

# BBC Trust

## End of Charter Report

March 2017

# Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Chairman's Foreword.....</b>	<b>4</b>
<b>3. Trust assessment of BBC performance.....</b>	<b>6</b>
<b>4. Value for Money.....</b>	<b>16</b>
<b>5. Trust activities in 2016/17 .....</b>	<b>20</b>

## **1. Introduction**

From January 2007 to March 2017, the Trust has been the governing body of the BBC; it has been our responsibility to get the best of out the BBC for licence fee payers.

The 2006 Charter gave the Trust a function of assessing the performance of the BBC Executive Board in delivering the BBC's services and activities and holding the Executive Board to account for its performance. The Trust has reported each year, in the BBC Annual Report and Accounts on the outcome of its work in this area.

The BBC now has a new Charter in place, and, as of April 2017, the BBC's governance arrangements will change. It will be governed by a single board, with a non-executive Chairman and a mix of executive and non-executive directors. All responsibility for regulating the BBC will move to Ofcom.

It will be for the new Board to produce the next BBC Annual Report, once a full set of audited data is available. In the meantime, the Trust is reporting here on its assessment of the BBC's performance during 2016/17, using the data that was available at the end of December 2016.

## 2. Chairman's Foreword

*The new Charter and Agreement puts the BBC on a strong footing for the future, enabling it to continue to be bold, creative and independent.*

This report marks the final year of the BBC Trust, and the end of the 2006 Charter that laid down the BBC's purpose, duties and governance over the last decade.

On 1<sup>st</sup> January the new Charter and Agreement came into effect, following a lengthy process of review, collection of evidence, detailed negotiation, and a huge public engagement process by the Trust, the BBC and the Government. Our priority was to make sure the views of the BBC's audiences were heard loud and clear, and that Government took account of them.

In many respects this was achieved; the Charter delivers a BBC that can respond to what audiences want – a BBC that is able to be confident, innovative, distinctive and creatively ambitious. A BBC that will continue to offer something to everyone.

Protecting the BBC's independence was of fundamental importance in our negotiations. The 11-year Charter will put a bigger gap between forthcoming general elections and decisions about the BBC's future. The BBC's independence is now the first statement of principle in the Charter, and its new Board members – only a minority of whom will be appointed by the government of the day – will all have a clear duty to defend the Corporation's independence.

Although the framework of independence is sound, the new Board will need to continue to protect the BBC's position robustly in the face of future challenges. One area of particular note is the licence fee funding settlement. The process of the previous two settlements was unsatisfactory and the new Charter provides some improvement on this, including requiring the Government to consult with the BBC on any future funding deal. However, what it does not yet do is provide any public transparency from the Government before those funding settlements are decided. To me, this remains a concern.

A new system of BBC governance and regulation will take effect in April, and I believe this will provide the greater clarity and separation of roles that the Trust called for at the start of the process. I wish the new Board and its Chairman, Sir David Clementi, every success.

The BBC's performance in 2016 gives us considerable confidence in its future performance. 95% of adults use the BBC's television, radio or online services each week – an extraordinary achievement in a world where choice has proliferated enormously over the past two decades. Yet the BBC continues to achieve new records: *Planet Earth II* became the most watched natural history programme in the UK for at least 15 years; the BBC's final series of the *Great British Bake Off* achieved record ratings, as did Radio 4's *Today*, providing authoritative and impartial reporting in a year of hugely significant news events for people in the UK, US, Europe and around the world. Internationally the BBC's audiences continue to grow and in November the BBC announced 11 new language services in the biggest World Service expansion since the 1940s.

No-one should underestimate, however, the competitive and managerial challenges the organisation faces in the next few years. The BBC must find another £800m per annum in cost savings, after a decade of significant efficiencies and while many of its main competitors continue to grow their incomes. The BBC must continue along the path of simplifying the organisation, becoming a partner of choice in the industry and providing even better value for money. But even so, hard choices will have to be made. The BBC must

operate within a global market for ideas and talent and, while it has the privilege of knowing its income for some years ahead, it also knows that that income is largely fixed.

The new Charter charges the BBC with setting the very highest editorial standards. It must also ensure it better represents and portrays all sections of society and all parts of the UK. Over the past two years the Trust has urged the BBC to review its services in the nations, and we very much welcome the announcement in February this year of new investments in Scotland and Wales, and the forthcoming investment announcement for Northern Ireland. Creating a new channel for Scottish audiences and delivering a 50% increase in English language programming from and for Wales are very welcome steps, and recognise the BBC's commitment to serving all parts of an increasingly devolved and diverse UK.

A further challenge remains – not just for the BBC but also for the broadcast media generally – namely how to reach under-served communities – such as 16-34 year olds and BAME audiences.

Even as the BBC seeks to create outstanding content on its current channels, it will need to “ride two horses” simultaneously, investing in digital, mobile and personalised services to keep pace with technology change and audience expectations.

At the heart of the argument for a publicly-funded national broadcaster is the need for reliable and impartial information to inform our democracy. Although the BBC remains far ahead of all other news providers when UK audiences are asked to choose a single source they trust, nonetheless some performance scores for BBC News are falling (as shown in the Purpose Remit Survey published today) and, at a time when the rise of social media is exacerbating the risks of fake news, the BBC's journalism must be ambitious in the seriousness and analysis of its reporting to ensure it continues to provide a distinctive, trusted offering to audiences. The BBC must explain the news, not just report it.

Alongside work on the new Charter, the Trust has lost none of its focus on its regular responsibilities - from handling appeals from complainants, to considering BBC proposals around financial management and service changes. Notably this year, Trustees assessed and endorsed the BBC's proposal to turn its production arm BBC Studios into a commercial subsidiary and reviewed the BBC's news and radio services in Northern Ireland, Wales and Scotland.

It has been a privilege to chair the BBC Trust and to work with Tony Hall and his team at the BBC; I wish them continued success. And as the Trust comes to an end, I want publicly to express my appreciation for the dedication of those who contributed to its many successes. I am enormously grateful to my fellow Trustees for the tireless dedication and wisdom they have shown during my time as Chairman. They have been a joy to work with. None of us could have discharged our responsibilities without the hard work, intelligence and professionalism of the Trust's permanent staff whose role it has been to give us independent analysis and advice. Their work made a huge contribution to the Charter negotiations and they have helped provide the framework for a strong BBC over the next decade – a BBC the UK public wants and deserves.

