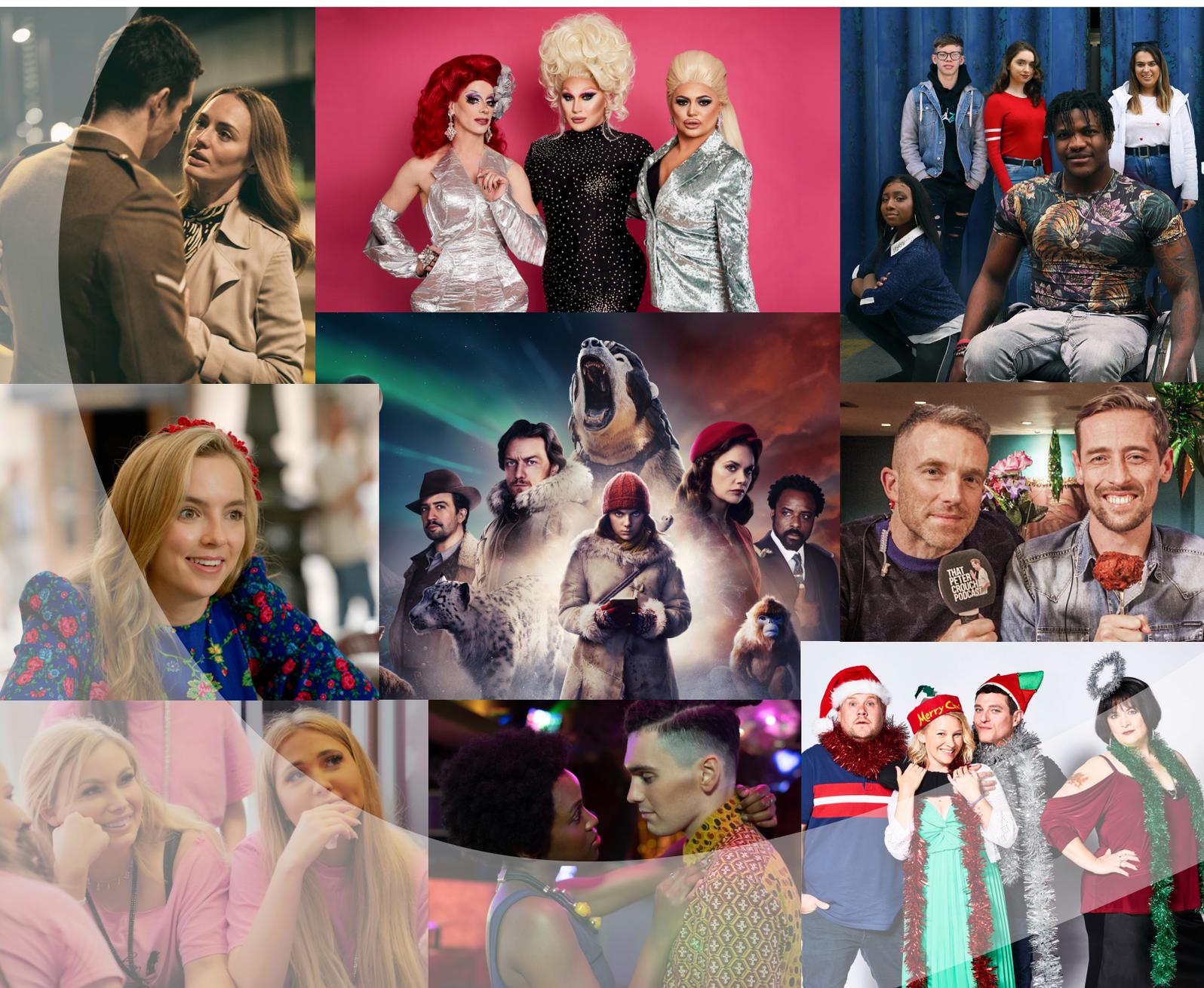


Ofcom's Annual Report on **the BBC**

2019/20



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Overview

This is our third annual report on the BBC¹, covering the period April 2019 to March 2020. The BBC has a broad remit in its [Royal Charter](#) (the Charter) to inform, educate and entertain the public, and to support the creative economy across the UK. The BBC Board is responsible for overall governance, and for ensuring that the BBC delivers its Mission and Public Purposes as set out in the Charter. It sets the overarching strategic direction and creative remit of the BBC, assesses its performance and holds the management of the BBC to account.

Ofcom's role is determined by the Charter and [Framework Agreement](#) (the Agreement). We hold the BBC to account on behalf of audiences by providing fair, robust and independent regulation. Our role is to assess the BBC's performance in delivering its Mission and Public Purposes, to uphold content standards and to protect fair and effective competition. Decisions about the scheduling of individual programmes and editorial matters are not within our remit.

This report finds that the BBC is continuing to broadly deliver on its remit. Across the year to the end of March 2020, it provided a high volume of news and current affairs and a wide range of learning and educational content, as well as high-quality distinctive and creative content on its mainstream and specialist services. Audience satisfaction generally continues to be relatively high. It compares well with other public service broadcasters (PSBs) and commercial radio stations, with seven in ten of its audience satisfied with BBC radio and online, and two-thirds satisfied with BBC TV.²

The BBC responded effectively and rapidly to Covid-19. During the first lockdown³ it offered significant amounts of educational content to fill the gap when schools were closed and increased its news provision. BBC services were the most-used sources of news and information about Covid-19, well ahead of others, and were consistently considered the most important.⁴ Big audiences tuned in to the BBC's news services: 18.8 million people watched the Prime Minister announce the easing of lockdown on BBC One.⁵ Given the BBC's privileged funding position, and the degree of insulation from further market shocks that this provides, we welcome the BBC's commitment to continuing to support the UK's creative economy during the recovery. We also encourage the BBC to consider how it can embed recent positive experiences and partnerships in its future ways of working.

¹ The BBC's Charter requires us to publish an annual report setting out how we have carried out our principal functions under Article 46 of the Charter and that assesses the BBC's compliance with its regulatory obligations

² Ofcom BBC Performance Tracker

³ The Government's implementation of the first lockdown measures, designed to reduce the spread of coronavirus, began in mid-March 2020 and applied to the whole of the UK. November's England-wide lockdown is referred to as the 'second lockdown' in this report.

⁴ Ofcom Covid-19 news and information tracker: consumption and attitudes

⁵ BARB

The BBC's need to respond to audiences' habits and changing markets is becoming more urgent.

Covid-19 has accelerated shifts within total viewing towards subscription video-on-demand (SVoD) services: an estimated 12 million people gained access to a new SVoD subscription during lockdown.⁶ Around 3 million people accessed SVoD for the first time. There was an increase in older viewers watching; almost a third (32%) of 55-64 year-olds used SVoD services in the early lockdown period, up from 25% pre-lockdown, while 15% of over-64s used them (up from 12%).⁷ Given increasing consumer choice, the time that audiences spend with the BBC needs to be highly valued. Overall audiences to the BBC are in gradual decline; it reached 87% of adults in 2020 compared to 92% three years ago. If audiences do not consider the BBC a core part of their viewing, they may not see value in the licence fee, which in turn, risks the BBC's ability to deliver its Mission and Public Purposes in future. The BBC also needs to broaden its reach and appeal to a wider range of people, in particular audiences from minority ethnic backgrounds and those in lower socio-economic groups.

The BBC's new Director-General, Tim Davie, has started to set out his priorities. We welcome the openness that he has shown so far in identifying where the BBC needs to change and the priorities on which he has said he will focus.

However, we strongly encourage the BBC to set out its plans now for delivering these priorities in more detail. [Last year we said](#) that in the absence of a clearly articulated and transparent plan it was difficult for us to judge how much progress the BBC was making. This remains our view, and we now expect to see more detail in the BBC's next Annual Plan.

We expect that the BBC's future strategy will include changes to services, given ongoing financial pressures on BBC budgets as well as the continued focus on developing online services. Transitioning from being primarily a broadcaster on TV and radio channels to one that focuses on delivery through its digital on-demand services is not an easy or quick process. It requires investment, and fundamental change across the organisation, in technology, distribution and content. We understand that the BBC needs to innovate and will have to trial ideas, and that these may not always work. And it will need to deliver output and services differently to meet changing audience needs.

As the BBC evolves its services, it needs to improve the way it engages with the public on its plans.

This matters because of the importance of the BBC's role in people's lives. Almost nine in ten UK adults use the BBC each week⁸, and changes to its services can have a large impact on audiences. As it makes changes, the BBC needs to explain clearly what will be different and how viewers' and listeners' needs will continue to be met.

The BBC also needs to be more proactive in engaging with others in the industry on its plans. We recognise that the BBC increasingly faces competition from global companies, with operators such as Netflix, Disney and Spotify extending their spend and reach. However, as a large publicly-funded organisation, providing content across the TV, radio and online sectors, its actions could have a negative impact on competition, if the effect of a change is to risk reducing choice for consumers. It

⁶ Ofcom TRP Covid-19 Media Behaviours survey. Fieldwork conducted 4-5 July 2020. Online adults aged 16+. The estimated 12 million online adults who gained access to a new SVoD service in lockdown equates to around 6 million households taking out a new subscription.

⁷ TouchPoints 2020, pre-lockdown vs. lockdown

⁸ TouchPoints

is the responsibility of the BBC to understand the potential impact of its plans and to be open and transparent about these in advance, and in sufficient detail, for commercial providers to assess and explain the likely consequences on their businesses and on audiences. This year we have again heard from a number of stakeholders that they have not been aware of changes that the BBC has planned.

The BBC's stakeholders have also raised concerns about the transparency of the BBC's investment, strategy and performance in the nations and regions, and they consider that there is insufficient detail on these matters in the BBC's Annual Report and Accounts. We encourage the BBC to be more expansive in its reporting here, and explicit in articulating its future strategy for the nations and regions. This is important for audiences across the UK, but also for local creative economies.

As the BBC responds to the challenges ahead, there is a vital role for the BBC Board, as well as the Executive. The Board is the body with primary responsibility for the BBC's overall governance and how it reports to the public, for setting standards, ensuring that the BBC has a clear strategy, and for holding the executive to account for performance towards its Mission and Public Purposes as set out in the Charter.

In the sections below we explore the impact of Covid-19 and explain what we expect of the BBC in the future. The remainder of the report assesses the BBC's performance in delivering its Mission and Public Purposes⁹, and how Ofcom has delivered its duties in relation to competition and content standards. The report is accompanied by an [interactive Performance Report](#), which presents extensive data on each of the Public Purposes and how well they have been delivered, across the range of the BBC's services and platforms. In addition, there is a separate [annex](#) which sets out our assessment of the BBC's compliance with the specified requirements set out in the BBC Agreement.



Killing Eve (image courtesy of the BBC)

⁹ We must also publish a report on the BBC's performance against our performance measures. In previous years we have produced a separate report on this; this year we have integrated that into this report and have provided an accompanying [interactive Performance Report](#).

What we found this year

Most adults still consume BBC content on a weekly basis, although it is an ongoing challenge to serve all the UK's audiences.

As we pointed out last year, the BBC is still struggling to reach and retain younger audiences, although we recognise that it is taking steps to respond to this challenge. For the first time, satisfaction levels among audiences who typically use the BBC the most, and have been most satisfied with it, are beginning to show signs of waning. There are also groups who continue to be less satisfied with the BBC, particularly people in Scotland, those in lower socio-economic groups, and disabled people.

We continue to have concerns about the BBC's approach to identifying less-satisfied audiences. For the future, it needs a clear plan to serve these audiences better. The Director-General has [acknowledged](#) that the BBC does not deliver to all audiences equally, with some people getting extraordinary value from the licence fee, while others are underserved.

The BBC will need to focus on providing relevant, high-quality and distinctive content that appeals to the widest possible range of audiences. The BBC has said it wants to focus on unique high-impact content, partly through making less. However, it should not lose sight of the importance of maintaining a commitment to at-risk genres, where spend and new hours have declined significantly since 2010.¹⁰ This broad range of content is less likely to be provided elsewhere and so makes an important contribution to the BBC's distinctiveness.

The BBC has launched a wide range of initiatives to increase its diversity, but its progress to improve representation and portrayal of the all the UK's communities remains unclear

The UK is made up of a wide range of people, defined by many characteristics including where they live, their ethnicity, gender, sexual orientation, age, socio-economic status and whether or not they have a disability. Audiences rightly have high expectations of how the BBC should reflect their own lives. The BBC has undertaken a range of work to improve its diversity on-screen and off-screen so it is more able to understand and accurately reflect a wider range of people, helping it to resonate with all audiences across the UK. The Director-General recognises the critical importance of this issue. Both he and June Sarpong (appointed as Director, Creative Diversity in October 2019) have spoken about the need for greater diversity, including regional and socio-economic diversity, if the BBC is to serve its whole audience effectively. The BBC has met its 2020 targets for on-screen representation. It has also increased the range and transparency of the employment data it publishes and is making some progress on its workforce targets, but the pace of change is slow. There is more to do to achieve diversity at all levels in the organisation.

While we welcome the commitment that the BBC has shown, and the changes it has already made, the impact of these is not yet clearly measurable. In addition to the new diversity plans [announced](#), we want to see the BBC set out a clear plan explaining how it is delivering its obligations to reflect,

¹⁰ 'At-risk' genres are those that provide a particular contribution to the Mission and Public Purposes, are under-provided, or are in decline across public service broadcasting. As set out in Schedule 2 of the Agreement, these include music, arts, religion and other specialist factual content, as well as comedy and children's programming.

represent and serve the people of the UK; how it will measure the success of its work in this area; and what it is doing to hold its content suppliers to account.

Most audiences think the BBC's news is trustworthy and accurate, but retaining trust on impartiality is a complex challenge

The BBC is the most-used news source in the UK and has an important role to play in informing the nation. In our News Consumption Survey, seven in ten regular viewers of BBC TV news agreed it was accurate and trustworthy. This is in line with ITV, Channel 4 and the Sky News channel.

In an increasingly polarised political and cultural landscape, ensuring due impartiality in news and current affairs remains critical, and it is an area that many feel strongly about. During the year we did not find the BBC to have breached the due impartiality or due accuracy requirements of the Broadcasting Code. However, our BBC Performance Tracker shows that only 54% of adults perceive BBC news as being impartial. We know that audience perceptions of impartiality are shaped by a range of factors, which are not all directly related to the BBC's news content. [Our research last year](#) found that people with strong political views generally saw the BBC as too left or right wing, depending on their personal political persuasion. Analysis of social media suggested that those with the strongest political views were the most likely to make critical comments about the BBC.

However, there is a risk that future relationships with audiences could be jeopardised if audience concerns around impartiality continue to grow. Last year, we said the BBC should have the confidence to be bolder in its approach to due impartiality, as our research had shown that audiences had respect for the calibre of the BBC's journalism and expected its reporters to investigate, analyse and explain events. We maintain this view and welcome the new Director-General's commitment in this area.

The BBC has complied with its [Operating Licence](#)

There were three conditions that the BBC did not meet, but we are satisfied that the reason for this was directly related to the exceptional circumstances of Covid-19. Therefore, we have decided not to take enforcement action against the BBC in relation to its performance requirements.

The BBC has met the standards in the Broadcasting Code

We received just over 3,000 complaints about the BBC's content standards in 2019/20. Most of these complaints (over 2,700) were referred back to the BBC as they had not completed the BBC's complaints process (known as 'BBC First'). Around 230 broadcast standards complaints¹¹ were carefully considered by Ofcom; none led to us finding a breach of the Broadcasting Code.¹² We welcome the steps the BBC has taken during this year to improve transparency for audiences around its editorial complaints process. However, we want to ensure that the BBC First system continues to have the confidence of audiences during election periods.

¹¹ As well as 50 fairness and privacy complaints and around 50 complaints about BBC online material – see the section on the BBC's content standards for more information

¹² During 2019/20 we recorded one breach of the Broadcasting Code, which we discussed in our 2018/19 annual report. This related to an edition of *Sunday Politics* broadcast in April 2017 on BBC One. Ofcom's published [decision](#) recorded a breach of Rule 2.2, which requires that factual programmes or portrayals of factual matters must not materially mislead.



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The ongoing impact of Covid-19

The media industry has shown agility in continuing to meet the needs of audiences

Covid-19 has led to immense disruption in the broadcasting sector, requiring all broadcasters to respond rapidly to changing audience needs.¹³ In April, as people were forced to spend more time at home, they watched significantly more audiovisual content, up to 6 hours 25 minutes per day, an hour and a half more than the average figure in 2019. The biggest growth was in SVoD services, with viewing in April 37 minutes higher than the average for 2019.¹⁴

Most of the PSBs increased their individual share of viewing between February and March, with BBC One and the other BBC channels gaining the biggest boosts, thanks to increased viewing of news. BBC services were the [most-used source of news and information](#) about Covid-19, with eight in ten (82%) people saying they used them for this purpose in the first week of lockdown¹⁵, well ahead of other broadcasters, social media and other sources. BBC TV was the most important source at this time, followed by BBC news online. PSBs achieved their highest combined monthly viewing share in more than six years in March 2020, when they captured almost 60% of broadcast TV viewing. However, when looking at the period from January to September, there was no difference in share of the main five PSB channels compared to the same period in 2019, indicating that this was not a change in the long-term declining trend.¹⁶

The lockdown had an immediate impact on radio listening, with substantially reduced in-car and workplace listening, which typically accounts for around 40% of all listening.¹⁷ However, our research shows that around a third of adults tuned in to radio for up-to-date information about the pandemic at the start of lockdown and also indicates that listeners continued to turn to radio for companionship and music.¹⁸ [Around a fifth of adults turned to BBC radio](#) during the start of lockdown and the BBC's *Coronavirus Newscast* was the most popular podcast at that time.¹⁹

¹³ Most of the impact of Covid-19 falls outside our reporting period and will be reported on in detail in our annual report on the BBC 2020/21

¹⁴ Ofcom estimates of total audio-video viewing. Modelled from BARB, Comscore and TouchPoints data.

¹⁵ Lockdown refers to the first nationwide UK lockdown in spring 2020 unless otherwise stated. We refer to November's England-wide lockdown as the 'second lockdown' in this report.

¹⁶ BARB

¹⁷ RAJAR, 12-month weighting to Q1 2020

¹⁸ Ofcom TRP Covid-19 Media Behaviours survey

¹⁹ Populus research, March 2020

Radio stations have continued to provide a valuable source of entertainment, information and companionship during the pandemic. For commercial radio in particular, this comes despite the big drop in advertising revenues. Community radio stations have also continued to play an important role in providing news, information and support to the communities they serve, with particular efforts focused on working with local councils, charities and NHS Trusts. This is despite the fact that most community radio stations rely on volunteers.

Covid-19 has shown how well broadcasters, including the BBC, can innovate and adapt to meet audience needs; they continued to deliver a wide range of content for audiences despite the challenges of the pandemic. In particular, the BBC played a special role in the sector as it supported UK parents to home-school their children when schools were shut, by providing a wide range of educational content for all school ages across all platforms and tailored to each nation of the UK. For example, *Bitesize Daily* was made available UK-wide via the red button and on BBC iPlayer, and *Bitesize Daily Lessons* provided additional activities on the BBC website.

Many productions were stopped during lockdown to protect cast and crew until new filming protocols could be put in place. Although most productions have now restarted, social distancing measures mean that programmes may take longer and cost more to make. There were also immediate scheduling gaps caused by the cancellation or postponement of live cultural events such as Glastonbury and live sports events such as Wimbledon. Like other broadcasters, the BBC showed that it can take quick commissioning decisions and make content in new and innovative ways, for example, by changing formats (e.g. *Have I Got News For You* had panellists contributing from their homes), by introducing the arts and culture service *Culture in Quarantine*, and by providing new comedies such as *Comedians Home Alone* and *Staged*.

Radio stations have also had to adapt and innovate, with many shows being presented live from presenters' homes rather than from a studio. As with its TV productions, BBC radio adapted its programming with features such as the [Great British Singalong](#). For this, the BBC's UK-wide music stations joined together in a multiway simulcast each Thursday for a number of weeks, each broadcasting a separate song for the public to sing along to and dedicating the feature to a different group of people each week. [BBC nations' and local radio](#) joined forces with local volunteer groups to help inform people about the support available in their areas.

The pandemic will continue to have an impact on planned schedules. Broadcasters are continuing to adapt and meet audience needs, for example by making Covid-secure productions (e.g. the return of *EastEnders*, but with shorter episodes, *Strictly Come Dancing* on BBC One and *The Great British Bake Off* on Channel 4), offering more live news coverage, and filling some scheduling gaps with repeats. There are ongoing uncertainties around other types of content, such as scripted dramas. When England moved into a second lockdown on 5 November, the Government announced an exemption for all aspects of the film and TV production process which also applies to the devolved nations.

Broadcasters across the sector have worked together, and with the Government and devolved administrations, on new production guidelines. The pandemic has also led to the strengthening of several initiatives aimed at supporting the creative sector. For example, the BBC doubled its investment in the [Small Indie Fund](#) and said it will have more focus on working with smaller producers, and those in the nations and regions or with diverse leadership.

ITV launched a development fund targeted at the independent production sector to accelerate the search for new ideas and content. Sky, and others including the BBC and Netflix, donated to the Covid-19 Film and TV Emergency Relief Fund and Channel 4 ring-fenced development funding for 2020 with at least 50% prioritised for small producers, those from the nations and regions and from minority ethnic backgrounds. The Audio Content Fund introduced a special funding round for content that would support radio audiences during the crisis.

The BBC can build on its response to Covid-19 in its future activities and take a leading role in supporting the creative economy's recovery

Looking ahead, there are opportunities for the BBC to build on the strength of its response to Covid-19. Examples include the effective way in which it partnered with many different UK organisations across the cultural, education and sporting sectors²⁰, and with the Government, to help fill the gap when schools were closed. The BBC's response showed its strength in delivering education content to the UK and the importance of its duty to build partnerships with educational and cultural institutions under the Charter. Other examples include BBC Arts' *Culture in Quarantine* which was created with the support of Arts Council England and others, and *The Big Night In* fundraiser, created in conjunction with BBC Children in Need and Comic Relief.



The Big Night In (image courtesy of the BBC)

During the crisis, the BBC built on some of its existing relationships in the sector. For example, it agreed to share some of its local radio content, including its news bulletins, with Community Media Association radio station partners to help support local populations and community radio.

Recognising the potential for its short-term changes to affect commercial radio players, the BBC had positive engagement with the sector about its plans for broadcasting archive sport content on BBC Radio 5 live sports extra before it went ahead. We encourage the BBC to build on this good practice as it evolves services in the future. Early engagement like this allows it to take account of where negative impacts might be felt.

²⁰ For example, Premier League, Science Museum Group, Royal Shakespeare Company and Puffin Books

In addition to the broad steps outlined above in support of the production sector, there was a range of specific BBC activities in the nations and regions during the crisis. For example, BBC Northern Ireland ran a rapid commissioning round in March to support the local sector. BBC Scotland said it would fund the development of ideas for future production and re-license archive content from Scotland-based producers. BBC Cymru Wales launched a package of measures to support the Welsh creative sector in early April, including a call for quick turnaround radio broadcast programming and funding for TV development projects for broadcast next year. As part of our work on [*Small Screen: Big Debate*](#) we have also heard positive feedback from independent production companies in the nations and regions on how the first lockdown in the UK ‘levelled the playing field’ in terms of access to London-based network commissioners.²¹ Different kinds of commissioning processes were implemented, and most engagement was online rather than in person.

Although wider macro-economic factors and increases in production costs related to the Covid-19 crisis will affect the whole production sector, there are concerns that smaller production companies, in particular those based in the nations and regions, would struggle with the challenge the crisis presents if, as the sector recovers, the focus of PSB commissioning were to revert primarily to London.

Given the BBC’s unique funding position, it is well-placed to play a leading role in supporting the sector’s recovery from the impacts of Covid-19 over the coming months. We welcome the comments from the BBC Chairman and Director-General signalling that supporting the creative industries’ recovery across the UK is a major priority for the BBC for the months ahead.

These examples illustrate how the BBC can collaborate with partners to meet audience needs, support the creative economy including local partners, and innovate in the way it makes programmes. The BBC has shown that it can respond quickly to meet changing audience needs, and we encourage the BBC to consider how it can embed this positive experience in its future ways of working.

The impact of Covid-19 on the BBC’s compliance with its Operating Licence

We believe it is important to give the BBC the flexibility it needs to deal with the pandemic, as we do for other broadcasters. Overall, the BBC’s services have been very resilient to the challenges of Covid-19, but the ongoing effects of the crisis are likely to lead to reductions in output throughout 2020/21. It is also important that the BBC continues to deliver for audiences. We will therefore remain engaged with the BBC about how the pandemic has affected its ability to comply with its Operating Licence conditions for the 2020/21 period. If the BBC is unable to meet any of the conditions due to Covid-19, we will ask it to provide detailed reasons for this and to set out what it has done instead.

²¹ Network programming is shown by the PSB channels across the UK, whereas non-network programming is nations’ and regions’ programming that is shown only in specific areas of the UK



Looking ahead

Audience trends and financial pressures may mean that the BBC will need to make changes to its services

Although the BBC recorded large audiences during lockdown, including improved reach to young people, it is unlikely that this indicates a long-term reversal of the downward trend. Indeed, viewing of BBC broadcast TV channels has since declined and had returned to pre-lockdown levels by June. Viewing has since risen again due to increased restrictions across the UK and the second lockdown in autumn. Covid-19 has actually accelerated the trend of audiences spending more of their viewing time with online and streaming services. In 2019/20, the number of people engaging with the BBC has continued to fall across nearly all BBC services, and at a faster rate among young people.

We do not expect a reversal of these trends; the BBC will need to stay relevant to audiences by providing enough of the content they want, and in ways they want to consume it, so that large numbers continue to use the BBC on a regular basis.

In addition, pressure on BBC budgets means that decisions will need to be made about where to prioritise funding, and therefore where there may need to be service changes or reductions. According to the [BBC's Annual Report and Accounts](#), in 2019/20 the BBC raised £3.52bn in revenue from the licence fee. This was a drop of nearly 5% from the year before, due to the phased reduction in Government funding of over-75s' licences and [a reduction in the number of paid licences](#).²² The BBC has established plans to achieve recurring efficiency savings of £800m (of which £618m have been delivered) and has announced an additional £125m of Covid-19 savings. The BBC also generates around £1.4bn in non-licence-fee income, primarily from its commercial activities in BBC Studios. Given the challenges in production and a difficult advertising market due to Covid-19, these revenues will come under pressure, which is likely to reduce the dividend available to the BBC's public service activities for reinvestment in content.²³

The new Director-General has [set out his priorities](#): a renewed commitment to impartiality; a focus on unique high-impact content; extracting more from online; and building commercial income. He has recognised that some audiences feel underserved and that increasing the BBC's diversity is ["mission critical"](#), admitting it has made slow progress on increasing the diversity of the BBC's senior leadership.

²² The BBC's Television Licence Fee Trust Statement reported that there has been a fall in licence fee take up of 256,000 this year (the drop last year was 37,000)

²³ The BBC's 2019/20 Annual Report and Accounts showed that the BBC public services received a much lower dividend (£3m, down from £73m) in order to retain cash in the commercial arm specifically to deal with the impacts of Covid-19

We want the BBC to develop a plan and to explain publicly how it will deliver its priorities and report on its progress

Last year we said that it was difficult for us to judge the BBC's progress without a clearly articulated and transparent plan of its priorities and how they will be achieved. We remain of this view. We are encouraged by the transparency shown by the Director-General in setting out his initial priorities and where he thinks the BBC needs to change. We now think that the BBC needs to explain in more detail how it will deliver these priorities, and in that context, how it will deliver the Mission and Public Purposes. The BBC's next Annual Plan is its opportunity to set this out, including: what service changes it is planning in order to deliver the strategy and to ensure that audience needs are met; what targets or objectives it will set to hold itself to account; and how it will measure and report on the impact of its services on audiences and its progress against targets.

The BBC Annual Plan will also be an opportunity for the BBC to explain how its different services (e.g. BBC iPlayer and BBC Sounds, TV channels and radio stations) will work together to deliver the strategy and the Mission and Public Purposes.

Decisions about specific programmes and how the BBC spends its funding are rightly for the BBC Board and management. However, as we explained in the Overview, given the important role the BBC plays in many people's lives, audiences need to understand what is changing and how their needs will continue to be met. For example, we do not consider that the BBC sufficiently explained to audiences its decision-making behind the changes that it announced recently about news and current affairs for the English regions. In this case we have asked the BBC to explain more clearly to audiences the impact of its changes, and how it will ensure delivery of the Mission and Public Purposes. This is especially important when a change does not require an adjustment to the Operating Licence or a competition assessment, and is therefore not subject to a public regulatory process.

The Annual Plan also allows the BBC to gather evidence from stakeholders about whether its plans could have an impact on competition. If the Annual Plan does not contain sufficient detail about the BBC's plans, stakeholders will be unable to comment meaningfully on their potential impact and the BBC will therefore not be in a position to fulfil its duty to have regard to the effects of its activities on competition. We continue to hear from a number of stakeholders that they have not been made aware of changes that the BBC has planned, which could affect them, until late in their development, and they are sometimes left to rely on information in speeches or press releases. As the BBC publishes the Annual Plan only once a year, it will need to find other ways to engage with industry when changes are proposed during the course of the year that were not included in the Plan. We have raised this issue in our previous annual reports and consider that the BBC still has more to do in this area.

The BBC's stakeholders have also raised concerns about the level of transparency regarding investment, strategy and performance in the nations and regions. They have told us they are concerned about the level of detail in the BBC's Annual Report and Accounts on its performance and strategy in each nation. We encourage the BBC to be transparent in reporting on its activities and investment in the nations and regions, and explicit in articulating its future strategy for them, in the interest of the local creative sector and the audiences it serves.

Measuring the performance of BBC iPlayer and BBC Sounds will become increasingly important

As the BBC's services evolve from being primarily broadcast TV and radio to having an increasing focus on on-demand services such as BBC iPlayer and BBC Sounds, there will be a greater role for these services to deliver the Mission and Public Purposes to all audiences. It is therefore critical that the BBC is able to measure their contribution and report it transparently. This will also help the BBC to demonstrate how it is delivering on its priority to extract more value from its online offering. Over this period of transition the BBC will also need to explain how its broadcast and on-demand services work together; this will require a more holistic and comprehensive account of how the BBC delivers each Public Purpose. We welcome further discussion and engagement with the BBC on this, recognising that it may require investment from the BBC and new research methodologies or analytic tools.

