

BBC World Service

A licence fee funded service

June 2013



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Foreword

I agree with Kofi Annan when he said that the BBC World Service is one of Britain's greatest gifts to the world.



Since 1932 the World Service has been broadcasting to those audiences around the globe who are hungry for the impartial, honest and credible sources of news that, sadly, too many of them have been denied.

The World Service will soon enter a new chapter of its history and the BBC is determined that it will continue to provide as much value to audiences in the future as it has in the past.

From 1 April 2014 the World Service will be directly funded from the licence fee, alongside the BBC's UK public services. For the most part there will be little change: our international audiences will continue to benefit from the World Service's insight and analysis of global events. In addition, domestic audiences in the UK will increasingly benefit from the global strength and reporting capability of World Service journalists and programme makers.

Licence fee payers in the UK can be proud of the trust that audiences across the world have in the BBC's journalism. This trust is underpinned by the independence of the BBC's journalists and the impartiality of our journalism. I believe that directly funding the World Service will increase this trust and be a positive move for the BBC.

This paper sets out the BBC Trust's position on the World Service and its future. It outlines the strategic direction of the World Service and how the BBC will continue to ensure that its unique values, independence and global perspective will be protected for its audiences for many years to come.

I see a bright future for the World Service – an exciting new chapter, building on an extraordinary and proud history.

Lord Patten of Barnes CH
Chairman, BBC Trust

25 June 2013

Introduction

The BBC is the world's leading public service broadcaster, an organisation with a proud history in the UK and abroad; it is one of the world's most admired and respected organisations.

Central to the BBC's global impact has been the BBC World Service, which is a beacon of the highest quality impartial news and analysis.

On 1 April 2014 the World Service will enter a new phase of its history, funded directly from the licence fee rather than a grant from the UK Government.

This paper sets out the position of the BBC Trust, the Corporation's governing body, on the future strategy of the World Service, and how the Trust will be exercising its responsibility for governing the World Service once it is funded by the licence fee.

In parallel with the release of this paper we are conducting a consultation on the arrangements by which the Trust will govern the World Service; more information about this consultation, and how to provide input to the Trust on matters raised in this paper, can be found on our website.

The BBC World Service today

28 language services broadcasting around the globe

English language

World Service English

Other major languages

Arabic, Chinese (Mandarin and Cantonese), Hindi, Indonesian, Portuguese for Brazil, Russian, Spanish, Swahili, Turkish, Ukrainian

Languages of particular need

Azeri, Bengali, Burmese, French for Africa, Hausa, Kinyarwanda/Kirundi, Kyrgyz, Nepali, Pashto, Persian, Sinhala, Somali, Tamil, Urdu, Uzbek, Vietnamese

The BBC World Service

The BBC World Service is an international news operation, providing services on radio, television and online to audiences around the globe; it works in partnership with the BBC's commercially-funded international news services.

The World Service is constantly evolving to meet audience needs.

The remit the Trust has agreed for the BBC's international news services is to address the enduring global gap in the provision of trusted international news, by providing impartial reporting and analysis of the highest quality.

In contributing to this objective, the BBC aims for the World Service to be the world's best-known and most respected voice in international news, thereby bringing benefit to audiences around the world, and to the UK licence fee payer.

The World Service is primarily aimed at audiences outside the UK and provides a distinctive service targeted at them. It is also available within the UK for the benefit of UK licence fee payers.

Broadcasting across the globe, the BBC World Service provides output in many languages:

- the English service is at the heart of the BBC's global journalism, available to audiences around the world, and providing a rich mix of authoritative international news, current affairs and broad global themes;
- the services in other major languages aim to address a particular gap in competitive markets by adapting the BBC's global news for their own audiences, and contributing distinctive journalism valued by both local and global audiences; and
- the services in languages of particular need seek to address the requirements of audiences with the least access to quality, impartial information by combining the BBC's global news with a specific offer tailored to local needs.