## 3. Trust assessment of BBC performance

### Introduction

The Trust has a duty to assess the performance of the BBC Executive in promoting its public purposes and delivering services and other activities. We have reported publicly on this each year since 2007 and our last assessment in the BBC Annual Report covered the year to March 2016.

Since then, the Trust has continued to assess BBC performance and this sets out our assessment of how the BBC is performing.

Our assessment is based on the framework which has underpinned our performance work since 2007:

- Reach – is the BBC serving all audiences?
- Quality – does the public value BBC services?
- Impact – is the BBC promoting its public purposes effectively? We have published the latest results from annual audience research into the public purposes alongside this report.
- Value for money – does the BBC represent good value to licence fee payers? (Note that, as this report is written before year-end data is available, we have not been able to assess this aspect of BBC performance in this report.)

Rather than assessing each and every BBC service, the report focuses on the issues we feel are most important now and how the performance of some BBC services illustrates this. Many of these issues are long-standing, but the data we have seen on current performance demonstrates that they are highly relevant for the BBC in the future.

### Summary

Public support for the BBC remains very strong and usage of the BBC's public services remains almost universal. The BBC promotes most aspects of its six public purposes very effectively and provides very good value for money overall.

The BBC faces three main challenges in being able to deliver its mission to serve "all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain." in the next Charter period.

These challenges are:

- **Maintaining reach:** continuing to serve all licence fee payers. In particular, continuing to reach younger adults and serving Black Asian and Minority Ethnic (BAME) audiences.
- **Developing the BBC's online offer** and broadening its reach, as audience consumption of broadcast TV and radio declines and the importance of online grows.
- **Distinctiveness:** Ensuring that every BBC service is demonstrably distinctive from others in the market. Ensuring that the BBC reflects and represents licence fee payers across the UK.

The challenges must be faced in the context of the almost infinite information and entertainment choices now available to the public. The BBC's ambitions to address these challenges will also be constrained by the need to find £800 million of savings per year by 2022 on the back of major cuts to its cost base since 2012, while at the same time investing where it needs to retain key rights, presenters, performers and staff. It is clear that some tough choices will need to be made.

## **BBC reach - serving all audiences**

High and regular audience reach is critical to the BBC being able to fulfil its mission and deliver its purposes. At a time when the choice of media and entertainment available is unprecedented, it is a great achievement that, in 2016, 95%<sup>1</sup> of licence fee payers still choose to use the BBC each week.

The BBC is not just a minor part of their consumption of news, entertainment and education: the average time they have spent using BBC services each week in 2016 is 18.2 hours.<sup>2</sup>

### **Young people**

Most young people use the BBC each week: in 2016, the BBC reached 91% of 16-34 year olds.<sup>3</sup>

However, younger people's consumption of media overall and, as part of this, different BBC platforms is changing: while BBC television's overall reach amongst UK adults remains high at 82%, its reach among 16-34 year olds is 66% in 2016<sup>4</sup> (even if BBC Television has the highest reach of all public service broadcasters among this age group).

Similarly, BBC radio reached 65% of all UK adults, but 54% of 15-34 year olds in 2016.<sup>5</sup> The BBC's online services are used more by younger adults: 59% of young people use them each week, compared to 52% of all adults<sup>6</sup>, but online take-up does not yet compensate for falling broadcast reach.

The differences between age groups in the average time spent consuming BBC services is more marked: while the average time spent with the BBC amongst people over 55 is almost 25 hours, for 16-34 year olds, the average is 11 hours a week.<sup>7</sup> Although this means the BBC is still the most used media provider for young people, there remains a significant challenge to hold their attention in a market of increasing competition and media choices aimed at this age group.

It has always been true that younger people have watched less television and listened to less radio than older adults and so their time spent with the BBC has been lower. But the

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1 Source: BBC Cross Media Insight Survey, adults 16+

2 ibid

3 Source: BBC Cross Media Insight Survey, 2016

4 Source: BARB, 15 minute consecutive weekly reach, 2016

5 Source: RAJAR Q3 2016, 12 month weight

6 Source: BBC Cross Media Insight Survey, all adults and 16-34 year olds, 2016

7 Source: BBC Cross Media Insight Survey, 2016

difference in time spent between age groups has grown over the course of the past few years.

The BBC serves young people through a mix of mainstream services and offers which are targeted at them. Our service review work has highlighted some particular challenges for mainstream BBC services which now serve older audiences much better than they do younger ones.

In 2014<sup>8</sup> we reported that the average (median) age of viewer of BBC One and BBC Two, both of which have a remit to serve all viewers, had risen to 59 and 60 respectively. We recommended that these services should seek to improve their offer to younger viewers in order to rebalance their appeal. Trends in how young people watch television channels appear to have worked against the BBC's attempts to meet this challenge: the average age of these channels has continued to rise and, by 2016, it was 61 and 62 respectively.<sup>9</sup>

BBC news, which is a core part of many BBC television and radio services and has a strong presence online, has also had a long-standing challenge to reach young people as well as it does older adults: in 2014, we reported<sup>10</sup> that weekly reach of BBC network news was 71% in 2013 amongst 16-34 year olds, compared to 79% amongst all UK adults. This difference was more extreme when looking just at consumption of TV news: our review found that BBC network news on TV reached 86% of over 55s but only 33% of 16-24 year olds and 47% of 25-34 year olds. Amid increased and intense competition, by 2016 total reach of BBC network news among all adults had fallen to 75%, while reach to younger adults had fallen faster to 63%.<sup>11</sup>

Alongside the BBC's mainstream services which aim to serve audiences of all ages, the BBC's services targeted at younger adults – Radio 1 and BBC Three - play a vital role.

The Trust's first review of Radio 1, in 2009, asked the service to focus on serving young people, in line with its long-standing remit to do so. Since then, and in the face of very challenging trends in terms of how young people consume radio and other audio content, Radio 1 has clearly shaped its editorial and place in the market to give it greater appeal to older children and younger adults, including a change in the presentation of its weekday breakfast show. In its editorial collaboration with CBBC, around moments like the Teen Awards, it represents a model for how BBC services can work together to serve audiences.

