

2008/09
Forward Work Plan for the
BBC Trust

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THE BBC TRUST

We are the sovereign body of the BBC, its independent trustees acting in the public interest.

The Trust works for the public which owns and pays for the BBC. We listen to a wide range of voices, seeking to understand all opinions and expectations to inform our judgements. We ensure the BBC is independent, innovative and efficient: a creative and economic force for good in the United Kingdom, and for the UK internationally.

We aim to ensure

- that the BBC remains independent, resisting pressure and influence from any source
- that the BBC's management delivers public value by providing distinctive services of the highest quality to all the people and all the communities across the United Kingdom
- that the BBC contributes to the standing of the United Kingdom in the world, to the economy and to British culture

Our tasks are to make sure

- that the BBC meets its mission to inform, educate and entertain with ambition and fulfils the public purposes laid down in its Royal Charter
- that the BBC's management has clear priorities and is using its resources well, providing quality, value for money and efficiency and reaching all audiences
- that the BBC stays at the forefront of developing new services for the public, encouraging choice and innovation in the media marketplace without stifling private enterprise or initiative
- that the BBC's journalism meets the highest standards of accuracy and impartiality to sustain public trust
- that the BBC promotes its reputation and values around the world

We will achieve this

- by listening to the public and inviting their views in all their diversity
- by prizing the professionalism, innovation and creativity of BBC staff and everyone who contributes to the BBC
- by vigorously defending the independence of the BBC
- by making judgements that will safeguard the BBC's high quality, audience reach and independence over the long term
- by making sure our own processes are open and transparent
- by rigorously holding the BBC's management to account

I. Introduction from the Chairman

The Trust's first year

The new Royal Charter and Agreement took effect in January 2007 and signalled some significant changes and challenges for the BBC.

First, the Charter recognised the BBC's contribution to the United Kingdom by laying out six new public purposes it must fulfil through the information, education and entertainment it provides.

Second, the BBC was given a wholly new governance structure with two distinct boards to help deliver this remit: the BBC Executive responsible for operational management of the BBC's services, and the BBC Trust as the BBC's sovereign body responsible for its strategic direction.

The Trust works for the public interest. We listen to a wide range of voices, seeking to understand all opinions and expectations to inform our judgements. We exist to ensure the BBC is independent, innovative and efficient: a positive, creative and economic force in the UK, and for the UK internationally.

In practice that means the Trust exists to defend the BBC from undue influence from any quarter, and to keep the BBC modern and relevant as technology and society change. We must test, challenge and support the management to deliver the highest quality and the greatest efficiency to all licence fee payers from the many and diverse communities across the UK. We must also take account of the potential market impact of the BBC to ensure it doesn't stifle innovation and enterprise from elsewhere.

During this first year the Trust has established the open and transparent systems it needs to fulfil its duties under the Royal Charter and Agreement. We will report fully on the Trust's first year as part of the BBC's Annual Report and Accounts.

The Trust has also addressed a number of major issues too: setting a strategic course for the BBC over the next six years following the licence fee settlement; working with the Director-General to put right some serious failings of editorial standards; and conducting public value tests before deciding to give the go-ahead for new services like BBC iPlayer, a high definition TV channel and the new Gaelic Digital Service.

In all the Trust's work we have aimed to place audiences at the centre of what we do. So, for example, we wanted to make sure we built the best possible picture of what the public thought and expected before finalising the Purpose Remits that give the BBC Executive strategic direction. We achieved this through open consultations and extensive research. Through our work on value for money, we are seeking to make sure that licence fee payers get the best possible deal for every pound of their licence fee.

The work plan for 2008/09

Central to the Trust's work is helping the BBC deliver quality and distinctiveness, efficiency, and value to all licence fee payers. These are main objectives we required management respond to in the six-year strategic and investment plan. Our work plan for 2008/09 builds on these requirements and will help us ensure the BBC remains focused on delivery.