The BBC provides these services by delivering a mix of international news and analysis, while tailoring content to suit the needs of audiences in individual markets. Within the World Service there are teams of multi-lingual journalists with regional knowledge ensuring that the BBC broadcasts credible and relevant programmes. Across the globe, World Service staff draw upon the BBC's international newsgathering network, with its in-depth knowledge of particular countries and cultures and its ability to bring intelligent and engaging storytelling to audiences.

Together, the 28 language services operated by the World Service reach over 180 million people around the globe with the BBC's high-quality and impartial news and information.

Within the UK, World Service English is available 24 hours a day on digital platforms (online and DAB radio) and overnight on BBC Radio 4 frequencies. Other language services are also available to UK audiences online, and in time we will be doing more to make these services more easily accessible.

Digital platforms provide new opportunities for the World Service to reach new audiences, both internationally and in the UK. All of the language services provided through the World Service are available via the BBC's website, providing news and information to speakers of those languages who have access to the internet. Whether in Birmingham or Benghazi, an internet connection can provide access to the full breadth of the BBC's language services.

There are, of course, limits to what the BBC can provide, particularly through our traditional radio and television services. The World Service is not – and cannot aim to be – the world's only international broadcaster. In some parts of the world, the services of national broadcasters or private corporations provide comparable content; in other parts of the world the BBC has not historically had a presence. The BBC will continue to broadcast in areas where we believe that the World Service can provide a distinctive service within the resources that we have available, however we won't be able to provide a comprehensive service to every corner of the globe.

Beyond the World Service, the BBC also provides the international English-language television news channel, BBC World News, and the website bbc.com/news. We would like to see these services, which are currently operated as a separate commercially-funded business, work even more closely with the World Service. Recent developments including greater use of expert journalists from the World Service language services on the World News channel are helping to contribute to the significant improvements in the range and depth of this service.

In the provision of all of these services, the BBC is continually innovating, ensuring that the type of content is most relevant to the audience, and that the way these services are delivered keeps up with rapidly changing technology and consumer behaviour. This innovation is strongly supported by the BBC Trust, as we want to ensure that the BBC's international news services remain as relevant to audiences today as they have been in the past.

The importance of partnerships

The Trust would like to see the World Service build on the partnerships that it already has with like-minded organisations around the globe.

In the highly competitive markets in which many of the language services now operate, the most cost-effective way to reach audiences is often via third parties. The World Service now has more than 1,000 distribution relationships around the world. On radio alone, the BBC reaches more than 60 million listeners every week by distributing its programmes via other broadcasters, and many of the television bulletins and programmes that are produced are solely distributed this way. As an example, the English language television programme *Focus on Africa* is broadcast via 11 partner channels in eight countries in sub-Saharan Africa. Digital syndication is also increasingly important for the World Service.

In addition to broadening the audience, partnerships can also bring enhanced editorial quality to our audiences, enabling different voices and perspectives to be heard as well as enhancing the impact the World Service can deliver in competitive markets.

Whether it be through working with FM re-broadcasters, syndicating content to other websites or hosting video content on platforms like YouTube, the BBC's partners throughout the world will continue to be a significant part of the BBC's work in the future.

The BBC is also doing more to be clearer to the audience about the full range of partnerships that the World Service is involved in – in line with our commitment to transparency, each language service now provides a comprehensive list of partners on their website.

The value of the World Service

The World Service is an integral part of the BBC News operation, which provides independent and impartial news and analysis to UK and global audiences.

The BBC Trust believes that the value of the World Service is rooted in its ability to provide accurate, impartial and independent news covering international and national developments. International audiences value this, and so do UK audiences.

The World Service's audiences value the intelligent and engaging storytelling, and the distinctive, original and inspiring output, that BBC journalists and programme-makers provide every week. With audiences relying on the BBC for independent and trustworthy news, the World Service also contributes to strengthening governance and political accountability, often in the world's most poorest and fragile countries.

In addition to the extensive global audience, within the UK almost 2.5m people already listen to World Service output. Increasingly, UK audiences will also experience the breadth of expertise and understanding of the staff who work for the World Service on domestic BBC News services. We will also do more to make the World Service more readily accessible to UK audiences who wish to access it.