We have concerns that currently the BBC does not report transparently on how well BBC Sounds is delivering to audiences. The BBC's Annual Report and Accounts referred to the number of signed-in accounts (3.6 million), that this was above target for all audiences, and that it had met its target for younger audiences. However, as it did not report on what the targets were, it is difficult to assess how well BBC Sounds is delivering compared to what the BBC had planned. We note that in the [BBC's 2020/21 Annual Plan](#) the BBC does include a target of 3.5 – 4 million weekly signed-in accounts. Stakeholders have also raised concerns about the BBC's ongoing public reporting on the performance of BBC Sounds. The BBC has released a quarterly update on its website, and although there are some consistent measures, the definitions are not clear, such as what a 'play' constitutes, and only selected podcasts or radio stations are highlighted each quarter.

Looking to the future, and for the reasons set out above, the BBC's approach to measuring the performance of BBC Sounds will need to improve: there should be a more systematic approach to measuring its performance. It is important that the BBC explains how people are using BBC Sounds (e.g. live versus on-demand, genre information) and, where possible, more detail about user demographics. To help us with our own consideration of BBC Sounds, we are commissioning a survey to understand where BBC Sounds fits in the wider audio landscape, including audience awareness, consumption and attitudes. We will use this as part of our performance assessment of BBC Sounds in next year's annual report.

We think the BBC should be more transparent about what it is already measuring on BBC iPlayer, and be clearer in its reporting on its performance. As the BBC places more emphasis on BBC iPlayer's contribution to the Mission and Public Purposes, this will become increasingly important. For example, there is limited reporting in the BBC's Annual Report and Accounts on how well BBC Three is delivering for audiences. This year the BBC reported on average weekly minutes viewed among 16-34s rather than a weekly reach figure, which is a more meaningful measure of performance because it would indicate how many young people were watching BBC Three content.

Our areas of focus coming up

Looking ahead, we see our next phase of work as focusing on how the BBC delivers to all audiences while transitioning to focus more on its online services, as discussed above. To do this, we expect to work with the BBC to develop a robust and comprehensive performance framework. In time, the more that the BBC demonstrates that it is setting robust targets and objectives for itself, and measuring the impact of its performance, the less the need for us, as the regulator, to set prescriptive requirements in the BBC Operating Licence. The BBC Board will play a key role in this. Under any model, we will retain the ability to intervene where we have concerns. We are now beginning this Future Operating Licence work, as outlined below.

In addition, we expect that the BBC, like other broadcasters, will need to make changes to its services, in the light of rapidly changing market conditions. The BBC increasingly faces competition from global competitors, but changes to its services could also affect local rivals. We think that the BBC could manage this by improving its transparency and providing more clarity about how proposed changes would support the delivery of its overall priorities. This would allow stakeholders to highlight concerns before the BBC actually makes changes.

We will continue to monitor such changes and will step in if necessary. We will follow our published procedures, should the BBC request a change to the Operating Licence or propose a material change to its public service or commercial activities.

Our other areas of work will be on:

BBC Sounds

Given the incremental changes that the BBC has made to BBC Sounds since its launch in 2018, we consider that now is the appropriate time to take stock of its market position. In October we published a [call for evidence](#) to help us assess whether there are any issues that need to be dealt with via regulatory action or other means.

Review of BBC Studios

The BBC's commercial activities generate returns which can be reinvested in BBC programmes and services and which supplement income from the licence fee. It will be important for these activities to adapt to the changing environment and respond to opportunities as they arise. We support the ambitions of the Director-General to increase commercial revenues, so long as this is done fairly.

Given the significant market developments and changes in BBC Studios in recent years, we have launched a review of the interaction between BBC Studios (which earns the vast majority of the BBC's commercial revenues) and the BBC's public service activities. We consider it is important for us to understand better how it has implemented our rules to regulate the boundary with the licence-fee-funded part of the BBC. We expect to publish our findings from this review in spring 2021. This is discussed further in our section on the BBC's [impact on competition](#).

Periodic review

We are required to carry out at least two periodic reviews during the charter period, the first of which must be published in sufficient time to inform the Government's mid-term review. The Charter states that this mid-term review must not be undertaken before 2022 and must be completed by 2024.²⁴ We therefore currently plan to conclude our periodic review by the end of 2021. We must assess in our periodic review the extent to which the BBC is fulfilling its Mission and promoting each of the Public Purposes, and the review will build on the analysis and evidence presented in our annual reports on the BBC's performance, as well as on the findings of our thematic reviews, such as that on representation and portrayal. We are currently considering our approach to the review, but we expect it to pick up on key themes and issues for the future regulation of the BBC, including, for example, how the BBC demonstrates that it is delivering services that audiences value.

Future Operating Licence

In a world where audiences are increasingly shifting towards online content, and the BBC continues to develop its provision in this area, our regulation also needs to evolve. Currently, the focus of the Operating Licence and the performance requirements are the BBC's individual broadcast television and radio services. In the year ahead, we will be doing work to inform how to evolve the Licence so that it better reflects current and future digital provision, while also exploring whether it would be beneficial to audiences to allow the BBC more flexibility to choose where and how it delivers the Public Purposes. As it tries to reach all audiences, we will seek to support the BBC in trying different things, some of which may not succeed. We will also take account of our [*Small Screen: Big Debate*](#) findings and recommendations, and what this means for how the BBC delivers for its listeners and viewers. Any changes to the Operating Licence that we may propose as a result would be subject to a public consultation.

²⁴ Article 57 (3) of the BBC Charter



Performance assessment

Introduction

In addition to the enforceable regulatory conditions in the BBC's Operating Licence (see the section on [Overview of our duties](#)), we use performance measures to provide a broader picture of how well the BBC is delivering its Mission and Public Purposes, beyond these regulatory conditions.

Using the [measurement framework](#) that we published in 2017²⁵, we assess the BBC's performance by considering:

- **Availability:** the nature, type, quantity, and range of content available across the BBC's output, as well as the spend on this content.
- **Consumption:** the extent to which audiences watch, listen or read content provided by the BBC.
- **Impact:** what audiences think about the BBC's services and output.
- **Contextual factors:** additional factors such as wider market dynamics.

This year we also have an [interactive Performance Report](#), which provides extensive data for each of these, for all platforms and across each of the Public Purposes. The reader can be guided step by step through each of the measures or select the Purpose or platform of particular interest. The interactive report also contains details of sources we refer to in the assessment.



RuPaul's Drag Race UK (image courtesy of the BBC)

²⁵ This includes our core measurement principles of flexibility, proportionality, practicability, transparency, robustness, and comparability

The BBC's Public Purposes

The Charter sets out the BBC's Public Purposes:

Public Purpose 1: To provide impartial news and information to help people understand and engage with the world around them.

Public Purpose 2: To support learning for people of all ages.

Public Purpose 3: To show the most creative, highest quality and most distinctive output and services.

Public Purpose 4: To reflect, represent and serve the diverse communities of all of the UK's nations and regions, and in doing so, support the creative economy across the UK.

There is a separate section in this report for our assessment on the BBC's delivery of each Public Purpose.

Note: The BBC's fifth Public Purpose, to reflect the United Kingdom, its culture and values to the world, is outside Ofcom's regulatory role. It lies with the BBC to set the licence for the BBC World Service (Clause 34 of the Agreement).

Overall BBC performance

The BBC's reach remains high but is declining as audiences are drawn away to online providers

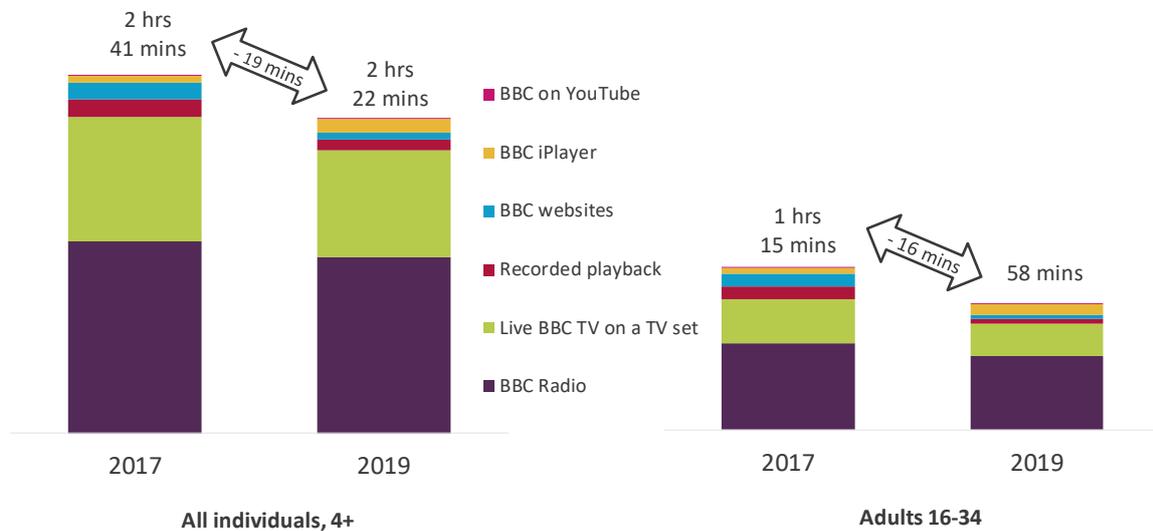
The continued growth in access to, and use of, connected devices has enabled audiences to choose from a wider range of content, from a greater number of providers, wherever and whenever they want. This is good news for audiences, who have access to a wealth of high-quality content from a range of suppliers. SVoD services including Netflix, as well as video-sharing platforms (e.g. YouTube) and audio streaming services (e.g. Spotify), are continuing to attract audiences away from the BBC, as well as from the other PSBs. At the same time, while BBC radio and audio services continue to lose listeners, national commercial radio and specialist online services are seeing growth.

Despite this, the BBC's overall reach is still very high, with almost nine in ten adults consuming its content on a weekly basis. Highlights from the year include high volumes of viewing to the Women's World Cup football, the biggest ever audience for a Glastonbury programme (Kylie Minogue's headline set), and the *Gavin and Stacey* Christmas special, which was the most-watched scripted show of the decade.

However, the number of people engaging with the BBC has continued to fall across nearly all BBC services, and at a faster rate among young people. For example, the overall audience to BBC One dropped by 5.4 percentage points since 2017, while its reach to 16-24 year-olds has dropped by 9.4 percentage points in the same period. The average daily time spent with the BBC dropped by a further ten minutes in 2019 compared to 2018, and by 19 minutes compared to 2017 – a fall of 12%

over the past three years. For younger audiences, average time spent with the BBC each week now stands at just less than an hour a day (down by 22% since 2017).²⁶

Figure 1: Estimated total BBC minutes per day: 2017 vs. 2019



Source: Ofcom modelling from BARB, BBC iPlayer data, RAJAR, Comscore. Note: The 2017 figure has been updated compared to the data published last year as we have removed viewing of BBC programmes on SVoD.

Providing enough relevant content for all, so that it continues to be a core part of audiences' viewing and listening, is a key challenge for the BBC

We do not expect a reversal of these trends, but the BBC will need to stay relevant to audiences by providing enough of the content they want, and in ways they want to consume it, so that large numbers continue to engage with the BBC on a regular basis. The BBC's challenge is to continue to deliver value to audiences that are currently well-served and satisfied, while at the same time maintaining its relationships with those who use it less and appealing more to those who have less favourable perceptions. This will help it to retain its appeal in the face of more choice.

While most UK audiences value the BBC, there are groups that are consistently less well-served, with lower overall reach and lower overall impressions of the BBC. [Figure 2](#) illustrates this, and also shows how perceptions of the BBC, and reach, have changed for some groups over the past three years (arrows indicate the movement of that group from 2017/18 to 2019/20). Our research also shows the following:

- The arrows moving from right to left indicate that the BBC's reach is in decline, and at a faster rate for some, including minority ethnic audiences, those aged under 35, audiences in Scotland and those in lower socio-economic groups.²⁷ Although we have seen some improvements in perceptions of the BBC among some audiences (indicated by the arrows

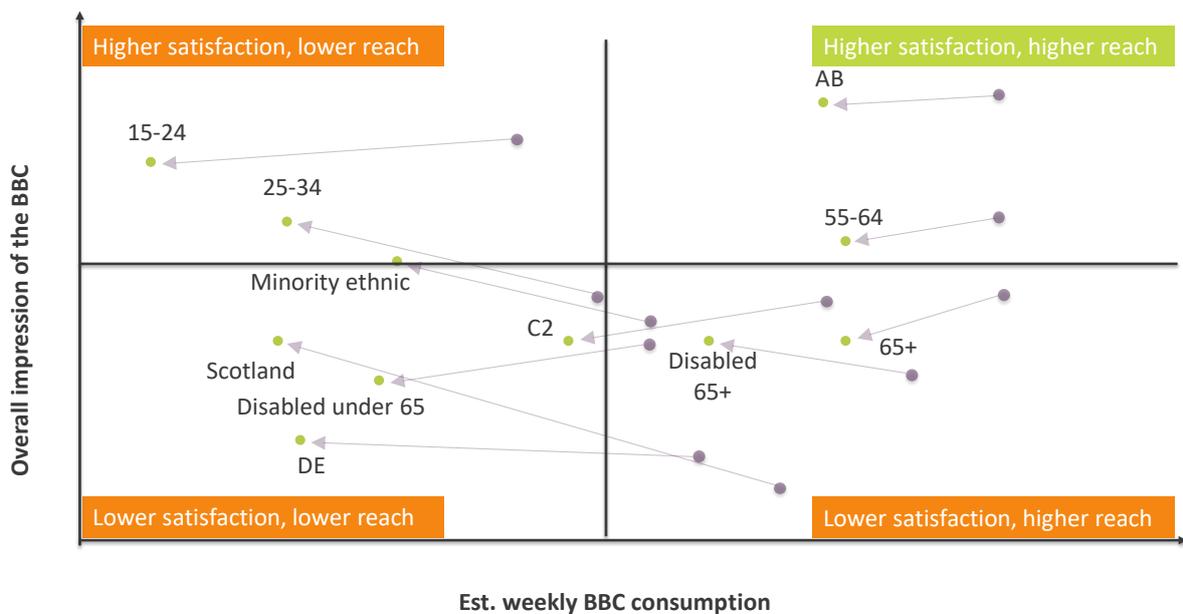
²⁶ The BBC reported in its Annual Report and Accounts a weekly average of 7 hours 30 minutes for 16-34 year olds, equivalent to 64 minutes each day - a difference of 6 minutes compared to the figure we have published (58 minutes). This is due to some differences in data sources.

²⁷ Socio-economic group is determined by several factors including income and occupation. In general terms, the highest groups, A and B, are more likely to be well-off, the C1 and C2 groups are in the middle and the lowest groups, D and E, are less likely to be well-off.

moving in an upward direction), the groups shown in the bottom left quadrant of the chart consistently have lower perceptions, and the BBC reaches fewer of them compared to the average.

- We know that younger audiences tend to seek out specific programmes that appeal to them, then often highly valuing what they do consume. Qualitative research from Ofcom’s *Small Screen: Big Debate* found that, related to BBC iPlayer, younger audiences tend to use it when they know what they want to watch, rather than as a destination to browse for new content. However, the movement of these groups on the chart indicates that it is difficult for the BBC to attract and retain younger audiences, despite their relatively high perceptions.
- Older people (aged 55+) and those in higher socio-economic groups have traditionally consumed more BBC content and been more satisfied than the UK average. However, reach is decreasing among these loyal groups, and older audiences in particular are starting to show signs of decreasing satisfaction. Nevertheless, they continue to be better served than other groups, as shown by their position in the top right quadrant of the chart.

Figure 2: Overall impression of the BBC vs. overall weekly reach, by selected audience groups: 2017/18 vs. 2019/20



Source: TouchPoints (estimated weekly BBC consumption); Ofcom’s BBC Performance Tracker (overall impression) Note: The main lines on the chart show the population averages for overall impression (64% rating the BBC 7 or more out of 10 and overall weekly reach (87%). Data for 2019/20 is shown in green dots and 2017/18 in grey with arrows showing direction of travel. Performance Tracker data is based on UK adults 16+ and TouchPoints is GB adults 15+.

The new Director-General has [acknowledged](#) that the BBC does not deliver to all audiences equally, with some people getting extraordinary value from the licence fee, while others are underserved. We welcome the common thread running through his initial announcements about ensuring that the BBC remains relevant to all, to help it reach all audiences.

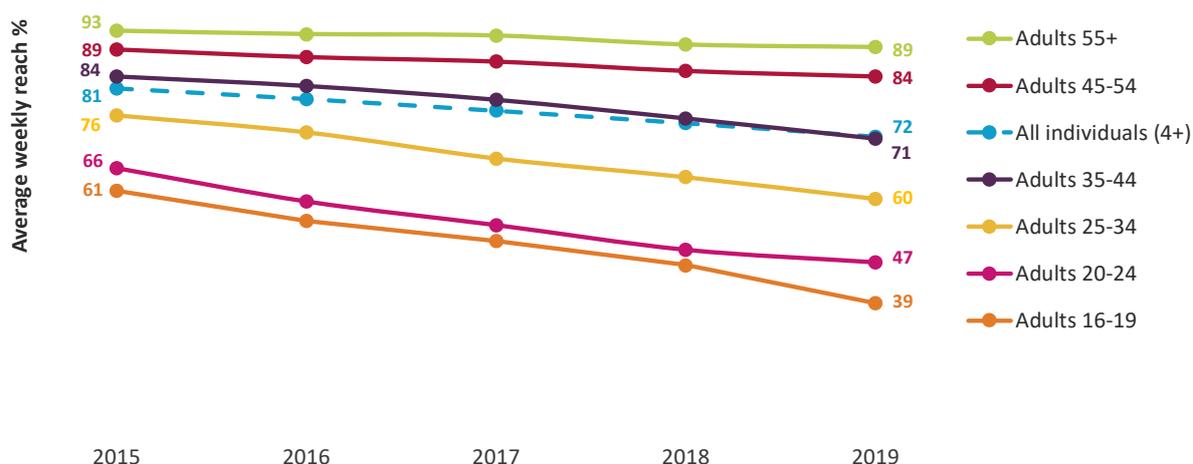
The BBC's engagement with young people

Last year we said that there was a risk to the BBC's future sustainability if it did not do more to attract young audiences to its content and services. Although the trend of declining use among younger audiences continues, the BBC is taking positive steps to meet this challenge. However, it may take some time for the BBC to understand how effective its actions have been. Reaching younger people is an important part of the BBC's challenge to serve all audiences across the UK. This section will look at some of the issues and initiatives that cut across the Public Purposes. Individual Public Purpose sections will also include findings relevant and specific to this demographic.

Among young people, reach and time spent with the BBC is continuing to decline

As set out above, time spent with the BBC by 16-34 year-olds now stands at less than an hour a day, down 22% since 2017. The proportion of young people that the BBC reaches, across its platforms, has also fallen over that period, from 86% to 79% each week.²⁸ Reach to the BBC's broadcast TV channels in 2019 continued to decrease across all age groups but has fallen most for 16-19s, as shown in the chart below. The largest decrease in time spent watching the broadcast channels is also among 16-19s.

Figure 3: Average weekly reach % by age, all BBC broadcast channels on the TV set



Source: BARB. Reach criteria: 15+ consecutive minutes.

As outlined above, audiences now have access to a much wider breadth of high-quality content, which is inevitably attracting audiences away from the BBC – this is increasingly being seen across all age groups. SVoD services have been particularly effective in engaging younger audiences, with half of all the time spent watching these services accounted for by 15-34 year-olds.²⁹

National commercial radio services have increased their listeners aged 15-24 by 10% over the past three years, while the BBC's network radio services have lost 12% of their 15-24-year-old listeners. Less than a quarter of the time that 15-24 year-olds spend listening to online radio is with the BBC,

²⁸ TouchPoints

²⁹ TouchPoints

compared to 43% for national commercial stations.³⁰ Audio-streaming services such as Spotify are continuing to attract younger audiences; 60% of the time spent listening to online music streaming services is attributed to 15-34 year-olds.³¹

Last year we challenged the BBC to set out its strategy to engage with and provide for younger audiences

In its 2020/21 [Annual Plan](#), the BBC has set out the actions it will take over the next two years with the aim of increasing engagement with young people. These include increasing spend on commissioning content for younger audiences, expanding BBC iPlayer, investing in BBC Sounds and tracking overall performance among the under-35s. It also said that it was exploring options available to BBC Three in developing its profile online, doubling its budget and expanding the range of content it commissions.³²

In its Annual Plan it also states that BBC Sounds is at the heart of its audio strategy. It was launched as part of the BBC's commitment to reinvent the BBC for a new generation, but it has yet to demonstrate its impact on listening among young people. According to BBC data, of the accounts that have provided their age details to the BBC, 29% are under-35 (although the BBC has reported that BBC Sounds has met its target for younger audiences, it has not published those targets). Our BBC Performance Tracker indicates 7% of 16-34 year-olds claim to listen to BBC Sounds. In contrast, Spotify reaches over half of 15-34 year-olds, further highlighting the challenge the BBC faces in this market.³³ The BBC has stated that it will put live radio at the heart of BBC Sounds, and will continue to evolve its radio portfolio, learning from how it has operated in the Covid-19 crisis and understanding what online content is popular with young audiences. It also plans to evolve the user experience on BBC Sounds to make it easier to use and more personally relevant.

In October 2020, the BBC launched its 24-hour Radio 1 Dance stream on BBC Sounds, designed to give young audiences more flexibility to listen to dance genre content.

Other initiatives include the increased prominence of BBC Three content on BBC iPlayer, and using different models of scheduling on BBC iPlayer, such as releasing box-sets ahead of, or alongside broadcast on its TV channels and set scheduling of weekly episodes, as was the case with *RuPaul's Drag Race UK*. The BBC has told us that it is constantly reviewing its approach in bringing people to BBC iPlayer; for example, by using YouTube as a test environment to help it understand what content might resonate with certain audiences.

We have limited data on the performance of BBC Three. As we set out in the [Looking ahead](#) section, the BBC, in this year's Annual Report and Accounts, reported 16-34s' average weekly minutes of viewing to BBC Three, rather than a weekly reach figure that would indicate how many young people the service is reaching. We know from third-party research that 5% of 15-34s watched it each week in the first quarter of 2020, down from 7% in 2019.³⁴ We also know from data shared by the BBC that on average there were 7.2 million UK video views on the BBC Three YouTube channel per month

³⁰ RAJAR

³¹ TouchPoints

³² It also said it would explore the restoration of BBC Three as a broadcast TV channel, but it is not clear if this remains a priority for the new Director-General

³³ TouchPoints

³⁴ TouchPoints

in 2019/20, a decrease of around a million compared to the previous year. We encourage the BBC to publish additional information on how well BBC Three content is performing, including on BBC iPlayer.

Use of BBC iPlayer has increased among young people, and given that broadcast viewing among this demographic is falling, it is making up an increasing proportion of their BBC TV viewing.³⁵ However, reach of Netflix remains much higher among young people, used by 66% of 15-24 year-olds each week, compared to BBC iPlayer reaching 28%.³⁶

The BBC is making use of social media to draw audiences to it, for example with behind-the-scenes footage of *Strictly Come Dancing* or the *Line of Duty* Facebook group, and by using initiatives such as podcasts to accompany programmes, such as *Obsessed With....* which has featured programmes including *Noughts + Crosses*, *Killing Eve* and *Dracula*. However, there is clearly still a challenge in getting young people into the BBC environment.

As set out under our assessment of [Public Purpose 1](#), the BBC has taken steps to address lower engagement among 16-24 year-olds by redesigning its news app and increasing its focus on personalisation.

We note that initiatives and strategies for attracting younger audiences have been supported by the BBC Next Generation Committee (NGC) which is made up of 15 younger members of staff. The committee's purpose is to provide advice and represent younger people's voices at an executive level. In the past year, according to the BBC's [Annual Report and Accounts](#), the NGC encouraged the reinvention of BBC iPlayer and supported the focus on younger audiences in news and social media.

Although young people are spending less time with the BBC overall, they continue to rate it highly

Despite the decline in reach and time spent, young people continue to rate the BBC highly overall.³⁷ This matches what we know from our qualitative *Small Screen: Big Debate* research about how young people consume content from the PSBs, by seeking out specific programmes that appeal to them, then often valuing highly what they do consume.

However, looking at young people's satisfaction with the different BBC services, there are signs of decline in some areas. Levels of satisfaction with the BBC website/apps³⁸ have dropped significantly since 2017/18 and are now below average. This will be something to monitor as investments such as BBC Sounds and the strategies for increasing young people's engagement with the BBC's news offering become more established. Young people's levels of satisfaction with BBC radio have dropped slightly (but not significantly) since last year and remain below average.³⁹

Some younger audiences feel the BBC is not focused on them specifically

We [published research](#) in July which explored people's relationship with the PSBs, with a particular focus on the views of young people. These findings were in the context of all PSBs, including the BBC,

³⁵ Ofcom modelling from BARB and BBC iPlayer data

³⁶ TouchPoints

³⁷ Ofcom BBC Performance Tracker

³⁸ 'Website/apps' includes BBC Sounds but not BBC iPlayer, which is categorised under 'TV services'

³⁹ Ofcom BBC Performance Tracker

and they include relevant context for the challenges facing the BBC in appealing to younger audiences.

Although the BBC is generally seen as ‘for everyone’, some audiences, particularly those who are younger or in lower socio-economic groups, feel this means that is not focused on them specifically. Younger audiences, who described Netflix as their ‘go to’ service when looking for something to watch, were therefore familiar with its layout and navigation, and liked the personalisation of its subscription service, which gave it the feel of having been made specifically ‘for them’. In contrast, they found the ‘for everyone’ feel of BBC iPlayer off-putting and confusing to navigate, so they were less likely to browse for new content, apart from a few programmes that had generated a social buzz in their peer group.

Reaching younger people is an important part of the BBC’s challenge to serve all audiences across the UK

After only a year, it is too early to say whether the BBC’s strategy to engage more young people will pay off in the long term. The new Director-General has recognised that some audiences feel underserved and that young audiences are a critical part of that. We set out in the [Overview](#) that the BBC will need to focus on providing relevant, high-quality and distinctive content that appeals to the widest possible range of audiences. In future, as on-demand services play a larger role in how the BBC delivers its Mission and Public Purposes, it will become increasingly important that the BBC is able to measure and report on these services’ performance comprehensively.



Teen Taxi (image courtesy of the BBC)



Public Purpose 1

Providing impartial news and information to help people understand and engage with the world around them

Key findings

- More people use the BBC for news than any other source across TV, radio or online, although its overall reach is in decline.
- As we said in our [news review](#) last year, audiences have respect for the calibre of the BBC's journalism. However, although BBC news remains a trusted and accurate source for people to go to, it still faces challenges in audiences' perceptions of impartiality.
- The reach and satisfaction of BBC news to specific demographics have dropped significantly in recent years, contributing to the challenge the BBC faces in reaching and serving all audiences.
- Younger audiences remain less likely than other adults to use BBC news services. The BBC has been taking steps to engage children and young people by developing its news offering online.
- Following recommendations in our news review, the BBC has put in place a new compliance process to ensure it provides adequate external links to third-party content.
- Further detail on the data behind this assessment can be found in the [interactive Performance Report](#).

Key events across the year, including a General Election, the UK's exit from the European Union and the Covid-19 crisis, have accentuated the critical nature of accurate and impartial news and information, both to the health of the people of the UK and to its democratic institutions. Covid-19 had a substantial impact on audiences' consumption of BBC news as well as news in general.

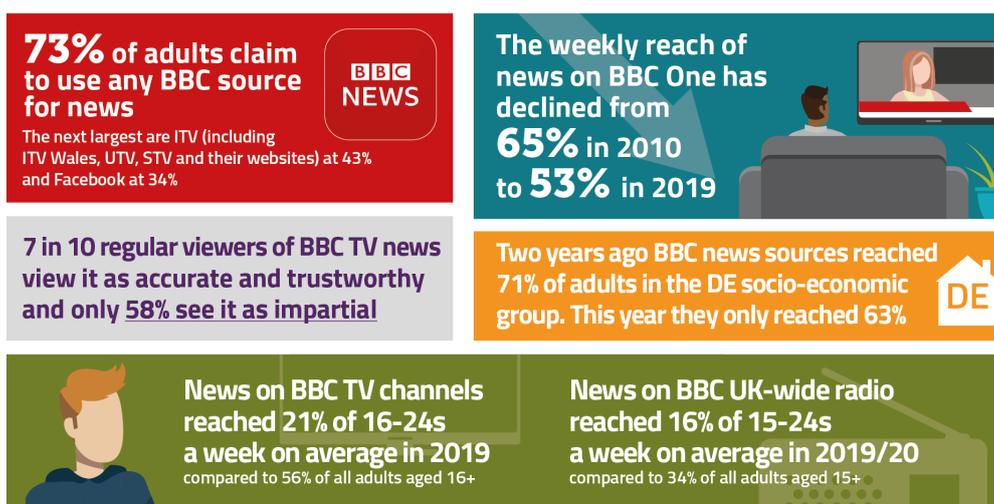
Impact of Covid-19 on the BBC's delivery of Public Purpose 1

The Covid-19 crisis, and in particular increased news consumption on the BBC, resulted in PSB channels receiving their highest combined monthly viewing share in more than six years, and highlighted the BBC's role as one of the main places to go for reliable information on breaking news events.⁴⁰ Our research on the Covid-19 crisis in the first week of lockdown showed that **82% of people looking for news about the crisis** said they used the BBC as a source of news and information, well above the 56% of people who used non-BBC broadcasters. Use of the BBC news website reached its highest level of the reporting year, with 37% of UK adults using it on average each week in March 2020.⁴¹

Throughout this period, BBC news maintained its services and adapted some of its content across different platforms to deal with the impact of lockdown and to help prevent the spread of disinformation. In March, **it announced changes** which included using *The One Show* as a consumer programme show for all aspects of the crisis. On BBC One daytime, *Health Check UK Live* was used to respond to the concerns of viewers who were in isolation or quarantine, and *My World* had a **Covid-19-specific episode** directed at younger audiences.

The BBC also sought to counter the spread of disinformation online with content such as **BBC Bitesize's 'fact or fake'** campaign, and the BBC Academy launched a website which brought together all of the BBC's work on disinformation and media literacy. These are just some examples of how the BBC adapted during the crisis and ensured that it continued to build on its reputation as a trusted and accurate news provider.

Purpose 1: To provide impartial news and information to help people understand and engage with the world around them



⁴⁰ BARB

⁴¹ BBC research

In October last year we published an in-depth [review of the BBC's news and current affairs output](#), to learn about people's news habits, what matters to them about the news and current affairs they watch, listen to and read, and the role played in their lives by BBC news and current affairs.

