

# **2007/8 Forward Work Plan for the BBC Trust**

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# I Introduction from the Chairman

The new BBC Trust has been created at an enormously exciting and challenging time for the broadcasting sector. Although the convergence between television, radio and the internet has been talked about for many years, we are on the threshold of it becoming a reality for many homes in the UK. At the same time, the majority of licence fee payers will still continue to watch television and listen to radio in conventional ways, not through their personal computer or a similar device. Constant through all this change is the BBC's enduring mission to "inform, educate and entertain".

In this changing environment, the BBC Trust works for the public who own and pay for the BBC. We are independent of the BBC Executive who manage the daily operations of the BBC, we are ultimately accountable for the licence fee and we are also the ultimate authority within the corporation. It is our job to protect the BBC's independence. We aim to ensure that the BBC is innovative and efficient and both a creative and economic force for good in the UK, and for the UK internationally. We listen to a wide range of voices, seeking to understand all opinions and expectations to inform our judgements.

As part of our independent role, the Trust fulfils many of the functions previously exercised by the Secretary of State. In our first six months the Trust has set in place a firm framework for its operations and reached early decisions on important issues such as permitting On-Demand Services and authorising the BBC's participation in the Freesat joint venture.

In the following pages we set out the remaining early tasks that the Trust must perform under the new Charter and Agreement and the further work we will be undertaking over the months ahead.

## Our key priorities

We detail a wide range of actions for the Trust, but within these there are certain priorities for action in the coming year:

**Setting priorities for the BBC's services and use of the licence fee.** One of the main tasks of the Trust is to ensure that the BBC's management has clear priorities aligned with the needs of licence fee payers and is using its resources well, providing quality, value for money and efficiency and reaching all audiences. Following the licence fee settlement earlier this year, we are currently engaged in a process of setting the strategic policy and financial direction for the BBC over the years ahead. We will aim to complete this work in the autumn.

**Completing the framework for ensuring quality services** The BBC's value to the public is based on the quality of its programmes and other output. We aim to ensure that the BBC Executive delivers public value by providing distinctive services of the highest quality in line with the BBC's Public Purposes to all the people and all the communities across the United Kingdom. Within our Annual Report we have set a number of challenges to the Executive including the need for greater innovation, where the public has identified a gap in performance against their expectations. We shall finalise the Purpose Remits and subsequently amend the Service Licences. Together these tools of governance will provide a strong basis within which the BBC Executive and the Trust can account for and drive the performance of the BBC's services.

**Ensuring trust in the BBC's services and upholding their independence.** In all the Trust's work we will uphold the independence and reputation of the BBC. Each year we will commission a review of BBC impartiality in its coverage of a specific topic. In response to feedback from our Audience Councils and audience research we have selected network news and factual coverage of the UK nations for our next review.

**Review of bbc.co.uk** We shall launch a programme of regular reviews of key BBC services during the course of 2007-08. The first service the Trust will review is bbc.co.uk. The reviews will look at each service in the round – in terms of how it is fulfilling its mission, the value that is being offered by the service and how the service fits into the wider media landscape.

**Value for Money** The public rightly expect that their licence fee is spent wisely. We shall put in place a value for money programme for the coming year agreed with the National Audit Office. Details are set out later in this work plan. In addition the Trust will be examining the issue of talent costs for the BBC.

**Fair trading** It is also important that the public and operators in the same markets as the BBC have confidence in the fairness of the BBC's dealings. We have just published a new Fair Trading Policy and in the coming year we will undertake our review of how the Window of Creative Competition is working between in-house BBC productions and independent television makers.

In addition, the Trust will consider a range of wider issues to make sure the BBC is delivering the best public value and contributing fully to the wider UK economy. We will also expect to play our part in the debate about the future of public service broadcasting (PSB) and to participate in Ofcom's forthcoming PSB Review later this year.

We have published this plan as a simple guide for the public and external stakeholders and BBC staff as to what the Trust will be doing. In future we intend to use the work plan as an important tool in shaping the Trust's forward agenda and will consult on subsequent versions each spring.

**Sir Michael Lyons**

## 2 Our approach to this plan

This is the first work plan published by the Trust intended to cover the period from our establishment until April 2008. Inevitably, as a first work plan many of the items within it are not discretionary, but flow from the Trust's responsibilities in the Charter and Agreement.

We have arranged our work plan by the three key tasks set for the Trust by the Charter and Agreement:

- Stewardship of the Licence Fee & other resources
- Upholding the public interest in the BBC
- The effective promotion of the Public Purposes

In addition, we have also devoted a section of this plan to how we will engage with the audience and how we will work. We want this plan to give a sense of where the Trust's main activities will take place.