In this document we have grouped the Trust's forward work by reference to the three main duties of the Trust: stewardship of the licence fee and other resources, upholding the public interest in the BBC and the effective promotion of the public purposes.

We have also mentioned some of the key work the Trust has in train or regularly performs as context for any new work we plan, since much of our work will involve following through and ensuring outcomes from research or other work commenced last year.

Finally, the Trust is eager to engage fully in questions of how to deliver public services fit for the future whilst ensuring that they are the services the public really wants. No sooner has the three-year process of Charter Review ended than an Ofcom public service broadcasting review has begun, alongside the Secretary of State's convergence think-tank and the European review of state aid for broadcasting. The Trust can offer a unique perspective both through its closer connections with audiences and the ability to influence directly the BBC's services.

Sir Michael Lyons
Chairman, BBC Trust

2. Summary work plan

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

	Work scheduled to start	Work scheduled to complete
Spring 2008	Children's services review*	Annual performance survey of audiences
	Licence Fee collection review*	Talent costs review
		Service Licences re-issued
		bbc.co.uk service review
		Economic Value of the BBC study
		Trust response to Ofcom consultation on the future of DTT
		Network supply review concludes
		Editorial standards compliance review concludes
Summer 2008		Impartiality review of nations & regions
		Complaints framework implemented
		WOCC review concludes*
		BBC response to Ofcom PSB review
		Annual Report published, including Trust annual performance assessment
		In-house commissioning review concludes (VFM)
Autumn 2008	Youth services review*	
	Radio production costs review (VFM)	
	Asset management review (VFM)	
	Film strategy review	
Winter 2008/09	Online content commissioning review*	
	Radio commissioning review*	
Spring 2009	Strategic contracts review (VFM)	

* Denotes activities which are likely to include forthcoming stakeholder or public consultation

3. Stewardship of the Licence Fee and other resources

Summary

It is the Trust's role to ensure the public gets the very best value from every pound of its licence fee. We are the body charged with ensuring the BBC delivers value for money, the guardians of the licence fee.

2007/08 saw the Trust approve a six-year plan for the future of the BBC. We will monitor implementation of the plan by the Executive, including both the quality of the BBC's services, and achievement of efficiency savings to allow reinvestment in new services. The Trust will continue its programme of value for money studies with assistance from the National Audit Office to ensure licence fee payers get the best possible return. The Trust also expects to publish the results of the study it commissioned into the BBC's talent costs.

Priorities for the licence fee, value for money and efficiency

Last October the Trust approved a six-year plan for the BBC. The aim of that plan is to make the BBC fit for a digital future, where audiences will demand more services to be delivered online in ways that suit them. The plan was designed to ensure that existing services are managed in the most efficient way possible in order to release funds for the new investment required without compromising the quality of existing services.

In order to do this the Trust has designed key measures that it will publish as part of the Annual Report. These are designed to help the Trust make an informed judgement on how well the BBC is delivering the strategic objectives set out in the six-year plan and also to assess the BBC's effectiveness in driving efficiency whilst maintaining quality. The achievement of efficiency will be against measures set with the advice of the National Audit Office (NAO), and the BBC's external auditors will report each year on the Executive's achievement.

STRATEGIC GOAL/AMBITION

Reach

1. The BBC should maintain the maximum reach consistent with its purposes and values – the BBC is paid for by everyone so we must ensure that everyone gets something of value from the BBC. "Reach" is a measure that tells us how many people are consuming the BBC's services.