Most importantly, we will ensure that the distinctive service offered by the World Service is protected, and enhanced. The impact of the World Service will not be diminished as a result of an administrative change in funding.

Strengthening the BBC's global offer

The Trust has the highest ambitions for the BBC World Service. We want it to be the best international news provider in the world.

In our view, it is not enough for the BBC to be simply good, it must strive to be distinctive and of the highest quality in all that it does. Like nearly all public services, this ambition has to be achieved against a relatively fixed budget and, like all parts of the BBC, the World Service will have targets to achieve productivity improvements over the next few years.

Although its operations are inevitably constrained by funding, the BBC's ambitions should not be constrained. The Trust wishes to see the World Service continuing to deliver the high-quality services that audiences expect from the BBC.

The objective that we have agreed for the BBC's international news services is to 'address the enduring global gap in the provision of trusted international news'. We don't underestimate the significance of such a mission, and the BBC will strive to fulfil it in parts of the world where we can be most effective.

We believe that it is possible to achieve this level of ambition partly as a result of breaking down barriers that used to exist as a result of different funding sources. As a result of being funded directly from the licence fee, it will now be easier to work across the BBC's UK and global services, and for BBC News to create journalism and content that has a wider reach, at home and abroad.

Benefits to the UK audience

The World Service is primarily a service for international audiences. However, there are also considerable benefits to UK licence fee payers in having the World Service as an integral part of the BBC's news operation.

Licence fee payers in the UK already access the World Service's English service through its dedicated DAB service, and overnight on BBC Radio 4. All of the language services are also available online and are used by diaspora communities, language speakers and those with an interest in international news. We believe that this provides a unique and valued service to the UK audience.

More broadly, the international dimension of the BBC's domestic output is immeasurably enhanced by having access to the global network, and associated local understanding, of World Service staff. Licence fee payers will see more of the BBC's international expertise – including journalists from a range of language services – on the BBC's domestic news services, as the BBC's international and UK newsrooms are merged in New Broadcasting House in London.

Our research shows that the majority of licence fee payers believe that the World Service helps reflect a positive image of the UK around the world.

Governing the World Service

The BBC Trust will set the overall strategic direction for the World Service and approve the service budget.

From 1 April 2014 we need to revisit our oversight of the World Service to reflect the changes outlined above. Our existing governance and oversight arrangements will be strengthened, reflecting the increased responsibility that comes with funding the World Service through the licence fee.

We will govern the World Service in a similar way to the approach we take for the BBC's UK public services. The Framework Agreement¹ we have with the UK Government provides that the Trust will establish an Operating Licence for the World Service, which will complement the Service Licences we have in place for each of the UK public services.

The World Service Operating Licence

The World Service Operating Licence will be the primary governing mechanism for the World Service – it will set out the remit, objectives and budget for the service and explain how the World Service will contribute to delivering the BBC's public purposes. It will also set out the framework by which the Trust will assess performance each year. This Operating Licence will sit alongside the licences that the Trust has established for the BBC's UK Public Services.

In addition, the Operating Licence will set out the languages in which the World Service is provided; these languages must be agreed between the Trust and the Foreign Secretary. For each language service the Licence will stipulate the intended audience, and the minimum scope for each service.

It is also a requirement of our agreement with the UK Government that the Trust agrees the "objectives, priorities and targets" for the World Service with the Foreign Secretary. Once agreed, these will be reflected in the Operating Licence.

The budget for the World Service will be set out in the Operating Licence. Set by the BBC Trust, this headline budget will state the amount that the BBC Executive will be required to spend on the delivery of the World Service. The Trust's focus will be on ensuring that the content and distribution budget is protected, while ensuring that operational efficiencies can be achieved. We cover the larger story of funding for the World Service in the next chapter.

Alongside this document, we are releasing for consultation a draft Operating Licence for the World Service. We welcome comments from stakeholders and audiences on the detail of this draft licence, which we plan to finalise by the end of 2013.

