

# **BBC Public Purpose Remits: Operating Framework**

# Note to readers

This document is provided as an explanation of the way in which some of the constitutional and governance arrangements relating to the BBC operate. These arrangements take effect under the new BBC Charter dated 19 September 2006, the new BBC Agreement dated 30 June 2006 and under Purpose Remits and protocols which are issued under the Charter and Agreement. This document should not be regarded as a substitute for those original documents. If there is any inconsistency between any of the original documents and this explanation, then this document shall not under any circumstances be treated as replacing what is said in the original documents which will always take precedence over the further explanation in this document.

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# 1. The BBC's Public Purposes

The BBC's Charter states that the BBC's main object is the promotion of its Public Purposes.

Initial BBC proposals were set out in the BBC's principal Charter Review submission '*Building Public Value*' in 2004 and were then subject to extensive public consultation by the DCMS during the Charter Review period.

The following Public Purposes of the BBC, as set out in the Charter and Agreement, evolved out of the Charter Review process and are:

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, help to deliver to the public the benefit of emerging communications technologies and services and take a leading role in the switchover to digital television

The Purpose concerning the BBC's encouragement of digital and emerging technologies differs from the others in two respects. Firstly, it will be achieved, in part, through the promotion of the other five Public Purposes. Secondly, it is in some key respects finite in nature – for instance, the government has set a target for Digital Switchover of 2012.

## 2. The Role of the Public Purpose Remits

### 2.1 Purpose Remits – an overview

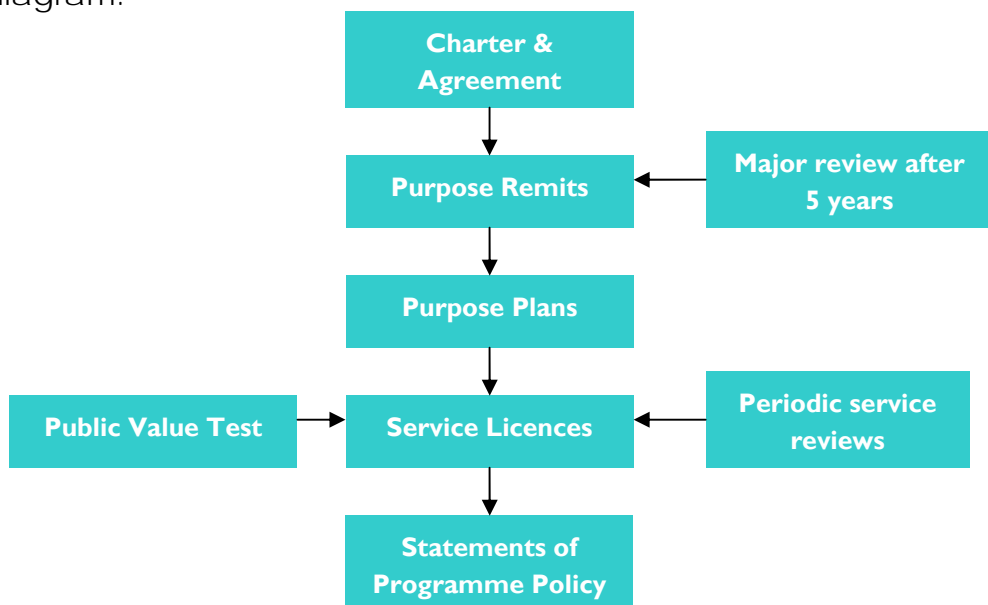
The BBC's Charter and Agreement require the Trust to set a separate, multi-year Purpose Remit for each of the six Public Purposes. The Agreement also requires the Trust to consult publicly in developing the Purpose Remits.

Through Purpose Remits, the BBC Trust can ensure that it meets the most fundamental of its Charter obligations – that of creating public value by the promotion of its six public purposes.

Purpose Remits perform this function in two ways, both of them set out in the Agreement:

- firstly, they set a directional framework for the BBC's activities by way of a small number of high-level priorities
- secondly, they specify how the BBC's performance in delivering those priorities will be judged

The key role of the Purpose Remits and associated Purpose Plans in providing the link between the requirements of the Charter and Agreement and the BBC's services can be seen from the following diagram:



<sup>1</sup> Statements of Programme Policy set out the BBC's proposals for how each network service will, each year, contribute to the fulfilment of the public service remit. Further details can be found in the Agreement, Clause 21.