Obviously the Trust is engaged in a much wider range of work, for example hearing editorial appeals, monitoring financial performance or considering proposals referred to us from the Executive Board. In general, we have not touched on this work in detail within this plan. However, the systems we are putting in place, particularly Purpose Remits, Service Licences and Service Reviews, will allow us to monitor and drive the performance of the BBC's services across the board.

As noted, this is a time of establishment and transition for the Trust so we expect there will be some additional items we may need to add, but this plan should set the Trust's principal work in context.

# 3 Stewardship of the Licence Fee & other resources

## Priorities for the Licence Fee, Value for Money and Efficiency

The licence fee and the guaranteed income it provides is a privilege and the Trust will endeavour to ensure that it is spent wisely. Equally, the licence fee settlement creates a challenging environment for the BBC and requires choices to be made as to the services it can deliver.

We shall engage fully with the BBC Executive over the coming months to ensure that best use is made of the licence fee. The Trust's role will be to keep the focus on the interests of the licence fee payer and ensure there is full consideration of what the BBC can do to make maximum resources available for services, for example through greater efficiency.

The Trust will be setting efficiency targets for the BBC. Working in partnership with the National Audit Office (NAO) we will ensure that those targets are understood by all inside and outside the BBC and we will report upon the BBC's progress against those targets annually alongside our Annual Report and Accounts.

In consultation with the NAO the Trust will also be reviewing the BBC's operations more widely as part of a rolling three-year plan to ensure the BBC is using its resources efficiently. The studies for the coming year are set out below.

### **Value for Money Studies**

Preparation for switchover (NAO) – ensuring the BBC is playing its part effectively in the move to digital switchover.

In House Commissioning (External adviser) – ensuring that the BBC's commissioning processes drive value and reflect the strategic priorities of the BBC.

Efficient use of the BBC's spectrum (External adviser) – making sure the BBC makes best use of this valuable resource.

Procurement (NAO) – this study will look at how the BBC ensures value from its suppliers.

In addition, the Trust will be reviewing the costs of BBC's on-screen talent. As steward of the licence fee and with the aim of ensuring quality programmes that create maximum value for the public, the Trust needs to understand those issues which have a significant impact on what appears on screen and on radio. Talent costs, particularly one or two high profile cases, understandably raise questions for the public. So the Trust must ensure it has a proper understanding of how the BBC operates in the talent market to satisfy itself that the greatest value is being created for

audiences. We will commission an external study about the BBC's role in the talent market later this year. Terms of reference will be published as will the report once completed.

## Review of licence fee collection

One of the new duties for the Trust is to ensure that the arrangements for collection of the licence fee are efficient, appropriate and proportionate. The Trust has to ensure that arrangements are effective and fair by making sure both that evasion is minimised and that the approach to licence fee collection respects the fact that a very small number of the population genuinely choose not to own a television.

We shall review this area from autumn 2007.

## Spectrum efficiency

Despite digital switchover from 2008, the pace of technical innovation means that spectrum is a valuable and scarce resource. As noted above one of the Trust's Value for Money (VFM) studies this year will be an investigation into how effective and efficient the BBC is in its use of its current allocation of spectrum. We will examine whether any further action is needed once we have the report in the autumn.

## Targeted Help Scheme

Following announcement of the licence fee settlement, the Trust reached agreement with the Government on suitable terms for the BBC's participation in delivering assistance to help vulnerable elderly and disabled people make the switch to digital television. Implementation and management of the scheme now falls largely to the BBC Executive, but the Trust will monitor progress closely to ensure both the success of the programme and that there should be no exposure of the BBC's programmes, services or other resources as a result of participation in the scheme.

# 4 Upholding the public interest in the BBC

## Editorial standards and impartiality

Public trust in the BBC is central to our mission. The Trust acts as the appeals body for people who are not satisfied with the response to complaints to management about the BBC's output. As well as playing this role, we address issues of impartiality and questions of public confidence in the BBC's editorial standards.

Following action taken to address concerns about the use of telephone lines in a number of BBC programmes, the Trust wants to reflect on the BBC's use of telephony more generally and has commissioned an independent review. We expect to publish the Trust's conclusions in early 2008.

Safeguarding impartiality in the 21st century, one of the cornerstones of BBC editorial values, is coming under increasing pressure as the nature of politics and of technology changes and as audience involvement grows. In June 2007 we published the results of an extensive project which sought to identify the risks and proposed 12 new principles to address them. The report contained a number of recommendations both for the Trust and for the Executive. These are being implemented in full and we will monitor the Executive's progress in communicating the principles to BBC staff, particularly those in programme areas outside of News and Current Affairs.

In response to feedback from our Audience Councils and audience research our next review will look at how the BBC's national coverage reflects a fair and balanced picture of the different nations to the UK as a whole. Our study will focus on network news coverage and factual programming concerning the UK nations.

## Fair trading and market impact

The Trust is responsible for ensuring that the BBC trades fairly and does not use its economic power to narrow the choice of media providers available to the public.

