

# BBC Trust

# Work plan 2011-12

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|--|----------|
| <b>The BBC's strategy: Putting Quality First</b> | <b>1</b> |
| <b>About the BBC Trust</b>                       | <b>2</b> |
| <b>Our work this year</b>                        | <b>3</b> |
| i. Implementing the BBC's strategy               | 4        |
| ii. Implementing the licence fee settlement      | 5        |
| iii. Reviews                                     | 6        |
| <b>Audience priorities</b>                       | <b>7</b> |
| What the Audience Councils told us               | 7        |
| <b>Contributing to our work</b>                  | <b>8</b> |

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# The BBC's strategy: Putting Quality First

## Delivering a more focused BBC with more distinctive programmes, better value for money and clearer boundaries

In December 2010 the BBC Trust published its final conclusions of the new strategy for the BBC: Putting Quality First.

The BBC's Royal Charter states that its mission is to inform, educate and entertain and to do so by fulfilling the organisation's six public purposes. That mission is unchanging, but the strategy for fulfilling it needs to evolve over time.

*Putting Quality First* recognises that the BBC's mission remains valid today, but that to deliver it the Corporation needs to accelerate the pace of change in its culture and behaviour, focusing on four priority areas:

- **Increasing the distinctiveness and quality of its programmes and services** – all programmes should aim to have a recognisable, distinct BBC quality.
- **Improving the value for money it provides to licence fee payers** – increased efficiency, along with increased investment in high-quality output.
- **Setting new standards of openness and transparency** – so that the public and the market both understand how the BBC spends its money, how it is performing and what it plans to do next.
- **Doing more to serve all audiences** – getting the BBC's services to the whole population; ensuring there is something for everyone; representing the whole of the UK in its output.

**The BBC's mission is to  
inform, educate and entertain.**

# About the BBC Trust

The public expects great programming and the highest editorial standards from the BBC. It is our job at the BBC Trust to support and challenge the Director-General and the Executive Board to make sure the BBC delivers this.

## Your Trust, our responsibility

It is the Trust's responsibility to get the best out of the BBC for licence fee payers. Whether that means protecting the BBC from political interference or the pressure to become more commercial, or ensuring that the BBC provides excellent value for money and stays true to its founding principles, it's our job to do it.

## Who are we?

The Trust is the governing body of the BBC. We are responsible for setting the high-level strategy for the BBC and shaping the organisation as it delivers the six public purposes as outlined in the BBC's Charter.<sup>1</sup>

We also make sure the BBC has the right standards and that its programmes live up to those standards. One important role is to hear appeals against decisions not to uphold complaints about editorial output. We must ensure that the BBC maintains the highest editorial standards and also that when it makes mistakes, lessons are learnt.

The Trust is made up of 12 Trustees. To support us in our role, we have a team of professional staff, the Trust Unit, who work for the BBC but report directly to us. The Trust Unit's independent advice helps us to assess objectively any proposals from the Executive and to carry out our role most effectively.

## Our principles

Being funded by the licence fee puts the BBC in a highly privileged position. While we encourage the BBC to innovate and develop new services to meet changing demands from licence fee payers, we are also aware of the impact that this has on the wider media market. We listen to people inside and outside the BBC when making decisions affecting the future shape of the BBC.

A key principle for us is to ensure that we always act transparently, and consider the public's views when making decisions. We publish the evidence we have used to come to our decisions as well as the decisions themselves. To find out what the public's views are, we carry out nationwide audience research and get advice from our Audience Councils. These Councils advise us directly on audience views and concerns.

More information about the BBC Trust, our responsibilities and activities and the regulatory framework within which we operate is available from our website:

[www.bbc.co.uk/bbctrust](http://www.bbc.co.uk/bbctrust)

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<sup>1</sup> Details of the BBC's public purposes can be found on our website:

[http://www.bbc.co.uk/bbctrust/about/how\\_we\\_govern/purpose\\_remits](http://www.bbc.co.uk/bbctrust/about/how_we_govern/purpose_remits)

# Our work this year

## Overview

The focus of our work this year will be to ensure the BBC delivers the *Putting Quality First* strategy against a demanding new licence fee settlement. Our objective is to ensure that the BBC is becoming more distinctive, more efficient, more transparent and more sensitive to its potential market impact.

During the period 2011– 2012 we will also build on some of our work from previous years and continue our programme of service reviews and value for money reviews, as required by the Charter.

Through all of our work we inform ourselves of the view of the audience. We do this through a programme of audience research as well as through our standing advisory groups, the Audience Councils.

This work plan sets out the main focus of our work during the year. It doesn't reflect the totality of our work which, in part, is driven by proposals from the Executive or through external factors, such as appeals.