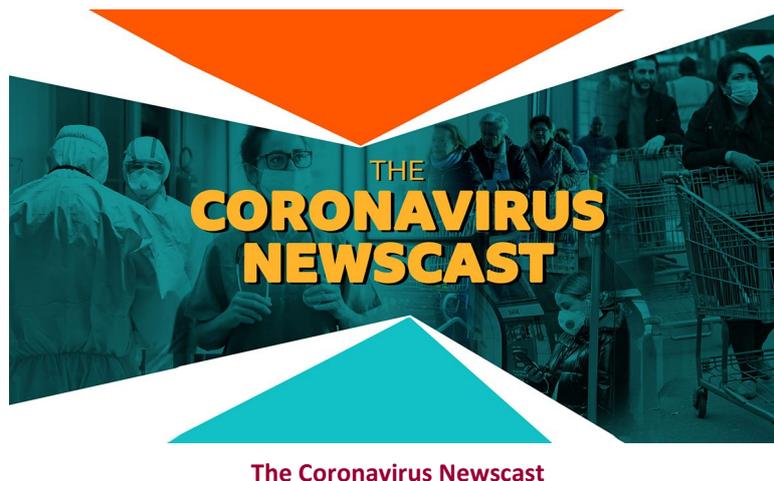
Our key findings and recommendations were:

- The BBC must build on its reputation as an accurate news source to attract and serve the broadest range of audiences.
- The respect that audiences have for the calibre of the BBC's journalism should give it the confidence to be bolder in how it achieves due impartiality.
- With its unparalleled local and regional newsgathering resources, the BBC should be able to represent the whole country authentically.
- The BBC's online content needs to do more to stand out, and it should publish the steps it is taking to help all audiences – especially younger people – to understand and engage with the world around them.
- The BBC needs to look at how it can provide more links to external third-party content, to support the wider industry and to benefit audiences.

In its [Annual Plan](#), the BBC responded to our findings directly. We were encouraged by some of the steps set out and have held regular discussions with the BBC on the areas outlined above. We will continue to monitor the BBC's progress in this area.

More people use the BBC for news than any other source across TV, radio or online, although its overall reach is in decline

The BBC continues to be the most-used news provider across all platforms. Seventy-three per cent of adults claim to use any BBC source for news, followed by ITV (including ITV Wales, UTV, STV and their websites) at 43%, and Facebook at 34% according to our [News Consumption Survey](#). As was the case last year, seven BBC services appear in the top 20 sources used by people for news. BBC One remains the most-used source, with 56% of UK adults claiming to use it for news.⁴²



⁴² BARB indicates a reach of 53% for news on BBC One. News Consumption Survey figure is claimed reach and could include viewing on mobile devices whereas BARB data used here only measures viewing on a TV set.

Figure 4: Top 20 news sources across platforms: 2017/18-2019/20

Source	Platform	2017/18	2018/19	2019/20
BBC One	TV channel	62%	58%	56%
ITV/ITV WALES/UTV/STV	TV channel	41%	40%	41%
Facebook	Social media	33%	35%	34%
Sky News channel	TV channel	24%	23%	25%
BBC website/app	Other website/app	23%	25%	23%
BBC News channel	TV channel	26%	23%	21%
Channel 4	TV channel	18%	17%	18%
Daily Mail/Mail on Sunday	Newspaper (print and digital)	18%	18%	17%
Twitter	Social media	14%	16%	17%
Google (search engine)	Other website/app	17%	19%	15% ▼
Instagram	Social media	9%	13%	14%
WhatsApp	Social media	10%	14%	13%
BBC Radio 2	Radio station	12%	12%	12%
BBC Two	TV channel	14%	11%	11%
Metro	Newspaper (print and digital)	10%	9%	11% ▲
The Sun/Sun on Sunday	Newspaper (print and digital)	11%	11%	10%
The Guardian/Observer	Newspaper (print and digital)	11%	11%	10%
BBC Radio 1	Radio station	9%	9%	9%
Local newspapers	Newspaper (print and digital)	11%	10%	9%
BBC Radio 4	Radio station	10%	9%	9%

Source: Ofcom News Consumption Survey 2020. Question: D2a-8a. Thinking specifically about <platform>, which of the following do you use for news nowadays? Base: All adults 16+ = 4576. Significance testing: 2019/20 scores significance tested vs. 2018/19. Red arrows indicate a result significantly lower than 2018/19 at the 95% confidence level; green arrows indicate a result significantly higher than 2018/19.

However, over the past three years BBC One has seen the largest fall in claimed reach. Twitter, Instagram and WhatsApp have seen the biggest increases in claimed reach over that period, although the increases were largely in 2018/19.

Broadcast TV viewing data from BARB confirms that BBC One has seen steady decline for a much longer period, with the weekly reach of news on BBC One declining from 65% of all adults in 2010 to 53% in 2019. Reach of news viewing on broadcast TV also declined from 2010 to 2019 for all the other main TV channels, with the exception of BBC Two which increased slightly. In our News Consumption Survey, regular users of BBC TV for news rated its performance as consistent with last year, with the exception that a smaller proportion agreed that it ‘offers a range of opinions’.

In 2019, the BBC recorded its highest level of spend for news and current affairs since 2010, combining network and nations' and regions' programme spend. Overall, there has been an increase in the hours of news programming but a decrease in the hours of current affairs programming since 2018. This decrease is due to a reduction in repeats, largely on the BBC News channel. Across the BBC overall, first-run UK originations (first-run)⁴³ hours for both news and current affairs continued to increase steadily this year.

There has been an increase in the number of hours of news for the nations and regions, driven primarily by the increase in hours for Scotland – see assessment of [Public Purpose 4](#). This increase is driven by the new BBC Scotland TV channel and the likes of its flagship programme *The Nine*, which aims to provide local, national and international news from a distinctive Scottish perspective. BBC ALBA, England and Northern Ireland also saw a modest increase in hours, while hours for Wales declined slightly this year.⁴⁴

Within radio, BBC Radio 2, BBC Radio 1 and BBC Radio 4 continue to be the most-used radio stations for news.⁴⁵ Of these, Radio 4's *Today* programme and the *Jeremy Vine Show* on Radio 2 have the highest reach of any BBC radio news/current affairs programme, according to RAJAR. But the overall weekly reach of BBC network radio news programming has gradually declined, from 36% of adults in 2017/18 to 34% in 2019/20, reflecting the decline in overall reach for BBC radio over the same period.

Our News Consumption Survey shows that BBC radio is still rated highly by its regular news listeners for many aspects of radio news provision, performing particularly well on quality, accuracy and on 'helps me understand what's going on in the world today'. However, this year a smaller proportion of BBC radio's news listeners agree that it helps them understand the political process. As was the case last year, BBC radio news listeners are more positive about BBC radio news than commercial radio news listeners are about commercial radio news, with the exception of LBC's news listeners. They rate LBC as performing better, when compared to the ratings given to BBC radio by its news listeners, in offering a range of opinions, helping them make up their mind and providing depth of analysis and content.

In its [Annual Report and Accounts](#), the BBC highlighted *Crossing Divides*, a programme broadcast on BBC Radio 5 live, as well as other BBC services, that aims to create 'greater understanding of all views and opinions.' At [a live event](#), as part of the *Crossing Divides* programme, the BBC recruited more than 200 participants to be trained in deep listening techniques; this proved crucial to making these participants feel comfortable talking to people with very opposing points of view on topics like Brexit and climate change. This was an innovative development by the BBC at a time of polarised public debate, and demonstrates that the BBC continues to find new ways to help people to understand and engage with different ideas and subjects.

⁴³ First-run UK originations are programmes which are commissioned by or for a BBC television service and have not previously been shown on television in the UK

⁴⁴ Ofcom analysis of BBC data

⁴⁵ Ofcom 2020 News Consumption Survey



BBC Sounds

BBC Sounds gives access to the BBC's radio stations online as well as catch-up radio programmes and podcasts. Our research shows that the reach of BBC Sounds for news podcasts remains small: only 1% of adults use it for news podcasts.⁴⁶ Within BBC Sounds, discussion and talk shows are the most popular category of podcasts, followed by entertainment and then by news and current affairs. According to BBC data, at key points in the year, especially during big political events such as the election period 2019, *Newscast* was the second most popular podcast on BBC Sounds. Ofcom research among regular podcast listener indicates that in the final week of March 2020 *Coronavirus Newscast* was the most popular podcast.⁴⁷

According to the BBC's internal data, the BBC news website and app were used by 29% of UK adults on average each week this reporting year. In our News Consumption Survey regular users of the BBC website or app for news rate its performance more positively this year than last, in terms of its importance to them personally and in providing depth of analysis and content. On other attitude statements the BBC website or app performs in line with last year with 74% of regular users considering it accurate and trustworthy whereas 64% consider it impartial.

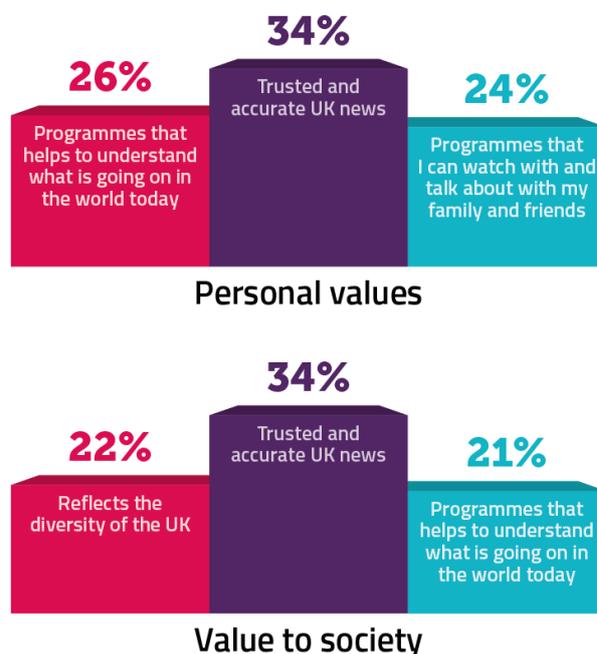
Seven in ten regular viewers of BBC TV news agreed it was accurate and trustworthy

Earlier this year, as part of our research for Ofcom's *Small Screen: Big Debate*, a review of the PSB system, we asked audiences to rate the most important features of the PSB system. We asked them to do this in two different ways. Firstly, we asked them to think about what matters to them as an individual, and then we asked them to think what the most important features are that a PSB system needs to deliver for everyone within society. For each question, audiences told us that 'trusted and accurate UK news' was the most important feature of a PSB system. This research echoed what we learned in our news review last year when we asked audiences about the most important characteristics of a news organisation.

⁴⁶ Ofcom 2020 News Consumption Survey

⁴⁷ Populus research, March 2020

Figure 5: Personal and societal value – most valuable PSB potential benefits



Source: Small Screen: Big Debate Research 2020. Q5a. The following list describes the range of benefits that public service broadcasting is broadly designed to deliver. Could you please review the list of potential benefits in full before telling me which three you consider to be the most valuable for you personally? Base: All respondents (n=1851) Q7a. What three benefits do you think are most valuable to society overall? Base: All respondents (n=1851)

According to our research, regular viewers of BBC TV news continue to view it as a trusted and accurate source for news, in line with or above other TV channels. The research asked regular viewers of each channel for news to assess performance in these areas.

Figure 6: Comparison between BBC TV and other TV broadcasters

	BBC TV	ITV*	Sky News	Channel 4	Channel 5
Base size	2754	1894	1058	746	331
Is accurate	72%	71%	76%	70%	65%
Is trustworthy	71%	71%	74%	70%	65%

Source: News Consumption Survey 2020. Base: All adults 16+ who use source for news at least once a week. % of regular users rating each source highly (7-10). Question: And to what extent do you think the following statements apply to <source> as a news source? Answer using a scale of 1 to 10. *Includes ITV Wales, UTV and STV

We also know that the BBC remains a go-to source for audiences during big moments. This was evident in the past year; the BBC drew in large audiences during the General Election period, at the start of the Covid-19 lockdown and for news items such as Emily Maitlis’ interview with Prince Andrew.

One wave of our research on UK adults' [news consumption](#) coincided with the election period in November/December 2019, providing a snapshot of news reach and audience attitudes during an election campaign. Overall, people used the same sources for news, and their attitudes for news stayed much the same as at any other period during the year. The reach of news on BBC TV during the election was also in line with the rest of the reporting year, with the exception of March 2020.⁴⁸

While the BBC maintained its reach during this key moment, our research showed that attitudes towards BBC news among some audiences, in particular women, were lower in this period than in previous years. Women who regularly used BBC TV for news were less likely to rate BBC TV highly for being 'accurate', 'trustworthy' or 'impartial' compared to the same period in 2018.

This is a snapshot of part of the year and we cannot be certain of the causes of this decline, but perceptions of the BBC's election coverage may have been a contributing factor. We recognise that the period leading up to the General Election was contentious, and that the BBC faces more challenges during periods when there is a heightened focus on politics. As we discuss in the [content standards](#) of the report, we plan to engage with the BBC on how it handles complaints and ensures that the decisions it makes about election-related content during these periods are as transparent as possible.

Audiences continue to rate the BBC lower on impartiality

This year we did not find the BBC to be in breach of the due impartiality requirements of the Broadcasting Code. However, impartiality continued to be one of the main themes of the complaints that we received about the BBC over the year.

In last year's news review, we found that audiences recognised that the BBC faces greater scrutiny than other media organisations, and that they have respect for the calibre of the BBC's journalism. We learned that people's views of the impartiality of BBC news are shaped by a range of factors, only some of which relate directly to its news and current affairs content. Some told us that their views were influenced by the BBC brand, its funding mechanism and its portrayal across wider media.

Our research last year also found that people with strong political views generally saw the BBC as too left or right wing, depending on their personal political persuasion. Analysis of social media suggested that those with the strongest political views were the most likely to make critical comments about the BBC.

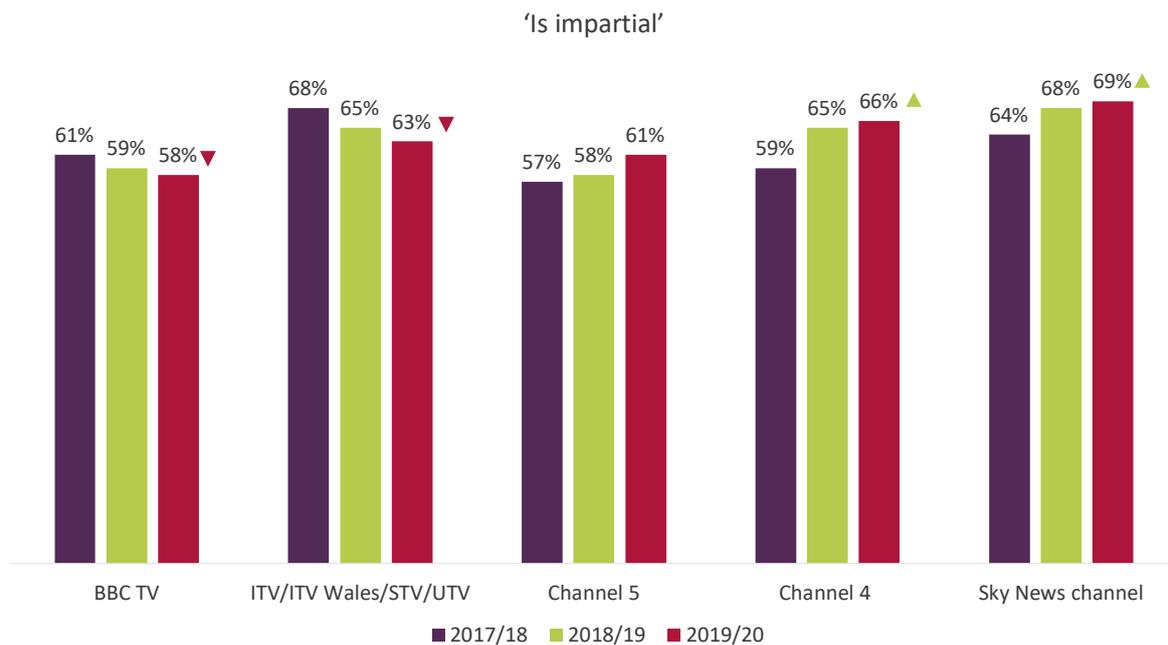
These findings are likely to be applicable again this year: once again our research shows that audiences rate impartiality as the lowest-scoring aspect of the BBC's delivery of this purpose. According to our BBC Performance Tracker, only 54% of UK adults agree that the BBC provides news that is impartial.

⁴⁸ BARB - average weekly reach (3+ minutes) to the national/international news genre

In separate [research](#), when we asked regular users of other news providers to rate the performance of each of them, Sky News channel, ITV and Channel 4 all scored higher than the BBC TV for delivering impartial news over the past year.⁴⁹

Since 2017/18, there has been a decrease in the proportion of regular users of BBC TV and ITV for news who believe that these providers' news is impartial. The opposite is true for Sky News channel and Channel 4; their regular news viewers returned increased scores for perceptions of impartiality during this time.

Figure 7: Comparison of perceptions of impartiality of TV broadcasters by their viewers: 2017/18-2019/20



Source: News Consumption Survey 2020. Base: All adults 16+ who use source for news at least once a week. % of regular users rating each source highly (7-10) for 'is impartial'. Question: And to what extent do you think the following statements apply to <source> as a news source? Answer using a scale of 1 to 10. Significance testing: Channels' 2019/20 scores significance tested vs.2017/18. Red arrows indicate a result significantly lower than 2017/18 at the 95% confidence level; green arrows indicate a result significantly higher than 2017/18.

We said in the [Overview](#) that there is a risk that future relationships between the BBC and its audiences could be jeopardised if audience concerns around impartiality continue to grow. Last year, in our news review, we challenged the BBC to be bolder in its approach to delivering due impartiality. The BBC has shown that it understands this challenge; in its Annual Plan, it stated that it had introduced revised impartiality training for journalists and was producing additional impartiality guidance for those reporting on news and current affairs.

⁴⁹ The BBC's Annual Report and Accounts for 2019/20 states that, in 2020, higher proportions of adults agreed that the BBC was the source they would use for impartial and accurate news coverage, and news they trust the most, than in 2019. We note that BBC fieldwork was conducted in late March 2020 and caution against interpreting a potential 'Covid-19 bump' as a genuine improvement. Our News Consumption Survey, which is conducted in two waves to flatten movements, shows stability in these metrics year on year. We also note that the survey methodologies and samples the BBC compared for 2019 and 2020 are different.

As already highlighted, the new Director-General's [commitment](#) to explore new ways of delivering impartiality, and to seek "*a wider spectrum of views, pushing out beyond traditional political delineations and finding new voices from across the nation*" is encouraging, and something we will continue to monitor as one of the key challenges for the BBC in the coming year.

We also welcome the new guidance for its journalists and new rules for how the BBC maintains impartiality on social media. Although the use of social media by BBC journalists and presenters is not within our remit, we consider that this is a useful step and is likely to help improve perceptions of impartiality.

Audiences in Scotland rated the BBC's news coverage lower than the rest of the UK

In our news review, we said that the BBC needed to do more to represent the diversity of the UK in order to create authentic content that feels relevant and engaging to all audiences. BBC news was perceived by some as representing a mainly White, middle-class and London-centric point of view.

About three-quarters of adults in England and Wales claim to use a BBC source for news, falling to 68% of adults in Scotland and 62% of adults in Northern Ireland.⁵⁰ In England, Wales and Northern Ireland around six in ten adults agree the BBC performs well in delivering Public Purpose 1, whereas in Scotland only half of adults agree with this.⁵¹

Additionally, audiences told us this year that BBC One, alongside STV in Scotland and UTV in Northern Ireland, remains the most-used and most important source for news, across the nations of the UK. About three-quarters of adults who regularly use BBC TV for news rated it highly for providing them with an understanding of what's going on in other parts of the UK, level with regular users of ITV and Sky News ratings for those channels, and 72% of regular users of BBC TV for news rated it highly for providing good regional and local news, level with regular users' ratings for ITV.⁵²

We have asked the BBC to explain the strategy behind the changes to its English regional news and current affairs

In July, BBC England [announced](#) plans to make significant changes to its regional and local TV and radio services, and news and current affairs coverage, to make cost savings of £25m by March 2022. Plans included the removal of the *Inside Out* current affairs programme, and its replacement with a new programme, reducing the existing 11 regional variations within England into six much larger ones (with production hubs located in Newcastle, Leeds, Norwich, London, Birmingham and Bristol).

While these changes did not directly affect any Operating Licence conditions, we were concerned that the scale of the reported changes could reduce the BBC's ability to deliver Public Purpose 1 and Public Purpose 4, particularly as the BBC had not explained clearly what the impact would be on audiences. Significant concerns were also raised with us by several stakeholders. We therefore [wrote to the BBC](#) in August 2020, asking it to set out in more detail the basis on which these decisions had been made, including how the BBC had reached them in the context of broader cuts to services; how the BBC will ensure that it maintains a high quality local and regional news and current affairs offer in accordance with Public Purpose 1 and Public Purpose 4 with this level of budget cuts;

⁵⁰ Ofcom 2020 News Consumption Survey

⁵¹ Ofcom BBC Performance Tracker

⁵² Ofcom 2020 News Consumption Survey

how the BBC will monitor the impact of these changes and how the monitoring will feed back into its ongoing strategy.

[In response to our letter](#), the BBC has set out a bit more detail about its strategy for regional news and current affairs in England in light of savings targets that it needs to meet across all departments. It has told us that it needs to modernise its regional news and current affairs output in England, to create more relevance for audiences who have been moving away from the BBC's current affairs output. It considers that *Inside Out* no longer has the same impact as when it was first commissioned, and its audience has been in decline for the past ten years.

The BBC is still developing its new programme brief for current affairs coverage in England, but it has indicated that it will seek to change the format of its current offering, which could lead to more in-depth and higher quality documentaries and investigations. Specifically, it is intending for its new current affairs offer for England to resonate more with C2DE audiences. The BBC considers that moving to larger regions will not diminish its ability to tell local stories, and that in doing so, it will be able to invest more in individual stories and programmes which could ensure that they remain relevant for audiences across England.

It is not Ofcom's role to intervene in the BBC's decisions about budget savings, job cuts, or editorial decisions. Our duties under the Charter and Agreement, however, include ensuring that the BBC continues to serve audiences in all areas of the UK with high quality local and regional news. In our news review, audiences told us that they want to see more news about their communities, reported by people with a deeper understanding of the area. The results of our News Consumption Survey this year show high levels of satisfaction with existing services: 82% of adults who follow news on BBC regional TV or BBC nations' or local radio are satisfied with the quality of the local news they provide. These satisfaction figures are in line with competitors; 85% of those who watch regional or local broadcasts on ITV and 81% of those who listen to news on local commercial radio are satisfied with their quality.⁵³

We want the BBC to do more to explain the impact of changes such as these, so that audiences have a clear sense of how their needs will continue to be met as the BBC evolves its services. We will be monitoring audience engagement and satisfaction with the BBC's regional current affairs.

The reach of BBC news to lower socio-economic groups has dropped significantly in recent years

The reach of BBC news sources to audiences within the DE socio-economic group has fallen substantially from 71% two years ago to 63% this year. In contrast, the reach of BBC news sources among the AB group has remained consistent, with 81% of AB adults claiming to use BBC sources for news.⁵⁴ For the past three years, people in the DE group have consistently given below-average scores for every aspect of the BBC's news provision, while AB adults have consistently given above-average scores for every aspect.⁵⁵ We highlighted in the [Overview](#) that the BBC faces a challenge in serving all audiences. We noted that audiences in lower socio-economic groups are less well served by the BBC and that in future it needs a plan to better serve these audiences.

⁵³ Ofcom 2020 News Consumption Survey. ITV includes ITV Wales, UTV and STV.

⁵⁴ Ofcom 2020 News Consumption Survey

⁵⁵ Ofcom BBC Performance Tracker

Figure 8: Perceptions of news provision, by socio-economic group

	AB socio-economic group			DE socio-economic group		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Base size	1187	1090	1413	1142	1022	927
News coverage that helps me understand what's going on in the world today	74%▲	70%▲	71%▲	61%▼	60%▼	57%▼
News that represents a range of viewpoints	66%▲	66%▲	63%▲	55%▼	55%▼	54%▼
News that is impartial	64%▲	60%▲	60%▲	51%▼	52%▼	49%▼

Source: Ofcom BBC Performance Tracker, Fieldwork: 9 October 2017 to 13 April 2018; 16 April 2018 to 10 April 2019; 30 April 2019 to 3 April 2020. Base: All adults 16+ % of adults rating the BBC highly (7-10). Question: C6. On a scale of 1-10, where 1 means not at all well and 10 means extremely well, how well, if at all, do you think the BBC as a whole provides. Significance testing: Scores significance tested vs. total sample score for relevant year. Red arrows indicate a result significantly lower than total sample at the 95% confidence level; green arrows indicate a result significantly higher than total sample.

Overall, more adults were dissatisfied with the BBC's news performance this year, up from 14% last year to 17%. This increase has been driven by rising levels of negative perceptions with the BBC's delivery of news across a variety of demographics, including women, those aged between 55 and 64, audiences in the C2 socio-economic group and those living in England.⁵⁶

Younger audiences remain less likely than other adults to use BBC services

The results of our BBC Performance Tracker show that seven in ten 16-24 year olds continue to rate the BBC's performance highly and agree that the BBC's news coverage helps them understand what is going on in the world. This drops to six in ten for representing a range of viewpoints and for being impartial. Although these are fairly high ratings for these aspects of the BBC's performance for news and current affairs, young people are still much less likely than other adults to use BBC TV or radio for news. In 2019 news on BBC TV channels reached only 21% of 16-24s a week on average, but reached more than half of all adults aged 16+, and in 2019/20 BBC network radio news programming reached only 16% of 15-24s each week but a third of all adults aged 15+.⁵⁷

For those young people who do regularly use BBC TV for news, they are less likely to rate it highly for providing news compared to other regular users.⁵⁸ They see BBC TV as less important to them personally, and they are less likely than other adults to see it as accurate, high quality or offering a range of opinions. We also know from our news review last year that young people perceived BBC news as less relevant to them as it did not give enough coverage to the issues they were interested in.

The BBC website and app reach the same proportion of 16-24s as other adults, but our News Consumption Survey shows that older users of the website and app use them more frequently than

⁵⁶ Ofcom BBC Performance Tracker

⁵⁷ TV data from BARB, radio data from RAJAR

⁵⁸ Ofcom 2020 News Consumption Survey

users aged 16-24. This echoes our finding from last year's news review that those in older age groups are heavier users of BBC news online. We found that these audiences are already well-served by BBC TV and radio, unlike younger audiences who are turning away from those platforms.

There is an opportunity for the BBC to serve this harder-to-reach group better online. On Facebook, Twitter, Instagram, Snapchat and YouTube, the BBC remains the most-followed news organisation, but younger audiences are currently less engaged than other adults with what the BBC offers there.⁵⁹ The BBC acknowledged this in its Annual Plan, stating that it needs to modernise the BBC news online offering, including its app, in part by making its journalism more available, engaging and relatable for younger audiences while continuing to serve its existing audiences.

BBC news sources are used by 51% of children aged 12-15, but they use social media sources for news a lot too. Six of the top ten news sources for this group are social media sources with YouTube, Facebook and Instagram each used by three in ten 12-15s. BBC news sources are highly trusted among children who use them for news, at 84% for BBC Radio 1 and *Newsbeat*, 85% for BBC One and BBC Two and 93% for the BBC and CBBC websites and apps. This compares favourably with other sources children use, particularly social media sources. Twitter is the only social media source used by children for news with trust levels above 50% (trusted by 53% of children).⁶⁰

The BBC has already taken steps to connect with younger audiences where they are, by moving more of its children's news content online. The [Public Purpose 2](#) section discusses this in further detail, noting that the use of *Newsround* online has increased among its target audience. The BBC plans to take further steps to increase engagement with 16-24s by redesigning its news app and rolling out personalisation to create tailored recommendations. In making these changes the BBC should consider how to tackle the concerns around personalisation that it highlighted in its Annual Plan in relation to news aggregators: that there is a risk of an 'echo chamber' effect, with news being selected on the basis on a pre-existing viewpoint. We understand that these changes do not have a fixed timeline so we will continue to monitor them.

The BBC has acted on our recommendation on linking to online sources outside the BBC

Our news review last year said that the provision of internal links within BBC online provides an important service for online users, connecting readers to helpful explainer guides alongside in-depth analysis and commentary. However, we said that the BBC could provide more links to external third-party content, which would serve another important purpose: supporting the wider industry and providing users with a wealth of information, as required by its Operating Licence condition in this area.

Following publication of our news review, we engaged with the BBC about this. The BBC explained its new compliance process, which it said was now in place. It confirmed that it would be providing further guidance to its journalists to ensure that links and attribution would continue to be provided across its online news content. In its Annual Report and Accounts, the BBC re-affirmed that it was continuing to provide links to external stories provided by local and regional news providers and was building this into its new topic pages.

⁵⁹ Ofcom 2020 News Consumption Survey

⁶⁰ Ofcom 2020 Children's News Consumption Survey



Public Purpose 2

The BBC has a duty to help everyone in the UK learn about different subjects in ways they will find accessible, engaging, inspiring and challenging. It does this by providing informal learning content for adults and children, as well as formal learning for children and teenagers.

Key findings:

- Audiences rate this Public Purpose the highest, with just under two-thirds (63%) of adults agreeing that the BBC does well at providing learning content. Many also think that the BBC's content in this area, particularly its formal educational offering (BBC Bitesize and BBC Teach), is distinctive.
- The BBC's total provision of informal learning programming for adults on TV has increased, although the amount of new programming available is declining. Since 2010, there has been a 25% reduction in first-run hours and spend has declined to its lowest level in the period. This breadth of content is critical to the BBC's delivery of its Mission and Public Purposes and is not provided by any other UK broadcaster at the same volume.
- The BBC has taken steps to respond to the challenge of retaining audiences by investing in its online content; there are some positive signs that it is engaging with children online, such as on BBC iPlayer.
- Users of BBC Bitesize continue to be very positive about it, with 90% agreeing that it offers something that other providers do not.
- Further detail on the data behind this assessment can be found in the [interactive Performance Report](#).

The BBC provides informal learning content for adults across all platforms, and for children mainly on its dedicated children's TV channels (CBBC, aimed at 6-12s, and CBeebies, aimed at 0-6s), although increasingly this has been complemented by content on BBC iPlayer, the BBC website and specific apps and games. Formal education is provided for children and teenagers mainly through BBC Bitesize, and resources are provided for teachers through BBC Teach. In delivering Public Purpose 2, the Charter sets out that the BBC should also encourage people to explore new subjects through partnerships with educational, sporting and cultural institutions.

The Covid-19 crisis has shone a light on the crucial role that the BBC plays as a provider of learning content for adults and children in the UK. The BBC's response to the crisis is set out in the box below.