Purpose Remits are a core focus for the Trust's relationship with licence fee payers. Section 3 explains in more detail how the Trust will use the Purpose Remits to engage with licence fee payers to gain their views of how well the BBC is delivering its Purpose Remits and the priorities set out in them. It will use the insights gained to engage with the BBC Executive. The principal focus for this engagement will be the Purpose Plan.

## **2.2 Purpose Plans – the link to BBC services**

Once the Purpose Remits have been finalised subsequent to full public consultation, the Trust will commission Purpose Plans from the Executive. Purpose Plans are intended to provide a long-term prospectus setting out how the Executive intends to address the priorities set by the Trust in each Purpose Remit. They will include information about which services the Executive has identified as being critical to the delivery of the Remits and what actions it will undertake to ensure that they deliver to them. Key supporting non-service activities will also be identified in the plans, where relevant. Once the Trust has approved the Purpose Plans it will publish them, together with a commentary explaining its decision.

Purpose Plans will form the key link between the Purpose Remits and the Service Licences. Once the plans are finalised, Service Licences will be aligned with the Purpose Plans to show how, where relevant, the services contribute to the priorities set out in the Purpose Remits.

## **2.3 Format of a Purpose Remit**

Each Purpose Remit contains the following elements:

A summary paragraph, which sets out what audiences can expect from the BBC in delivering the Purpose.

Priorities - these are the priorities to the Trust has set the Executive Board for the Charter period, in summary form. These are expressed in more detail in Annex II.

Annex I: Measurement – this outlines the methods the Trust will use to track performance. Quantitative measures will be applied to the majority of the priorities, although some will need to be supplemented by qualitative research.

Annex II: Explanatory Note – this explains the background to the development of each Purpose Remit and contains:

Scope - this briefly describes the key requirements for delivery of the Purpose as set out in the Agreement.

Market Context and BBC Role - this section sets out the emerging media landscape which will shape the way in which the BBC will deliver the Purpose and its particular role in doing so.

Priorities – this explains the priorities in more detail and the thinking behind them.

## 3. Purpose Remit Monitoring and Review

### 3.1 Overview

The Trust will subject the six Purpose Remits to an annual process of measurement, review and reporting.

### 3.2 Measurement

The Trust will use a system of quantitative measures - for example, the percentage of respondents agreeing with the statement "The BBC provides high quality independent journalism" - designed to assess licence-fee payer perceptions of how well the BBC is delivering the priorities set out in the Purpose Remits. In a few instances it will not be possible or appropriate to quantify audience perceptions to assess performance and in such cases the Trust will use other more qualitative methods when and where appropriate. The sixth purpose is different from the others in so far as priorities are focused on specific actions for the BBC to undertake in order to help encourage the spread of digital and emerging technologies. The priorities for this Purpose Remit will, accordingly, largely be subject to input and output measures that will be available to the Trust from other public bodies.

The Trust will measure delivery of the Purpose Remit priorities on an annual basis. Where relevant it will undertake benchmarking against other broadcasters and media companies. It will also subject priority measures to audience segmentation so as to allow a deeper understanding of how well the BBC is performing amongst key audience groups and to ensure that public value is being created for all licence fee payers. It is likely that the Trust will want to undertake, on a selective basis, a programme of qualitative and/or deliberative work to supplement the core set of quantitative data.

In assessing the BBC's performance the Trust will also have at its disposal the findings of work undertaken by the Audience Councils for England, Wales, Scotland and Northern Ireland who will use their outreach and engagement programme with licence fee payers throughout the UK to advise on how well the BBC is promoting its Public Purposes. In addition, and in order to provide a more comprehensive approach to reviewing the Purposes, the Trust will also, where appropriate, draw on research findings from BBC Management, such as results from tracking surveys, reach and usage statistics and other performance data.

### **3.3 Annual Purpose Remit Review**

Each December, the Trust will hold an annual Performance Day at which it will meet with Executive Board members to review the BBC's overall performance in delivering the priorities set out in the Purpose Remits.

The Trust will organise its annual programme of performance monitoring that it will have extensive data available for discussion with the Executive at the Performance Day. Where its own review of performance has indicated that there are problems or weaknesses in the BBC's delivery of the Purpose Remit priorities, it will require the Executive to carry out a thorough investigation into the causes and to come forward with proposals for improvement. In normal circumstances the Trust would expect to receive a report back within three months with a view to approving any necessary remedial action for immediate implementation. Depending on the scale of the problem identified, this may require amendments to be made to Purpose Plans and Service Licences and/or Statements of Programme Policy.