As a radio station, its reach to 15-29 year olds is now 35% from 43% in 2011 and this represents a faster fall than overall radio reach for this age group. This drop for Radio 1 has been in the context of strong competition from Commercial Radio and digital music services. Innovation is key to confront this challenge. Online, Radio 1 has over 3.5 million subscribers on its YouTube channel, giving it claim to be YouTube's biggest radio station in the world. However, Radio 1 will need to continue to innovate and evolve its offer to remain a key part of how the BBC can serve young people.

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<sup>8</sup> BBC Trust review of BBC television, 2014: [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory\\_framework/service\\_licences/service\\_reviews/television\\_services/television\\_services.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/television_services/television_services.pdf)

<sup>9</sup> Source: BARB, all individuals 4+, 2016

<sup>10</sup> BBC Trust review of BBC Network news and current affairs: [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our\\_work/news\\_current\\_affairs/news\\_current\\_affairs.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/news_current_affairs/news_current_affairs.pdf)

<sup>11</sup> Source: BBC Accountability and Reputation Tracker, all adults and adults aged 16-34

In 2016, the Trust approved the closure of BBC Three as a broadcast channel,<sup>12</sup> in order to allow it to move online. We agreed with the BBC Executive that this would be an important strategic move which would allow the BBC to build its presence online, where young people are spending more time, while reducing it on television, where they are spending less. There are already some positive indicators in preliminary performance reports, but it is too early to judge the success of the change objectively. The BBC has committed to a full review of BBC Three as an online service before June 2017 and they have told us that they expect this review to have a published outcome.

Overall, the challenge facing the BBC in serving younger audiences is becoming more acute, and addressing this challenge will have to be a clear priority for the new BBC Board.

### **BAME audiences**

The BBC's overall reach among BAME adults is slightly lower, at 93%, compared with 95% among all adults.<sup>13</sup> By platform there is a greater difference: in 2016 BBC television reached 72% of BAME viewers each week – down from 79% five years ago and below its 82% average among all adults. This represents a higher reach for BBC Television among BAME audiences than other public service broadcasters, but it nevertheless remains a concerning disparity.<sup>14</sup> Similarly, BBC radio was listened to by 47% of BAME adults each week in 2016 which is well below the 65% average for all UK adults.<sup>15</sup>

These differences reflect the fact that many BBC services, including mainstream services with very large audiences, have an appeal which seems skewed somewhat towards white people.

For example, the BBC's mainstream television channels have much lower reach among BAME audiences: BBC One was watched by an average 77% of UK adults each week in 2016 but just 63% of BAME adults, although it remains the channel with the highest reach among BAME adults. While reach to BAME adults grew slightly in 2016, it remained lower than the level five years ago, when it was 67%.<sup>16</sup> Similarly, in 2016 BBC Two reached 52% of adults each week, but only 33% of BAME adults.<sup>17</sup>

In 2013-14, the BBC's most popular radio station, Radio 2, reached 35% of all adults aged over 35 (its target age group), but only 12% of BAME adults in this age group.<sup>18</sup> The Trust asked Radio 2 to take action to address this disparity and it made programming changes that were clearly designed to do so. However, by 2016, Radio 2's reach to BAME adults had remained broadly stable at 11%.<sup>19</sup> Programming changes need time to take effect with the audience, but the BBC will need to make further changes if necessary to ensure that this high quality mainstream service can appeal to all ethnic groups within its target age range.

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<sup>12</sup> The approval was published here: [http://www.bbc.co.uk/bbctrust/news/press\\_releases/2015/service\\_changes\\_decision](http://www.bbc.co.uk/bbctrust/news/press_releases/2015/service_changes_decision)

<sup>13</sup> Source: BBC Cross Media Insight Survey, 2016

<sup>14</sup> Source: BARB, 15 minute consecutive weekly reach, 2011 and 2016

<sup>15</sup> Source: RAJAR, Q3 2016, 12 month weight

<sup>16</sup> Source: BARB, 15 minute consecutive weekly reach

<sup>17</sup> Source: BARB, 15 minute consecutive weekly reach, 2016

<sup>18</sup> BBC Trust review of BBC Music Radio: [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our\\_work/music\\_radio/music\\_radio.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/music_radio/music_radio.pdf)

<sup>19</sup> Source: RAJAR, Q3 2016, 12 month weight

The BBC's speech radio services face similar challenges:<sup>20</sup> in 2014-15, the Trust found that Radio 4's reach amongst all UK individuals was 19.3% but its reach amongst BAME listeners was just 10.7%. And Radio 5 live's reach to BAME individuals was 6.7% compared to its overall reach of 10.6%.

The BBC has two radio services aimed specifically at BAME listeners: Radio 1Xtra and BBC Asian Network. Both services performed well over the course of this Charter period, and they are important in how BBC radio serves a wide range of audiences.

### Responding to changing audience needs

There is beginning to be a change in how audiences consume all media content including the BBC, as reach of BBC television and radio falls gradually:

- reach of BBC television among all adults has fallen from 89% to 82% over the past five years<sup>21</sup>
- BBC radio's broadcast reach has fallen slightly, from 68% to 65%.<sup>22</sup>

Meanwhile, audience reach of the BBC's online services has grown from 41% in 2011 to 52% in 2016. However, growth of BBC online has slowed in the past couple of years<sup>23</sup> and the breadth of use of flagship online services, such as iPlayer, is lower than we might expect: after nine years in operation, it is now used weekly by 13% of all adults (joint top with Netflix) and 21% of 16-34 year olds (second to Netflix)<sup>24</sup>

The limits to the BBC's reach online may combine with lower TV and radio reach to the slight decline in the BBC's overall reach in 2016 from 97% to 95%.<sup>25</sup> If the audience reach of broadcast services continues to fall, then use of BBC online must grow, or the BBC's ability to serve all audiences will be challenged.

## Quality

It is important to the BBC's overall performance that the audience believes that it offers high quality programmes and services and that they have a good impression of it. A range of audience surveys show that the public continues to have extremely positive perceptions of the BBC's quality.

The 2016 purpose remit research shows the strong public support for the BBC: the overall public impression of the BBC is steady at 7.4 out of 10. In addition, 78% of the public say they would miss the BBC if it was not there and 58% believe that the licence fee represents good value for money. These scores have been stable and solid over recent years, with a slight upward trend in public perception of general impression since 2008.

