

The BBC Trust

What it is and what it does

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

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

We aim to ensure that:

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

Our tasks are to make sure that:

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

We will achieve this by:

- listening to the public and inviting their views in all their diversity
- prizing the professionalism, innovation and creativity of BBC staff and everyone who contributes to the BBC
- vigorously defending the independence of the BBC

- making judgements that will safeguard the BBC's high quality, audience reach and independence over the long term
- making sure our own processes are open and transparent
- rigorously holding the BBC's management to account.

Public Purposes

The Charter and Agreement sets out six Public Purposes for the BBC. These are:

- sustaining citizenship and civil society
- promoting education and learning
- stimulating creativity and cultural excellence
- representing the UK, its nations, regions and communities
- bringing the UK to the world and the world to the UK
- in promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television.

Governance tools

The Charter and Agreement gives us governance tools to help us undertake our key tasks:

- **Purpose remits:** For each BBC Public Purpose we published a purpose remit defining our priorities for the Executive and setting out how we will judge performance.
- **Service licences:** Based on the purpose remits we issue service licences. These set out for each BBC service its remit, headline budget,

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The Trust is committed to openness. You can find out more about how the Trust operates, and the decisions it makes, on bbc.co.uk/bbctrust

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There is more information on how the Executive manage the operations of the BBC within Part Two

and how it should contribute to delivering the Public Purposes. We consult publicly before we set purpose remits or issue new service licences and, once adopted, monitor performance against them.

We also approve the Executive's annual Statements of Programme Policy, ensuring these are consistent with service licences, and monitor performance against them.

- **Public Value Tests:** Before we decide whether to approve or reject a management proposal to launch a new service or make a significant change to an existing service, we undertake a Public Value Test, which includes a market impact assessment undertaken by Ofcom (see box below). This helps us form our judgement of whether or not the proposal is in the public interest (for more on Public Value Tests, see page 36).

Relationship with management

We do not manage the day-to-day operations of the BBC. This is the job of the Executive, led by the Director-General. Our role is to set priorities for the Executive and ensure they are properly delivered within agreed policies and budgets.

The Director-General, who is appointed by us, is the BBC's editor-in-chief and chairs the Executive Board. The responsibilities of the Executive Board include:

- delivering BBC services in accordance with Trust strategies
- directing the BBC's editorial and creative output
- operational management of the BBC
- conducting the operational financial management of the BBC to ensure value for money
- accounting to the Trust for its own performance and for the performance of its subsidiaries.

The Executive Board includes non-executive directors whose appointments are approved by us.

The memorandum of understanding between the Trust and Ofcom is available on bbc.co.uk/bbctrust

Other supervisory functions

We have a number of supervisory and regulatory functions – the key ones are set out below:

- **Value for money:** We approve the BBC's high-level strategy and budgets and also commission regular value-for-money investigations into specific areas of BBC activity.
- **Editorial:** The Executive draws up editorial guidelines setting out the standards BBC content should meet. We approve these guidelines and any amendments, and we use them to monitor the BBC's editorial performance. We do not vet programmes before transmission. The Director-General, as the BBC's editor-in-chief, is ultimately responsible for all editorial decisions. We consider complaints on appeal after the BBC's complaints process has been exhausted.
- **Complaints and appeals:** We set the framework within which the Executive handles complaints and, where appropriate, we hear appeals.
- **Commercial and fair trading oversight:** We ensure the BBC complies with its fair trading policy, and that the Executive properly addresses key operating risks. We also exercise oversight of the BBC's commercial services.

The Trust's relationship with Ofcom

The Trust is a supervisory body with some regulatory functions. It shares some regulatory responsibility for the BBC with Ofcom. In some cases, the Trust works directly with Ofcom, principally in the Joint Steering Group for market impact assessments. In other cases the Trust and Ofcom have different responsibilities.

Ofcom regulates broadcasters including the BBC through its Broadcasting Code which sets standards, eg on Harm and Offence, for broadcasters. The Trust regulates BBC output in terms of impartiality and accuracy and is the final arbiter within the BBC for editorial complaints. Ofcom and the Trust have signed a memorandum of understanding as to how they will work together on these and on other issues where they have regulatory responsibilities.

Listening to the public

One of our key principles is that we will always act in an open and transparent way. The issues we deal with are often complex. We have to consider the views – often the competing views – of a wide range of individuals and organisations. We will always publish the evidence that has informed our independent judgements – and fully explain our decisions.

For example, when we approved the Executive's proposals to develop and launch Freesat (see page 30) we published all the evidence we had taken into account. It is available on our website, bbc.co.uk/trust, and it includes a number of independent reports on key aspects of the proposal, plus contributions from organisations that commented on the proposal.

We also consulted widely on our draft purpose remits and service licences which we published in January 2007. We will use the findings from these consultations to inform our work in finalising these governance tools and in setting BBC priorities.

Service licences consultation

Service licences are a key tool used by the Trust to define BBC services and monitor their performance. We consulted publicly on the first licences, which came into operation on 1 January 2007. We asked if the licences adequately described BBC services as they were when the Trust came into being – and whether their content was appropriate to allow the Trust to govern the BBC's UK public services.

We received a good level of response from the commercial sector and other organisations, although rather fewer responses from individual members of the public than in our other consultations. In anticipation of this we had commissioned focus group research across the UK to assess the opinions of the public.

We will publish the individual responses and a summary of all the consultation responses. We are now considering whether to vary these initial licences, informed by the responses received.

Purpose remits consultation

Our research agency conducted a very large audience survey in February 2007, interviewing around 4,500 adults. We wanted their views on the BBC Public Purposes – more specifically, how important they felt each Purpose was, and how well they believed the BBC was performing in delivering them. The findings will feed into our work on developing purpose remits. These will make clear what we expect the BBC Executive to deliver in order to fulfil the expectations of licence fee payers and the Public Purposes laid down by Parliament.

We will place particular importance on gaining insights into areas where audiences feel dissatisfied with what the BBC offers them now, and where people feel the BBC could do better. An overview of the research will be published with the revised purpose remits later this year.

Early findings show that audiences place particular importance on education and news as BBC priorities. Where people feel the greatest gap exists between importance and performance is in the area of creativity and originality. Audiences are telling us loud and clear that they want fresh and new ideas and a wide range of enjoyable and entertaining programmes – and that they feel the BBC could do better here.

Looking forward

In the year ahead we will continue to work energetically on behalf of licence fee payers and complete the building of the new governance system that gives BBC audiences a powerful voice in contributing to our decisions on BBC priorities.

There is more detail on our plans for 2007/2008 on page 51 and on our website.

The Trust will always seek to understand the views of its audiences before taking its decisions

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In the year ahead we will work energetically on behalf of the public enabling their views to inform and contribute to our decisions on BBC priorities