¹ September 2011 Amendment to the Agreement between the BBC and the Secretary of State for Culture, Media and Sport
http://www.bbc.co.uk/bbctrust/governance/regulatory_framework/charter_agreement.html

Changes to the World Service

Delivering a high quality and relevant service to the BBC's audience remains a key responsibility of the World Service, and in doing so we recognise that audiences are changing. Over time the World Service will continue to change too – not in its principles or approach, but certainly in how it continues to serve audiences. Some of these changes will be necessary so that the BBC can continue to reach audiences in ways that reflect how they want to consume information, and others may be necessary to reflect the financial environment and costs of international broadcasting.

In all cases, and whether the changes require the approval of the Trust or not, the BBC will make its decisions in line with the strategy we have agreed, and the provisions of the Operating Licence, seeking to maximise the available public value. Some potential changes to the World Service may require the agreement of both the BBC Trust and the Foreign Secretary (or, in some cases, the Secretary of State for Culture, Media and Sport).

The Trust, in its oversight role, will review all aspects of the World Service at least once every five years. These reviews will ensure that the World Service is meeting the objectives set for it, and effectively serving audiences. Over time, the language services, and ways that the BBC broadcasts, will change to adapt to the changing needs of the audiences we are hoping to serve.

Although we don't envisage any immediate change to the mix of language services the World Service currently offers, the BBC management do keep that mix under continual review and have discussions with the Trust about future potential changes. If difficult decisions are required the Trust will closely review the evidence provided by the Executive and make an assessment in the best interests of audiences.

The responsibilities of the Trust and the Executive

Under the BBC's Charter, the Trust and Executive Board have different responsibilities. At the Trust it is our role to set out the strategy for the BBC and to ensure – on behalf of licence fee payers and the audience – that this is being delivered. For the World Service, we do this through the Operating Licence and our regular, public, reporting.

Within this framework it remains for the Executive Board, led by the Director-General and his team, to deliver the World Service.

We will continue to oversee the work of the World Service, looking regularly at performance and ensuring that any changes the Executive wish to make are consistent with our agreed strategy. However, we will not be seeking to run the service, or get involved in operational decisions, which are rightly for managers to make. As with all of the BBC's work, we will expect the BBC Executive to be as transparent as possible – with audiences and stakeholders – about the decisions it takes and the operations of the World Service, and will continue to require them to do so.

To inform our own views and our assessment of the World Service's performance, we will undertake more work with stakeholders and also seek to understand more about the views of licence fee payers as well as the audiences of the World Service.

Funding the World Service

The BBC will invest in the content and distribution budget for the World Service.

Since 1938 the World Service has been funded by a direct grant from the UK Government, currently administered through the Foreign and Commonwealth Office (FCO), under an arrangement that provides for full operational and editorial independence. On 1 April 2014, responsibility for funding the World Service will transfer to the BBC, and it will be funded directly from the licence fee.

Foreign Office funding

The BBC World Service has always been an independent broadcaster.

Being funded through a direct government grant has provided benefits to the World Service – it has enabled the BBC to expand the range of services provided, and the languages in which the BBC broadcasts around the world. However, it has also led to suspicions of the BBC being the “mouthpiece” for the UK Government, or somehow being directly government controlled. There is no truth to these accusations; however, it has been a regular refrain from regimes and groups who don't support the spread of impartial news and information.

Direct government funding can also have its drawbacks, particularly in times of fiscal restraint. The business of broadcasting requires long term investment in territories and technology; the business of government sometimes requires more immediate responses to budget challenges.

Over the last five years the World Service has had to cope with significant cutbacks in its FCO grant. Relative to 2009/10 funding levels the real-term cut in the FCO's grant has been 20%². This reduction in funding has resulted in the BBC having to make difficult choices and the World Service is significantly smaller today than it was only three years ago.