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<sup>20</sup> The Trust's review can be found here:

[http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our\\_work/speech\\_radio/speech\\_radio.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/speech_radio/speech_radio.pdf)

<sup>21</sup> Source: BARB, 15 minute consecutive weekly reach, 2011 and 2016

<sup>22</sup> Source: RAJAR, 2011 and Q3 2016 12 month weight

<sup>23</sup> Source: BBC Cross Media Insight Survey

<sup>24</sup> Source: BBC Cross Media Insight Survey, 2016

<sup>25</sup> *ibid*

The survey showed that a very high proportion (73%) of the public agrees that “the BBC provides high quality programmes or online content,” although this has fallen slightly from 76% in 2015.

Average audience appreciation of BBC television programming is very high, at 80, although it has fallen slightly over the last few years. BBC radio has an equally high average score of 81 which has increased slightly in recent years. And BBC online average appreciation score is also high at 76.<sup>26</sup>

The one question on our survey which shows a negative trend over the Charter period asks whether the BBC ‘provides high quality, independent journalism’. In 2016, 62% of people agreed with that statement, compared to 70% in 2008. The Trust has seen no evidence to make it doubt the independence of BBC News over that period. BBC News - like the rest of the BBC - has made great efforts to diversify its content to reach underserved audiences with services that appeal to their own particular needs and consumption habits. There may have been an increase in public scepticism about the reliability of social media and online news generally and this may have affected perceptions of the mainstream news providers too. The BBC will no doubt want to do more research in the coming years to improve its own understanding of changing audience perceptions.

## Impact – promotion of the BBC’s public purposes

The BBC’s 2007 Charter defines its main objective as the promotion of six public purposes:

1. Sustaining citizenship and civil society
2. Promoting education and learning
3. Stimulating creativity and cultural excellence
4. Representing the UK, its nations, regions and communities
5. Bringing the UK to the world and the world to the UK
6. 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.<sup>27</sup>

The Trust has assessed the BBC’s impact by asking the public how well they think the BBC is performing in promoting its purposes. Results from the latest survey are published alongside this report.

Across ten years, the BBC has had a very strong impact in terms of its promotion of each of the purposes. This is a very significant achievement, given its funding constraints.

Nonetheless, there have been two areas that have proved particularly challenging, both of which were highlighted during the Charter review process as key areas for the BBC to focus on in the next 11 years. These are:

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<sup>26</sup> Source: BBC Pulse Survey and Online Quality Survey. Audience Appreciation Index (AI) scores are calculated by asking audiences to rate programmes and services they have watched/listened to/used with a score out of 10. These scores are then amalgamated to give an average score out of 100.

<sup>27</sup> <http://www.bbc.co.uk/aboutthebbc/insidethebbc/whoweare/publicpurposes/>

1. Stimulating creativity and cultural excellent – in particular, being “distinctive”
2. Reflecting and representing audiences in the UK’s nations and regions

### Distinctiveness

The BBC needs to be distinctive in order to justify its status as a publicly funded intervention in the UK’s thriving television, radio and online markets.

The duty to be distinctive has become explicit but it is not easy to define or measure. The new Charter sets a definition for it which is very similar to that the BBC Trust and Executive developed and used in the last Charter period.<sup>28</sup> The definition is based on five criteria:

1. The mix of different genres and output
2. The quality of output
3. The amount of original output produced in the UK
4. The level of risk-taking, innovation, challenge and creative ambition
5. The range of audiences it serves

Central to any judgement of the BBC’s performance are *“the mix of different genres and output”* and *“the level of risk taking, innovation, challenge and creative ambition”*. Our analysis on these two criteria is set out below.

#### *Mix of genres and output*

This criterion is critical, in particular, to the distinctiveness of the BBC’s music **radio services** as the range and type of music they play is their main marker of difference from other stations. From our reviews and analysis, we have concluded that BBC services are clearly distinctive in their markets.

The Trust’s review of BBC music radio in 2015<sup>29</sup> was carried out in the context of much external discussion over this issue. Was Radio 3 too similar to Classic FM? Did Radio 1 and Radio 2 do enough to fulfil the BBC’s public purposes, or were they too focused on chart-based pop music which many commercial stations offer? A range of programme and music output analyses informed our assessment:

- With regard to Radio 3, the Trust found that it was a distinctive station in terms of its approach to classical music and mix of other programming. However, there were some parts of the schedule where similarities to Classic FM existed. We asked Radio 3 to expand choice for radio listeners by minimising those programmes and features that were similar to those on other stations. We said that it should focus on its strengths, by maximising its distinctiveness across its output, without sacrificing the combination of expertise and accessibility that has been achieved in recent years. There has been good progress towards achieving these goals in the last two years and the Trust is confident today that Radio 3 is highly distinctive in its market.
- For Radio 1, the Trust examined claims that its music was similar to many commercial stations. We found that the overlap between music it played with that on commercial stations was low and concluded that it did not need to take any action in

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<sup>28</sup> The Trust published this definition in the BBC Annual Report in 2010  
[http://downloads.bbc.co.uk/annualreport/pdf/bbc\\_trust\\_2009\\_10.pdf](http://downloads.bbc.co.uk/annualreport/pdf/bbc_trust_2009_10.pdf)

<sup>29</sup> Our review was published here [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our\\_work/music\\_radio/music\\_radio.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/music_radio/music_radio.pdf)

that respect. Similarly, we found that Radio 2 provided a very distinctive music offer in its daytime programmes with a very wide range of music and a low overlap with commercial radio.

- Our review found that 6 Music was more distinctive than when we first reviewed it 2010 in terms of its music output which is a clear alternative to any other radio station, but also in terms of its editorial approach and its presenters. By 2016, its audience had grown to over two million listeners making it the UK's most listened-to digital station. Its clear distinctiveness, its clear public value in terms of delivering the BBC's culture and creativity public purpose and, now its popularity make it clear that the Trust took the right decision in 2010 when it rejected a proposal from the BBC Executive to close the service.<sup>30</sup>

There are other parts of the BBC that are highly unique and distinctive. For example, Radio 4 is by far the largest commissioner of radio drama in the UK. The Trust's service review of the station in 2015 found that audiences consider the station to be both high quality and distinctive. Many stakeholders agreed and said Radio 4 demonstrates public service broadcasting at its best.