Impact of Covid-19 on the BBC's delivery of Public Purpose 2

In response to lockdown and the closure of schools in March this year, the BBC significantly increased the amount of learning content available and delivered it in ways which allowed audiences across the UK to access it.

Formal learning content for children

During the Covid-19 crisis the BBC ramped up its provision of specialist educational content. The additional learning content provided was tailored to each of the nations and made available across all BBC platforms to ensure that children with limited or with no internet access did not lose out. New content included *Bitesize Daily*, a programme aimed at 5-14 year-olds and made accessible via the red button and on BBC iPlayer, *Bitesize Daily Lessons*, which provided additional resources on the BBC website, and two daily podcasts on BBC Sounds aimed at primary and secondary school pupils.

These changes were well received by audiences. Reach to BBC Bitesize more than doubled during the crisis, rising from 1.9 million average weekly browsers in term time across April/May 2019 to 4.5 million in the same period of 2020.⁶¹ The weekly number of browser visits to the BBC Teach site during the crisis peaked at 763,000 during April 2020, up from 190,000 in January/February this year.⁶²

The BBC's response shows how well it can deliver learning content, and underlines the importance of its commitment in this area. It also demonstrates the BBC's ability to respond quickly to changes in audience demand and to work with third parties, including the Premier League, the Science Museum Group, the Royal Shakespeare Company and Puffin Books. The BBC has told us that it plans to reflect on what it has learned during these periods when thinking about what it can do to shape BBC Bitesize in the future.

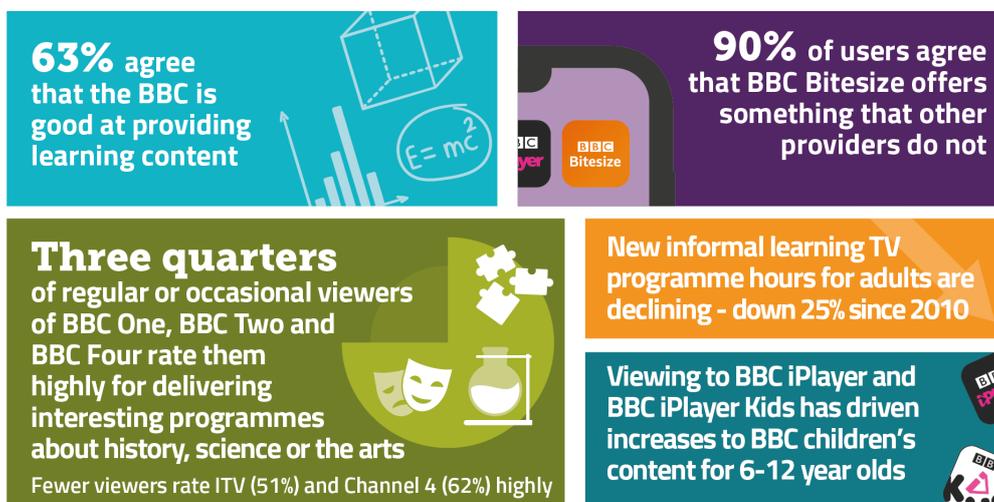
Informal learning content for adults and children

The BBC provided a wide variety of informal learning content for adults and children at the beginning of lockdown. This included programmes and initiatives to provide advice and support, such as *HealthCheck UK Live* on BBC One and re-targeting the BBC Food website around collections of recipes which could be made with basic ingredients, as well as *Culture in Quarantine*, a wide-ranging arts and culture service created with the support of Arts Council England and others. Although many productions were delayed due to Covid-19, the BBC commissioned additional fast-turnaround children's programming to reflect the "[extraordinary times that children are living through](#)". It was also able to increase audience participation with some of its existing strands, for example through [Blue Peter's '6 Badges of Summer'](#) which had 42,000 applications over the six weeks that it ran.

⁶¹ BBC internal server data. Note: a browser is counted whenever the site is accessed.

⁶² BBC internal server data. 190,000 browsers in the first five term-time weeks of 2020.

Purpose 2: To support learning for people of all ages



The BBC is providing fewer hours of, and spending less on, first-run informal learning content for adults on TV, although audiences still value the content that is available

The BBC provides informal learning content in a range of genres, which covers certain specialist factual content, such as arts, music, religion, science, nature, business and history. Examples include programming such as *Seven Worlds One Planet*, *Who Do You Think You Are?* and *The Planets* on BBC TV and BBC iPlayer, and *In Business*, *Front Row* and *The Kitchen Cabinet* on BBC radio and BBC Sounds. These genres are also generally considered to be among the at-risk genres, which are set out in further detail in the section on [Public Purpose 3](#).

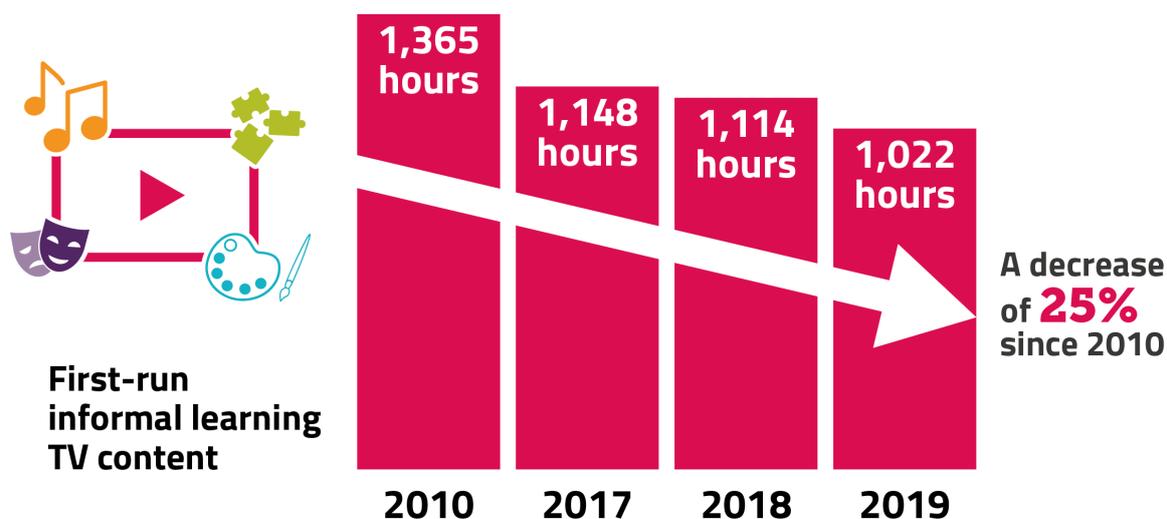
Since 2010, hours of first-run UK-originated informal learning content for adults on TV have decreased by around 25%, although total hours (i.e. including repeats and acquisitions) have increased.⁶³ As a result, 79% of the BBC's informal learning output was repeats in 2019 (2% was acquisitions), up from 71% in 2010 (1% was acquisitions). Total spend on informal learning programming has also declined (since 2016) and is now at its lowest level in the period since 2010.⁶⁴

Most informal learning genres have seen a fall in first-run hours, albeit at varying rates. For example, first-run arts and classical music programming has declined by 21% since 2018 and by 44% since 2010. This year's decline was partly due to an increase in hours the previous year (2018) when the one-off arts series *Civilisations* was broadcast, although there were also fewer new arts titles introduced in 2019, and fewer hours of returning series such as *Imagine...* and *Mark Kermode's Secrets of Cinema*. First-run history programming was down 25% from 2018, and by 45% since 2010. While hours of new nature and wildlife programming were up by 12% this year, they were down over the longer term; by 22% since 2010.

⁶³ Ofcom analysis of BBC data. Note that total hours are however broadly stable compared to 2013. There was a large increase from 2012 to 2013, largely due to an increase in repeated content on BBC Two and BBC Four.

⁶⁴ Ofcom analysis of BBC data

Figure 9: BBC first-run UK-originated hours of informal learning TV content for adults



Source: Ofcom analysis of BBC data

Despite the decline, audiences continue to rate the BBC’s provision of informal learning content for adults on TV highly. Around three-quarters of regular or occasional viewers of each channel rate the BBC highly for the delivery of interesting programmes about history, science or the arts on BBC One, BBC Two and BBC Four.⁶⁵ Fewer viewers rate ITV (51%) and Channel 4 (62%) highly for the same statement.⁶⁶

The general viewing trend for adult informal learning genres on broadcast TV is declining but is holding up slightly better than some other genres. For instance, the BARB genre ‘leisure interests’ (which includes programmes such as *Top Gear*, *The Repair Shop* and *Antiques Roadshow*) was the second most-watched genre (after news) for all adults in 2019, and it performs particularly well among over-34s and C2DE audiences. But in general, ABC1 audiences are more likely than those in C2DE groups to watch informal learning genres, and all genres perform better among White audiences than they do for audiences from a minority ethnic background.⁶⁷

In line with our findings related to at-risk genres, set out in the section below on [Public Purpose 3](#), this breadth of content is critical to the BBC’s delivery of the Mission and Public Purposes, particularly as specific informal learning genres are shown to resonate with different audience groups.

⁶⁵ Ofcom PSB Tracker 2019 (69% scores of 7-10 for BBC One; 79% for BBC Two and 74% for BBC Four)

⁶⁶ Ofcom PSB Tracker 2019. ITV includes STV/UTV/ITV Wales.

⁶⁷ BARB

The BBC continues to provide informal learning content online and on radio, although it is now more likely to be made available on BBC iPlayer, BBC Sounds and BBC news than on dedicated parts of the BBC website

Each of these services has informal learning genre categories. [Last year we said](#) that while the dedicated web pages for informal learning topics on the website were rich in content, they were not easy to find. Although the BBC continues to have dedicated webpages for topics such as music and arts on bbc.co.uk, it has told us that it is now making more informal learning content available through BBC iPlayer, BBC Sounds and BBC news in order to try to increase audience impact. In line with this, the BBC is aiming to bring all content on a given topic together in one place to be able to reach larger audiences than just those who are familiar with a specific genre.

The BBC also provides a range of informal learning content on radio, such as *Science Stories* and *In Our Time*, and via podcasts on BBC Sounds. In all, 447 episodes, the equivalent to 212 hours of new, factual speech content not previously broadcast on live radio (including topics such as arts, culture and media, food and drink, history, science and nature and travel), were made available across the reporting period.⁶⁸ This was more than any other genre. However, it is not possible to comment on the performance of informal learning content on BBC Sounds more broadly, because the BBC does not report on performance by genre. As mentioned, in the [Looking ahead](#) section of this report, a more comprehensive system of measuring the performance of the BBC's on-demand services will allow it to better explain how audiences are using these services and their contribution to the Public Purposes.

The BBC is having some success in retaining audiences for its children's content on BBC iPlayer, but Netflix and YouTube remain the most-used services

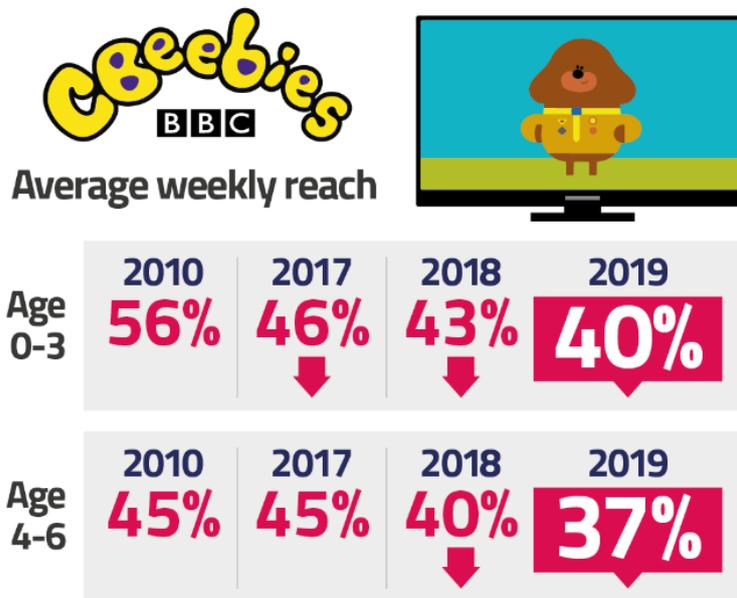
The CBBC and CBeebies TV channels are rated highly by those who watch them⁶⁹, and they are still the most-viewed children's broadcast TV channels for their target audiences. Our analysis also shows that the channels are watched by a wide range of audiences. However, according to BARB, viewing to these channels has continued to decline. Less than 20% of 6-12 year-olds watch the CBBC channel on TV each week, and the amount of time spent watching it has also continued to fall, dropping to an average of 4 minutes each day, down from 11 minutes in 2010. The number of children watching the CBeebies channel is higher, at 37% of 4-6 year-olds, but has also declined in the last few years.

The decline in children's viewing to BBC TV is in line with overall TV trends. Other children's channels are seeing a similar downward trend in reach and time spent viewing, and the amount of total broadcast TV watched by children of all ages has continued to decrease over the last ten years.

⁶⁸ Ofcom analysis of BBC data

⁶⁹ Ofcom BBC Performance Tracker

Figure 10: Average weekly reach to CBBC and CBeebies



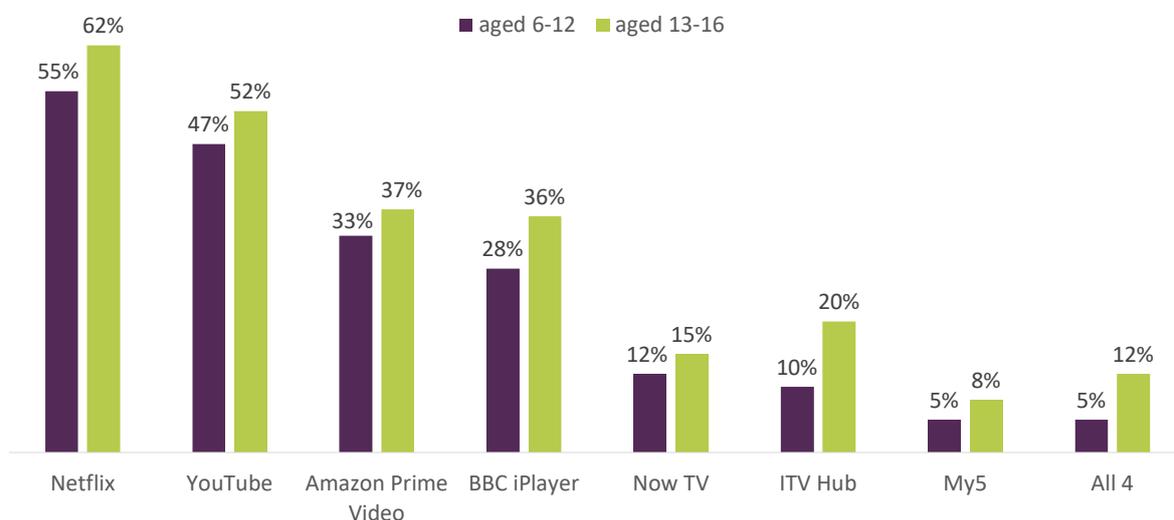

Average weekly reach



Source: BARB. Reach criteria: 3+ consecutive minutes, in the channel broadcast hours. Arrows mark a decline of weekly average reach from the previous year to CBeebies and CBBC. Age 0-3 uses the BARB audience 'Houseperson with children aged 0-3' as a proxy for this audience.

Children are still consuming TV and video content, but they are increasingly doing so online. A large part of this is through video-on-demand (VoD) services. While Netflix and YouTube are by far the most-used services, BBC iPlayer remains more used than other PSBs' on-demand services and has grown in 2019/20.⁷⁰

Figure 11: TV/video providers children aged 6-12 and 13-16 chose to watch in 2019/20



Source: Kids Insights UK, April 2019 – March 2020. Multiple choice question: Which of these TV platforms do you use?

Base: aged 6-12: 4,900; and aged 13-16: 2,800

The BBC's analysis of its own data found that use of BBC children's content across TV, BBC iPlayer and online has remained stable year on year for children aged 0-6, but there has been an increase for children aged 6-12, rising from 52% in 2018 to 58% in 2019. This is largely due to an increase in viewing to BBC iPlayer and BBC iPlayer Kids.⁷¹

Given the changes in children's media habits, and the increasing range of online content made available by other providers, it is inevitable that children will spend less time watching BBC TV and more time online. With more choice for audiences, it is important that the BBC offers something different to children of all ages to make sure that it stands out.

In response to this challenge, the BBC has been expanding its broader online offering for children

Three years ago the BBC announced a £34m investment announced in its [BBC Annual Plan 2017/18](#), which the BBC told us has gone towards an enhanced online offer, including the development of four CBeebies apps, two new CBBC apps (*CBBC Buzz*, which has since been closed down due to limited use, and the *Own It* app) and games such as *Nightfall*.

⁷⁰ Kids Insights UK

⁷¹ BBC research

The BBC provides children’s content on YouTube, although this is mostly short-form promotional content aimed at leading viewers back into the BBC’s platforms rather than full programmes. In addition, the BBC has a selection of YouTube channels aimed at children, including channels for CBBC and CBeebies, as well as dedicated channels for specific programmes, such as *Blue Peter* and *Newsround*. The CBBC channel draws in an average of 1.5 million UK video views per month, while the CBeebies channel attracts an average of 15.7 million UK views per month.⁷²

The BBC also provides some children’s audio content on BBC Sounds and through CBeebies Radio, available online. In 2019/20, 52 podcast episodes categorised as ‘children/learning’⁷³ were made available on BBC Sounds, amounting to 17.5 hours of new speech content not previously broadcast on live radio.⁷⁴

Evidence suggests that use of, and satisfaction with, the BBC’s online content for children is increasing. For our [BBC Children’s Statement](#), the BBC provided us with data which shows that use of *Newsround* online is continuing to increase – up from 152,000 unique users in 2014 to just over one million across 2019. In addition, the CBBC and CBeebies gaming apps are the most popular choice of mobile gaming apps for children aged 3-7.⁷⁵ The BBC has told us that 38 games were made available for children in 2019/20, nine of which were related to BBC Bitesize.

Our research suggests that users are positive about some of the BBC’s online services for children and think that it is distinctive. BBC iPlayer and BBC iPlayer Kids, as well as CBeebies websites and apps, are all rated highly by those who use them for offering something which other providers do not.⁷⁶ It is important that the BBC makes its content available where children want it so that they continue to engage with it.

We have made changes to the Operating Licence to give the BBC more flexibility over how it delivers its children’s content

In 2019, the BBC requested to amend its Operating Licence in order to provide more children’s news and first-run UK-originated content online. We published a statement in July this year, setting out our final decision to accept the BBC’s proposals, with certain safeguards, to ensure that the BBC maintains the quality of its children’s output across its platforms. The variation to the Licence came into force on the same day.

Overall, we believe that it makes sense for the BBC to provide more of its children’s content online. We considered that, given shifts in the way children are consuming media, this could help the BBC to engage better with its younger audiences, who will be critical to its future success. The evidence suggests that the trends we identified (and which we have set out above), of children moving away from viewing of broadcast TV to increased online viewing, have continued during the Covid-19 crisis. Consumption of CBBC and CBeebies content on BBC iPlayer increased significantly during the first

⁷² YouTube data provided by the BBC

⁷³ BBC Sounds has category pages on [children’s](#) and [learning](#). Children’s includes entertainment and comedy (*Sarah and Duck*), drama (*The Tracy Beaker Podcast*), music (*Tee and Mo*), activities (*Poetry Playtime*), factual (*Scotland’s Animals*) and sport. Learning includes content aimed at pre-school, primary, secondary and adults.

⁷⁴ Ofcom analysis of BBC data

⁷⁵ Kids Insights UK

⁷⁶ Ofcom BBC Performance Tracker

lockdown. The BBC also told us that the *Newsround* website had two of its highest weeks ever during the lockdown period, while viewing to the broadcast TV bulletins has continued to decline.

In agreeing to the proposals, we said that we expected the BBC to have effective measures in place to demonstrate how it is meeting its Mission and Public Purposes across all platforms. We considered that the BBC would need to monitor how it had successfully met the needs of children with its news and first-run UK-originated output, including how the target audiences engaged with its broadcast, on-demand and other online content. We will monitor the impact of these changes closely and have added new metrics to our BBC performance measurement framework.

BBC Bitesize continues to be well-received by audiences, following recent changes

The BBC undertook a major review of BBC Bitesize in 2018/19 and we have sought to understand more about what impact this has had on audiences. In last year's annual report, we noted that the initial enhancement of BBC Bitesize had focused on technological developments, whereas later changes focused on expanding learning content, content on career options, and supporting students outside the curriculum. As part of this, in 2019/20 the BBC launched Bitesize Careers and Bitesize Support (which offers advice and information on wellbeing, mental health, homework/revision tips, and 'next steps' options after finishing school). It also expanded its nations' content by launching new collections in Scotland, Wales and Northern Ireland.



BBC Bitesize Daily (image courtesy of the BBC)

BBC data shows that since last year there has been an increase in average weekly browser reach to BBC Bitesize, from about 1.7 million to about 2 million.⁷⁷ The BBC has told us that its goal is to maintain average weekly browser reach of over 2 million. In addition, our research this year shows that users of BBC Bitesize are still very positive about the service: 90% of users agree that BBC Bitesize offers something that other providers do not.⁷⁸

⁷⁷ BBC internal server data. From September 2018 – March 2019 to September 2019 - March 2020.

⁷⁸ Ofcom BBC Performance Tracker

BBC Teach is also performing well. Data from the BBC indicates that the weekly average browser reach more than doubled when comparing September 2019 to March 2020, from 63,000 to 168,000.⁷⁹ YouTube views for BBC Teach have also increased. In the 2019 autumn term there were an average of 1.3 million UK-originated YouTube video views per month on the BBC Teach channel, compared with 923,000 in the same period in 2018.⁸⁰ The BBC has worked to drive greater awareness of BBC Teach. BBC research shows that awareness and use of BBC Teach among teachers has increased since the previous year.

The BBC also supports learning for people of all ages through partnerships

The BBC has a [duty](#) to work collaboratively in partnership with cultural, sporting and educational institutions to encourage people to explore new subjects and to participate in new activities. In addition to this, the BBC uses partnerships to help to deliver its Mission and Public Purposes, as they can amplify the BBC's message, offer expertise in several areas, and often reach a wider audience.

In 2019/20 the BBC participated in 374 partnerships across the UK and in a range of areas, such as learning, radio, research and development, art, children's programming and music. Examples highlighted in the [BBC's Annual Report and Accounts](#) include the BBC Academy's partnership with the National Film and Television School to support students from diverse backgrounds, and the BBC's Mental Health season, when the BBC worked with the Mental Health Foundation, Public Health England and Mind to co-ordinate resources and messaging to the public.

The BBC's partnerships can be formal or informal and include co-operating with organisations on specific objectives. The BBC has told us that the nature of these relationships varies, it does not have a standard approach to measuring their impact. However, the performance of some long-standing formal partnerships, such as with the Open University, and BBC Wales' partnership with the National Library of Wales, are assessed using specific key performance indicators and target outputs. The work emerging from the BBC's partnerships positively contributes to the BBC's delivery of Public Purpose 2, although greater information on its impact could show even more clearly how these partnerships help the BBC meet its Mission and Public Purposes.

⁷⁹ BBC interval server data

⁸⁰ YouTube data supplied by the BBC



Public Purpose 3

Delivering creative, high quality, distinctive output is central to the BBC's Mission and Public Purposes. The BBC should provide high quality output across a range of genres, services and platforms. It must innovate and take risks to distinguish itself from others.

Key findings:

- We continue to find BBC output to be distinctive overall, providing a wide range of content across mixed genre and specialist services, including services which appeal to specific audience groups and those with no comparable provider.
- Audience perceptions of the BBC's quality, creativity and distinctiveness remain fairly high, although there remain some sizeable differences between audience groups.
- The BBC's spend on original programmes has continued to decline over time, and audience perceptions of the BBC's risk-taking and innovation remain relatively low compared to other aspects of its performance.
- The BBC's overall provision of programming in at-risk genres has remained stable but spend and hours of first-run programming in these genres have fallen significantly since 2010. In this context the BBC will need to explain to audiences how it is maintaining its overall commitment to these genres and ensuring its prominence. For example, by demonstrating the impact of increased availability of this programming on BBC iPlayer.
- With BBC Sounds and BBC iPlayer, the BBC continues to deliver more content online. As we outline above, as the BBC places more emphasis on these services it is critical that it can effectively measure and report on their contribution to the Mission and Public Purposes.
- Further detail on the data behind this assessment can be found in the [interactive Performance Report](#).

Impact of Covid-19 on the BBC's delivery of Public Purpose 3

The BBC played an important role in entertaining the nation during the Covid-19 crisis. The BBC reported that during the first lockdown it had refocused all of its resources around the most pressing needs for audiences. As well as delivering trusted and accurate news and information, and significant amounts of education content, it continued to entertain audiences by making quick commissioning decisions and delivering content in new and innovative ways. For example, commissioning the re-make of *Talking Heads*, which was filmed during lockdown, and keeping programmes like *The One Show* and *The Graham Norton Show* on air.

It also delivered events such as *Radio 1's Big Weekend* remotely, and in place of this year's Glastonbury, it showed archive footage on TV and BBC iPlayer. The Glastonbury programmes shown on BBC Two and BBC Four were watched by over 15 million people on the TV set.⁸¹

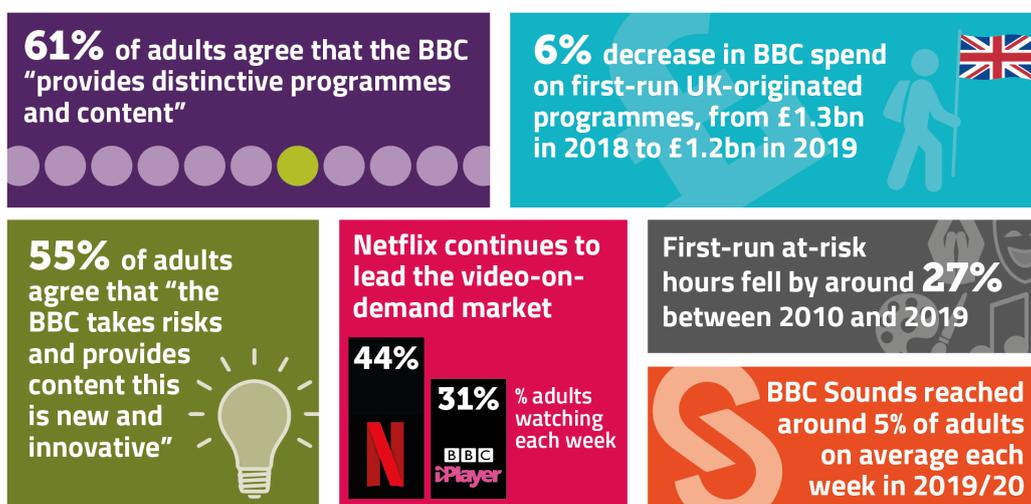
The BBC reported that during the first lockdown, BBC iPlayer use was 60% higher than the same period last year. Two drama titles helped BBC iPlayer set records in consecutive months for monthly programme requests, with 564 million in April 2020 followed by 570 million in May (72% more requests than May 2019): *Normal People* had received 54 million requests by the end of June, while the third season of *Killing Eve* had received 35 million. TV viewing also increased during this period, although it returned to pre-lockdown levels over the summer, when many restrictions were lifted.

But the impact of the pandemic, including the halting of productions during lockdown, will affect the BBC's provision of a mix of genres in the short term. It has particularly affected scripted productions, including ongoing dramas such as *EastEnders*, as well as live programming, through the cancellation or postponement of sporting and cultural events.

The BBC plays a very important role in the UK's production sector. As noted in our section on the impact of Covid-19, it will take time for the sector to recover from the impact of the crisis: the BBC is in a strong position to support this recovery. We note the steps the BBC has already taken to support the creative economy.

⁸¹ BARB. Reach criteria: 3+ consecutive minutes.

Purpose 3: To show the most creative, highest quality and distinctive output and services



We continue to find the BBC's output to be distinctive overall

In assessing the BBC's distinctiveness, we consider its mix of genres and output, the quality of this output, the amount of original, UK-produced programming, the level of risk-taking, innovation, challenge and creative ambition, and the range of audiences it serves.

Our overall assessment considers the BBC as a whole: it provides high-quality content across a range of genres on its mainstream services, its specialist services and those with no directly comparable provider. Although there is an increasingly wide range of choice for audiences, overall, the BBC maintains a distinctive position in the UK media landscape.

Audience perceptions of the BBC's quality, creativity and distinctiveness remain fairly high, although there remain sizeable differences between some audience groups

The majority (61%) of audiences rate the BBC's delivery of Public Purpose 3 highly. By demographic, across each of the areas of distinctiveness that we ask about⁸², perceptions remain lower among DE audiences. Audience views are also lower among people with a disability, driven by significant declines among younger (under-65) disabled people. There has been some improvement among audiences aged 65+, bringing perceptions more into line with the average, and views among audiences in Scotland have improved.⁸³

⁸² These are: providing a broad mix of content; providing high quality television, radio and online content; providing programmes and content made specifically for UK audiences, using UK actors, writers and locations; taking risks and providing innovative content; providing content which appeals to a wide range of different audiences across the UK; and providing distinctive programmes and content.

⁸³ Ofcom BBC Performance Tracker

Research conducted as part of Ofcom's [Small Screen: Big Debate](#) found that the BBC is known for high-quality content and tends to be associated with authority (generally seen as a trusted news source) and UK cultural heritage, but it can be thought of somewhat 'safe' and hard work to consume – lacking the more edgy or fun family content that other brands do well.

The BBC showed some strong examples of quality and creativity during 2019/20, with programmes such as *His Dark Materials*, *Seven Worlds One Planet* and *The Capture*, and podcasts such as *Have You Heard George's Podcast?* and *Forest 404*.

The BBC's spend on original UK programmes across its TV channels has fallen, although third-party spend is increasing

The BBC's spend on original UK programmes is an important indicator of its commitment to providing audiences with a range of new content, and makes a significant contribution to the BBC's distinctiveness.