Quality

2. The BBC should seek to increase the distinctiveness and quality of its output. Audiences have told us clearly that their top priority is to see more quality programming from the BBC that is fresh and original and does not duplicate what is done elsewhere. We will measure how well the BBC meets the audience's expectations.
 3. The BBC should restore trust in its output. Trust emerged as a key issue for all broadcasters in 2007. Trust lies at the heart of the BBC's public service mission so it is vital we track public perceptions of this.
 4. The BBC should maintain perceived value among higher approvers.
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	<p>5. The BBC should increase perceived value among middle and lower approvers. The Trust has set the BBC the goal of improving programme provision for those who do not greatly use, or value the BBC, while at the same time ensuring those who currently value the BBC continue to do so.</p> <p>It is a challenging task but one that the BBC has a duty to achieve.</p>
Impact	<p>6. The BBC should improve delivery of its public purposes. The BBC exists to promote its public purposes. These have been subject to extensive public consultation and the Trust will now monitor how well the BBC is doing in delivering these purposes, particularly in areas where licence fee payers say that it can – and should – do better.</p>
Value for money	<p>7. Three per cent efficiency target – measured separately and independently verified. As a publicly funded organisation the BBC has a duty to show that it is delivering its services in ways that maximise value for money for licence fee payers.</p>

We expect the broad direction set by the six-year plan to endure for this licence fee settlement period but, of course, detailed plans will adapt and change over time. In addition to approval of a high-level rolling three year budget, the Trust will also work with the Executive on any evolution of the six-year plan.

Value for money studies

The Trust undertook four value for money (VFM) studies last year, the final one of which will complete during the early part of this plan. The studies provide an independent check on the activities of management, highlighting areas where the BBC performs well and also where it can do better. The forward plan for VFM studies is developed with the assistance of the NAO, and the Trust met with the Comptroller and Auditor General Designate to finalise the programme in January. The proposed studies are:

Production costs in radio – under the ongoing VFM programme the Trust or Governors have looked at most of the major areas of spending by the BBC. One of the few remaining areas is radio. The BBC spends around £550m of licence fee payers’ money every year on its national network and local radio stations. This study will ensure best value for money is being achieved in this area.

Management of strategic contracts – with the drive to increase efficiency the BBC has contracted out a considerable amount of its support functions to private contractors, worth around £800m per year. This study will look at how successful the BBC management is in making sure those contractors work together effectively.

Asset management – the BBC employs major studio and transport resources across the UK. This study will look at how effectively they are used.

The Trust will follow through on the conclusions of the previous VFM reports and ensure their recommendations have been acted upon. In addition to the formal VFM programme the Trust,

recognising public concern, commissioned a study of talent costs in 2007 and we expect to publish the results of this work in the spring.

Preparation for switchover and Targeted Help Scheme

The Government and Ofcom have responsibility for the switchover of the UK to digital broadcasting. The Government has asked the BBC to deliver assistance to those most vulnerable in society at the time of digital switchover. The Trust has approved the appointment of a main scheme contractor to run the targeted help scheme, along with measures to ensure the delivery of value for money, and we shall monitor progress throughout the year ahead.

Review of licence fee collection

The Trust has a duty to ensure that collection of the licence fee is fair, effective and proportionate. We know the licence fee provokes some strong emotions. A large proportion of the public think it represents good value, others would rather not pay it. Some think we need to be as tough as possible in pursuing evaders, others have concerns that licence fee enforcement may be too heavy-handed. The Trust's job is to help the BBC strike the right balance. The Trust will undertake a public consultation concerning licence fee collection in summer 2008.

Spectrum efficiency

The Charter lays a specific duty on the Trust to ensure the BBC makes efficient use of the spectrum it has been granted to fulfil its public purposes. As part of the 2007/08 VFM programme the Trust commissioned Deloitte to undertake a major study of the efficient use of spectrum by the BBC. This concluded that although the BBC had played a critical role in ensuring the success of the early stages of Freeview (also known as Digital Terrestrial Television – DTT) by broadcasting very high quality signals with the available technology, it was now time to consider more efficient use of the spectrum available to the BBC. During the Public Value Test on high definition services, we encouraged the Executive to explore avenues whereby high definition services from a range of public service broadcasters could be available on DTT rather than just the BBC.

Late last year Ofcom published proposals to rearrange existing spectrum, and the BBC Executive, ITV, Channel 4 and five have also put an alternative proposal to the Trust. The Trust will be contributing to Ofcom's consultation and also assessing the Executive's proposal over the coming months.