**BBC online** has also been criticised by news publishers and some other stakeholders for the scope of its offer and whether it 'crowds out' competition. Again, Trust analysis suggests that the BBC provides a very distinctive offer online.

Our last service review of BBC online in 2013<sup>31</sup> found strong evidence of its distinctiveness: 61% of its users said that it provided them with content not available elsewhere. Given the vast range of online content available to its users, this is a strong indicator of its public service delivery. In terms of the distinctiveness of its individual elements, the review found that some BBC online offers such as the educational content were seen by users as unique in their fields, while in other areas such as news and sport, where there are many other providers, the quality of BBC content set it apart for its users. For example, BBC News users value its professionalism and accuracy— all markers of distinctiveness.

As part of our input to the Charter review process, we commissioned an economic assessment of whether the BBC's online presence was 'crowding out' competition in local news markets.<sup>32</sup> The review found that there was no clear evidence that BBC activity had contributed to the fall in local newspaper circulation or advertising revenue, and that this was more likely due to overall growth in internet usage within the UK. However, it was not possible to conclusively rule out a contributory (albeit, on the evidence, at best minor) impact from the BBC's activities. The Trust concluded that local news online is an area where the need for plurality and for maintaining high-quality journalism means that the BBC must be very careful in its actions and the Trust and any successor regulatory body will need to ensure that the scope of BBC activity is effectively policed.

Our broader assessment of local news in England found that the BBC's online material was distinctive by virtue of its high editorial values and that the audience recognised and valued this. Nevertheless, in developing these services further, the BBC needs to make the most of

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<sup>30</sup> The decision was announced here [http://www.bbc.co.uk/bbctrust/news/press\\_releases/2010/strategy\\_review\\_lyons](http://www.bbc.co.uk/bbctrust/news/press_releases/2010/strategy_review_lyons)

<sup>31</sup> Our review was published here: [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory\\_framework/service\\_licences/service\\_reviews/online\\_redbutton/report\\_online\\_redbutton.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/online_redbutton/report_online_redbutton.pdf)

<sup>32</sup> KPMG: An Economic Review Of The Extent To Which The BBC Crowds Out Private Sector Activity [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/charter\\_review/annex\\_b\\_market\\_impact.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/charter_review/annex_b_market_impact.pdf)

opportunities to partner with other local news providers: and its new partnership initiatives with other local news providers which should go some way to maintaining the supply of local news and the effective functioning of local democracy across the UK.

Online distinctiveness is about more than just local news, and the BBC has also instigated a range of other editorial initiatives in the past year across its online services. It must continue to strive to retain a clear distinction between what it provides and what is available elsewhere.

### *Level of risk taking and creative ambition*

In 2016, our research showed that around half of people (49%) agree that “the BBC makes programmes or online content that no other broadcaster would make”. The number of those agreeing with this has declined since 2015 and leaves a sizeable performance gap between the number of people who say this is important for the BBC and the number of people who think it is achieving what it should.

The other measure we have tracked is whether the public believes that the BBC has “fresh and new ideas”. In 2016, 76% of the public think that this is important and 59% agree that the BBC does this. Although this has remained one of the largest performance gaps in our public purpose research, it has narrowed since the Trust began measuring this in 2008.

Similarly, the BBC’s programme-by-programme surveys of ‘fresh and new’ scores have shown an increase, from an average of 71 in 2013 to an average of 74 in 2016.<sup>33</sup>

Nonetheless, the Trust’s qualitative audience research in 2014 found that BBC One’s lighter viewers did not find the channel sufficiently ambitious, thought that it was over-reliant on familiar programmes and that it tended to “play safe” in its programming and scheduling. Our analysis of BBC One’s peak time schedule at the time showed why this might be: nearly two-thirds of the pre-watershed weekday schedule was composed of a small number of long-established programmes, shown year-round.

The Trust’s more recent audience research for Charter review<sup>34</sup> showed that, there continued to be a mixed reaction to the BBC’s performance on creativity. Some audiences (particularly younger people), felt that the BBC should place more emphasis on creativity, and that it was over-reliant on returning or long-running series rather than risking new formats or potentially controversial content.

On the basis of these mixed audience perceptions and because viewers’ choice of TV-based entertainment is growing as they subscribe to additional services like Netflix and Amazon, often alongside pay TV, it will be vital for the BBC to demonstrate that it can be distinctive by taking creative risks that others may not.

### **Representing the UK, its nations, regions and communities**

The Trust’s Audience Councils have each produced a report, published alongside this document, setting out their views on how well the BBC serves audiences in each nation and across the individual nations. These raise a range of issues, some of which are long-standing.

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<sup>33</sup> Source: BBC Pulse Survey, all adults

<sup>34</sup> Source: [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how\\_we\\_govern/charter\\_review/annex\\_a.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/about/how_we_govern/charter_review/annex_a.pdf)

In the next Charter, the BBC's responsibilities to the nations have been increased: it should "ensure that it provides output and services that meet the needs of the United Kingdom's nations, regions and communities" and "In commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development".

The development of these commitments is partly due to a sense that the BBC needs to do more to serve audiences outside London better. In fact, since 2007 the BBC has made major changes to how it is organised and where its content is made: over half of its staff are now based outside London and the proportion of network TV that is made outside London has risen from 35% in 2008 to almost 50% in 2015.<sup>35</sup>

However, despite these positive changes, there can still be periods where the BBC falls short of public expectations in representing the UK's nations and regions in its news and drama/comedy output. The purpose remit research has for many years shown lower average performance scores for this public purpose and, in 2016, they remained fairly low at 51%, well below perceived importance at 62%.

In 2016 audiences in Wales and Northern Ireland were less positive about how well the BBC "provides content for people like me" with scores of 58% and 56% respectively compared to 61% in England. However, the score in Scotland rose to 66% in 2016 from 57% in 2015, making it the most positive score from any nation on this measure.

Scores also tend to be lower in the devolved nations when people are asked whether the BBC "represents my nation" in news and current affairs: in 2016, 57% of people in England and 53% of people in Scotland agreed with this, but only 48% in Wales and 43% in Northern Ireland. When asked the same question regarding drama and entertainment, scores are lower again in Wales and Northern Ireland compared to England (57%, 51% and 50% respectively), yet again they rose in Scotland in 2016 to 59% from 51% the previous year. While it is encouraging to see improvements in audience perceptions in Scotland in 2016, it is important that the BBC works to meet audience expectations in all UK nations.