In 2019 the BBC's spend on first-run UK-originated programmes on BBC TV decreased by 6%, from £1.3bn in 2018 to £1.2bn – continuing a downward trend (in real terms as adjusted for inflation). However, the BBC's programming spend is supplemented by funding from third parties, including co-production arrangements, tax credits and distributor advances. Across all PSBs, third-party funding has more than doubled over the last five years, from £269m in 2014 to £549m in 2019, and this has contributed to the flat trend in total investment in first-run originated content, which stayed at around £3bn over this period. For the BBC, third-party investment has continued to increase as a proportion of its total spend, and continues to be spent primarily on drama content, although children's content and factual programming has also attracted third-party investment in recent years.⁸⁴

In our first two annual reports we said that it was critical that the BBC continues to deliver authentic, diverse programming, with UK stories that all UK audiences can connect with. The [BBC's response](#) to this challenge (set out in its Annual Plan) states that its strategy is “*necessarily to produce fewer hours of high-quality, distinctive and innovative programmes to maximise the impact of reducing spend*”. It also highlights the large amount of UK-made original content produced by the PSBs, compared to the vast majority of SVoD programmes which are US-made productions designed to play out in multiple countries. As of March 2020, there were approximately 373 hours of UK-produced original content on Netflix and Amazon Prime, compared to 12,402 hours of PSB originations (excluding news) during 2019. This equated to around 5.6% of Netflix original hours and 5.7% of Amazon Prime original hours produced in the UK, as of March 2020.⁸⁵

However, we note that there are risks associated with the use of third-party funding, as it may not be sustainable, and the BBC may not have full editorial control. The amount of UK-originated programming produced by SVoD providers is increasing, which may reduce the incentive for them to enter co-production arrangements with broadcasters like the BBC. As of March 2020, and not

⁸⁴ Ofcom analysis of broadcaster data

⁸⁵ Ampere Analysis, accessed November 2020. Data refers to Netflix and Amazon originals where the primary production country is the UK. Note that this equates to more titles on Netflix (73) than Amazon Prime (19), as Netflix produces more original titles.

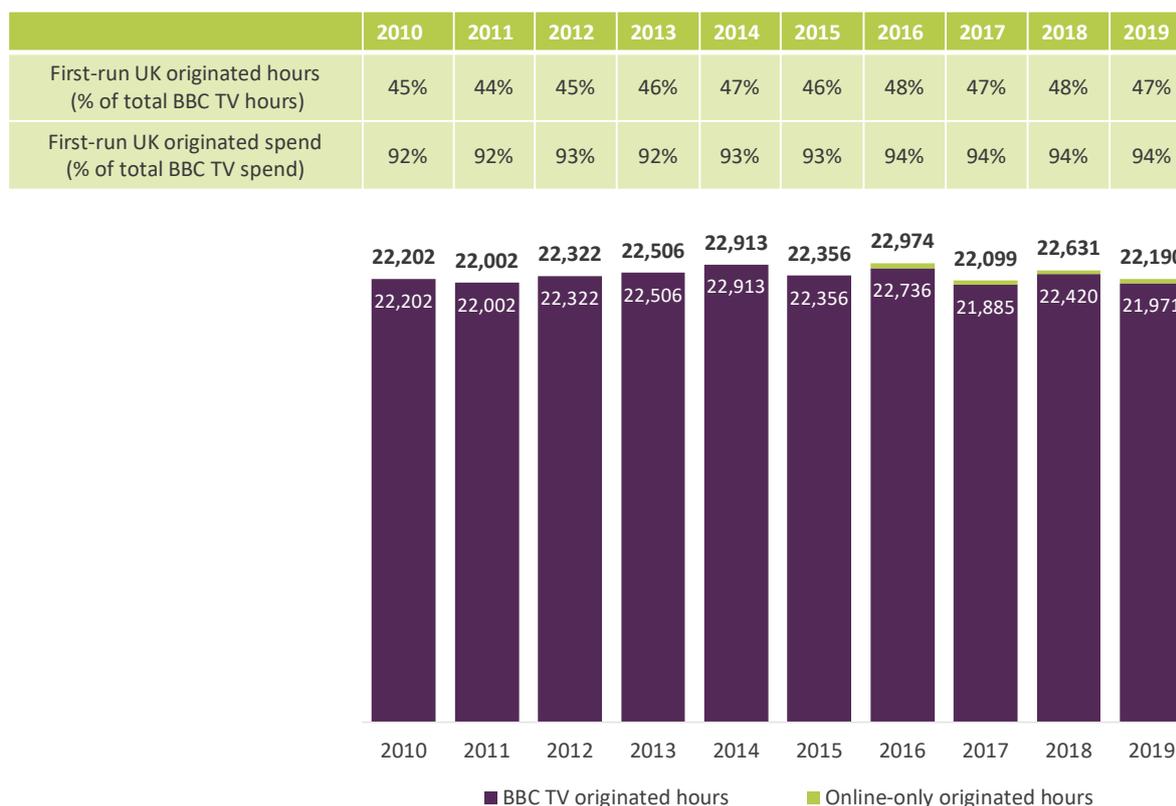
accounting for co-productions with the BBC, there were 81 Amazon Prime or Netflix original titles produced in the UK, compared to 13 in March 2017.⁸⁶

Despite the fall in spend, the BBC’s provision of UK-originated programming has remained broadly stable over the last ten years

There were 21,971 hours of first-run UK-originated programming shown on BBC TV in 2019. This was 2% down on 2018, but marginally up on 2017 (21,885 hours). But as a proportion of total BBC TV hours, first-run UK originations have remained broadly stable, accounting for just under half. And while the amount of direct investment by the BBC continues to decline, in 2019 first-run UK originations represented 94% of all BBC TV spend, up from 92% in 2010. Across the last decade, the proportion of spend on first-run originations has remained broadly consistent, indicating that the BBC is continuing to invest in new programming despite resource constraints.

With increasing competition from global providers, a unique benefit of PSB, and the BBC in particular, is its ability to deliver content to UK audiences that reflects their lives. High quality, distinctive, innovative, and original output by the BBC that represents the whole of the UK and appeals to a wide range of audiences is important if the BBC is to attract and retain these audiences.

Figure 12: BBC TV first-run UK-originated hours: 2010-2019



Source: Ofcom analysis of BBC data. Note: Online-only originated hours included from 2016. Online releases later broadcast on BBC TV are counted as BBC TV originated hours. Figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, and online-only originations via BBC iPlayer or BBC Three. Figures exclude nations’ and regions’ programming, and BBC HD.

⁸⁶ Ampere Analysis, accessed November 2020

The BBC provides some content on an online-only basis

In 2019 the BBC provided 219 hours of original online-only programming, much of which was sports programming (62%). It has been using BBC iPlayer to provide a wider variety of sports coverage, with recent examples including the V-Women's Tour cycling race, the British Climbing Cup Championships, and esports coverage. The remaining online-only content in 2019 mainly comprised entertainment and contemporary music content (20% of hours, with examples including *Teen Taxi* and *I'm Not Driving That with Ali-A*) and programming for children (10%). Of the total, 16 (7%) of these hours were shown on BBC Three.⁸⁷ As highlighted under our assessment of [Public Purpose 2](#), we have amended the BBC's Operating Licence to allow it to provide more children's news and first-run UK-originated content online, so we expect the amount of online-only content for children to increase.

Since 2016, the total number of online-only originations has remained stable at around 1% of total first-run UK originations on BBC TV channels and online. However, this does not include titles released online before being shown on broadcast TV, an approach in which the BBC is increasingly active. (These are included in the BBC TV hours set out above). During 2019/20, this included some series being instantly released in their entirety, such as *Noughts + Crosses* in March 2020.⁸⁸ We also note that recently, the BBC has also used other online-first release strategies, such as releasing series episode-by-episode on a weekly basis (as with series three of *Killing Eve* in April 2020).

Online delivery (whether online-only, online premieres or catch-up) is an important way of meeting audience needs, and we note above the BBC's provision of a range of sports on BBC iPlayer, providing audiences with access to a wider range of content. We encourage the BBC to continue to consider ways in which it can reach different audience groups in different ways. In its [Annual Report and Accounts](#), the BBC states that the priority will be to improve and expand BBC iPlayer, including content availability and exclusivity, product developments, marketing and distribution. It also states that it will release more of its series as box-sets in one go to let audiences decide how they want to watch. As we note earlier in this report, in future, the BBC will need a more comprehensive way of measuring the performance of BBC iPlayer, to demonstrate how it has contributed towards the Mission and Public Purposes and to explain how it works together with the BBC's broadcast services.

Overall, the BBC continues to provide a broad mix of output on TV

The BBC's overall mix of genres (including first-run, acquisitions and repeats) has remained relatively unchanged, with a broad spectrum of content continuing to be available to viewers. In 2019 there were increases in news (up 2% on 2018), general factual (up 11%) and drama (up 14%). News made up 45% of BBC TV hours, followed by children's (21%) and specialist factual (8%).⁸⁹

Research done as part of Ofcom's *Small Screen: Big Debate* showed that the BBC is known for high-quality stand-out dramas, iconic comedies and coverage of national events.

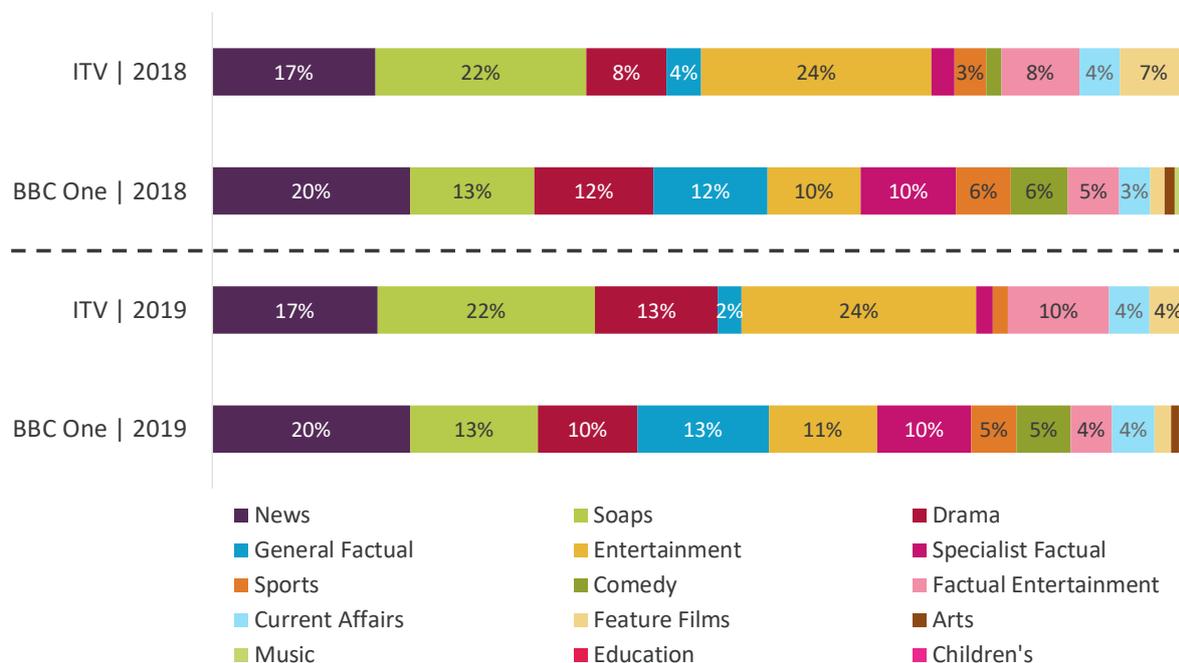
⁸⁷ Ofcom analysis of BBC data

⁸⁸ Following the broadcast TV release of the first episode of *Noughts + Crosses*, the remainder of the series was made available online

⁸⁹ Ofcom analysis of BBC data

During peak viewing hours, BBC One continues to broadcast a more even spread of genres than its closest comparator, ITV. In 2019, soaps comprised 22% of peak-time hours on ITV versus 13% on BBC One, while entertainment accounted for 24% of ITV peak hours versus 11% on BBC One.

Figure 13: Total hours at peak time: BBC One and ITV: 2018 vs. 2019



Source: Ofcom analysis of broadcaster data. Note: figures include network content across first-run originations, acquisitions, and repeats for ITV and BBC One during peak time from 18:00-22:30. Figures exclude nations' and regions' programming.

Viewers continue to watch a broad range of genres on BBC TV, and the majority (64%) of adults rate the BBC highly for providing a broad mix of different types of TV, radio and online programmes and content.⁹⁰ News, leisure interests, entertainment, sport and drama account for the largest amount of viewing on BBC broadcast TV. Soaps, drama and entertainment account for a much larger proportion of viewing than of the number of hours broadcast. For example, drama accounted for 2% of BBC TV hours broadcast in 2019 but made up 8% of adults' viewing hours.⁹¹

Spend and first-run hours of programming in at-risk genres have declined significantly since 2010

The BBC plays an important role in providing programmes in genres which are at risk. These include music, arts, religion and other specialist factual content, as well as comedy and children's programming.⁹² These make a significant contribution to the BBC's distinctiveness, and are less likely to be provided for elsewhere. Many at-risk genres are also important for the BBC's delivery of informal learning, as set out in our assessment of [Public Purpose 2](#).

⁹⁰ Ofcom BBC Performance Tracker

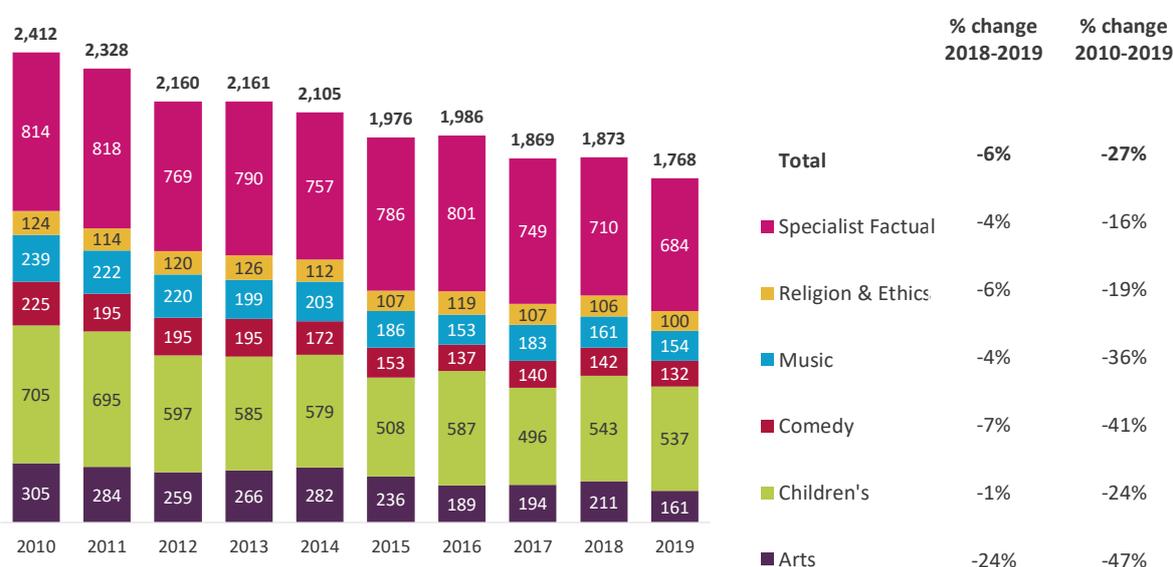
⁹¹ BARB. The number of broadcast hours refers to all hours, repeats and first-runs.

⁹² At-risk genres either provide a particular contribution to the Mission and Public Purposes, are underprovided, or are in decline across public service broadcasting. The genres we define as at-risk are set out in Schedule 2 of the Agreement.

First-run at-risk genre hours fell by around 6% last year, with declines in the provision of all these genres, albeit at varying rates. Most notably, there were 50 fewer hours of new arts content in 2019 than in 2018.⁹³ Since 2010 the decline has been more significant, with first-run at-risk genre hours down by 27%, while first-run hours in other genres have increased by 2%. However, this increase in hours of other genres has largely been driven by an increase in news provision, and has also been influenced by sport, as broadcast hours fluctuate with the frequency of events. Not accounting for news or sport, first-run hours across other genres also decreased, albeit by less (down by 9% compared to 2010).

The decline in first-run at-risk hours has been accompanied by a fall in spend over time; investment in 2019 was 4% lower than in 2018, and 26% lower than in 2010. However, the downward trend in first-run at-risk spend has been in line with that of total investment in first-run programming, also down by 26% since 2010.⁹⁴

Figure 14: Hours of first-run at-risk genres: 2010-2019



Source: Ofcom analysis of BBC data. Note: Figures include first-run originations only across BBC TV. 'Specialist factual' encompasses business and factual, history, nature, science and technology and other specialist documentaries. Figures exclude nations' and regions' programming, and BBC HD.

Total provision of at-risk programming (including repeats and acquisitions) has been more stable than first-run hours, with the BBC continuing to show more of this content than other PSBs, overall

To an extent, the decline in first-run at-risk programming has been compensated for by a broadly stable provision of repeated hours in these genres, with a 6% decrease since 2010 mostly due to the removal of children's programming from BBC One and BBC Two in 2013.⁹⁵ At a total level (including acquired and repeated programming), the BBC continues to provide much more at-risk content than

⁹³ We consider the decline in arts hours further in our assessment of [Public Purpose 2](#)

⁹⁴ Ofcom analysis of BBC data

⁹⁵ Compared to 2013, repeats of at-risk programming decreased 1%

is available elsewhere. In 2019, there were 15,529 hours of at-risk programming broadcast across the BBC's TV channels, compared to 5,822 hours across ITV, Channel 4 and Channel 5 combined.⁹⁶

In 2019, the BBC broadcast 1,768 first-run UK-originated hours of at-risk content, compared to around 1,026 across ITV, Channel 4 and Channel 5 combined. Much of this first-run content from the commercial PSBs is specialist factual, which made up 85% of these hours in 2019. The majority of these hours in 2019 were documentaries falling outside specific specialist categories, with Channel 5 providing the bulk of them, through programmes such as *Police Interceptors* and *GPs Behind Closed Doors*. The addition of Sky Arts to Freeview in September 2020 will provide further freely available arts content outside BBC TV; Sky Arts had 258 hours of first-run UK-originated content in 2019, providing additional choice for audiences in certain genres.⁹⁷

The BBC needs to demonstrate to audiences how it is maintaining its commitment to at-risk genres

The BBC's breadth of content, including at-risk genres, is critical to the BBC's delivery of its Mission and Public Purposes. Analysis of BARB data shows that among adults, viewing of at-risk genres (excluding children's) made up around 9% of BBC TV viewing in 2019, and this level has been fairly stable since 2016. Audiences aged 55+ are more likely than the average for all adults to watch science/natural history documentaries or religion and arts programming, whereas audiences aged 16-24 are more likely than other age groups (as a proportion of their BBC TV viewing) to watch BBC comedy programming.

As we set out in the [Overview](#), the BBC will need to focus on providing relevant, high-quality and distinctive content that appeals to the widest possible range of audiences. As more content is available on BBC iPlayer (due to the longer availability window), the BBC has an opportunity to potentially make more impact with its content and to reach audiences in another way, in addition to broadcast TV. Given the decline in first-run output in these genres, the BBC will need to be able to explain to audiences how it is maintaining its overall commitment to at-risk programming and ensuring its prominence. As this is likely to include the BBC placing more emphasis on its on-demand services, measuring the impact of this programming on BBC iPlayer will become even more important.

Perceptions of the BBC's risk-taking and innovation remain relatively low

It remains important for the BBC to take risks and innovate with its content. Perceptions of the BBC's risk-taking and innovation remain relatively low and broadly unchanged. In 2019/20, while the majority of adults (55%) agreed it performs well here, this remained the lowest rated of all the questions that we ask about for Public Purpose 3, and had the highest proportion of audiences giving a low rating (1-4 out of 10). Younger audiences (aged 16-24) are more likely to agree that the BBC performs well here (64% agree).⁹⁸ As we highlight elsewhere, younger audiences tend to seek out the content that most appeals to them, and this is likely to influence their views.

⁹⁶ Ofcom analysis of broadcaster data

⁹⁷ Ofcom analysis of broadcaster data

⁹⁸ Ofcom BBC Performance Tracker

We said earlier in this report that we understand that the BBC will need to trial new ways of doing things, to find other ways to meet audience needs. We think there is scope for the BBC to improve its reporting on how it takes risks and innovates, as part of its explanation of how it has delivered the Mission and Public Purposes. We also encourage the BBC to consider how it can measure the impact of its activities that contribute to innovation, as this could provide evidence to support its plans to change the ways in which it delivers its services.

This year the BBC worked with more producers, although it showed fewer new titles than last year

The BBC can demonstrate risk-taking and innovation by looking for new ideas for programming. One indicator of how it does this is by working with different providers to deliver new content on its TV channels. The total number of production companies the BBC worked with in 2019, including those used for nations' and regions' content, increased from 328 in 2018 to 360 in 2019.⁹⁹ Of these, 282 were qualifying independent production companies, which count towards the BBC's independent production quota.¹⁰⁰ This quota was met in 2019, with 32% of qualifying hours across BBC TV commissioned from qualifying indies – up from 30% in 2018. This was also reflected in a slight increase in the number of first-run UK-originated titles produced by qualifying indies, which increased from 479 (38% of titles) in 2018 to 515 (39%) in 2019.

The BBC's commitment to risk-taking and innovation can also be demonstrated through its commissioning of new programme titles. While returning series are important for retaining audiences over time, the commissioning of new titles can reflect more risk-taking. Since 2017, we have collected data on the number of new and returning titles broadcast on BBC TV. In 2019 the BBC broadcast 373 new titles, down from 415 in 2018, and from 445 in 2017.¹⁰¹ There were more hours of new commissions in 2019, at 1,157 hours, up 11% since 2018, suggesting that slightly longer runs of new titles were introduced last year. However, this still represented a relatively low amount of commissions in 2019, with new programmes representing 13% of these hours.

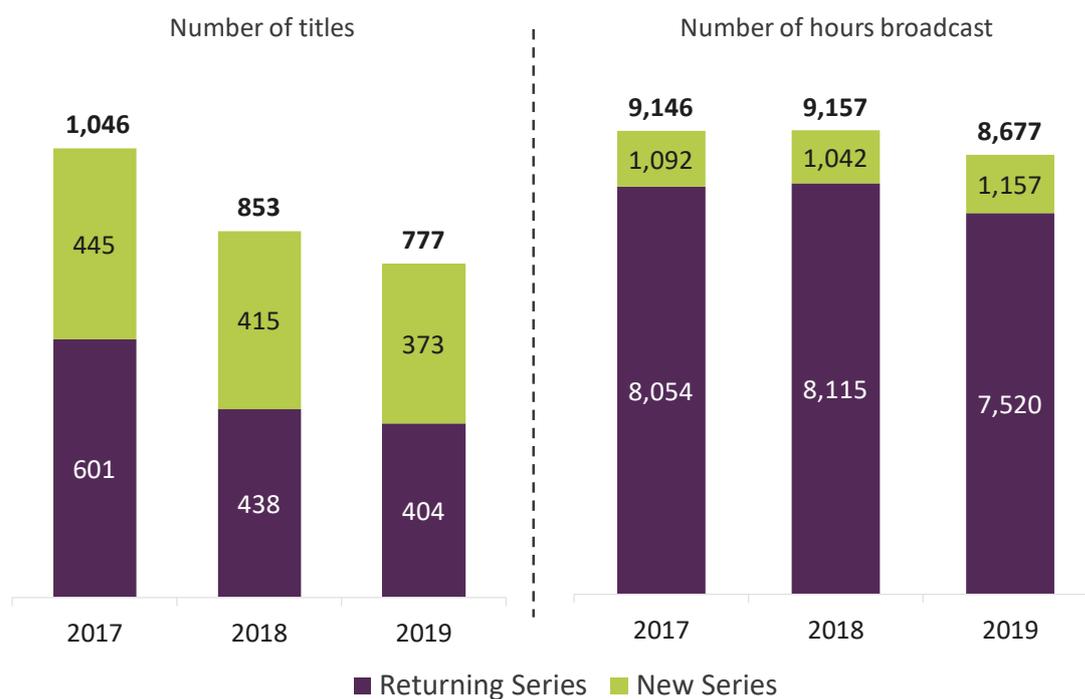
The genre-mix of new titles launched during 2019 was similar to 2018, although more current affairs titles were introduced, and fewer arts series. New titles this year included new series such as *Gentleman Jack* and *The War of the Worlds*, as well as one-off programmes, such as programming to mark the 50th anniversary of the Apollo 11 moon landing. In terms of hours, specialist factual programming continued to account for the largest proportion of new titles, accounting for 306 hours. This was up from 276 hours last year.

⁹⁹ Ofcom analysis of BBC data. Figures include production companies used for originated content only and reflect reported names of production companies used.

¹⁰⁰ A qualifying independent production company is a company not tied to a UK broadcaster through significant common ownership (defined in the Broadcasting (Independent Productions) Order 1991 (as amended)). Currently, 25% of qualifying hours broadcast on the BBC in any given calendar year must be commissioned from qualifying indies.

¹⁰¹ Ofcom analysis of BBC data. New and returning series figures include network titles only, so exclude nations' and regions' programming.

Figure 15: New and returning series titles broadcast across BBC TV: 2017-2019



Source: Ofcom analysis of BBC data. Note: figures include originated content only and reflect the number of individual programme titles broadcast on BBC One, BBC Two, BBC Four, CBBC and CBeebies. New series are defined as brand new commissions aired for the first time during that year. Returning series include recommissions of previously new series, or ongoing titles such as Horizon. Data does not include programming for the nations and regions, repeated content, or party political broadcasts.

BBC radio remains distinctive, although listening levels are declining

Overall perceptions of the distinctiveness of BBC radio remain high, with 70% of BBC radio listeners rating BBC radio services highly for providing distinctive radio programmes and output. It provides a broad mix of content, including some which is unique. The majority of listeners to each of the BBC’s radio stations agree that the station offers something that other providers do not – this is particularly high for Radio 6 Music (88%) and Radio 4 (84%), followed by Radio 3 (79%) and Radio 5 live (78%). While the majority of Radio 2 listeners (69%) still say this, the proportion has fallen from 75% last year.¹⁰²

Radio 1 and 2 continue to play a broader range of music than key commercial providers, playing more new music and having lower repeat rates.¹⁰³ As we set out in our assessment of [Public Purpose 4](#), the BBC nations’ and local radio play an important role in reaching specific audiences, including

¹⁰² Ofcom’s BBC Performance Tracker

¹⁰³ Ofcom analysis of Radiomonitor and Official Chart Company data. Analysis was based on three sample weeks throughout the year (weeks ending 19 July 2019, 18 October 2019 and 7 February 2020) and found that Radio 1 and Radio 2 played a larger number of different tracks than commercial competitors (Capital, Kiss, Heart and Magic), and also repeated tracks fewer times. The definition of ‘new music’ is as set out in the BBC’s Operating Licence. These findings have been consistent for the past three years.

underserved groups. These services make an important contribution to the BBC's distinctiveness, particularly in terms of their breadth and coverage.

Although overall reach of radio has been in gradual decline in recent years, from 90% five years ago to 88% in 2019/20, listeners to BBC radio have decreased at a greater rate, from 65% to 61% across the same period. Radio 1's audience has fallen by around 14% in the last five years (and is down by around 21% among 15-24 year-olds), while Radio 2's listeners are down by around 9%. Although Radio 5 live's reach has fallen in the last five years, it was broadly stable year on year, at 9.5% in 2019/20.¹⁰⁴ The BBC says that BBC Sounds is central to its audio strategy, but there is limited data available to assess its performance against the BBC's plan.

In 2018/19 the BBC launched BBC Sounds as the home for all its online audio content, including all scheduled BBC radio content, and off-schedule content including podcasts such as *The Missing Cryptoqueen* and *That Peter Crouch Podcast*. We estimate that BBC Sounds was listened to by 5% of all UK adults each week in 2019/20, with higher reach among men, 16-34 year-olds, and ABC1 audiences.¹⁰⁵ In the [final quarter of 2019/20](#), live listening made up 66% of total listening via BBC Sounds.¹⁰⁶ BBC Sounds is used by around 38% of those who listen to podcasts each week, broadly level with Apple Podcasts and Spotify, although Apple and Spotify are more likely to be used by younger podcast listeners.¹⁰⁷

As the BBC sets out in its [Annual Plan](#), BBC Sounds is at the heart of the BBC's audio strategy. Its plans include opening it up to non-BBC podcasts, including themed compilations, and putting live radio at its heart. The BBC also states it will continue to evolve its radio portfolio, learning from the BBC online content popular with young audiences, and how it has operated through the Covid-19 crisis. As stated in our [Looking ahead](#) section, although the BBC stated that BBC Sounds met its audience targets, it does not report on what these targets were, making it difficult to assess how well it is delivering against what it originally planned. There needs to be a more systematic approach to measuring performance of BBC Sounds, allowing the BBC to explain how audiences are using it and how it supports the delivery of the Public Purposes.

With BBC Sounds and BBC iPlayer, the BBC continues to deliver more content online

As well as the launch of BBC Sounds in 2018/19, in August 2019 [we agreed](#) that the BBC could progress its plans to make changes to BBC iPlayer, to increase the period over which programmes are available.

This year, use of the BBC iPlayer has increased from an average of 4.7 to 5.9 minutes per person per day. Whereas BBC iPlayer comprises about a tenth of BBC TV viewing overall, this rises to about a fifth for 16-34s.¹⁰⁸ Netflix continues to lead the VoD market, with 44% of adults watching each week, including 66% of 15-24 year-olds, while BBC iPlayer is the second most-used VoD platform, used by 31% of adults and 28% of 15-24 year-olds.¹⁰⁹

¹⁰⁴ RAJAR

¹⁰⁵ Ofcom BBC Performance Tracker

¹⁰⁶ BBC internal data based on quarterly average

¹⁰⁷ Populus research, March 2020

¹⁰⁸ Ofcom modelling based on data from the BBC and BARB

¹⁰⁹ TouchPoints

Our qualitative research commissioned as part of Ofcom's *Small Screen: Big Debate* has shown that the PSB on-demand services are more commonly seen as catch-up services, rather than as destinations to browse for new content. In terms of functionality they are typically not seen as rivalling the perceived best-in-class, Netflix, particularly for locating and finding content. Among those familiar with it, BBC iPlayer is seen as an extensive (and now improved) library of good content. For those less familiar with it, it can be harder to find something to watch, and the younger generation tend to assume there will not be much relevant content.

As we set out earlier in this report, as the BBC focuses more on its on-demand services such as BBC iPlayer, a more comprehensive account of how these services contribute to the Mission and Public Purpose is needed.

Reflecting its increasing focus on online delivery, spend on BBC online has increased although perceptions of the BBC website's distinctiveness have fallen

The BBC provides a range of online content, for example on its website, on apps such as BBC Sport, and on BBC iPlayer and BBC Sounds. This year the BBC spent £238m on BBC online content, up from £218m in 2018/19 and £190m in 2017/18.¹¹⁰ The proportion of the BBC's total content spend allocated to online has been increasing on an annual basis since 2012/13, reaching 10% in 2019/20 (compared to 4% in 2012/13).