4. Upholding the public interest in the BBC

Summary

The BBC faced a series of tough challenges last year with a number of unacceptable editorial standards failures. The Executive has put in place an action plan and the Trust has followed this by commissioning a report by Ronald Neil which will be published later this year. The Trust is committed to ensuring audiences always get programmes they can trust.

In the coming year the Trust will pay particular attention to how the BBC works in and with the nations and regions of the UK. We expect to receive the results of our study into the economic value of the BBC to the UK, and also proposals from the Executive for the future of commissioning across the UK.

Editorial standards and impartiality

2007 saw many broadcasters face serious editorial issues across a range of programming. With Ofcom, the Trust brought together leading members of the broadcasting industry in November to discuss how public confidence in broadcasting could be restored. The Trust challenged the Executive to take action to help restore public trust in the BBC's output and there is growing evidence of success. The Trust has commissioned an independent review by Ronald Neil to assess the impact of BBC management's actions and changes to procedures to ensure compliance with BBC Editorial Guidelines and external regulation. Ronald Neil reports to the Trust before summer 2008.

The Trust maintains oversight of the BBC's editorial standards and considers reports on complaints and comments from the public through the monthly work of its Editorial Standards Committee (ESC). The Committee adjudicates on appeals by complainants who are not satisfied with decisions reached by the BBC Executive.

The Trust consulted on a new complaints framework for the BBC which will be implemented in the early summer of 2008. An impartiality review on network coverage of the Nations is underway and will be published in the summer (see below); a decision on the next topic for review will be taken later this year. Both projects are overseen by the ESC.

The Trust has a Charter duty to represent the interests of everyone, and is making a particular effort this year to ensure that its decision-making appropriately considers the many different attitudes and behaviours among different communities of licence fee payers.

Fair trading and market impact

The Trust has significant duties in relation to the potential market impact of the BBC and to ensure it trades fairly. Last year we put in place a comprehensive new system of policies and procedures for fair trading. In 2007 there was a rise in the number of fair trading complaints made to the BBC Executive, albeit from a low base. There was no corresponding rise in appeals to the Trust which may suggest both better awareness of the new complaints and appeals system and

that the system is working properly so that complaints are being resolved at the first stage. However, this is an area the Trust will continue to watch closely.

Review of the Window of Creative Competition (WOCC)

The Window of Creative Competition was created in 2006 to open more of the BBC's programme commissions to independent producers. We look forward to the conclusion of our review, which will be published, and the Trust will consider whether any follow-up action is needed. In line with our Charter duties we will also be commissioning reviews into radio and online commissioning of independent productions in autumn 2008.

BBC film strategy

The Trust sets the strategic direction for the delivery of the public purposes, and measures the BBC's performance in delivering them. In line with the Charter, later this year, the Trust's Audience and Performance Committee will review the BBC's film strategy to assess its contribution to the delivery of the public purpose 'to stimulate creativity and cultural excellence'.

The BBC across the UK – place, representation and commissioning

A major theme of the Trust's thinking last year and into next year will be establishing the right relationship between the BBC and the whole of the UK. The BBC exists to serve all licence fee payers and it is right that it should reflect the diversity of communities and foster a sense of place across the country. One of the most effective ways to do this is to ensure that the BBC draws talent from across the UK and also makes a proportion of its content there.

Last year the BBC Trust asked the Executive to undertake a major review of the network supply operations across the UK, looking at the amount of content the BBC produces in each of the nations and regions. We were particularly keen to understand what would be needed to sustain a meaningful critical mass in any particular location. We have received some preliminary conclusions from this work and expect to receive more detailed plans in late spring.

There have been a number of interesting studies in the past year or so as an aid to considering the creative economy and how it works across the UK including the Work Foundation Report, the McMaster Review for the Department for Culture, Media and Sport and recent work by the National Endowment for Science, Technology and the Arts. The Trust looks forward to the conclusion of its own study on the economic value of the BBC to the UK which should report in late spring.

We will consider the report and take appropriate action to maximise the value of the BBC to the wider UK economy and industry. We will also address the targets the BBC operates under for national and regional production to ensure they drive the right outcomes.