The benefits of licence fee funding

We believe that licence fee funding will be a benefit to the World Service, the wider BBC, and the British people. The BBC's licence fee funding is based on multi-year settlements, with the current funding arrangement lasting until 2017. Although the BBC's income is itself constrained over this period, this level of certainty in funding provides a relatively stable environment in which to make decisions about existing and future services. A combination of a secure funding source, and the clarity of purpose set out in the

² House of Commons Library briefing note SN/HA/5969 (17 May 2011)

Operating Licence, will give the World Service a strong footing to plan its activities for the coming years.

We believe that the rest of the BBC also benefits from funding the World Service through the licence fee. Most noticeably, the benefit is easier access to a broad range of international journalism and expertise: BBC managers are now able to further integrate the World Service newsgathering resources with those aimed at UK domestic audiences. Where previously these areas were required to be operated largely separately, the BBC is now able to run a truly integrated news operation, combining the expertise of journalists serving both UK and international audiences. The Trust expects to see improvements in the BBC's journalism through this new way of working, as well as efficiency savings. It is our plan to reduce the operational costs of the World Service, while increasing the amount spent on programmes and content. Many of these savings have already been identified and are built into existing budgets.

Current funding position

When the World Service transfers to be licence fee funded in 2014, it will be on the back of a substantial cut in the World Service's government grant.

The BBC believes that the scale of this recent reduction has made it difficult for the World Service to achieve its objectives as fully as it would wish. It was for this reason that we sought agreement from the Government in 2011 to allow us to spend a small amount of the licence fee on restructuring costs, which ensured that we did not have to make more substantial short-term cuts to live within the available government grant.

The Trust and the Executive Board agreed at the time, and have since confirmed, that when responsibility for funding the World Service transfers to the licence fee we will increase the resources available to it, within the constraints of a fixed licence fee.

We have delivered on this commitment and the draft Operating Licence on which we are currently consulting establishes a small increase in spend on the World Service. In the 2013/14 financial year the total grant from the UK Government for World Service is £238.5m. The BBC is committed to providing sufficient investment in the World Service to support its current strategy for the remainder of the current licence fee period and to this end, the Trust's plan is for this to increase funding for World Service to £245m in 2014/15. This £245m includes a budget for content and distribution – that is, what we spend on World Service programming and on getting it to its audiences – of £210m in 2014/15. This is the most important financial measure for the Trust and is what we plan to track over time. Our current plans will enable the World Service to invest in a limited amount of new activity – most notably extensions to its television programmes for emerging markets.

At the same time, we will be looking to the Executive to deliver World Service more efficiently and productively, as we are throughout the Corporation, and particularly to realise the benefits of integration of all the BBC's news services in the licence fee.

The budgets for all of the BBC's services are set by the BBC Trust, and are publicly available within the service licences. Spending against these budgets, and in other areas, is reported publicly each year in the BBC's Annual Report, and the World Service will be incorporated into this in the same way from 2014/15.

Benefiting from alternative income sources

The World Service is part of the BBC's wider portfolio of global news services, which also includes the commercial international television service BBC World News and the international-facing website bbc.com/news which, while funded and operated separately from the BBC's public services, share the same public service objectives as the World Service. In addition, the BBC's global news services include BBC Monitoring, which provides open-source monitoring of international media, and the media development charity BBC Media Action (formerly the World Service Trust).

Across this portfolio we draw on a wide range of different sources of funding: public, commercial, and – primarily through BBC Media Action – funding from governments and not-for-profit bodies.

While licence fee funding will continue to be the main source of funding for our international news services, we also believe that it is appropriate to continue generating external income to support these services. This will build upon the long-standing arrangements where the World Service has had some commercial arrangements for the distribution of its content, and the existing relationship with BBC Media Action.

On the whole, international audiences do not pay for accessing the BBC's news services, and our experience is that some commercial activity and other sources of external funding do not diminish the value that they place on our services. This is, clearly, different to the approach that we take to commercial activity around the BBC public services in the UK.

Where appropriate, and consistent with the BBC's editorial principles, our ambition is to increase the ability for all of our international news services to benefit from third party sources of funding. This will enable us to invest more in these services without increasing the cost to the licence fee payer. In doing so we will continue to ensure that the BBC's editorial integrity and independence is protected above all.