Overall, the BBC's website was used by 54% of adults each week in 2019/20. We are not able to compare this to the previous year, but BBC server data shows that the number of browsers accessing the site is broadly stable. Among 16-34s, reach is slightly higher at 55%. BBC news remains by far the most-used part of BBC online, used by 29% of adults each week.¹¹¹ When rating the BBC's website and apps compared with other providers, the majority agree it provides high quality content (75%), and a mix of different types of content (72%). Scores are slightly lower, but the majority still agree that it presents content in a unique/innovative way (62%) and provides content that other websites or apps don't provide (also 62%).¹¹²

However, despite broadly stable use of the BBC website, audience perceptions of its distinctiveness have fallen. In 2019/20, 67% of users agreed that bbc.co.uk offered something that other providers did not, down from 74% last year. This decline was driven by perceptions among young people.¹¹³ We will continue to monitor audience views here.

¹¹⁰ Figures from BBC Annual Report and Accounts, expressed in real terms

¹¹¹ BBC research

¹¹² Ofcom BBC Performance Tracker

¹¹³ Ofcom BBC Performance Tracker



Public Purpose 4

Reflecting, representing and serving the diverse communities of all of the United Kingdom's nations and regions, and in doing so, supporting the creative economy across the United Kingdom

Key findings:

- Although the BBC is managing to improve perceptions of representation and portrayal among some audiences, in particular younger adults, Asian audiences and those living in some parts of England, there are other groups that we have consistently identified as underserved by the BBC. These groups do not feel they are represented well across its content. They include older people, disabled people, those in lower socio-economic groups and audiences in Scotland.
- We are concerned that the BBC's own measures of audience satisfaction are too narrow and consequently do not adequately identify all of its underserved audiences; this risks the BBC losing further sections of its audience and contributing to a reduction in reach.
- The BBC has published more detail on representation and portrayal and its broader diversity-related activities, but reporting could still be clearer and more comprehensive, and the impact of its actions is not yet fully measurable.
- The BBC has published more data and provided greater transparency on the diversity of its workforce this year. It continues to increase both its on-screen and workforce diversity, but progress is still slow. In considering the BBC's workforce diversity relative to the wider industry, some broadcasters continue to outperform the BBC on a number of diversity characteristics for both TV and radio.
- The BBC continues to meet its spend and hours quotas for originated network productions in the nations and English regions. There have also been positive developments in the number of production companies it works with that are based outside London.
- Further detail on the data behind this assessment can be found in the [Interactive Performance Report](#).

Impact of Covid-19 on the BBC's delivery of Public Purpose 4

The BBC acted quickly to provide local news and information at the outbreak of the Covid-19 crisis, broadcasting the Welsh, Scottish and Northern Ireland governments' daily press conferences to audiences in those nations, across TV, radio and online. However, for operational reasons, the BBC withdrew weekday breakfast bulletins for the nations and regions on BBC One and merged some regions' late-evening bulletins.

The different public health approaches of the devolved nations has highlighted the importance of the BBC distinguishing between different national policies in its network news. We heard concerns, including a small number of complaints from members of the public, in the early stages of the Covid-19 crisis. Some audiences perceived that the coverage lacked clarity on how the lockdown restrictions differed between the devolved nations and England. The complaints we received were referred by Ofcom to the BBC under the 'BBC First' process and were therefore not assessed by Ofcom. These issues have been repeated in conversations with stakeholders in Wales. We will continue to work with those concerned and have asked for more evidence to be provided.

BBC Bitesize offered daily online lessons reflecting the devolved and bilingual curriculum in Wales. In Scotland, educational content, including BBC Bitesize material, was broadcast daily on the BBC Scotland and BBC ALBA channels. In Northern Ireland, local curriculum Bitesize material was made available on BBC iPlayer.

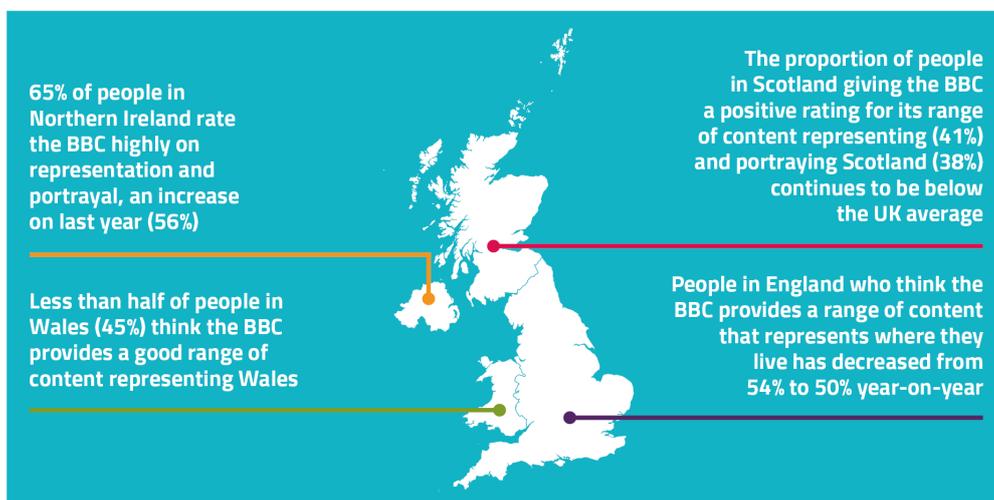
The Covid-19 crisis emphasised the importance of local services and content that can be accessed by vulnerable audiences. It illustrated the valuable role the BBC's nations' and local radio services play in serving communities across the country with local news and information, and in bringing people together, as exemplified by the [Make a Difference](#) campaign.

The BBC expanded partnerships such as that between BBC Three, BBC Northern Ireland and Northern Ireland Screen, establishing similar initiatives in [Scotland](#) and the [North of England](#). We encourage the BBC to consider how it can embed positive developments from commissioning content during the Covid-19 crisis, such as, opening up access to London-based commissioners for production companies in the nations and regions, and considering whether it could locate more of its senior decision-makers away from London in future.

In responding to our [Diversity and Equal Opportunities in Television and Radio report](#), the BBC reported challenges for some disabled staff who needed work adjustments translated to their homeworking environment. But it also recognised the potential future benefits that remote working could have, in attracting a larger proportion of its workforce from those less able to travel to production centres, e.g. disabled people, those in distant locations, and people for whom travel costs would be prohibitive.

As the rate of commissioning picks up again, the BBC has the chance to make sure its [Diversity Commissioning Code of Practice](#) (DCCoP) is at the heart of its recruitment and commissioning strategies, helping to provide more opportunities for the widest possible range of freelancers, who have been so badly affected by the Covid-19 crisis.

Purpose 4: To reflect, represent and serve the diverse communities of all of the nations and regions and, in doing so, support the creative economy across the UK



Our performance assessment of Public Purpose 4 includes:

- **Diversity**, including audience perceptions, measuring audience satisfaction, representation and portrayal;
- **Diversity Commissioning Code of Practice**;
- **Workforce**; and,
- **The creative economy**.

Diversity

The UK is made up of a wide range of people defined by many characteristics including where they live, their ethnicity, gender, sexual orientation, age, socio-economic status and whether or not they have a disability. Audiences rightly have high expectations of how the BBC should reflect their own lives, and our research shows that they value content that reflects the diversity of the UK. At a time of growing social polarisation, the BBC's duty to accurately and authentically reflect, represent and portray UK audiences has arguably never been more important – by which we mean how often they are perceived to be seen across BBC content (representation) and how they come across (portrayal).

We use a number of sources to assess the BBC's performance against its diversity obligations, both on and off screen, under Public Purpose 4:

- research commissioned by both Ofcom and the BBC in order to measure audience perceptions of how well the BBC represents and portrays the range of the UK's communities;
- the [BBC's Annual Report and Accounts](#);
- the BBC's own Diversity Commissioning Code of Practice (DCCoP) and its [annual Progress Report on its implementation of the DCCoP](#); ¹¹⁴
- [Ofcom's annual Diversity and Equal Opportunities in Television and Radio report](#).

We are pleased to see that the BBC is increasing its commitment to delivering on-screen and workforce diversity. This is evident from the appointment of June Sarpong in 2019 as the BBC's first Director of Creative Diversity, with a remit to improve the BBC's on-air portrayal and commissioning; Tim Davie's [recent comments](#) highlighting his determination to create an organisation that is much more representative of the UK as a whole, including improving the BBC workforce's socio-economic and regional diversity; Tim Davie's recognition of the need to deliver for all audiences; and the many positive steps the BBC lists in both its Annual Report and Accounts and its DCCoP Progress Report. But the limited availability of hard data and project evaluation information makes it hard to judge how effective many of the BBC's efforts in 2019/20 have been. Given this, we urge the BBC to ensure that the raft of significant new plans it has recently announced to improve its future delivery of diversity, both on and off screen, include clear measurable goals and outcomes.

New initiatives include:

- the new [Creative Diversity Commitment](#), which will require 20% of talent on new network TV and radio commissions from April 2021 to be from diverse backgrounds, with a focus on the characteristics of disability, ethnicity and social mobility;
- the new [Creative Diversity Fund](#) ring-fencing £100m of its existing commissioning budget over three years (2021/22-2023/24) towards productions with diverse representation, talent or diverse-led companies;
- allocating [£12m of BBC radio's existing commissioning budget](#) to be spent on diverse and inclusive content commissioned by network radio and BBC Sounds over the same period; and
- a commitment to continue its £2m Diversity Fund to invest in projects to find new diverse talent or to allow existing diverse talent to strengthen their skills or experience.

These developments are encouraging, and we will closely monitor progress, engaging with the BBC on the detail, so that we can effectively assess the contribution they make to the delivery of Public Purpose 4.

¹¹⁴ The BBC is required by the Operating Licence to produce and comply with a Diversity Commissioning Code of Practice (DCCoP), approved by Ofcom, to help embed diversity in the BBC's commissioning processes and its new content to ensure that the content the BBC commissions for TV, radio and online accurately represents, authentically portrays and reflects the diverse communities of the whole of the UK. The BBC uses its Progress Report to monitor and report to Ofcom annually on its compliance with its DCCoP.

Audience perceptions

We continue to be concerned about how some audience groups perceive they have been represented and portrayed in the BBC's programmes and content

In [our first annual report on the BBC](#) we included findings from [our review of representation and portrayal on BBC television](#). Although the BBC was seen to have improved over time, there were some groups of people who felt less visible on TV. Others felt that the way in which they were portrayed was negative or one-dimensional. These groups are broadly the same as those highlighted throughout this report as having lower overall satisfaction levels with the BBC.

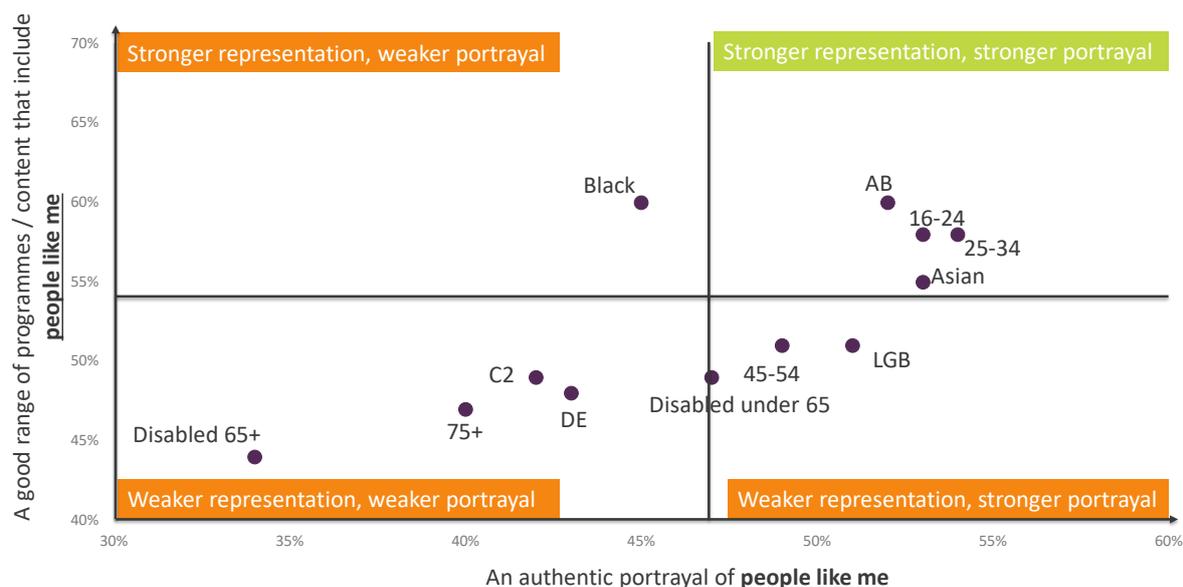
Our BBC Performance Tracker shows that although the BBC performs relatively well in providing content which people feel is relevant to them, audiences are less satisfied with how well the BBC portrays different areas or people. [Figure 16](#) below illustrates the challenges for the BBC in terms of improving perceptions of representation and portrayal for some audiences. The bottom left quadrant of the chart indicates audiences who have lower-than-average perceptions for both representation and portrayal. Older and disabled adults are most likely to fall in this category.

Audiences in lower socio-economic groups also continue to have lower perceptions of how well they are represented and portrayed by the BBC across its output, particularly people in the DE group, whose perceptions have been lower than the average for the past three years. In contrast, those in higher socio-economic groups continue to be more positive across a range of measures, including how well they feel represented and portrayed across BBC content.

The perceptions of adults from minority ethnic backgrounds on how they are represented and portrayed are broadly in line with the population average. For perceptions of representation, this marks an overall improvement over the past three years. Looking in more detail reveals that Black audiences, while rating the BBC above average for representation, are less likely to rate the BBC as strongly in terms of how they are portrayed, in line with the findings from our review in 2017/18. Asian audiences, however, are more satisfied than Black audiences with how they are portrayed by the BBC.

We highlighted earlier in this report that although younger audiences consume less content than older audiences, they are more selective, which appears to have a positive impact on their overall perceptions of the BBC. In this context, they are more likely to feel they are well-represented across the programmes and content they consume, and to be happy with how they are portrayed.

Figure 16: Perceptions of portrayal vs. representation, by selected audience groups: 2019/20



Source: Ofcom’s BBC Performance Tracker. Lines indicate the overall adult averages for each metric

The BBC still faces challenges in how well it is seen to represent and portray different parts of the UK

Our [Small Screen: Big Debate](#) research found that setting UK TV programmes in the areas where people live is seen as a distinct and valuable role of the PSBs. A recent example of BBC content that represents and portrays a place and the people living there is the BBC Three/BBC England co-commission *Angels of the North*, a fly-on-the-wall series set in a hair salon in Gateshead. It performed particularly well in the North East and Cumbria. Of all BBC iPlayer requests, 15% and 17% for season one and season two respectively came from accounts registered in the North East and Cumbria. This is higher than requests from the same areas for similar content set elsewhere, like *Glow Up: Britain’s Next Make-Up Star* and *RuPaul’s Drag Race UK*.¹¹⁵

We know that the BBC’s nations’ and local radio services play an important role in helping the BBC reach the UK’s communities. The breadth of local radio services that the BBC provides is important in helping the BBC deliver the Mission and Public Purposes, and helps it reach underserved audiences. Following our [review of localness on commercial radio](#), local commercial radio providers in some parts of the UK now have greater flexibility over where they make their required hours of ‘locally-made’ programming, and some local commercial radio stations are changing the way in which they deliver local radio services. This potentially makes the BBC’s nations’ and local radio provision more important to listeners who value locally-based presenters. Our BBC Performance Tracker indicates that 72% of BBC nations’ and local radio listeners gave a positive rating (7-10 out of 10) when asked if these services offer them something other providers do not.

BBC nations’ and local radio is particularly valuable to certain audiences. Compared to BBC network and local commercial radio, BBC nations’ and local radio listeners tend to be older (61% aged over 55 vs. 28% for local commercial) and are more likely to be from a White ethnic background (93% vs.

¹¹⁵ BBC data

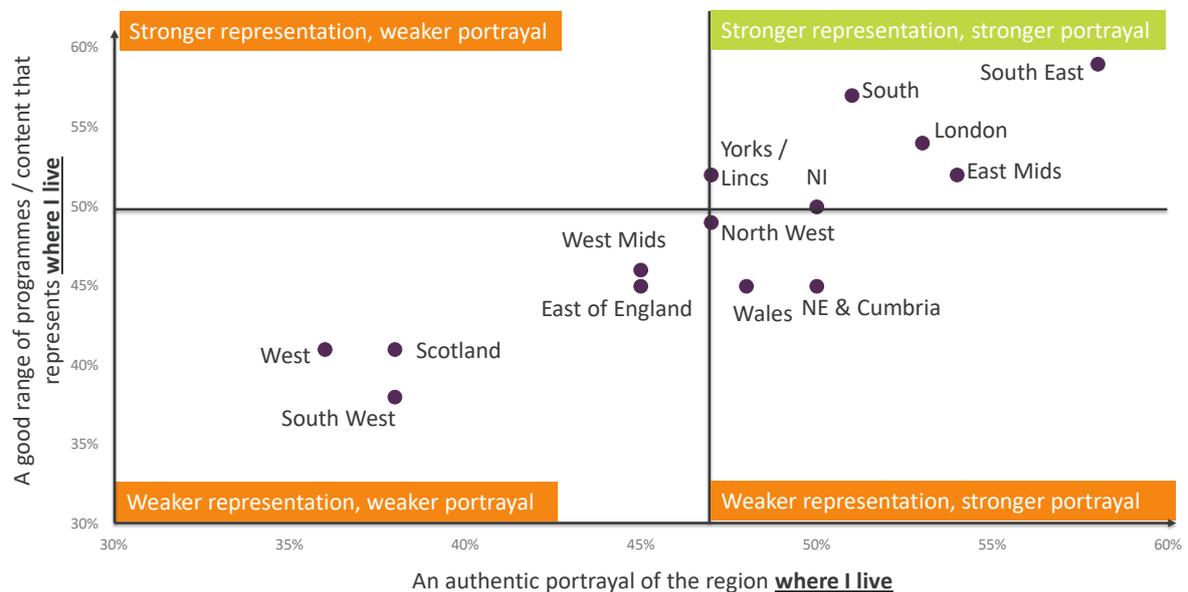
86% for local commercial). It is a particularly important service to people in Northern Ireland (as is local commercial radio) with an average weekly reach of 34%, roughly double its reach in England (13%), Scotland (17%) and Wales (18%).¹¹⁶

We welcome the BBC’s recognition in its Annual Report and Accounts that it must do more to be “truly relevant” to audiences in the nations and regions and that it must “work even harder to reach out into all the UK’s communities”. The BBC reported a year-on-year decline in the proportion of people who “think that the BBC is effective at informing, educating and entertaining people in the UK” in each of the nations.

There are challenges for the BBC in how well it is seen to be representing and portraying the nations and regions of the UK. In [Figure 17](#) below, we have looked at the perceptions of representation and portrayal of where people live by the different nations and regions of the UK. The bottom left quadrant of the chart indicates regions that have lower than average perception for both representation and portrayal of the region.

Overall, those living in the West/South-West of England and those living in Scotland are the most likely to have the lowest perceptions of how often they see their areas represented in BBC output, and the authenticity of the portrayal. Those living in the South/South-East and London are the most positive about how where they live is represented and portrayed. Over the last three years, views have improved in the South-East (by seven percentage points) and in London (by three percentage points).

Figure 17: Perceptions of portrayal vs. representation, by English region and UK nation: 2019/20



Source: Ofcom’s BBC Performance Tracker. Lines indicate the overall adult averages for each metric

Below, we set out our findings from this year’s BBC Performance Tracker research on how well the BBC is perceived to be representing and portraying each nation in its output.

¹¹⁶ RAJAR

Scotland: Signs of perceptions of representation and portrayal improving, but still lagging behind UK average

Last year we highlighted that the BBC needs to do more to appeal to audiences in Scotland. The BBC Scotland TV channel launched in February 2019 (see below for more detail), and while reach remains low, there are early indications that it may be having a positive impact on viewers' perceptions of representation and portrayal in Scotland. However, people in Scotland continue to rate the BBC's delivery of the range of content representing Scotland (41% Scotland vs. 49% UK average) and the portrayal of Scotland (38% Scotland vs. 50% UK average) below average. Perceptions of the BBC's performance across the Public Purposes still tend to be lower in Scotland than in the other nations.

Wales: Perceptions in line with UK averages, but range of programming representing Wales still an issue for audiences in Wales

We have previously highlighted that positive perceptions of the range of BBC content representing Wales were significantly below the UK average. This year, less than half of people (45%) in Wales say the BBC provides a good range of content representing Wales. This is no longer significantly below the UK average (49%), but across all the Public Purposes, it is the aspect of the BBC's performance with which audiences in Wales are least satisfied. People in Wales score all other representation and portrayal metrics in line with the UK average and in line with last year's results. More generally, however, there has been an increase in low (1-4 out of 10) overall impression ratings of the BBC among people in Wales (19% in 2019 vs. 12% in 2018). Perceptions of news coverage in Wales have been positive, with around seven in ten adults agreeing that the BBC performs well in helping people understand what is going on in the world today and representing a range of viewpoints.

Northern Ireland: Perceptions of overall delivery of Public Purpose 4 have improved, but all other representation and portrayal metrics are stable year on year

There has been a year-on-year improvement in positive perceptions (7-10 out of 10) of the BBC's overall delivery of representation and portrayal in Northern Ireland (65% in 2019 vs. 56% in 2018). This is above the UK average (65% Northern Ireland vs. 59% UK average). All other metrics on the perception of representation and portrayal in Northern Ireland are stable year on year and are in line with the UK average. The provision of a range of content that is 'relevant to me' and 'includes people like me' are the highest-rated metrics among people in Northern Ireland (both at 56%).

England: Perceptions of the range of content representing the English regions have worsened

There has been a year-on-year decrease in the proportion of people in England giving the BBC a positive rating on the range of content that 'includes people like me' (from 58% to 54% in 2019/20) and 'represents where I live' (54% to 50% in 2019/20). All other metrics on the perception of representation and portrayal in England are stable year on year and in line with the UK average. Satisfaction with representation and portrayal in England tends to be highest in London and the South/South-East and lowest in the West/South-West.

Overall, these results provide a mixed picture of how well the BBC is seen to represent and portray different audience groups and audiences in the nations and English regions. They indicate that although the BBC is managing to improve representation and/or portrayal among some audiences, in particular younger adults, Asian audiences and those living some parts of England such as the

South, the perceptions of other audiences are not improving, such as those in lower socio-economic groups, disabled audiences and those in Scotland, and continue to be well below the UK average. The BBC needs to ensure it puts in place steps to improve perceptions among these audiences.

Measuring audience satisfaction

We are still concerned about the BBC's approach to assessing audience satisfaction, and consequently its plan to improve perceptions among underserved audiences

The [Operating Licence](#) requires the BBC to measure and report to Ofcom on how satisfied audiences are with how they are reflected, represented and served. Where the BBC's measurement indicates that specific audience groups are dissatisfied with the BBC's performance, it must report on steps to improve satisfaction among those groups.¹¹⁷

Last year we expressed concern that the BBC's methodology for identifying dissatisfied audience groups did not enable it to identify the groups it was underserving. We asked the BBC to explain how it would improve audience satisfaction among the groups that our research continues to show have a lower than average perception of the BBC.

As was the case last year, the BBC's own research indicates that there are no dissatisfied audiences, based on its measurement proxy for audience satisfaction ('effectiveness'). This shows that no audience groups rate the BBC more 'ineffective' than 'effective' on the statements the BBC uses to determine satisfaction. Therefore, the BBC is not required to set out clear steps to improve the perceptions of audience groups that are dissatisfied. In response to the concerns we raised last year on this issue, the BBC has identified some 'less satisfied' audience groups, which are largely in line with those we have highlighted in each of our annual reports on the BBC, including those in lower socio-economic groups, audiences in Scotland and disabled people. However, the BBC has not set out clearly and consistently how it has met or intends to meet their needs. This approach is at odds with the view of the Director-General who has made clear that [he wants the BBC to deliver for all audiences](#).

It is our view that the metrics the BBC uses are too narrow (asking audiences to rate the BBC on reflecting their own lives, and relevant content) and too restrictive in terms of the demographics it uses to assess the metric (for example, only looking at adults aged 16+ to understand how well the BBC reflects the UK). Condition 2.44 in the Operating Licence states that the BBC should include audience satisfaction in the following areas:

- how the BBC represents, portrays and serves diverse audiences;
- how the BBC reflects the whole of the UK population on screen and on air, with particular regard to first-run content across all genres; and
- how the BBC raises awareness of different cultures and viewpoints.

At a time when the BBC's reach is declining, we are concerned that the BBC's current measure of audience satisfaction does not adequately identify all its underserved audiences. We encourage the BBC to consider a more holistic range of measures to understand audience satisfaction, in order to ensure that it provides output and services that meet the needs of all the UK's nations, regions and

¹¹⁷ Conditions 2.44 and 2.45 of the Operating Licence

communities and achieves the Director-General's ambition for the BBC to connect with all audiences.

As well as broadening its definition of dissatisfied audiences within condition 2.44, to take into account those who are less satisfied, the BBC could be much clearer on the steps it has taken or will take to improve these audiences' perceptions (condition 2.45). We expect the BBC to set out in its strategy how it will measure and evaluate audience perceptions in future.



Elizabeth is missing (image courtesy of the BBC)

Representation and portrayal

Despite the BBC providing more detailed information, there is still limited hard evidence to demonstrate how well it is representing and portraying the communities of the UK

The audience perception findings above are a key indicator of how well the BBC is meeting requirements to represent and portray all the communities of the UK. However, changing viewers' perceptions takes time, so the BBC's Annual Report and Accounts and its Progress Report on the Diversity Commissioning Code of Practice (DCCoP) have an important role to play in demonstrating how the BBC has performed against both its Operating Licence and its own DCCoP representation and portrayal obligations.

This year, there has been an improvement in the level of detail the BBC has provided on its diversity-related activities in its Annual Report and Accounts and its Progress Report on the DCCoP. We can see that the BBC has produced a range of content designed to deliver representation and portrayal of a range of people, places and communities. Lists of content titles from *Gentleman Jack*, *Doorstep Daughter* and *Man Like Mobeen*, to *Elizabeth is Missing*, *Waffle the Wonder Dog* and *I May Destroy You*, shows the BBC represented a range of communities and experiences in content made or broadcast during 2019/20. The BBC is also able to point to its on-screen talent targets to evidence its delivery of representation. It reports meeting its 2020 targets to improve on-screen representation, achieving: 50% women on-screen and in lead roles across all genres, from drama to news; 8% disabled people on-screen including some lead roles; 8% LGBT+ on-screen portrayal including some lead roles; and 15% Black, Asian and minority ethnic people on-screen and in lead roles across all genres. This result is welcome.

As we explained last year, the Creative Diversity Network (CDN) 'Diamond' system used to measure the BBC's on-screen representation currently captures a limited proportion of freelance diversity data; this means that the picture of the BBC's delivery of the on-screen targets is incomplete. While we are encouraged to see the actions the BBC reports it is taking to encourage freelancers on all BBC productions to submit their diversity information to Diamond, we urge the BBC to look for ways to help mitigate the data gap. We suggest the BBC builds on the on-screen achievements reported in 2019/20 by maintaining these percentages as a minimum level for on-screen representation and that it considers what further on-screen goals it might set itself. For instance:

- extending targets to provide more representation of the people audience research continues to show as underserved (e.g. disabled people); and
- breaking down some of the BBC's broader characteristics of 'BAME' and 'LGBTQ+' to deliver greater representation of each of the different ethnicities or sexual orientation and gender identities captured under the respective groupings.

The BBC also cites some off-screen or behind-the-scenes activities that help deliver greater representation in its output. [The 50:50 Project](#) is a stand-out example of an initiative achieving a demonstrable improvement in representation. It shows that the BBC has increased the representation of women in its content by using a self-reporting mechanism to measure its impact and by taking a 'snapshot-in-time' approach to assess progress year on year. The reporting also helpfully explains the scale and growth of the scheme over time and we are pleased to see that the BBC plans to expand this project to include ethnicity and disability targets.

In representing the communities of the UK in its output the BBC is also required to portray them in an authentic way. Titles cited as evidence include: BBC Four's *The First Black Brummies*, *The Unwanted* and *The Secret Windrush Files*, as well as projects flowing from the BBC Writersroom talent scheme, such as: *The Left Behind*, exploring White working-class life in Wales; *My Left Nut* from Belfast; *Alma's not Normal*, set in Bolton; and *Years and Years* casting Ruth Madeley, who was born with spina bifida.

Employing a broader range of production talent from many communities is central to supporting on-screen/on-air talent to deliver authentic portrayal. The BBC reports on a number of titles that champion this, including *Noughts + Crosses*, and *Small Axe*, about London's West Indian community, which gave minority ethnic trainees the opportunity to work on the production. It is clear that the BBC intends to build on this approach with the Creative Diversity Fund, which will require diverse on- and off-screen representation in order to secure funding.

The purely off-screen training, employment and progression initiatives cited that are designed to diversify representation include BBC Studios' Drama Diversity Trainee Scheme; The Diversity Fund; The Children's Diversity Fund; Fierce Women, the Mamma Youth Trainee initiative and the [Elevate scheme](#), aimed at disabled talent. The BBC has also set out its intention to take this work further with the launch of its Creative Diversity Commitment next year.

Improving the diversity of the BBC's commissioning staff is also central to delivering real change in the diversity of its output. The BBC has a two-year [Content Commissioner Development Programme](#) to help it resolve the under-representation of minority ethnic commissioners, but we encourage it to consider how it can also achieve greater geographic diversity within its commissioning teams.

It is clear that there is new impetus at the BBC to do more to deliver diversity, both on and off screen, and that this drive for change is being led from the top. However, it is difficult to ascertain what progress the BBC is making in accurately representing, authentically portraying and serving all the communities of the UK. It is too early into the Operating Licence period to make a judgement based solely on audience perception data, given that changes in the approach to production take time to filter through to viewers. There is a lot of activity, but it is not yet clear how effective it is.

Our main observations on the BBC's approach to reporting on the delivery of representation and portrayal are:

- the evidence provided is generally high level, and often comprises lists of programmes/content titles and initiatives without detail on scale, spend or duration;
- information is often limited to what the activities *are* rather than the *impact* they have had; initiatives tend not to be clearly linked to requirements, tangible objectives, measurable progress or outcomes – there are exceptions to this, the 50:50 Project being the clearest example, and we encourage the BBC to build on these; and
- the inclusion of case studies as evidence is welcome, but the quality is currently variable – the RAISED case study (Real Action in Socio Economic Diversity) in the BBC's Annual Report and Accounts provided an illuminating insight into how its new social mobility network is making a difference, while others were very thin on detail.