On the basis of such research findings in previous years, the Trust asked for more to be done by the BBC to ensure that its UK news was accurate about the devolved nations and represented their particular interests sufficiently.

The Trust's first review of how BBC network news served the devolved nations in 2008<sup>36</sup> concluded that the BBC needed to improve the range, clarity and precision of its network news coverage of the different UK nations and regions. The Trust published new findings on this area in 2016.<sup>37</sup> These found that there had been some substantial improvements in how the BBC reports on and for the devolved nations but that, in the context of greater devolution to Scotland in particular, it would be vital for the BBC to continue this work and ensure that UK audiences receive BBC news services that best deliver information about, and understanding between, the four home Nations.

In order to address changing public expectations of the BBC in Scotland, the BBC has considered whether it should make any changes to its mix of network and nations-specific programmes and services in Scotland. From the advice of its Audience Council and from

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<sup>35</sup> Note that 2016 figures were not available at the time of writing.

<sup>36</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review\\_report\\_research/impartiality/uk\\_nations\\_impartiality.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/impartiality/uk_nations_impartiality.pdf)

<sup>37</sup> [http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review\\_report\\_research/impartiality/2016/cardiff\\_university\\_2015.pdf](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/impartiality/2016/cardiff_university_2015.pdf)

other audience insight, the Trust has urged the BBC to consider whether some change is necessary.

The BBC has recently announced plans to launch a new channel for Scotland, with a nightly one hour news programme. This will be in addition to its existing network and Scottish provision on BBC One, and should give audiences in Scotland an improved offer and a real choice over whether to watch UK news and/or to watch a programme from a purely Scottish perspective. The BBC also announced plans to invest an additional £8.5 million every year in television output in Wales by 2019. This will double the investment in drama, comedy and entertainment. By 2019, the BBC will have effectively increased its investment in English language programming from and for Wales by 50%.

Finally, as well as sourcing a much greater proportion of its programming from outside London, the BBC agrees that it can do more to ensure that its commissioning delivers a portrayal of the UK which engages audiences from different nations and regions. This is also based on feedback from the audience who, while quality of programming is their main priority, expect the BBC to portray the region they live in at some point across its programming.

## **4. Value for Money**

### **Public opinion**

Audiences say that value for money is one of their top priorities for the BBC and, throughout this Charter, the Trust has asked how well they believe the BBC is delivering against this critical objective. In the Purpose Remit Survey, almost three in five people (58%) said that the licence fee provides good or fairly good value for money, a figure which has remained broadly stable over the last eight years. Unsurprisingly, audience perceptions of value for money are linked to the amount of time people spend with the BBC and the number of different ways they access content on TV, radio and online. Some 67% of those who consume more than 11 hours of BBC content a week and 74% of people who access the BBC on six platforms (TV, Radio, iPlayer, the BBC website, apps and social media) believe the BBC is value for money. This highlights the importance of deepening the BBC's relationship with its audience and continuing to engage them where they want, when they want and how they want, on a wide variety of platforms.

### **Cost savings**

In 2011/12 the BBC Trust approved the BBC's Delivering Quality First strategy. An ambitious five-year plan designed to make recurring, annual savings of £700 million by the end of this financial year. The BBC is on track to deliver these savings mainly through improved productivity which will account for some £500 million of the total. These are pure efficiency savings and as such will have no impact on the BBC's output. The balance of the £700 million is made up of additional commercial income and service reductions but even these reductions have been managed so that the impact on audiences has been minimised as demonstrated by the extraordinary reach and quality of the BBC's output noted above.

## Future saving plans

The BBC will need to build on this success under the new Charter when significant further savings will be required. The 11 year Charter and five year financial settlement gives the BBC financial stability. However, additional savings of £800 million a year will be required by 2022 if the BBC is to live within its means and set aside sufficient funds to reinvest in its strategic priorities.

In 2015, PwC carried out a review of the potential for future efficiencies considered, analysing the BBC's main areas of operation and taking into account wider market and technological developments. Their report<sup>38</sup>, published in September 2015, found that sustained productivity savings achieved in recent years reduces the scope of future savings.

The BBC is targeting efficiency savings of some £400 million a year by 2022 which means that a further £400 million will need to be found. While some of this may come, for example, from increasing commercial revenue, or tighter management of inflation in the costs of sports rights and drama commissioning, the balance will require reprioritisation, and that may mean reductions to services.

It is inevitable that these savings will require some difficult decisions and it will be for the new BBC Board to determine where they should fall. The BBC should continue to engage with the public to determine how best to limit the impact, particularly in areas where audiences rely on the BBC to provide content which is not available elsewhere.

## Organisational change

The BBC is in the midst of a period of significant operational, organisational and cultural change. There are complex interdependencies between a number of key projects, with overlapping objectives and interaction points. Over the coming months, it will be important to monitor these interdependencies closely, particularly in the context of ambitious cost saving targets and staff reductions, to ensure that the BBC continues to deliver its creative and strategic priorities and respond quickly to any new challenges.

## Value for Money reviews

Throughout the last Charter, the Trust has commissioned or received from the National Audit Office (NAO), a wide range of value for money reviews. These reviews have been an important aspect of the governance framework, helping the Trust to hold the Executive to account for its use of the licence fee.

This year the NAO has carried out two value for money reviews. The first of these, *TV licence fee collection* was published in February<sup>39</sup>. The NAO found that the BBC has made progress against most of its main performance measures for collecting the licence fee. The amount collected has been increasing, collection costs have been reducing and the reputation of TV Licensing among the general population has been improving. In these core aspects, the NAO concluded that the BBC has improved value for money. The NAO also

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<sup>38</sup> [http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbcreport\\_pwc\\_efficiencyreport.pdf](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/reports/pdf/bbcreport_pwc_efficiencyreport.pdf)

<sup>39</sup> <https://www.nao.org.uk/wp-content/uploads/2017/02/BBC-TV-licence-fee-collection.pdf>

identified ways in which value for money can be improved further and the new BBC Board will need to monitor the implementation of the report recommendations closely.