Separately the Trust has set the requirement for the BBC Executive to publish an Annual Summary Work Plan. This is part of our agenda to increase the transparency of the BBC's operations. The BBC Annual Summary Work Plan will set out the major priorities for the Executive Board this year and also provide a summary version of the BBC's budget, as approved by the Trust.

## Reporting progress

The Trust assesses the performance of the BBC in delivering its public service remit and reports on this publicly each year in the BBC Annual Report alongside a comprehensive account of the BBC's activities and expenditure for the financial year.

We also report progress on major pieces of work throughout the year on our website. Our regular updates include editorial appeal findings, results of public value tests and any other pending or completed approvals, the findings of service licence and value for money reviews and other information.

## i. Implementing the BBC's strategy

### **Our role**

We will monitor and measure progress to ensure the BBC, regardless of financial pressures, is becoming more distinctive, more efficient, more transparent and more sensitive to its potential market impact.

### **This year**

#### **The BBC should increase the distinctiveness and quality of its output**

Given its public funding, the BBC needs to do more than any other broadcaster to make its output innovative and different from what is available elsewhere. Every BBC programme (or piece of online content) should have a distinctive BBC quality, displaying at least one of the following: high editorial standards; creative and editorial ambition; range and depth; and UK focused content and indigenous talent.

We will track audience perceptions and other quality measures for signs of improvement and give stronger emphasis to quality measures within our assessment of the BBC's performance.

#### **The BBC should improve the value for money it provides to licence fee payers**

The BBC needs to do more to address concerns about making effective use of the licence fee, particularly in relation to talent costs and top management pay and expenses.

This year we will ask our own advisers to scrutinise the BBC's proposals for future efficiencies. We will continue to test licence fee payers' perceptions of value for money, using our established audience survey measures.

#### **The BBC should set new standards of openness and transparency**

A key test of the strategy's success will be to demonstrate delivery against a number of specific initiatives: publication of an annual summary work plan and budget; increased industry engagement in significant initiatives; improved transparency of senior manager remuneration and talent costs.

This year we will engage the wider media industry more extensively in assessing the performance of the BBC and considering future plans.

#### **The BBC should do more to serve its audiences**

Our research suggests that the great majority of people feel that all BBC services should be available to every household in the UK that wants to access them. It also shows continuing concern about whether the BBC is fulfilling its requirement to 'represent the UK, its Nations, regions and communities.'

This year we will monitor and report on the BBC's build-out of DAB digital radio and other improvements and developments in distribution technologies. We will also continue to press the Executive to ensure that services reflect the diversity of the UK population.

## ii. Implementing the licence fee settlement

### Our role

The Trust will assess the Executive Board's proposals for delivering the new licence fee settlement against the yardstick of the four priority objectives outlined in the *Putting Quality First* strategy. We shall continue to consult widely with the public to test the likely impact of those proposals.

### This year

Following the agreement in October 2010 of a new licence fee settlement for the BBC, the licence fee will be frozen at £145.50 through to 2017. The settlement gives the BBC security of funding, but at a reduced level and with additional responsibilities, including for funding the World Service, BBC Monitoring and the Welsh-language channel S4C.

We now begin the challenging task of delivering this new settlement. We see the savings that need to be identified as broadly falling into two different types:

- those that do not affect the BBC's output but reduce its cost base – these might be changes in working practices or back office savings; and
- those that do impact directly on output - for instance those which affect the shape of existing services, audience perceptions of quality, or the volume of originated content.

We recognise that even with the most energetic approach to efficiency, there will still need to be further reshaping of the BBC's services and boundaries. We have asked the Director-General and the Executive Board to undertake a fundamental review of its cost base and shape of services and activities, prioritising its thinking to bring forward its proposals for cost-based savings before the summer. As the Trust has ultimate responsibility for value for money from the licence fee, it is our intention to appoint an independent adviser to test proposals in this area and ensure their robustness.

We do not expect that such efficiencies will fully meet the funding gap alone and some hard choices about content and services may need to be made as part of this process. Because such proposals will impact directly on output, we have asked the Director-General to provide a range of options for the Trust to consider, and consult on. These options will draw on, and develop, the strategic direction we set for the BBC in *Putting Quality First*. We shall use the four priority objectives outlined in the strategy as a yardstick against which to assess them.

Once we have had the opportunity to consider the proposals, we will lead a programme of external consultation with licence fee payers and wider industry to test our understanding of their likely impact.

We will aim to finalise our conclusions by the end of 2011.