### **3.4 Further Trust Oversight of the Purposes**

Beyond the annual programme of measurement and assessment, the Trust will undertake a programme of activities designed to advance understanding of the BBC's Public Purposes and to promote discussion and debate about how they are best promoted amongst licence fee payers, other media companies and stakeholders. This could include organising symposia, conferences or seminars or commissioning research or analysis on key aspects of the Purposes.

### **3.5 Reporting**

Each year, in the BBC's Annual Report and Accounts, the Trust will provide a full account of its activities in monitoring the BBC's performance in relation to its Public Purposes. This will include reporting the results of its quantitative and qualitative programme of measurement, details of actions undertaken by the Executive designed to address issues of concern identified by the Trust and activities undertaken by the Trust to advance knowledge and understanding of the BBC's Purposes.

## 4. Purpose Remits and Purpose Plans – Duration and Variation

### 4.1 Duration and Variation of Purpose Remits

Each Purpose Remit will run for the duration of the Charter period subject to variation, as appropriate. The Agreement requires the Trust to keep Purpose Remits under review. As well as the annual performance measurement described in section 3, the Trust will subject all six remits to a full review in the year 2011/12 to ensure their continued relevance. This will involve full public consultation, including input from the Audience Councils.

Should the Trust conclude from its annual programme of performance monitoring that it is necessary to vary any aspect of the Purpose Remits it will do so accordingly, although before any variation occurs there will be a process of public consultation appropriate to the nature of the proposed change.

### 4.2 Duration and Variation of Purpose Plans

As with Purpose Remits, Purpose Plans will run for the duration of the Charter period, subject to appropriate variation. Purpose Plans may require variation in the light of:

- Changes to Purpose Remits
- Changes to Service Licences, as an amendment to a BBC Public Service may alter its ability to deliver the Purposes in general or a priority in particular
- The Trust's approval of Executive proposals to address weaknesses or problems identified by the Trust's annual programme of performance monitoring (see section 3.3)
- The Executive Board determining more effective ways to deliver the Purpose Remit priorities

Variations to Purpose Plans will always require the Trust's approval. Unless the Trust so decides, this will not involve public consultation.

## 5. Compliance

### 5.1 Overview

The BBC Executive Board will be collectively responsible to the Trust for compliance with the stated terms of each Purpose Remit.

The Trust will monitor compliance with the terms of the Purpose Remits using a combination of the following:

- annual performance measurement;
- response to complaints about non-compliance [see section 5.3].

### 5.2. Consequences of non-compliance with the terms of a Purpose Remit

The Trust's role is to ensure that each of the six BBC Public Purposes is delivered as effectively as possible and that any problems are fully rectified. Following performance assessment, the Trust will have recourse to a number of sanctions should the Executive fail to remedy a problem identified by the Trust without good cause.

In escalating order of severity, the relevant sanctions which may be applied by the Trust are:

(a) Minor

- Description: Minor under-performance against the stated Purpose Remit priority measures, when considered against historic trends and market context.
- Action: The Trust may publicly comment on poor performance by the BBC in delivering part or all of a Purpose Remit in its part of the Annual Report, or by any other means it sees fit. The Trust may also publicly request proposals to rectify the problem from the Executive Board.

(b) Ongoing

- Description: On-going and/or significant under-performance against the stated Purpose Remit priority measures, when considered against historic trends and market context.
- Action: as in (a) above, plus the Trust will require bi-annual reports on performance from the Executive Board until the problem is rectified. The Trust may publish these reports with its own commentary.

(c) Serious

- Description: Very poor performance in delivery of the Purpose Remit priorities: failure to deliver a priority in its entirety or continuing failure to improve performance without good cause.
- Action: As above. If poor performance is due to culpable acts or omissions, then the Trust will require the Executive Board to reconsider management of the area or services where appropriate.

### **5.3 Complaints about Purpose Remit compliance**

Any complaints from licence fee payers or other BBC stakeholders about compliance with the terms of a Purpose Remit should be made to the Trust. The Trust will then require the Executive to respond to the complaint.

Should the complainant not be satisfied by the Executive's response she/he may appeal to the Trust. The Trust will then decide whether to conduct its own investigation into the matter.

The Trust's framework for handling complaints about compliance with Purpose Remits and other matters can be found at [www.bbc.co.uk/bbctrust](http://www.bbc.co.uk/bbctrust).