In their second review the NAO has been focusing on the BBC's workforce management, assessing whether the BBC has put in place effective arrangements to deliver a workforce strategy that meets its objectives and delivers value for money. Given the cost reduction targets the BBC has and the nature of the changing marketplace, this will be a particularly challenging area. The review is due to be completed in the Spring.

### **NAO access**

Under the new Charter, NAO access to the BBC has been expanded to include the audit of the BBC's financial statements which has previously been carried out by private sector accountancy firms. Value for money audit access has also been expanded so the NAO can now review the BBC's commercial subsidiaries as well as the parts of the BBC which are funded by the licence fee.

The Trust believes that the NAO's work has had a beneficial impact on the BBC during the last Charter, improving financial transparency and accountability. One of the reasons the arrangements worked so well is because of the clear safeguards which were in place to protect the BBC's editorial and operational independence. To this end, the NAO will not be entitled to question the merits of editorial judgements or policy decisions made by the BBC.

Safeguarding the BBC's editorial independence is of paramount importance, but the commercial independence of the BBC's subsidiaries is also essential if they are to continue to compete effectively in the open market and maximise the profits they contribute to the BBC's public services. It is the Trust's hope that the NAO recognise this in their work and strike the right balance between increased accountability and the need to safeguard the commercial confidentiality of the subsidiaries.

### **Senior Manager Pay**

Senior manager remuneration has been a key area of focus for the Trust during the last Charter. In 2011, the Trust and Executive agreed a strategy which has led to reductions in both pay and numbers. Pay has reduced from £57.4 million to £44.5 million and the number of senior managers has reduced from 484 to 326, well ahead of target. This continues a trend which began in 2009 when the BBC employed 640 senior managers.

The 2011 strategy was extended in 2016 because the BBC was in the process of streamlining its organisational structure by reducing the number of layers within the BBC, ensuring clear reporting lines, and standardising roles. This work is ongoing and last autumn, the Trust concluded that it would be wrong to introduce a new strategy with new targets so close to the end of its tenure.

The BBC's reduction in the number of senior managers is a significant achievement but there are other aspects of the 2011 strategy where progress has been more limited. In particular, the BBC is still to meet the original objective that senior managers should be restricted to 1% of the workforce and the aim to reduce those earning more than £150,000 by 20%.

The BBC continues to make good progress against the 1% objective and it is likely that when organisational restructuring is complete, the objective will be met. However, neither the BBC Executive nor the Trust considers the £150,000 objective to be meaningful or deliverable at this point. This is because wage inflation has been higher than expected due to an increasingly competitive global market for particular skills – specifically in digital, future media, and television - and because some senior management roles have been combined. The larger roles have, in some cases, required larger salaries although the consolidation has resulted in a reduction in overall costs.

## 5. Trust activities in 2016/17

This section provides an overview of the Trust's key strands of regulatory work over the course of 2016/17

### Regulatory approval of BBC Studios

In August 2016, the Executive submitted proposals to the Trust to establish BBC Studios as a commercial subsidiary and set out plans to introduce the wider requirement for full competition for all content spend over the next charter period. Under the proposals, BBC Studios would produce programmes for the BBC and compete in the open market for commissions from other broadcasters in factual, drama, comedy and entertainment.

The proposal was made in the context of wider changes in the UK production sector and a structural shift towards consolidation and integration with broadcaster groups. The sector has changed fundamentally in the last ten years driven by a combination of policy interventions and market forces, which has put the BBC supply strategy under pressure. At the same time, in-house production had become progressively more dependent on returning series and less able to innovate and create strong new titles.

As a new commercial activity, the proposal for BBC Studios had to be approved by the Trust. Under the current regulatory framework, commercial activity must be provided through a commercial subsidiary and must comply with the four commercial criteria:

- It must fit with the public purposes
- It must exhibit commercial efficiency
- It must not jeopardise the good reputation of the BBC or the value of its brand
- It must comply with the fair trading guidelines and in particular avoid distorting the market

Because of government expectations set out in the White Paper, as part of its assessment, the Trust also undertook an eight-week consultation with industry on the proposal.

In December, the Trust concluded that the proposal, if implemented, would satisfy the four commercial criteria and could therefore be approved. As part of its decision, it made a series of recommendations to strengthen future governance and regulatory oversight:

- The BBC Board should put in place effective oversight arrangements for the strategy and commercial performance of BBC Studios, and monitor performance to make sure it supports the BBC's public service commitments to deliver programmes across a broad range of genres and through production centres across the country.
- The BBC Board should set commercial performance targets on an annual basis. It should regularly assess the commercial efficiency of the business, and its methodology and findings should be published.
- The BBC's new editorial guidelines should address any potential conflicts between BBC Studios' operations and the BBC's overall brand and reputation.
- Ofcom should review the fair trading arrangements between the BBC and BBC Studios in two years to make sure they are operating as intended to prevent market distortion.

- The BBC Board should ensure the new governance arrangements are capable of sustaining the strategic connection between the BBC and BBC Studios, while also maintaining adequate separation between the business and the public service BBC. These should include effective arrangements for managing conflicts of interest, which should be published before BBC Studios launches as a commercial subsidiary.

While the Trust's findings were based on the current regulatory regime they had regard to the new governance and regulatory structures that come into effect later this year.

### **World Service expansion**

In 2016, as part of the BBC's plan to increase the reach of its international services to 500 million people by 2022 from 348 million in 2015/16, the Trust approved plans to launch 11 new language services: Afaan Oromo, Amharic, Gujarati, Igbo, Korean, Marathi, Pidgin, Punjabi, Telugu, Tigrinya, and Yoruba. The BBC will also extend and enhance a range of existing services including World Service English, Russian, Thai and Arabic and it aims to transform its digital video offer. The expansion will be made possible with a £289 million government grant for the four years to 2019/20. This means the BBC World Service will be available in 40 languages including English.

Separately, the Trust approved the launch of a new Serbian service in order to address the shortage of independent and impartial news in the country. The Government has agreed to offer additional funding to cover this service.

### **Fair Trading**

The Trust has continued to fulfil its duty to ensure that the BBC complies with the Fair Trading Policy and Guidelines.

Our final review of the Fair Trading Policy, put in place by the Trust under the 2007 Charter, was published in February 2016. While it found the policy framework to be comprehensive and the measures in place to ensure compliance well established, it identified some action points for the BBC Executive and also some options for government to consider for a fair trading regime for the new Charter, some of which were picked up by Ofcom in its consultations on future arrangements.