In time, we intend to adopt consistent rules about funding across all global news services, consistent with our editorial principles and any external regulatory requirements, so that everybody – audiences, staff, and funders – is clear about how the BBC operates in this area.

Looking ahead, despite differences in funding, our intention is to bring all of the global news services closer together, for example, by greater sharing of content and integration of the commercial news services (BBC World News and bbc.com/news) with the World Service, subject to appropriate regulatory compliance. This will help ensure that maximum advantage is taken of opportunities to share content, talent and costs across all our platforms and languages.

Maintaining independence

The BBC World Service is editorially and operationally independent of the UK Government.

Unlike some other international broadcasters, the objective of the World Service is not to advance the foreign policy of the UK Government. From the very beginning of the World Service the BBC ensured that, even as the service became funded by direct government grant, editorial control of the output would be fully a matter for the BBC. This independence is highly valued by our audiences. It is an explicit role of the BBC Trust to ensure that the independence of the BBC is maintained and we will continue to fulfil that role with regard to the World Service.

The World Service will also need to maintain its independence at an operational level. This is increasingly difficult at a time of rapid technological change, particularly where distribution technologies that were previously able to be operated fully independently (e.g. short wave radio) are not as widely used by audiences, and the methods of accessing our content that are growing (e.g. internet, in-country transmission) are much more susceptible to interference by authorities; this is a challenge that the World Service will have to continue to address. The difficulties posed by authorities who want to block the BBC being accessed are not new and they remain today; however, changes in technology will not diminish our desire to provide a service where audiences need it and are able to access it.

Independence and accountability

Asserting and protecting the BBC's independence does not take away from the valid role that the UK Government and Parliament have in setting the framework within which the BBC operates. As part of the licence fee settlement of 2010, the BBC agreed that the Foreign Secretary would continue to have a role in agreeing the languages in which the World Service broadcasts, as well as agreeing the "objectives, priorities and targets" for the World Service with the BBC Trust. It is our view that this can be delivered in a way that is consistent with ensuring the independence of the BBC. Indeed, the agreement we reached with the Government provides that "the BBC has full editorial and managerial independence and integrity in the provision of the World Service".³

The Corporation's independence also does not conflict with the need for the BBC to be appropriately accountable. As with the rest of the BBC, once the World Service is funded through the licence fee the body accountable for the use of this public money will be the BBC Trust. The Trustees, who are appointed under the terms of the BBC's Royal Charter, are responsible for making decisions about the BBC's activities in the public interest.

³ As set out in the sub-clause 64(8)(a) of the September 2011 Framework Agreement

Parliaments and Assemblies across the UK will continue to have a legitimate interest in the work of the BBC, and we have always agreed to provide detail about the BBC's services and performance to them, as appropriate. The House of Commons' Foreign Affairs Committee has had a very welcome and long-standing interest in the work of the World Service, and this will no doubt continue after the FCO grant has stopped; we are pleased to have the opportunity to discuss the work of the World Service with this Committee and in other Parliamentary forums.

Conclusion

The BBC World Service has a strong future, funded from the licence fee.

This paper has set out the strategic direction that the Trust has agreed for the BBC World Service, and outlines how we plan to govern the service and protect its unique place within the BBC and in international broadcasting.

From 1 April 2014 the World Service will be funded from the licence fee. For audiences, and the majority of our staff, there will be no immediate change to the programmes and services delivered. Within the BBC we believe that by bringing our international and UK journalism together there will be benefits for audiences globally and domestically – increasing the quality and reach of our journalism.

At its heart, the BBC World Service empowers people across the globe by providing information, challenging journalism, and open debate. Everyone who works for the World Service is driven by a desire to deepen the world's mutual understanding, enabling audiences to make informed decisions about their lives; although funding arrangements will change on 1 April 2014, the BBC's fundamental values will not.

Comments and feedback

If you have any comments or reflections on this paper, please contact us at:

BBCTrustWSlicence@bbc.co.uk

You can read more about the Trust's consultation on the World Service Operating Licence at

www.bbc.co.uk/bbctrust/consultations