The Trust also looked at the editorial representation of the nations. We commissioned a review by Professor Anthony King to assess the impartiality of the BBC network news and factual coverage of the four nations of the UK. The review and recommendations will be delivered to the Trust by early summer 2008. The Trust will publish the review and its own requirements for the Executive to respond to in light of its findings.

BBC Worldwide

In line with the Government's White Paper and the permissions in the Charter, the BBC maintains its commercial operations as a means of relieving pressures on the licence fee. The Trust has supported an ambitious growth strategy for BBC Worldwide, with particular emphasis on overseas expansion, and will continue its oversight of commercial strategy and exercise approval over major deals. In considering major deals the Trust will apply the four approval criteria set out in the Charter and Agreement and account publicly for its decisions.

The international role of the BBC

The relationship between the BBC and Government has been and will always be based on the complete editorial and operational independence of the BBC, which is reinforced by the new governance structure. This independence allows the BBC to maintain its international reputation across the globe and to extend the influence of the UK's ideas and democratic values, without the BBC ever becoming a voice for Government.

As the BBC World Service and BBC Monitoring receive direct funding from the Government, the Trust takes a close interest in their affairs to ensure their independence, and regularly conducts surveys overseas to ensure the World Service is perceived as both independent and authoritative. The Trust has approved the establishment of an Arabic TV service and looks forward to the establishment of a Persian TV service in 2008.

5. The effective promotion of the public purposes

A key role for the Trust is ensuring the BBC meets the public purposes given to it in the Charter. More broadly, the Trust also seeks to ensure the BBC delivers value for the public in all its activities.

Last year the Trust concentrated on building a detailed picture of what the audience thought about the importance of the BBC's public purposes and how well it was living up to them. In the six-year plan we directed the Executive towards those areas where the public was concerned there were gaps: in innovation and distinctiveness (or, put another way, fresh and imaginative programming), services for the young and local services. At the same time we expect services to be maintained for existing audiences who already benefit from and enjoy the BBC. Under the Charter, the Trust must review all the BBC's major services at least once every five years. Taking into account wider developments in the market, not least the loss of children's programming from ITV1, this year's reviews will focus on those services aimed primarily at children and younger adults.

The BBC's public purposes

A central plank of the Trust's routine work is to monitor how the BBC's services are delivering the public purposes of the BBC.

During 2007 we undertook a major study into the public purposes of the BBC, asking a representative cross-sample of 4,500 members of the public what they really thought about the importance of the Purposes and how well the BBC was performing against them.

The Public Purposes of the BBC are:

- *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 promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television.*

The Trust used what it learnt from that study to challenge the BBC Executive to bring forward plans to meet the purposes and fill any gaps – particularly in respect of innovation and distinctive programming, or fresh and imaginative programming as licence fee payers think of it.

Our research showed that audiences look to the BBC to avoid taking well-trodden paths and instead to provide programming that is fresh and that demonstrates new ideas. The BBC's performance in addressing this gap will be the focus of the Trust's work in monitoring the BBC's performance over the next six years.

Other key gaps identified included the provision of news and current affairs to underserved audiences; formal education for children; and how effectively the BBC represents different nations, regions and communities and its provision for them. In addition to tracking the delivery of the BBC's purposes through audience research, the Trust also monitors the performance of the BBC's services on a regular basis and reports its conclusions in the Annual Report and Accounts. In doing so the Trust ensures that services are continuing to create public value by performing appropriately according to the measures and commitments set out in their Service Licences. A more in-depth consideration of the services is afforded by the regular service reviews.

Service reviews

The Trust has a duty to review every major service at least once in five years. The knowledge gained from our audience research has led the Trust to set its programme of service reviews for 2008/09 to focus on services for children and the young.