We understand that it is not always easy to put quantifiable measures on creative processes, but the variability in the information provided this year shows there is more the BBC can do to assess and report on its activity in a more transparent, consistent and comprehensive way. We welcome the BBC's work to create the [Belonging Blueprint](#), which sets out a framework for implementing diversity policies and assessing their outcomes. This tool should help the BBC address the issues we have identified.

While we recognise that representation and portrayal can be strongly linked, we think the BBC needs to go further in its reporting under condition 2.44 to clearly distinguish between these two distinctly separate issues. It should also provide evidence on how it has performed against each sub-condition under 2.42 of the Operating Licence in so far that it has reflected, represented and served, the diverse communities of the whole of the UK.

We also remain of the view that the BBC should set out a clear overall strategy for delivering against its diversity obligations in the Corporation's next Diversity and Inclusion Plan for 2021/22 onwards, so it can clearly and objectively measure and report its progress on an annual basis. This will enable the BBC to understand fully the impact of its considerable efforts, to report on its success; to understand where it could have done better; and to demonstrate how it is holding itself accountable for delivering representation and portrayal more broadly, both on and off screen.

Diversity Commissioning Code of Practice

The DCCoP provides the framework to ensure that diversity considerations are consistently embedded in the BBC's commissioning processes. This is the second year in which the Code has applied, and we can see that implementation remains a work in progress. We encourage the BBC to take on board the analysis below when focusing on areas for improvement in its third year.



Man like Mobeen (image courtesy of the BBC)

The BBC needs to be able to show that it is holding itself and its suppliers to account in delivering the DCCoP requirements

Most of the requirements focusing on the BBC's expectations of producers are yet to be fully implemented. As the BBC continues to work closely with content makers to ensure they are fully engaged with the DCCoP and delivering to its expectations, we hope to see more of these requirements listed as 'fully implemented' next year.

The progress report helpfully shows that where producers fall short of expectations, the BBC is taking action to deal with this as part of the standard commissioning and production process; for example, by re-shooting programme material. However, it is also important that the BBC makes clear how it is holding producers to account in instances where they repeatedly fail to meet the expectations of the DCCoP, or do not engage with it. We strongly recommend that in future progress reports the BBC clearly sets out how it encourages producers to comply fully with the DCCoP. To support this, we also request that the BBC splits out its reporting of the following requirement.

"We aim to work collaboratively and support those producing content for us but where producers continually fail to meet expectations or do not engage with the code, the BBC will take appropriate action."

This covers two very separate activities: 1) collaborative efforts and 2) the steps taken to manage non-compliance – both of which are critical to the Code's integrity. While it is clear that the BBC works collaboratively and supports those producing its content, it is not clear if, or how, the BBC handles non-compliance.

We also suggest that the BBC explains its process for ensuring that producers who initially fail to engage with the DCCoP become engaged, and that the BBC provides examples to Ofcom of how this has been achieved.

These changes will also help ensure that as a broadcaster and programme-maker the BBC can demonstrate both the rigour of the DCCoP and its commitment to holding itself and the producers it works with to account.

To show how the BBC has complied with its DCCoP, future reports should make clear links between the activities cited and specific Code requirements

The reporting issues we have identified in relation to representation and portrayal above, also apply to the BBC's approach to reporting on its compliance with the DCCoP. The limited measurable detail in the narrative of the Progress Report means that the BBC is heavily reliant on the colour-coded Results 2020 section at the end of the report to demonstrate its compliance with the 50 detailed DCCoP requirements (split across five principles). The report marks actions taken to meet the Code's requirements as either fully implemented across the BBC and with producers it works with (green); where progress has been made but the action has not been fully implemented (amber); or where an action has not yet been implemented (red).

The Results section suggests that overall progress is very similar to last year, with all actions either green or amber. However, the simple traffic-light approach to confirming compliance is opaque, lacking detail and clear accountability. It is particularly problematic for requirements marked as 'in progress' (amber) because it is not possible to assess which aspects of a requirement have been delivered and which have not; whether all aspects have been fulfilled by some content makers but not by others; or whether there are differences in compliance between in-house producers and external suppliers.

It will be important for the BBC to consider how it presents its findings in future Progress Reports, in order to clearly link the activities it has undertaken with specific DCCoP requirements. The BBC should also continue efforts in its Progress Report to draw clear connections between the BBC's DCCoP related activities and the delivery of its representation and portrayal obligations. More measurable evidence will help provide clarity on the BBC's progress and identify where more work is needed.

Where there are difficulties with tracking progress, for example with respect to co-funded commissions, the BBC should explain how this is being addressed. Where little or no progress has been made, the BBC should be transparent about this and explain the action it will take to improve performance in future.

Workforce

The BBC is increasing the range of workforce data it is publishing, improving its transparency and accountability

The Operating Licence requires the BBC to monitor and report on the diversity of all its staff employed in connection with the provision of its public services, and the extent to which it has made progress towards meeting its diversity workforce targets. Our [2019/20 Diversity and Equal Opportunities in Television and Radio report](#) shows that the BBC leads the industry as the most comprehensive collector of overall diversity data for its employees. The BBC includes much of this information in its Equality Information Report (EIR) attached to its Annual Report and Accounts.

Last year we said that the BBC should also publish BBC Studios data, because the merger of BBC Studios and BBC Worldwide in 2018 reduced transparency relating to the diversity of BBC Studios' UK workforce. After further discussions we are pleased that the BBC has published a breakdown of BBC Studios' diversity statistics in its EIR this year. This is significant as it captures data directly from the TV production sector and helps provide greater insight into the diversity of the wider industry workforce.

The BBC has also increased the transparency of its workforce data by splitting out its figures for each ethnic group under the BAME heading and by publishing data on employees' socio-economic groups for the first time, which we welcome.

To build on this progress, we would also like to see the BBC start to report its diversity data by geographic area. We believe this would provide valuable insights into the demographic make-up of its workforce across the UK. This in turn may help the BBC identify actions it can take to improve audience satisfaction levels in particular communities. We will discuss with the BBC how this can be delivered and explore the scope for collecting other cross-cutting workforce data to gain a much clearer picture of the BBC's workforce. We will also have similar discussions with other broadcasters, with a view to integrating this data into Ofcom's future annual reports on the diversity of the broadcasting industry's workforce.

Last year we highlighted that the BBC's EIR figures and percentages were based on the number of employees who provided their diversity information, rather than its total workforce, resulting in the publication of only a subset of its data. We recommended that the BBC report against the total workforce for all diversity characteristics in future to provide a more accurate and transparent picture. The BBC has confirmed that it will publish its data on this basis for the next period of its diversity and inclusion strategy, from 2021.

While the BBC has retained its reporting approach for workforce data this year to report on the targets set in its 2016-20 Diversity and Inclusion strategy, it has supplied Ofcom with [diversity workforce data](#) for the entire workforce employed in connection with its public service activities, to inform our assessment of its performance.¹¹⁸

¹¹⁸This data includes some additional BBC staff (those who chose not to provide their diversity information) and excludes others included in the EIR figures (BBC staff not employed in connection with the public service activities), therefore Ofcom's figures differ to those published by the BBC

The BBC continues to make progress towards achieving a more diverse workforce, but the pace of change remains slow

The deadline for the BBC’s workforce targets set in 2016 is the end of this calendar year. The BBC’s Annual Report and Accounts indicates that by the end of March 2020, the BBC had already exceeded five of its eight leadership targets, and all staff targets, but still had more to do to deliver its targets for women across all staff as well as in leadership roles, and for minority ethnic staff in leadership roles. In contrast, the data supplied by the BBC at our request suggests that at the all-staff level it is slightly further away from these goals for colleagues connected with its public service activities, having exceeded only the disability target so far.¹¹⁹ Figure 18 also shows that the BBC is performing at, close to or above national benchmarks for the other three targets, but is well below the local minority ethnic workforce average for London (35%) and Manchester (31%), where many of the BBC’s staff are based.

Figure 18: BBC workforce targets, by characteristic

Group (across all job levels)	BBC Target (Dec 2020)	BBC UK public services data* (March 2020)	Nationally representative benchmarks (workforce)
Women	50%	46%	47%
BAME (minority ethnic)	15%	13%	12%
Disabled	8%	10%	19%
LGB(TQ+) ¹²⁰	8%	7%	2%

Source: BBC Response to Ofcom Information Request

*Includes prefer not to say and not collected

Below the headline figures for these target groups, the picture is a complex one. The data shows that there are often significant variations in representation at different job levels, or across the range of job roles. For example, disabled staff make up 14% of the broadcast management group but only 8% of journalists and 7% of on-screen talent. Women aged 50 or over make up just over a quarter (26%) of the workforce, while men aged 50+ make up a third (the national average for both is 32%). There are also variations in the job grades between the different minority ethnic groups covered by the BBC’s target. For instance, the number of Black/African/Caribbean staff employed across all job levels is consistent with the national average (3%)¹²¹, but is lower at senior management level (1%). These variations demonstrate that there is still more to do to deliver greater equality of opportunity within the BBC. This is important in terms of fairness and to ensure the BBC can resonate with, and deliver for all its audiences.

¹¹⁹ We do not have directly comparable data for ‘leadership’ as this is made up of senior management and some middle management roles – see the relevant section of the [interactive Performance Report](#) for more detail

¹²⁰ The BBC’s targets (column 1) include LGBTQ+ staff. Figures in columns 2 and 3 include LGB staff only- as data provided to Ofcom under this heading for sexual orientation only rather than gender.

¹²¹ ONS Labour market statistics A09: Labour market status by ethnic group (average of Apr-Jun19, Jul-Sep19, Oct-Dec19, Jan-Mar20). All Black/African/Caribbean aged 16+ in employment.

In considering the BBCs performance relative to the wider industry, [Ofcom's 2019/20 Diversity and Equal Opportunities in Television and Radio report](#) shows that some broadcasters continue to outperform the BBC on a number of diversity characteristics for both TV and radio.

For the TV division of the BBC's workforce, its representation of women as a whole and at senior management level was behind Channel 4, ITV and Viacom last year. BBC TV's total proportion of minority ethnic staff was lower than that of Viacom, Sky and Channel 4. The proportion of senior managers from a minority ethnic background was also lower than Channel 4 and Viacom. BBC TV along with Channel 4, has the highest proportion of disabled employees at the all-colleague level compared to other TV broadcasters (both at 10%), but this figure has not increased since 2018 and is still substantially below the proportion of working disabled people in the UK, at 19%. The BBC is the only TV broadcaster with enough disabled senior staff (9%) for Ofcom to be able to report its data.

The BBC is implementing initiatives in an attempt to increase the proportion of disabled people in its workforce, including the cross-BBC Elevate scheme and the Extend Programme in BBC news and current affairs. It has also set itself a 12% target in the Creative Diversity Network (CDN)-led TV industry scheme Doubling Disability. Initially set to conclude at the end of 2020, the CDN has extended the deadline for the scheme to December 2021 to reflect the impact of the Covid-19 crisis on recruitment. We urge the BBC to find more ways to provide greater equality of opportunity for disabled people so it can confidently reach this target next year.

Along with the biggest commercial radio broadcasters, BBC radio exceeded the UK benchmark for women at all levels (51%), but has yet to reach it for women at senior management levels (42%), performing less well than Bauer (48%) and Global (45%). Improved reporting from other broadcasters shows that Global moved ahead of the BBC in its workforce representation of people from minority ethnic backgrounds at both the total workforce and the senior management level in 2019/20. However, BBC radio continues to have a greater representation of disabled staff at the all-workforce level, and is the only radio broadcaster with enough disabled senior staff for Ofcom to be able to report on its data. At 13%, this the highest figure across both industries.

The BBC readily acknowledges that despite a raft of positive initiatives in recent years, the scale and pace of change to address inequality in the workforce has not been great enough. Its performance relative to other broadcasters highlights this. In his [first speech](#) as Director-General, Tim Davie stated that he wants to create an organisation that is far more representative of the UK as a whole and plans to make managers individually accountable for delivering diversity within their teams. The BBC's Annual Report and Accounts also states that both the BBC and BBC Studios are updating their approaches to recruitment to build a more diverse workforce. We welcome this proactive approach aimed at achieving positive change in the workforce more quickly.

To help deliver this change, Tim Davie has stated his ambition to create a '50/20/12' organisation to more accurately reflect the society it serves (50% women, 50% men, at least 20% Black, Asian and minority ethnic employees, and at least 12% disabled people). This represents a 5% increase on the current target for the minority ethnic workforce and is consistent with the existing 12% *Doubling Disability* target, due to be met by December 2021, and the 50% target for women, concluding at the end of this year. It is currently unclear whether the new minority ethnic target applies to all job levels, or how the BBC intends to improve its LGBTQ+ representation from 2021. We anticipate that

this will be covered when the BBC publishes its new Diversity and Inclusion Strategy for 2021 onwards. We stress that in setting new goals the BBC should work to deliver all of its targets across each of the different sections of its workforce, including all the different groups captured under the headings 'BAME' and 'LGBTQ+', as well as at each grade and across job roles where there are still significant discrepancies.

The creative economy

In supporting the creative economy, the BBC leads, or participates in, a number of activities to promote greater diversity in both its supply chain and the arts more widely. The new [RIVERS toolkit](#), which suggests steps that producers can take to make their production practices more inclusive, and the co-funding of a Pact (Producers Alliance for Cinema and Television) diversity advisor are examples of how the BBC is working to provide practical support for production companies to achieve greater creative diversity in their output and workforces. Efforts to support greater diversity in the broader creative economy of the UK are also evident in initiatives like the BBC Radio 3, BBC Philharmonic and Royal Northern College of Music collaboration to host two conferences last year on ethnic diversity in composition. Work to find and develop new diverse talent has also taken place through projects such as BBC nations' and local radio's *New Voices* talent search and BBC Arts' talent partnerships with Arts Council England, Creative Scotland and Arts Council Wales.

While we still lack clarity on the impact of some of these schemes, this activity highlights the unique and valuable role played by the BBC in UK society and the range of contributions it makes, beyond the creation of content, in its work to deliver its broader Mission and Public Purposes.



His Dark Materials (image courtesy of the BBC)

The BBC has a critical role to play in supporting the creative economy in the nations and regions, particularly as it recovers from the impact of the Covid-19 crisis

Public Purpose 4 places a duty on the BBC to deliver content that meets the needs of all audiences across the UK, and to invest in the creative economies of the nations and contribute to their development. Under the Operating Licence we require the BBC to spend broadly the same per head on content in England, Scotland, Wales and Northern Ireland, as well as ensuring that at least half of all qualifying network productions are [made outside London](#). We also set minimum hours of qualifying network programmes that must be made in each nation.

The BBC continues to meet its spend and hours quotas for originated network productions in the nations and English regions, as set out in the Operating Licence. There were no major year-on-year changes; its qualifying spend on network content was the same as in 2018 (50.7%) and its qualifying hours of network production were in line with 2018 (61.8% in 2019 vs. 62.3% in 2018).¹²² Breaking this down for each nation:¹²³

- **English regions:** There was a very slight year-on-year increase in spend (from 28.4% to 29.4%) and hours (from 37.1% to 38.4%). Examples of programmes that qualified as made in Northern England in 2019 are *Match of the Day* and *Years and Years*. Programmes made in the Midlands and the East included *Doctors* and *Great British Menu*, and in Southern England examples included *The Repair Shop* and *Seven Worlds, One Planet*.
- **Wales:** The qualifying proportion of spend increased (6.3% to 8.2%), as did hours, but by a smaller margin (4.6% to 5.4%). Examples of programmes that qualified as made in Wales are *His Dark Materials*, *Casualty*, *Bargain Hunt* and *Only Connect*.
- **Scotland:** The proportion of qualifying spend (10.4% to 9.1%) and hours (16.7% to 15.1%) both fell but remain above the quota. Qualifying programmes made in Scotland included *All Round to Mrs Brown's*, *Eggheads* and *Homes Under the Hammer*.
- **Northern Ireland:** There was a very marginal increase in qualifying spend (3.1% to 3.5%) and hours (2.4% to 2.7%). Examples of programmes that qualified as made in Northern Ireland were *Mastermind*, *Points of View* and *Wanted Down Under*.

There have been positive developments in the number of production companies working with the BBC that are based in the nations and regions. According to the BBC's [TV Commissioning Supply Report](#), the BBC worked with 40 new production companies in the nations and regions last year (vs. 29 in 2018). Fifty-seven per cent of the production companies that the BBC worked with in 2019 were based outside London (vs. 50% in 2018): 19% were in Scotland, 17% in the English regions, 11% in Wales and 10% in Northern Ireland.

However, there is a disparity in terms of how much the BBC invests in certain parts of the UK. Despite having a population of roughly 16 million (c. 25% of UK total population)¹²⁴, just 2.8% of the BBC's qualifying production spend in 2019 was in the Midlands and East of England and just 2% of the production companies that worked with the BBC in 2019 were based there.¹²⁵

The BBC's presence in the nations and English regions

Earlier this year, [the BBC announced plans](#) to create a technology hub in Newcastle and to expand its presence in Salford and Bristol, and opened its new BBC Wales headquarters in Cardiff Central Square. It is positive that the BBC is establishing a greater presence in the nations and regions.

We welcome the BBC's commitment, [reiterated by the new Director-General](#), to become less London-based in the coming years. In its [Annual Plan 2020/21](#), it set a target to locate at least two-thirds of the BBC around the country by the end of this Charter period (2027), although we note that the BBC's [Annual Report and Accounts](#) only indicates a commitment to 50%. In time we expect the

¹²² Ofcom, 2020, [PSB Annual Compliance Report 2020](#)

¹²³ Ofcom, 2020, [Made outside London programme titles register 2019](#)

¹²⁴ ONS, 2019, Labour Market Profile statistics: East Midlands, West Midlands, East of England, UK.

¹²⁵ Ofcom, 2020, [PSB Annual Compliance Report 2020](#). BBC, 2020, [TV Supply Commissioning Report 2019](#).

BBC to articulate how moving more of its operations and resources away from London will help it better deliver its Mission and Public Purposes, particularly to improve how it serves, represents and reflects people in the nations and English regions, and contributes to the creative economy in those areas. It will be important for the BBC to be able to measure the impact of the move on audiences, the creative economy and on its delivery of its Mission and Public Purposes.

This year, we have heard specific concerns related to the BBC's presence and decision-making in the nations and English regions. Stakeholders in the nations have told us that the BBC lacks a senior commissioning and decision-making presence for network content in the nations. The BBC's strategy to move more of its resources and focus out of London may provide an opportunity to resolve this, with the potential for improved delivery of Public Purpose 4.

As we have noted above, some concerns were raised with us at the start of the Covid-19 crisis about the accuracy of the BBC's reporting on devolved health policy. We are also having conversations with stakeholders in Wales on how the BBC reports devolved issues in Wales on the network more generally. We have asked for more evidence to be provided on specific concerns that have been raised.

We have also heard concerns about the BBC's [plans](#) to make changes to its regional news and current affairs for England. As set out above, we have asked the BBC to explain in more detail the impact of these changes for audiences, and its strategy for local and regional news and current affairs.

Although beyond the direct control of the BBC and Ofcom, stakeholders in Northern Ireland have expressed their concern about the continued absence of a BBC Board Member for Northern Ireland and the implications this has for the representation of issues relating to Northern Ireland within the BBC. It is important that all nations of the UK are represented at all levels of BBC decision-making to give voice to the audience the BBC serves, represents and reflects, and to hold the BBC to account in those nations.

The BBC Scotland TV channel's performance over its first year

Following [regulatory approval](#), the BBC Scotland TV channel launched on 24 February 2019. In its [proposal](#) for the new service, the BBC said it intended that it would "*meet a need for broadcast content that is both relevant and representative and speaks to – and of – audiences in a modern Scotland*". We agreed with the BBC that the proposed channel would broaden the options available to viewers in Scotland, provide a greater Scottish focus in its news coverage and deliver more content reflecting the lives of people in Scotland. Stakeholders also broadly agreed that the BBC's proposal would have positive outcomes for audiences in Scotland.

As the channel has been broadcasting for over 18 months now, we think it is appropriate to take a closer look at its performance to date. We note that the BBC's Annual Report and Accounts contained little detail about the channel's performance or audience impressions of its impact.

Overall, based on our research, our view is that the channel has performed relatively well over its first year. The channel is still establishing itself among viewers, but there are early indications that it may be having a positive impact among viewers. It also appears that the channel has taken positive steps in supporting the Scottish production sector, particularly new voices and talent.



Guilt (image courtesy of the BBC)

Reach to the channel is relatively low, particularly among younger audiences and for its news content

Between April 2019 and March 2020, 15.5% of people in Scotland spent at least fifteen minutes a week watching the BBC Scotland channel during its broadcast hours of 7pm and midnight. Across the same period, the channel had an average viewing share of 2.1%, within the range forecast in our competition assessment (1.65% - 3.65%). In terms of audience profile, 89% of the BBC Scotland audience were aged 35 and over, and 57% were in the C2DE socio-economic groups. Compared to other BBC channels, BBC Scotland attracts a proportionately higher C2DE audience than BBC One, BBC Two, BBC News and BBC Four.¹²⁶

The most-watched programme on the BBC Scotland channel between April 2019 and March 2020 was *Scot Squad*, followed by *Murder Trial: The Disappearance of Margaret Fleming*, and *Still Game*.¹²⁷ But some other programmes have struggled to build an audience.

A key part of the BBC's [rationale for the channel](#) was that it would broadcast a news programme at 9pm on weeknights, with international, UK and national stories covered from a Scottish angle, and that this news hour and the channel in general would broaden the BBC's appeal to underserved audiences in Scotland, including younger audiences. This flagship show, *The Nine*, averaged a 15,890 audience and 0.84% share in the year to March 2020, while *Reporting Scotland* on BBC One Scotland averaged 403,014 and a 28% share. BARB data indicates that the average audience among 16-34 year-olds for *The Nine* is very low (less than 1,000 16-34s per episode), much lower than for *Reporting Scotland* (15,000 16-34s per episode).

It is important that BBC Scotland content, and non-network content more broadly, is easily discoverable on BBC iPlayer, so that it can be showcased to audiences across the UK, and that people from different parts of the UK are represented to each other. Between April 2019 and March 2020, there were 60.1 million requests to watch BBC Scotland content on BBC iPlayer.¹²⁸ We will revisit the channel's BBC iPlayer performance in our next report, when we will be able to compare year-on-year data and have a better sense of how the channel's content has performed on BBC iPlayer.

¹²⁶ BARB

¹²⁷ BARB. These are the most-watched programmes based on the highest performing episode of each title.

¹²⁸ BBC data

Early indications are that the channel appears to be having a positive impact on viewers

The channel is still establishing itself with audiences in Scotland, but early indications from our BBC Performance Tracker suggest that the channel may have had an early positive impact on viewers' impressions of the BBC and its delivery of the Public Purposes in the year to March 2020. People in Scotland who said that they watched the BBC Scotland channel were more likely to give the BBC a positive impression score (73% gave a 7-10 out of 10 rating) than people in Scotland who said they did not watch it (51%).

BBC Scotland viewers were also less negative in their perceptions of the BBC's delivery of its Public Purposes than those who did not watch the channel. For instance, 11% of BBC Scotland viewers gave the BBC a negative rating (1-4 out of 10) for its delivery of Public Purpose 4, compared to 21% of those who did not watch the channel.

As we set out above, people in Scotland continue to rate the BBC's news and current affairs provision lower than in the other nations. Just half of adults in Scotland agree the BBC performs well in delivering Public Purpose 1, compared to the UK average of 59%. However, BBC Scotland viewers were less negative in their perceptions of the BBC's delivery of news and current affairs than those in Scotland who did not watch the channel. Thirteen per cent of BBC Scotland viewers gave the BBC a negative rating (1-4 out of 10) for its delivery of news and current affairs, compared to nearly a quarter (24%) of people in Scotland who did not watch BBC Scotland.¹²⁹

The channel increased the BBC's spend on, and hours of, original content made in Scotland

We acknowledged at the time of our assessment that the extent to which the BBC delivers public value to audiences in Scotland partly depends on delivering high quality, distinctive content within the available budget. Over its first year, the channel has produced award-winning, high-quality content, such as *Guilt* and *Murder Case*.

The launch of the channel drove a significant rise in content production by the BBC in Scotland. BBC spend on non-network first-run content in Scotland increased by 62% from £44m in 2018 to £71.4m in 2019 (excluding BBC ALBA). There was an 81% increase in hours of first-run programming in Scotland (excluding BBC ALBA) to reach 1,342 hours (vs. 740 hours in 2018).¹³⁰

The constraints of the budget for the channel have meant that the BBC has had to explore co-commissions with network channels. To help the channel establish itself, we allowed co-commissions with network channels, first broadcast on BBC Scotland, to count towards the BBC's regional production quotas under the terms of the Operating Licence.

Over the course of the year, BBC Scotland worked on eight co-commissions with BBC network channels, including *Guilt* (BBC Two) and *Murder Trial: The Disappearance of Margaret Fleming* (BBC Two). Eight BBC Scotland commissions were also subsequently broadcast on other BBC channels, including *Inside Central Station* (BBC Two) and *The Great Food Guys* (BBC One).¹³¹ Co-commissions

¹²⁹ Ofcom BBC Performance Tracker

¹³⁰ Ofcom analysis of BBC data

¹³¹ BBC data

and network broadcasts are important in ensuring that Scottish-made and Scottish-themed content is showcased to the rest of the UK, while also delivering a greater return to the programme-maker.

The channel has taken positive steps in supporting new talent and helping to build a sustainable production sector in Scotland

The BBC Scotland channel is uniquely placed to support the creative economy in Scotland. Having non-network commissioners based in Scotland is valuable both for Scotland's creative economy and for audiences, helping to ensure that the range of programming is relevant, representative and reflects different editorial perspectives. In its first year, BBC Scotland has taken positive steps in commissioning original content and returning series from suppliers based in Scotland, and in supporting new, Scotland-based talent.

We know that commissions for returning TV series, rather than for one-off TV shows, are important in building a sustainable production sector. The BBC told us that all returning series broadcast on the BBC Scotland channel in 2019/20 were made by production companies based in Scotland, and that 73% of the hours broadcast on the channel between its launch and the end of March 2020 were returning TV series.¹³²

The channel has taken steps to support and develop new local talent and voices. The BBC told us that between the channel's launch and March 2020, the channel commissioned programmes from 20 production companies that had not made content for BBC broadcast TV before.¹³³ In particular, we welcome the approach taken by the channel in commissioning content from new and small independent production companies that have strong creative ideas, but may lack experience in making TV content or may not have the necessary production infrastructure.

An example of the channel's work in supporting companies new to TV production is the BBC Scotland programme *A View from the Terrace*, which was adapted for TV from a long-running football podcast by creative advertising agency Studio Something. The show was nominated for the Best Sports Programme award at the Broadcast Awards 2020 and recently returned for its third series.

¹³² BBC data

¹³³ The BBC told us that these production companies were: Aruna Productions Ltd, Blazing Griffin Ltd, D14 Productions Ltd, Dulcimer Films One Ltd, Forest of Black Ltd, Freakworks Ltd, Friday Film Productions Ltd, Melt the Fly, MLC Productions Ltd, Pixel Riddims Ltd, QuipuTV Ltd T/A QTV Sports, Sasquatch Productions, Studio Something Productions Ltd, Starhaus Produktionen GmbH, Timeslip Media Ltd, Tmesis Media Ltd, Turnergang Productions Ltd, Two Rivers Media Ltd, Up Helly Aa Ltd, Very Nice TV



The BBC's impact on competition

As a large, publicly-funded organisation operating across TV, radio and online, the BBC can have a significant impact on competition, both positive and negative. It competes with UK-based media organisations as well as large global players such as Netflix, Spotify and Amazon Prime. Our role is set out in the Charter and Agreement and requires us to protect fair and effective competition in the UK.

The media landscape in which the BBC operates is changing. Like other players in the sector, the BBC is having to evolve, and will need to innovate and try out new ways of delivering its services to meet audience needs. In doing so, it must take care to avoid adverse impacts on competition unless these are necessary for the effective fulfilment of its Mission and Public Purposes.

It is important that the BBC and Ofcom carefully consider the impact of changes in the market in accordance with the mechanisms set out in the Charter and Agreement. This does not mean that every change to the BBC's services will be subject to a regulatory process; that would stifle the BBC's ability to evolve. Effective engagement by the BBC with third parties will allow it to adapt its proposals to take account of possible impacts on competition and reduce the likelihood of the need for regulatory intervention.

We can also take stock of the BBC's activities in the round, at appropriate intervals, as we are now doing in relation to BBC Studios and BBC Sounds (see our areas of future work explained in the [Looking ahead](#) section).

Impact of Covid-19

During the initial Covid-19 lockdown period the BBC made a number of changes to its services in response to the crisis. These included providing additional educational services, such as *Bitesize Daily*; publishing additional podcasts, such as the daily *Coronavirus Newscast*; broadcasting archive sport on Radio 5 live sports extra and sharing BBC nations' and local radio content with other local radio services.

The BBC was prompt in informing Ofcom of its plans, and we were able to have an open and constructive dialogue about the potential implications of the changes for competition. Given the time-limited nature of the changes we did not have any competition concerns relating to them.

During this period, the BBC also engaged proactively with stakeholders that might have been impacted by its changes. For instance, the BBC engaged with commercial radio before starting to broadcast archive content. Similarly, the BBC worked closely with some commercial educational service providers in developing its plans for educational resources.

Transparency and engagement with third parties

Following our [decision](#) in August 2019 to approve the BBC's proposals to extend content availability on BBC iPlayer, we [challenged](#) the BBC to be much more open to engagement with third parties that would be potentially affected by changes to licence-fee-funded services. We said that active engagement with industry on proposed changes to BBC services would allow the BBC to deliver its duty to seek to avoid adverse impacts on competition that are not necessary for the effective fulfilment of the Mission and Public Purposes.

Since then, we have observed some positive examples of third-party engagement. For example, we found that when considering the materiality of its proposals for the *Own It* app to support young people online, the BBC had engaged with a variety of stakeholders throughout the course of the app's development, including charities, not-for-profit organisations and private companies. This reassured us that potential competition concerns could be aired, and allowed stakeholders an opportunity to comment while the BBC developed the app.

However, we remain of the view that the BBC needs to be more proactive in engaging with others in the industry about its plans; for example, in relation to its request to change the Operating Licence to allow it to meet its news and first-run UK-originated content obligations for children by increasing its online provision. We consider that the BBC should have done more to identify all the potentially affected parties and engaged directly with those most affected to understand the potential impact on their businesses. It is the responsibility of the BBC to understand the impact of its plans and to be open and transparent about these in advance, and in sufficient detail, so that commercial providers can assess and explain the likely impact on their businesses and on audiences.