In line with the Charter we have just published our new Fair Trading Policy. We will continue to review fair trading issues regularly and publish codes where we think there may be particular points of concern.

The Trust will also keep under consideration the wider impact of the BBC on the market and the Trust's Fair Trading and Policy Committee will look proactively at fair trading issues throughout the year.

## Complaints

The Trust has separate systems in place for handling complaints and appeals for editorial and fair trading issues in which the Trust acts as the point of appeal. We have already instituted some



improvements and changes to these procedures and how they are operated and are developing others. Under the Charter and Agreement the Trust is required to develop and consult on and publish a complaints framework for dealing with all categories of complaints to the BBC. This consultation will begin in the autumn, with the aim of having our new systems in place by early 2008.

## Review of the Window of Creative Competition (WOCC)

For a number of years 25% of the BBC's production has been reserved for independent production. The BBC changed the way it deals with the independent production sector in 2006, opening up an additional 25% of its network production to competition between the independent sector and in-house commissioning with the aim of driving competition for creative ideas and better programming for the public. Under the terms of the new Charter, the Trust is required to conduct a review of the operation of the WOCC every two years. The Trust will commission its first review later this year following discussion with the independent producers' trade body, PACT, about the scope and conduct of the review.

## Investing in the UK

The BBC is a major investor not only in the content produced by the BBC itself, but also in the health of the wider UK broadcasting and creative sector – for example around a third of the licence fee (£1.1 bn) is invested directly in independent production. The BBC invests across the creative industries including British film and unsigned musicians. The BBC's own productions engage a wide range of sub-contractors across the full range of trade and craft skills and BBC training. The Trust will look carefully at the value the BBC creates in a published study commissioned later this year.

# 5 The effective promotion of the Public Purposes

## Purpose Remits and plans

We undertook a major consultation exercise earlier this year on the public's view of how well the BBC is delivering against its Public Purposes. The results will be incorporated in Purpose Remits which the Trust will set for the Executive in the context of our priorities for the licence fee. The Purpose Remits are important because they effectively set out the mission the Trust gives to the Executive to deliver over the next five years. We will publish our Remits by the end of the year and will expect the Executive to respond with plans setting out how they will deliver against them.

Our overall aim is to ensure that the BBC has strategies in place to deliver strong performance on each of its Public Purposes. Earlier this year the Trust took the serious decision to suspend BBC Jam, the BBC's internet based educational service for school aged children. We look forward to receiving a strategy from the BBC Executive for delivery of the BBC's duties in relation to education taking into account the suspension of BBC Jam.

We are publishing the research we conducted into Purpose Remits alongside this work plan and the Annual Report. The results of this research will inform the Trust's final decisions.

### The BBC's Public Purposes

- Sustaining citizenship and civil society
- Promoting education and learning
- Stimulating creativity and cultural excellence
- Representing the UK, its nations, regions and communities
- Bringing the UK to the world and the world to the UK
- In addition for this Charter period there is an additional purpose of helping to deliver the benefits of emerging technologies and taking a leading role in the switchover to digital television

## Service Licences

The new Charter gives the Trust powers to licence the BBC's services. Service Licences are designed to set out clearly what the public can expect from each BBC service and the money spent on it. For the wider broadcasting industry, they should provide certainty about the scope and scale of the BBC's activities. Service Licences are a key monitoring tool for the Trust in terms of judging the BBC's performance.

One of the Trust's first acts was to approve 27 Service Licences designed to reflect the BBC as it stood on 1 January 2007. We have consulted widely on the Service Licences and will reach final decisions on how to amend them once we have approved plans for licence fee prioritisation in the autumn and finalised the Purpose Remits.

Through our early consultation work we have identified a number of challenges for the BBC's services recorded in this year's Annual Report, particularly the public's demand for greater innovation. We intend to use our monitoring processes linked to Service Licences to track the progress the Executive makes towards meeting these challenges.

## Service Reviews

In addition to regular monitoring of Service Licences, the Trust will examine in detail each BBC service at least once every five years. A Service Review will involve looking at both the performance of a service, but also set it in the context of developments within the wider market – for example the role of each service as audience behaviour, media technologies and markets change.

Given the central nature of online services to the future of the media and the BBC's commitment to review online services following the Graf review in 2005, the first licence we will review is [bbc.co.uk](http://bbc.co.uk). – terms of reference for the review are published on the Trust's website. The Trust will decide on what services to review next once it has taken key decisions about licence fee prioritisation in the autumn.

## Public Value and the Public Value Test

The concept of "Public Value" is a relatively new way of thinking about the value of public services, although a number of different bodies in the UK as diverse as the arts and policing are beginning to look at it as a useful tool for making judgements about what activities should have priority. The aim of the Public Value framework is to bring as much evidence as possible to inform the Trust's judgements on the BBC's services. The kinds of evidence we will look at include quantitative and qualitative audience research, technical information, detailed studies of costs and comparisons of what developments are happening in the wider media market.