The studies aimed at children's services will cover: CBBC, CBeebies, children's provision on BBC One, BBC Two, BBC 7 and bbc.co.uk. This is an area of broadcasting where the BBC serves a key audience and a genre which has been shown to be under threat elsewhere. Even if, by default, the BBC is regarded as the remaining significant supplier of children's programming on terrestrial channels, it will be important for the Trust to take a view about how well the BBC is serving this audience.

The studies aimed at young people will cover: BBC Three, Radio 1 and iXtra and the new teens proposition proposed by the Executive. Historically, the BBC has found young people a hard-to-reach audience. The Trust wants to look in the round at what the BBC offers them and to focus on how effective the BBC is in providing output for them that meets the public purposes.

Public value and the Public Value Test

From 1 January 2007 the Trust assumed the main functions of the Secretary of State in approving significant changes to the BBC's services. The Public Value Test was introduced as a means of evaluating new service proposals taking full account of both positive and negative market impacts. The PVT is a more formal and predictable process for industry, stakeholders and BBC management than existed previously.

During 2007 and early 2008 the Trust completed three Public Value Tests. We regard the PVT as an important tool for ensuring the licence fee payer gets the best possible value and service from the BBC and a key means for the Trust to engage with industry and other stakeholders on the likely impact of any proposed new service.

We aim for the Trust's work on public value to lead best practice in the UK and Europe. We intend to keep exploring how public value considerations can be embedded into the Trust's major decisions. The Trust would expect to play a part in the European Commission's review of state aid and broadcasting later in the year.

6. The operation of the Trust

The BBC Trust and our supporting unit were established in 2007 and, after a period of initial growth during the set-up phase, we have now reached what we believe to be a broadly stable state. Although the Trust is small in comparison to the wider BBC, we must strive to reach the right balance between making sure there is an effective challenge on behalf of the audience and not imposing undue costs.

Although the Trust was structured with value for money considerations in mind, it should be subject to similar financial discipline as the rest of the BBC. In line with good practice we review the performance of the board annually. We also have a project under way to make sure we maximise the effective input of the Trust's Audience Councils.

Board review

The Trust undertakes an annual board self performance evaluation in line with good governance practices. The 2007/08 review focuses on the operation of the Trust at its formal decision-making meetings one year in to the BBC's new governance framework, together with processes which support these meetings and the work of the Trust Unit. Through the evaluation process, the Trust aims to identify actions which will enhance its effectiveness as a board.

Alongside this, the Trust Unit reviews the operation of the Trust's governance mechanisms on an ongoing basis with particular emphasis on delivering an open and transparent evidence-based approach and streamlining its decision-making and administrative processes.

Communicating with audiences

The Trust will build on its commitment to work with audiences and stakeholders and keep them informed of the Trust's work by implementing an electronic mailing list.

Audience Councils

The Audience Councils have a remit in the Charter to use their engagement with, and understanding of, communities to advise the Trust on how well the BBC is delivering its public purposes from the perspectives of licence fee payers and serving their needs. They make a key contribution to the work of the Trust in representing audience interests across the UK. It is important, therefore, that the value of Audience Council work is maximised and these new advisory bodies visibly achieve their full potential within the new governance arrangements. We have a project under way which aims to do this, looking in particular at: how the Councils engage with audiences; how Councils can best impact on the Trust: ensuring Councils are properly diverse in terms of membership; and raising the Councils' profile. We are committed to ensuring the Audience Councils' work is aligned to the Trust's business cycle, but flexible enough to respond to the needs and concerns of audiences in each Nation. Following completion of the project the Audience Councils' work programme will be published as an annex to this document and we will undertake a 12-month implementation review.

7. Our approach to this plan

This work plan covers the period from April 2008 to March 2009.

In line with the commitments we gave last year we consulted on a draft version of the work plan. In finalising the plan we considered consultation responses and the views of Audience Councils. Information on how we responded to these consultation responses is available on our website:

http://www.bbc.co.uk/bbctrust/consult/closed_consultations/2008_09_workplan.html

We will report back against the achievement of this plan in the 2008/09 BBC Annual Report highlighting the action we have taken, especially on priority items.