### iii. Reviews

#### Our role

Our regular programme of reviews ensures that the Trust is able appropriately to assess the performance of the Executive Board in running the BBC. Here we set out the reviews the Trust will undertake this year in two significant areas, our service reviews and value for money reviews.

#### This year

##### Service reviews

The Trust issues each BBC service with a service licence, setting out what the Trust expects it to achieve and how much it can spend. Our objective has been to maintain a service licences framework that is effective through:

- A focus on the things that matter.
- Consistent use of commitments and conditions.
- Objective assessment against the licence terms.

In line with its duty under the Charter to review all of the BBC's UK public services within a five-year period, in 2011-12 the Trust will review all the services that it has not already covered or is not in the process of reviewing. These are:

- Radio Five Live.
- Radio Five Live Sports Extra.
- BBC News Channel.
- BBC Parliament.
- BBC Local Radio in England.
- Asian Network.

##### Value for money reviews

This year we have asked the National Audit Office (NAO) to undertake the following value for money studies:

- **Continuous improvement programme:** building on previous work, the study will assess the BBC's progress against its five-year efficiency programme; its impact; and how to apply lessons learnt to the cost reductions required under the new licence fee settlement.
- **Management of overheads:** following the commitment made in *Putting Quality First* to reduce the proportion of the licence fee spent on overheads, the study will explore the allocation, definition and reporting of overheads within the BBC.



# Audience priorities

## Our role

The Trust is committed to consulting with audiences and the BBC's other stakeholders in order to understand where the BBC is getting it right, where it is going wrong, and how it can improve. As part of our commitment to hear directly from licence fee payers, the Trust supports an Audience Council in each of the Nations of the UK; these Councils advise us directly on the performance of the BBC in their respective Nation.

## What the Audience Councils told us

Our Audience Councils have identified seven common priorities for audiences this year.

### Universality of access

Councils are concerned about access to BBC's services by some audiences who are unable to receive them, particularly on some digital platforms. The councils would also like to see a coherent UK-wide strategy on the rollout of High Definition to the nations, and regional 'opt out' programming.

### Stimulating citizenship and civil society

The councils believe that the BBC should play a stronger role in facilitating public debate with informed coverage of issues across the UK and an increasing depth and breadth in the BBC's international reporting.

### Portrayal of audiences across the UK

The councils want to see the Trust continuing to challenge the Executive to produce tangible enhancements to the full, authentic and accurate portrayal of different communities and identities across the UK.

### Quality and distinctiveness

The councils welcome the commitment to distinctiveness in *Putting Quality First* and want to see the tangible benefits for audiences, particularly at national and local level, in the BBC's services.

### Older audiences

The councils are concerned about how well the needs of older audiences are being met and how any gaps might be addressed. This is an issue they will continue to monitor.

### Strategy review and licence fee settlement

The councils want to ensure that value for money is pursued fairly for all audiences across all strands of work, particularly as difficult decisions are made as a result of the licence fee settlement.

# Contributing to our work

## Getting involved in our work

Your views shape our work and the priorities we set the BBC's management, so we want to hear them. That's why we aim to operate in as transparent a way as possible. We do this in the following ways.

### Audience Councils

The Audience Councils are advisory bodies to the BBC Trust. They provide a direct link between the Trust and audiences across the UK. There is an Audience Council for England, Scotland, Wales and Northern Ireland, each chaired by their respective National Trustee and consisting of audience members drawn from the diverse communities that make up each nation.

More information on each of the Audience Councils is available from our website:  
[www.bbc.co.uk/bbctrust/about/audience\\_councils](http://www.bbc.co.uk/bbctrust/about/audience_councils)

### Consultations

We run public consultations to help us make better-informed decisions and to ensure your views are heard. The ways in which the Trust will consult will vary – sometimes we consult via our website and sometimes we use leaflets and face-to-face engagement. However, we always aim to reach the audience groups, and other stakeholders, who will be most likely to have views on a particular area, or be affected by it.

Full details of all consultations, together with more details about how we consult, can be found on our website:

[www.bbc.co.uk/bbctrust](http://www.bbc.co.uk/bbctrust)

### Contacting the Trust

You can write to the Trust at: 180 Great Portland St, London, W1W 5QZ

Email us at: [trust.enquiries@bbc.co.uk](mailto:trust.enquiries@bbc.co.uk)

Phone us on 03700 103 100 (textphone: 03700 100 212) between 9.30am and 5.30pm on weekdays.

You can receive updates on our work, including details of consultations and publications, by subscribing to our email service. Use the link on our website here:

[www.bbc.co.uk/bbctrust/news/email\\_updates/index.shtml](http://www.bbc.co.uk/bbctrust/news/email_updates/index.shtml)