Salford totalling 32,000 m² and Broadcasting House in London equalling 35,000 m², both scheduled to be completed in 2011.

In 2007, the BBC outlined five themes that would help them to deliver a more creative future for their organisation. The themes covered are providing value to all audiences, on-demand viewing, quality and innovative programming, building a "Digital Britain," and becoming the most creative place to work.

The impact of these changes would mean that the BBC estate would need to change to adapt to its digital future, be the right size and the right environment for its new technology and way of working.

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Gary Hills
Head of Capital
Development

The Challenge

The BBC was looking to provide a consistent platform of information on their building portfolio that would enable them to understand the value of their facilities, prioritise work on a risk basis and successfully create long-term budget projections and scenarios.

The overall objective was continuous improvement, hopefully enabling significant cost savings and space reduction.

Previously, the organisation had relied on a mixture of facilities contractors, internal field-based managers, and third-party condition surveys to gather and submit perceived facilities requirements. Repair and maintenance work on the sites within the estate was prioritised on a risk basis, but without a formal risk analysis process in place, the BBC was managing a backlog of maintenance without any measurement of risk and with only a limited view of future funding requirements.

As the BBC was relying on outdated methods and data to implement their capital plan, the result was that deferred maintenance was continuously left at the back of the queue for budget approval, with the danger of deterioration, and thus cost becoming exponentially worse the longer maintenance was not addressed.

A new transparent process that was supported by strong financial data was needed in order to elevate "property" to a core business issue and to justify the budget. For the BBC, it was imperative to develop a Corporate Property Plan and deploy the technology that would give them the ability to conduct investigations, deliver a variety of scenario plans, and analyse the financial impact on facilities.

"An organisation's facilities are one of its most significant assets, but managing the wealth of information related to those facilities and their various building systems is an ongoing challenge—particularly for organisations with large and geographically diverse portfolios such as ours," said Gary Hills, Head of Capital Development at the BBC. "Our property data on condition, age, function, value, maintenance, and renewal needs was scattered throughout many systems and various locations. With our goal of delivering a digital future, the BBC needed the capability to obtain detailed, consistent, and comprehensive condition data that enables us to prioritise budgets and to forecast needs as far out as two decades, helping to shape property strategy and to prepare for future challenges and avoid unplanned expense."

The Solution

The BBC selected VFA as the solution to support and drive the Corporate Property Plan – VFA's software would enable them to create and manage their capital reinvestment programmes and policies, deal with preventative and routine maintenance, and allow for increased visibility and deliverability of projects.

The initial step was to develop the list of facilities that required auditing by VFA. In total, 127 sites were assessed, covering a variety of facility types from television and radio studios to archive warehouses and administrative offices, with the assessment process designed to collect detailed information such as location, type, structure, use, requirements, and importantly, the current condition.

This information was then fed into VFA.facility, a powerful capital asset planning and management software solution, which can automatically generate the Facilities Condition Index (FCI), a standard facility management benchmark that is used to objectively assess the current and projected condition of a building asset or building system. The VFA solution enabled the BBC to accurately track the condition and value of their assets, prioritise and allocate money on renovations and repairs that optimise return on their property investment and accurately forecast budgeting.

By connecting work orders with the asset data in the capital planning system, the BBC has an audit trail of expenses, which is accessible for both planning and reporting purposes. The organisation can now see where funds have been allocated and spent on an ongoing basis, as well as review the overall impact on maintenance and repairs in relation to capital expenses.

To effectively measure the performance of its newly unified central repository for capital planning, the BBC formulated asset plans for all properties within the portfolio and fully integrated all existing service providers into VFA.facility. This enabled the BBC to more fully understand requirements and system renewals for the next five years and beyond. And with the ability to create and implement a five-year plan, the organisation began quarterly update cycles to re-confirm their original building audits.

With VFA.facility, the BBC has a web-based source of facility information that can be accessed across the organisation, providing users with a comprehensive

view of facility conditions, from the individual system of a building right through to the entire portfolio. Gary Hills explains the strategic value of the solution, "VFA's solution has enabled us to forecast spending as far ahead as two decades, helping to shape and inform property strategy." Gary continues, "We now have defensible capital information to justify funding and are able to more effectively prioritise and allocate budget, which will result in reduced capital asset costs over time."

The Result

Working with VFA, the BBC was able to achieve its goal of establishing a unified central repository for strategic facilities capital planning and management. All of the organisation's facility data is now located in one place, the VFA.facility database, including valuable asset information such as location, structure type, uses, conditions requirements, and their associated costs as well as related projects and plans. This enables the BBC to have a complete view of its entire portfolio, with the information readily available to be sliced, diced and analysed by campus, by asset or by system in order to provide defensible budgeting information in the language of the finance department.

The VFA solution has provided the BBC with transparency of planning and has delivered the detailed information needed to create long-term budgets, with the ability to track where funds have been spent, the impact on maintenance and repair and the relation to capital expenditures. With access to an updated overview of its building portfolio, the BBC is now able to align its capital position with strategic licence fee funding initiatives and lease breaks.

With VFA's help, the BBC is on course to meet its 2015 space reduction targets and contribute to the corporation's overall cost saving targets by 2013.

About VFA, Ltd.

VFA helps organisations strategically manage their facility portfolios with Capital Planning and Management Solutions (CPMS™) that combine software, audit services and business process consulting. Organisations in government, education, healthcare and corporate markets employ VFA solutions to manage over 278 million square metres of real estate.

Contact us to learn how VFA can help your organisation to optimize its facilities investment.

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