Public Value will drive many of the Trust's decision-making processes and other activities, including the Public Value Test (PVT) and performance monitoring of the BBC's publicly funded services. PVTs are a new, transparent method for authorising new BBC services. Previously the Secretary of State carried out this function.

The Trust has already applied its first PVT and believes that the concept of Public Value will help inform much of its work in the future. The Trust will be conducting work to develop further the concept of Public Value in the coming year.

The Trust currently has a PVT underway on the Executive's proposition for a High Definition Channel due to complete in November 2007. We will also look forward to receiving proposals for a fresh proposition on a revised educational strategy and the Gaelic Digital Service in Scotland. Other applications may be made following our review of priorities for the licence fee.

## 6 Audiences

### Engaging with audiences – a BBC for all the nation

A key part of the Trust's role is to listen to what audiences are telling us about the BBC and how they think it is performing. For example, we recently asked over 4500 members of the public how important they felt the six Public Purposes were and what they thought about how the BBC performs against them. The results of this exercise are now available on our website and we will draw out the lessons of that research over the coming months. In response to our questions about performance, the public were very positive about the BBC as a whole, but did identify a gap in their expectations of innovation and creativity from the BBC. Audiences are telling us loud and clear that they want fresh and new ideas and a wide range of enjoyable and entertaining programmes and that they feel the BBC could do better here.

It is important that when we engage with audiences we do so efficiently, in ways which will make it easy for licence fee payers to take part. The Trust is currently running a project to establish how audiences want to engage with the BBC. Our project includes quantitative and qualitative research, and working with the new Audience Councils, as well as inviting responses to an online questionnaire. We have been advertising this project, and all our public consultations, by Trustees participating in radio phone-ins, through trails on 'bbc.co.uk', by leafleting all public libraries throughout the UK, and by alerting representative bodies like the RNID, RNIB, Help the Aged, Rotary Clubs and other charities and community bodies.

Once the consultation closes in August, the Trust will consider all suggestions and comments. The Trust will then publish its strategy for future engagement and the ways in which it intends to measure and monitor the success of this work.

We will continue our programme of outreach across the UK through the work of our Audience Councils. Our future programme of activity will be informed by the public's feedback to our current project and we will publish for them a 'contract' which makes clear how and when we will ensure they have opportunities to engage which suit the public's desire to get involved.

We have also carried out and will be carrying out audience surveys to support Trust consultations in such areas as a Service Review of bbc.co.uk, Public Value Tests and public views on the new Service Licences. Audience research will form a major part of our overall programme of review and evaluation.

# 7 The operation of the Trust

## Openness and Transparency

As a Trust we are committed to making transparent, evidence-based decisions. The Trust not only has duties to operate with openness and transparency; we believe this contributes to safeguarding our and the BBC's independence.

Naturally, some information must remain confidential, for example to protect commercially sensitive information from the BBC Executive or stakeholders, or to protect individuals' personal information. However, in general the Trust will operate with an emphasis on consultation and we intend to be as open as possible in explaining our decisions.

We will also be working in partnership with a wide range of people and institutions. Ofcom is a key partner for the Trust and we have signed a Memorandum of Understanding covering our respective regulatory responsibilities.

## Regular monitoring and the Committees of the Trust

In addition to the work outlined above the Trust has an ongoing range of business designed to support these key items – ranging from hearing appeals on editorial or fair trading issues, regular performance monitoring and approving strategically significant investments by the BBC's public service or commercial arms. We have not detailed this work here, but publish the minutes of our Trust board meetings as a means of giving a fuller picture of our work.

## How we will report back against this plan

We will report back against the achievement of this plan in the 2008/9 BBC Annual Report highlighting the action we have taken especially on priority items. In the meantime if you have any comments on this plan you can contact us at:

[futuretrust@bbc.co.uk](mailto:futuretrust@bbc.co.uk)

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## Summary work plan

This is an indicative plan for some of the Trust's main activities mentioned in this document

Summer 2007

Autumn 2007

Winter 2007

Spring 2008

### Stewardship of the Licence Fee & other resources

Study on  
spectrum  
efficiency

Review of  
licence fee  
collection

Other VFM  
studies

Study on  
talent costs

### Upholding the public interest in the BBC

Fair Trading  
policy  
published

Investment  
in the UK  
study

Complaints and appeals  
framework consultation

Review of the WOCC

Impartiality  
review

### The effective promotion of the Public Purposes

bbc.co.uk service review

Purpose  
Remits  
published

Service  
Licences  
amended

### The Operation of the Trust

Audience protocol consultation

Trust will consult  
on 2008/9 plan