Our review led to four immediate actions:

1. An independent review of the transfer pricing arrangements in place between the BBC's public services and commercial service activities (published in October 2016)
2. More in-depth reporting on the BBC's annual fair trading audit (implemented in time for the BBC's 2015/16 Annual Report)
3. A new duty on the Executive to notify the Trust on receipt of any fair trading complaint (no new fair trading complaints have been submitted to the BBC Executive since we published our report)
4. A new commitment to seek feedback from Industry when the Trust is testing the 'significance' of proposals to determine whether a full Public Value Test should be conducted (the Trust has not conducted any new 'significance assessments' since that time)

While the BBC's fair trading audit will not be completed until after the Trust has been wound up, we have met with the independent auditors to ensure that the Trust's priority areas for audit focus receive sufficient attention and that the more in-depth reporting implemented in 2015/16 is sustained.

### **Review of transfer pricing**

In November the Trust published an in-depth review of the transfer pricing arrangements in place to ensure that the BBC's commercial services pay the market rate for any services or rights they buy from the BBC and that they do not gain any unfair advantage over others in the market. The review findings were mainly positive, although a number of specific recommendations for improvement were made. These were mainly improvements to record keeping and compliance testing but also included a change of approach in relation to payments made by BBC Global News Ltd for its use of the BBC brand.

The review was conducted for the Trust by independent consultants who gathered views and evidence from a range of industry stakeholders as well as from the BBC itself. We published their advice along with our own review conclusions and an action plan from the BBC Executive setting out how and when each of the review recommendations would be implemented. We also forwarded our findings to Ofcom to assist them in considering how best to oversee these arrangements for the future.

## **Editorial Standards**

### **Impartiality**

One of the ways in which the Trust has exercised its responsibility for editorial standards is in the commissioning of annual reviews of the impartiality and accuracy of the BBC's output. These projects have proved fundamental in maintaining and improving standards in BBC content.

### **The impartiality and accuracy of the BBC's coverage of statistics**

In 2015 the Trust commissioned an independent Panel to examine the reporting of statistics in news and current affairs programming. Dame Jil Matheson, the former UK National Statistician, alongside Paul Johnson and Sir Peter Stothard, with advice from Sir David Spiegelhalter, received evidence from individuals and organisations on how well the BBC uses statistics. Their findings were supported by separately commissioned content analysis by Cardiff University and audience research by Oxygen Brand Consulting.

The review was published in summer 2016. The Panel found many positives and noted that people at the BBC place great value on using statistics responsibly and that many areas of the BBC give careful thought to the way in which statistics are presented for audiences. They also identified some areas for improvement, including contextualisation, going "beyond the headlines", being clear about significance, increasing the BBC's statistical capacity, and developing data journalism capabilities.

The Trust welcomed the Panel's report and recognised the BBC's strengths in its coverage of statistics. At the same time the Trust agreed with the aspiration that the BBC should consistently be doing better in some areas and supported the introduction of initiatives which will build the capacity to achieve this. These included giving more journalists greater

confidence in handling statistics; for the BBC to provide fuller interpretation of statistics (including challenging contributors who use them in a partisan manner); and using statistics more often where they can illuminate comparisons and contrasts between different parts of the UK. The BBC Executive provided a helpful response in which they accepted that there was significant scope for further development in this increasingly important area. The BBC's Reality Check, previously a feature of BBC coverage only during elections and referendums, has now been made a permanent fixture – a significant decision in the light of the debate over 'fake news' and 'post truth' – and guidance has been prepared for content producers. The Trust also welcomed the BBC's decision to create a new post of Head of Statistics to drive further improvements."

### **BBC network news coverage of the nations – impartiality review follow-up**

In 2008 the Trust commissioned a review of BBC network news and current affairs coverage of the four UK nations. The report found that the BBC's coverage was impartial and valued by the majority of its audience, but identified deficiencies and called for action to address them. The Trust undertook follow-up projects in 2010 and 2015 and commissioned final follow-up work in 2016, all of which included freshly-commissioned content analysis from Cardiff University.

The work in 2015 suggested that, although the amount of network news coverage about Northern Ireland and Scotland, and about devolution as an issue, had increased since the previous report in 2010, issues remained with the accuracy of the way stories were delineated and signalled to audiences. Meanwhile coverage of Wales had dropped.

Following the BBC Executive's commitment to put in place a range of specific measures to address these issues, a snapshot of content examined by Cardiff University in 2016 suggested there had been progress since the previous year but also noted that there was room for further improvement. The Trust agrees that the amount of coverage is a matter for news judgment but that the BBC's journalism must increasingly illuminate and contrast the different challenges and priorities of each of the four nations.

The Trust is grateful to the late Professor Anthony King of the University of Essex for his invaluable assistance in independently leading this work on behalf of the Trust. We believe that the nations' impartiality reviews have been one of our most important pieces of work and have been of particular significance to the different nations of the UK. We urge the Unitary Board to continue to hold the BBC robustly to account on this vital issue and to conduct and publish independent assessments of the BBC's performance.

### **Complaints and appeals**

Another way in which the Trust has monitored the BBC's editorial standards is through the handling of complaints, appeals and serious breaches reported by the BBC Executive.

#### **Complaints and appeals to the BBC Trust**

Complaints and appeals are considered by the Editorial Standards Committee and the Complaints and Appeals Board. Between April and December 2016 the Trust received 366 appeal requests. Details on the handling of these requests are in the following table.

	<b>Appeal</b>	<b>Number</b>	<b>Upheld</b>	<b>Partially</b>	<b>%</b>
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	<b>requests received</b>	<b>taken on appeal</b>		<b>upheld</b>	<b>answered on time</b>
<b>Editorial</b>	254	41	8	15	96%
<b>General<sup>40</sup></b>	112	6	0	3	97%

In addition, two serious breaches of the BBC's Editorial Guidelines were reported and published in this period. Further details are available at:  
[http://www.bbc.co.uk/bbctrust/our\\_work/complaints\\_and\\_appeals](http://www.bbc.co.uk/bbctrust/our_work/complaints_and_appeals).

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<sup>40</sup> Includes TV Licensing appeals