The BBC's [Annual Plan](#) and public announcements are a good way for the BBC to provide stakeholders with information about its future plans and strategy, and using these consistently will help the BBC to ensure greater transparency. As we explain in the [Overview](#), the Annual Plan needs to contain sufficient detail to allow stakeholders to comment meaningfully on the potential impact

of the BBC's plans. However, it is important that the BBC looks beyond these tools to seek comments from stakeholders on potential changes to its services, particularly those who do not engage with the BBC regularly, or when plans are developed outside the Annual Plan cycle.

Our work to protect fair and effective competition

Commercial and trading activities

The BBC undertakes commercial activities to generate a financial return, which can be reinvested in BBC programmes and services and supplements its income from the licence fee. These activities must be able to adapt to the changing environment and respond to opportunities as they arise. We support the need for the BBC to innovate, grow and change. Our role as regulator is to ensure that the relationship between the public service and the commercial activities does not distort the market or create an unfair competitive advantage. We have therefore set Trading and Separation [rules](#) about how the BBC operates and trades across the boundary between its commercial and public service activities.

We have continued to [monitor the BBC's commercial activities](#) and have looked in detail at two changes in 2019/20: on the BBC's involvement in BritBox and the dissolution of the UKTV joint venture. We considered that our trading and separation regulation should be sufficient to safeguard against any potential market distortion or unfair competitive advantage arising as a result of the UKTV deal. We therefore decided that a further formal competition assessment of this deal was not required. We discuss our assessment of the BBC's involvement in BritBox below.

In October 2020, we launched a review of the interaction between BBC Studios and the BBC's public service activities. At the same time, we published a consultation on whether the changes BBC Studios had made to its lines of business were appropriate.

The BBC's involvement in BritBox

In September 2019, following consultation, we [determined](#) that the BBC's involvement in the new BritBox streaming service did not pose a significant risk to fair and effective competition. However, we said we would monitor the BBC's approach to the Programme Release Policy¹³⁴ and any cross-promotion of BritBox from the BBC public service activities, to ensure that there is no unfair competitive advantage or market distortion.¹³⁵

We continue to monitor how the BBC is implementing its involvement in BritBox and we expect the BBC to assess applications from other services for early release of content under its programme release policy in a flexible, fair and non-discriminatory way. We have asked stakeholders whether they have any concerns about how the BBC has implemented its involvement in BritBox as part of our call for evidence on the review of BBC Studios (discussed below).

We also recognised that there could be potential competition concerns if the BBC public service were to promote its programmes on BritBox. In our 2019 decision we said we expected the BBC to

¹³⁴ This policy sets out the approach the BBC public service takes to requests from producers to license programmes to other television and video on demand (VoD) services in the UK during the BBC's licence period

¹³⁵ The BBC's Commercial Holdings holds a 10% share in BritBox (with an option to increase that to 25%) and BBC Studios also licenses a significant amount of content to BritBox

BBC Studios' lines of business consultation

The BBC is required to earn a commercial rate of return for its commercial subsidiaries and the lines of business within those subsidiaries. It also needs to ensure that lines of business are appropriate. In 2019, the BBC Board decided to reduce BBC Studios' lines of business from five to two, including combining the production and distribution activities into a single line of business.¹³⁷

We published a [consultation](#) in October 2020, setting out our assessment of the changes that had been made to BBC Studios. We provisionally found that the changes to the lines of business are consistent with market practice for companies of a similar size and scope and therefore appear to be appropriate. However, we proposed some changes to the trading and separation requirements to protect fair and effective competition.

This consultation closes on 4 December 2020 and we intend to make our final decision, taking account of stakeholder views, in early 2021.

Changes to public service activities

In August 2019, we concluded our [competition assessment](#) in relation to the BBC's proposals to extend content availability on BBC iPlayer. We published our determination that the public value of the proposals justified the likely impact on competition and that the BBC could therefore proceed with the proposals, subject to conditions and guidance.

In May 2020 the BBC and the trade association Pact reached a [new trade agreement](#), under which the BBC will receive an automatic 12-month BBC iPlayer window on all content it commissions within its initial payment from independent producers, enabling the BBC to progress implementation of the changes.

During 2019/20 we reviewed the BBC's materiality assessments of the following proposed changes to its public service activities:

- the launch of the *Own It* app to support young people online;
- the BBC's new digital voice assistant 'OK Beeb'; and
- aggregation of third-party podcasts on BBC Sounds.

In each case, we did not have concerns with the proposals and therefore did not require the BBC to carry out a public interest test.¹³⁸

Our consideration of the BBC's request to change the Operating Licence to allow it to provide more of its children's content online (which we discuss earlier in the section on [Public Purpose 2](#)) took into account the potential impact of the BBC's proposed changes on fair and effective competition. Following consultation, we concluded that the risk to fair and effective competition was low,

¹³⁷ The BBC subsequently withdrew its commitment to retain the existing lines of business, given at the time of the merger between BBC Studios (production) and BBC Worldwide

¹³⁸ Where the BBC does undertake a public interest test, it consults publicly as part of the process and must publish its final proposal. This is then assessed by Ofcom.

particularly given that other offerings in the market appeared to be significantly differentiated from the BBC's *Newsround* website.

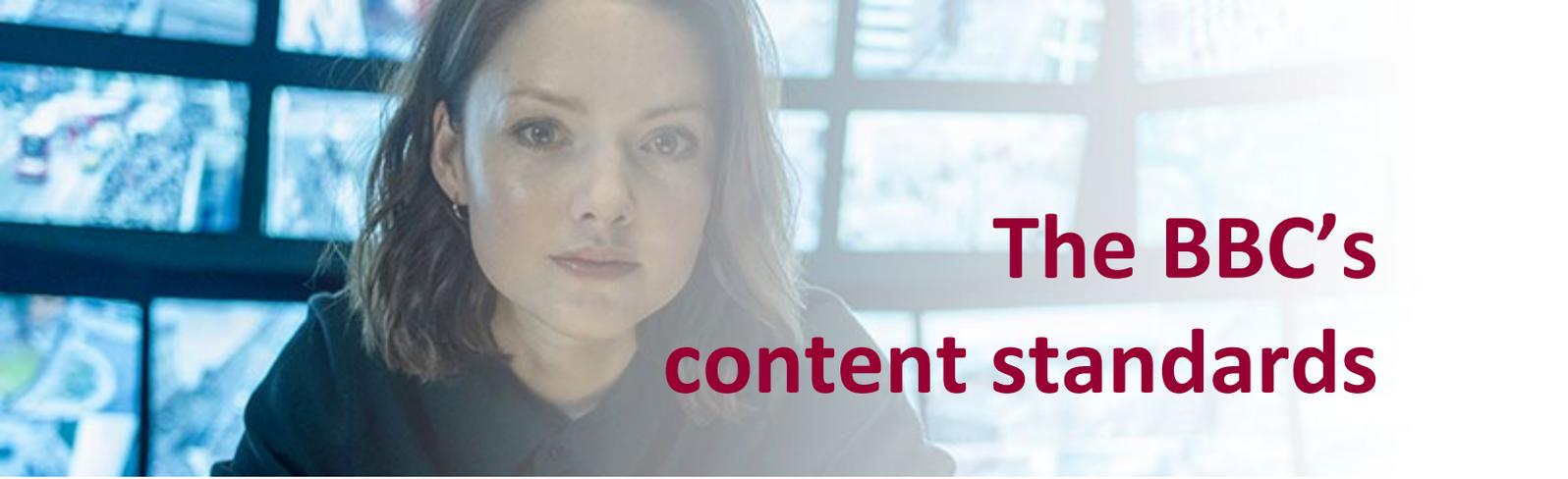
Competition in commissioning

As explained in [Annex 1](#): Compliance with regulatory requirements, the Agreement sets out specific targets that the BBC must meet in relation to increasing the proportion of content commissioned for its public services through a contestable process.

The BBC continues to work towards the targets set out in the Agreement. In its latest [Annual Report and Accounts](#), it reported securing competition for 48% of relevant radio broadcast hours. The BBC also reported that in 2019/20, 62% of its relevant online spend had been contested. In its [TV Commissioning Report for 2019](#), the BBC reported that it had increased the percentage of hours of relevant TV programmes for which it had secured competition from 56% in 2018 to 62% in 2019.

We will continue to monitor and report on the BBC's progress towards meeting these targets.

The BBC is also required to ensure that there is genuine competition between BBC producers and external ones (whether independent producers or not) on a fair, reasonable, non-discriminatory and transparent basis. We have met a range of producers as part of our ongoing stakeholder engagement and no significant issues about competition within the BBC commissioning process have been raised.



The BBC's content standards

In our third year of regulating BBC content, we have continued to look to the BBC to uphold the high standards that audiences anticipate. Our [Broadcasting Code](#) sets out the standards we expect broadcasters to meet, and we have continued to enforce against these rules. We consider that the BBC has met these standards in its programming over the past 12 months.¹³⁹

Ofcom has responsibility for regulating all areas of the BBC's content standards¹⁴⁰, including the due accuracy of news and the due impartiality of news and current affairs. Due impartiality in programmes continues to be the issue about which we receive most complaints in relation to the BBC. We have not upheld any complaints relating to due impartiality or due accuracy over the last 12 months. As we explain in our discussion about [Public Purpose 1](#), last year we explored in detail audience perceptions of due impartiality in our [news review](#), and it is likely that many of the reasons for these perceptions remain.¹⁴¹

Our work to uphold the BBC's content standards

Complaints about BBC programmes

It is important to have a fair and transparent process in place for BBC viewers and listeners to make complaints. We have previously had some significant concerns about the later stages of the BBC's complaints process, which the BBC has set out to address in the past year.

The 'BBC First' process gives the BBC an opportunity to resolve complaints in the first instance. However, if a complainant has completed the BBC's own process and is not satisfied with the BBC's final decision, they can refer the matter to Ofcom.¹⁴² In exceptional circumstances Ofcom may intervene at an earlier stage, and it can launch investigations to determine compliance as it considers appropriate.¹⁴³

¹³⁹ During 2019/20 we recorded one breach of the Broadcasting Code, which we discussed in our annual report on the BBC 2018/19. This related to an edition of *Sunday Politics* broadcast in April 2017 on BBC One. Ofcom's published [decision](#) recorded a breach of Rule 2.2, which requires that factual programmes or portrayals of factual matters must not materially mislead.

¹⁴⁰ Ofcom also sets and enforces [rules for party political and referendum broadcasts](#). These set out the requirements we consider appropriate for the inclusion of party political [broadcasts](#) (including party election broadcasts) and referendum campaign broadcasts. During 2019/20, including the December 2019 General Election, we received no complaints from registered political parties about allocations of party political broadcasts or party election broadcasts.

¹⁴¹ For example, our research shows that audiences rate impartiality as the lowest-scoring aspect of the BBC's delivery of Public Purpose 1. According to our BBC Performance Tracker, only 54% of UK adults agree that the BBC provides news that is impartial.

¹⁴² Complainants can also come to Ofcom if they consider, following the resolution of a complaint by the BBC, that the imposition of a sanction by Ofcom may be appropriate, or if the BBC has failed to resolve a complaint within the time period set out in its procedures.

¹⁴³ Ofcom has set and published [procedures for the handling and resolution of relevant complaints about the BBC and for how we consider the imposition of sanctions on the BBC](#), applicable from April 2017.

The BBC's complaints statistics for 2019/20 indicate that the BBC First process continues to work effectively, and most complainants do not refer their complaint to Ofcom after receiving the BBC's final response to their complaint. In the [BBC's Annual Report and Accounts](#), the BBC reported that it received 368,377 complaints to its Audience Services department at Stage 1 of its process, compared to 218,352 last year, an increase of 69%. This increase was in part due to the high volume of complaints that the BBC received during the 2019 General Election, which is to be expected during such a high-profile political event.

However, of these, just 759 editorial complaints¹⁴⁴ were progressed to the BBC's Executive Complaints Unit at Stage 2 of its process, which is 0.2% (compared to 549 last year, or 0.25%). Of these, 233 complaints that had completed the BBC complaints process were escalated to Ofcom (see below).

Between 1 April 2019 and 31 March 2020, Ofcom received a total of 3,059 content standards complaints about the BBC, more than double last year's total of 1,539. This increase is partly due to the increase in the BBC's own complaints figures over the same period, which was driven by complaints about specific programmes such as *Heresy* (see inset box below), as well as about the BBC's coverage of issues such as Brexit and the 2019 General Election. The complaints figure constitutes a small (0.1%) increase in the referral rate since the previous year.

Of the total complaints received between 1 April 2019 and 31 March 2020 (excluding fairness and privacy complaints and complaints about BBC online material¹⁴⁵):

- 2,763 complaints were referred back to the BBC under BBC First. Although these complaints were about BBC programmes, after an initial assessment we found that the complainants had not completed the BBC's complaints process before submitting their complaint to Ofcom; and
- 233 complaints had completed the BBC's complaints process, and the complainant was not satisfied with the outcome. This is a small proportion of the overall number of complaints (more than 350,000) dealt with by the BBC in 2019/20. In all but one case, we did not consider that the complaints raised any substantive issues under the Code which warranted further investigation.¹⁴⁶

We have noted an increase in the number of complaints automatically referred to us at Stage 1 of the complaints process after not receiving a response from the BBC within its prescribed timescale (we received approximately 395 of these complaints this year, compared to 14 last year). As stated above, this increase was partly the result of an increase in the volume of complaints related to the 2019 General Election. However, we will discuss with the BBC the timeliness of its Stage 1 complaints handling to ensure that it is doing all it can to deal with the complaints it receives as promptly and effectively as possible.

¹⁴⁴ The BBC defines an editorial complaint as one which suggests that a specific item broadcast or published on the BBC's services has fallen below the standards expressed in the BBC's Editorial Guidelines. Complaints which raise issues of editorial standards but are not about particular items are dealt with by the BBC under their General Complaints Procedure.

¹⁴⁵ Details of fairness and privacy complaints and complaints about BBC online material are detailed below.

¹⁴⁶ Ofcom investigated a complaint from the National Farmers Union Scotland (NFUS) about inaccurate reporting in the programme *Disclosure: The Dark Side of Dairy* broadcast on 10 September 2018. We found the programme not in breach of Rule 2.2 (material misleadingness) of the Broadcasting Code.

Ofcom has also continued to receive a small number of complaints regarding the BBC's complaints handling process. Ofcom does not intervene in individual complaints of case handling, but we consider the BBC's overall approach in this area.

The most complained-about programme to Ofcom in the period 1 April 2019 to 31 March 2020 was an edition of the programme *Heresy*, about which we initially received 441 complaints that were referred back to the BBC under the BBC First process.¹⁴⁷ We subsequently received six complaints which had completed the BBC's complaints process. On assessing the content, we concluded that the complaints did not warrant further investigation by Ofcom (see inset box below).

Heresy, BBC Radio 4, 11 June 2019, 18:30

In an episode of the comedy programme *Heresy*, broadcast on BBC Radio 4, the comedian Jo Brand made the following comment about milk shakes being thrown at politicians:

"...I think that's because certain unpleasant characters are being thrown to the fore and they're very, very easy to hate and I'm kind of thinking why bother with a milk shake when you could get some battery acid – that's just me and it's all right, I'm not gonna do it, it's purely a fantasy, but I think milkshakes are pathetic. I honestly do – sorry".

The BBC assessed complaints it received under the BBC First process that the comments were highly offensive and likely to incite violence. The BBC upheld the complaints about offence, but not those about incitement.

Ofcom received six complaints which had completed the BBC First process. We carefully assessed these complaints against the Broadcasting Code, taking into account the broadcaster's and the audience's rights to freedom of expression without undue interference. We concluded that Ms Brand's comments had clear potential to offend listeners. However, we considered a range of contextual factors, including the likely audience expectations of this well-known comedian and long-running comedy programme, which aims to challenge generally accepted ideas through satire. We also took into account that Ms Brand immediately qualified her comments, making it clear they should not be taken seriously or acted upon. We therefore concluded that the complaints did not warrant further investigation by Ofcom.

Towards the end of this reporting period (March 2020) we started to receive a small number of complaints about the BBC's coverage of the Covid-19 crisis. These related to a range of issues, including lack of social distancing in programmes, scaremongering in news reports and the accuracy of information relating to the virus and its origins. Complaints about the BBC's coverage of Covid-19

¹⁴⁷ The other most complained-about programmes were:

- *European Election Results*, BBC One, 26 May 2019: 111 complaints that this coverage was biased against the Brexit Party;
- *BBC News/Victoria Derbyshire*, BBC Two, 3 June 2019: 97 complaints that coverage of President Trump's visit to the UK was not duly impartial;
- *Andrew Marr*, BBC One, 14 April 2019: 91 complaints about David Lammy comparing Jacob Rees-Mogg and Boris Johnson to Hitler; and
- *BBC News*, BBC One, 23 November 2019: 79 complaints that a clip of Boris Johnson answering a question at a *Question Time* Leaders' Debate had been edited to remove audience laughter.

In all these cases, unlike *Heresy*, we received no complaints that had completed the BBC First process.

increased in April and May 2020, which included a small number of complaints about the BBC's reporting of the crisis in the nations. We will go into detail about complaints received about the BBC's coverage of the pandemic in next year's report.¹⁴⁸

Ofcom also considers fairness and privacy complaints

Ofcom has a duty to adjudicate on complaints made by people or organisations participating in, or otherwise directly affected by, programmes as they are broadcast, or in the making of programmes.¹⁴⁹ These are known as fairness and privacy complaints.

Between 1 April 2019 and 31 March 2020, we dealt with 50 complaints against BBC programmes about alleged unjust or unfair treatment, or about an unwarranted infringement of privacy, compared to 42 last year. Of these, ten complaints were referred for investigation to decide whether a breach of the Code had occurred. If a breach has occurred, we uphold the complaint. Of the complaints adjudicated upon in this period, none were upheld.

Online material complaints

Ofcom and the BBC have entered into an [arrangement](#) under which Ofcom can consider and give an independent 'Opinion' on whether the BBC has observed the relevant BBC Editorial Guidelines in its online material. Online material includes text, images, video and audio content on the BBC's website and apps. It does not extend to the BBC's social media content.

Between 1 April 2019 and 31 March 2020, we received 231 complaints about the BBC's online material, compared to 204 last year. Of these complaints, 163 were referred to the BBC under BBC First, and 46 were closed following assessment by Ofcom. We only accepted one complaint for the purposes of providing an [Ofcom Opinion](#).

Securing the due impartiality of the BBC's programmes

One of Ofcom's most important duties in relation to BBC standards is overseeing the BBC's programming to make sure that its news is duly impartial¹⁵⁰ and duly accurate, and that its non-news programming is duly impartial¹⁵¹ and not materially misleading. As with other broadcasters, we achieve this through the assessment (and, where relevant, investigation) of complaints made by audiences. Ofcom also uses targeted monitoring, even where there has been no complaint, to assess for potential breaches of our Broadcasting Code.

The importance of due impartiality is reflected in the fact that it constitutes the first of the BBC's Public Purposes. Ofcom therefore assesses the range of techniques used by the BBC to achieve due impartiality to see whether its processes are appropriate and if there is a need for us to take action if standards are not being met.

¹⁴⁸ Given the timing of this report and the BBC First process we have in place for handling complaints about the BBC

¹⁴⁹ The BBC First regime does not apply to fairness and privacy complaints, and unlike complaints about BBC content standards, these can be made to Ofcom in the first instance.

¹⁵⁰ Impartiality means not favouring one side over another. The concept of 'due' means adequate or appropriate to the subject and nature of the programme. So 'due impartiality' does not mean that an equal division of time has to be given to every view, or that every argument must be represented.

¹⁵¹ When dealing with matters of political or industrial controversy and matters relating to current public policy

Complaints to Ofcom about a lack of due impartiality in BBC programmes remained high during 2019/20. Of the total 3,059 BBC complaints we received, 889 complaints, or 29% of all BBC complaints to Ofcom, were about due impartiality.¹⁵²

As already noted above in relation to [Public Purpose 1](#), we are encouraged by the new Director-General's commitment to explore new ways of ensuring impartiality. This is one of the key areas for the BBC that we will continue to monitor in the coming year.

During 2019/20, the BBC upheld several complaints relating to due impartiality. However, in the current reporting period we have not found the BBC to be in breach of the due impartiality or due accuracy requirements of the Code.

BBC Breakfast: transparency of 'BBC First'

The BBC reviewed its complaints process following an assessment by Ofcom of an edition of *BBC Breakfast* (see inset box below) and consulted on changes to its complaints framework, which were introduced in June 2020.

BBC Breakfast, BBC One, 17 July 2019, 07:11

In this programme, presenters Dan Walker and Naga Munchetty discussed comments made by the US President Donald Trump relating to four female Democratic Party Congresswomen. During this discussion, the following exchange occurred between presenters Dan Walker (DW) and Naga Munchetty (NM):

DW: *"I mean, it's the President. That was the most telling quote for me last night – I can't remember who said it – but she said 'I've been told to 'go home' many times, 'go back to where I come from' many times in my life, but I've never been told by the man who's sitting in the Oval Office".*

NM: *"And every time I have been told as a woman of colour to go back to where I came from, that was embedded in racism. Now, I'm not accusing anyone of anything here, but there is, you know what certain phrases mean".*

DW: *"Are you still told that? Do you hear that quite regularly?"*

NM: *"Yeah. Not regularly, but, you know, I've been told it".*

DW: *"I know you're sitting here not giving an opinion, but how do you feel then, as somebody who's been told that before, when you hear that from him?"*

NM: *"Furious. Absolutely furious, and I can imagine that lots of people in this country will be feeling absolutely furious that a man in that position feels it's okay to skirt the lines with using language like that".*

On 25 September 2019, the BBC's Executive Complaints Unit (ECU) partially upheld a complaint that the programme breached the BBC's Editorial Guidelines on impartiality. Ofcom subsequently received 18 complaints about the programme, the majority objecting to the BBC's initial decision to partially uphold the complaint. On 30 September 2019, then Director-General Lord Hall overturned the ECU's decision.

¹⁵² Last year, 525 out of 1,539 BBC complaints to Ofcom (34%) were about impartiality

Ofcom assessed the programme under the due impartiality rules in the Broadcasting Code. Our assessment was that, overall, the programme was duly impartial. However, as we mentioned in our [last annual report](#), Ofcom considered that this case exposed significant issues about the lack of transparency around the BBC complaints process and the reasons for the decisions that it reaches on compliance with its Editorial Guidelines which reflect the Ofcom Broadcasting Code. Neither the BBC ECU's full reasoning nor the former Director-General's reasoning for overturning the ECU's finding were published by the BBC.

We therefore considered that this case highlighted the need for the BBC to provide more transparency on the reasons for its findings on its compliance with its requirements of the Code. Transparency is important for public confidence in the operation and effectiveness of the BBC's complaints process, so we set out to address the BBC's lack of transparency as a matter of urgency.

The most significant of the changes to the BBC's complaints framework as a result of this finding is that the BBC now publishes explanations of its reasons for all upheld, partially upheld and resolved complaint findings, and some not upheld findings (in accordance with criteria agreed by Ofcom). Ofcom has also revised its [complaints handling determinations](#) to require the BBC to do this. We will continue to monitor the transparency of the BBC's complaints process in the light of previous concerns.

Ofcom received 414 complaints about BBC content during the December 2019 General Election. During elections we expect the BBC to expedite all election-related complaints. In the 2019 election period, as virtually all the BBC complaints we received had not completed the BBC complaints process first, we considered whether any of them gave rise to exceptional circumstances which justified our early intervention. During this election period, no complaint met this criterion.

However, we want to ensure that the BBC First system continues to have the confidence of audiences during significant periods like elections. We therefore intend to discuss with the BBC its handling of all election-related complaints, to satisfy ourselves that it is doing all it can to expedite these issues and make the process as transparent as possible.

The publication of editorial complaint statistics is another way in which we can ensure that the BBC is transparent and accountable to its audiences. In accordance with our determinations, for the past two years the BBC has published fortnightly information about the editorial complaints it receives, including:

- the total number of programme complaints, with additional information about programmes that received a high volume of complaints (over 100);
- information on editorial complaints which are progressed to the BBC's Executive Complaints Unit, and the outcome of these complaints; and
- the percentage of complaints that received a response within the relevant time period.

The monthly reports which the BBC submits to Ofcom allow us to assess whether all complaints progressed to Stage 2 are considered and resolved in a timely manner. There are still isolated occasions when this has not been the case, but this is unsurprising in a system which deals with such large numbers of complaints. The BBC reported that in 2019/20, 87% of complaints at Stage 1 were handled within the target timeframe, meaning that for the first time, its Stage 1 target (93%) was not

met.¹⁵³ As a result, the BBC put in place a number of measures to manage the complaints backlog, including employing extra staff and streamlining responses to complaints.

Ofcom continues to place high importance on the clarity and straightforwardness of the process for complaining about BBC programmes. In the past year, both Ofcom and the BBC have made a number of changes to their respective complaints websites with the aim of making the BBC First process easier to understand, and reducing the numbers of complainants who contact Ofcom without realising they need to complain to the BBC first. These changes include having clearer information at the outset about how the complaints process works, making the actual process of making a complaint simpler and more intuitive, making it more straightforward for BBC complainants to escalate their complaints to the next stage of the BBC's complaints process, and emphasising the final nature of BBC responses that are required before the majority of referrals to Ofcom. We will continue to review whether these changes lead to a material reduction in the number of people complaining to Ofcom without completing the BBC complaints process first.

¹⁵³ The BBC said in its Annual Report and Accounts that this was largely due to the amount of complaints received during the 2019 UK General Election campaign, which were triple the normal amount. 85% of complaints at Stage 2 of the complaints process were handled within the target timeframe.



Overview of our duties

The BBC [Charter](#) requires us to publish an annual report setting out how we have carried out our principal functions under Article 46 of the Charter. These relate to securing effective regulation of the BBC's performance, protecting fair and effective competition and securing the observance of content standards. The report must include an assessment of the BBC's compliance with its specified regulatory requirements. We are also required to report at least annually on the BBC's performance against the measures we set alongside the [Operating Licence](#). These monitor the BBC's delivery of its Mission and Public Purposes. Below, we provide an overview of these duties.

How we hold the BBC to account for its performance

Under the Charter, we must set an [Operating Framework](#) containing provisions that enable effective regulation of the BBC's activities and an Operating Licence containing the regulatory conditions that we consider appropriate for requiring the BBC to:

- a) fulfil its Mission and promote the Public Purposes;
- b) secure the provision of distinctive output and services; and
- c) secure that audiences in Scotland, Wales, Northern Ireland and England are well served.

We can sanction the BBC if it fails to meet these regulatory conditions. We can also set performance measures to provide a broader picture of how well the BBC is delivering its remit beyond the regulatory conditions. Our assessment of the BBC's performance uses the [measurement framework](#) published in October 2017.

As well as publishing an annual assessment of the BBC's compliance against its regulatory requirements and of its performance against our performance measures, we must conduct at least two in-depth periodic reviews of the BBC's performance during the Charter period, and we can carry out additional reviews where we feel it is appropriate to do so.

How we regulate the BBC's impact on competition

Ofcom has a duty to provide robust, fair and independent regulation to protect fair and effective competition in the UK. Under the Charter, we have a duty to ensure that competition concerns relating to the BBC's public service activities are properly considered. As part of the Operating Framework, we have developed a regulatory framework to protect fair and effective competition in the areas in which the BBC operates:

- We have a duty to consider whether the public value of a material change proposed by the BBC to its public service activities justifies any adverse impacts on fair and effective competition. We consider this under a BBC Competition Assessment (BCA).
- The BBC's ongoing public service activities have the potential to impact competition. If we have concerns that its services may be having a significant adverse impact on fair and effective competition, we can review its existing services under a BBC Competition Review (BCR).
- The distribution of the BBC's public service content has the potential to affect fair and effective competition. We have published [guidance](#) on how we ensure that the BBC negotiates distribution arrangements on a fair, reasonable and non-discriminatory basis, while taking into account its obligations to fulfil its Mission and promote the Public Purposes.
- The BBC is required to ensure that its public service activities operate separately from its commercial subsidiaries and that the subsidiaries do not gain an unfair competitive advantage or distort the market because of their relationship with the public services. In February 2019, we published [updated requirements and guidance](#) regarding the operation of the BBC's commercial subsidiaries and relationships with its public service activities.
- During the Charter period, the BBC is required to commission an increasing proportion of content through a competitive process. It must ensure that the commissioning process is fair, reasonable, non-discriminatory and transparent (FRNDT). We monitor the BBC's compliance and enforce these requirements. In February 2019, we published [guidance](#) setting out the factors we would consider in assessing whether the BBC had met its obligations regarding FRNDT commissioning in the event of an investigation.

The BBC Board also has an obligation to consider the impact of the BBC's activities on fair and effective competition. It must undertake ongoing efforts to prevent its public service and commercial activities distorting competition. Under the Charter and [Agreement](#), the BBC Board has responsibility, in the first instance, for considering the impact of proposed changes to the BBC's public service activities on competition in the UK. In particular it must consider whether proposed changes are material and whether it must conduct a public interest test (PIT).

A PIT considers whether a proposed material change would generate sufficient public value to justify any adverse impact on competition. If a PIT is satisfied, the BBC must publish the proposal and refer it to Ofcom for assessment. Where the BBC determines that a change is not material, it may proceed with that change. However, Ofcom has the power to intervene where we regard service changes to be material, and to direct the BBC to freeze the activity and/or undertake a PIT.

How we secure the BBC's content standards

Under the Charter and Agreement, we hold the BBC to account against the rules of the [Broadcasting Code](#) (the Code) to ensure that adequate protection is provided to BBC audiences from potentially harmful and offensive material. The Code covers areas including: the protection of under-18s; harm and offence; crime; religion; impartiality and accuracy; and commercial references. Fairness and privacy rules ensure that people are protected from unjust or unfair treatment in programmes, and that their privacy is not unwarrantably infringed in programmes. The Code applies to all BBC TV and radio services, and where relevant, to BBC on-demand programme services.

We ensure compliance with the Code primarily by considering complaints. We also check for, and where appropriate investigate, potential breaches of the rules through targeted monitoring. This is consistent with how we enforce content standards for all broadcasters we regulate.

Complaints about BBC programmes are considered under a 'BBC First' complaints framework. The BBC handles complaints in the first instance¹⁵⁴, and complainants can refer their complaints to Ofcom if they are dissatisfied with the BBC's final response or if the BBC fails to respond in a timely manner. To ensure the effectiveness of the BBC First framework and to have assurance that audiences are being appropriately safeguarded, we use oversight mechanisms such as regulatory reports from the BBC on complaints handling. We also have the power to step in and intervene in a BBC content standards case at an earlier stage, or to launch an investigation in the absence of a complaint, where we consider it necessary.

We publish the outcomes of all complaints about the BBC's programmes (and other broadcasters) fortnightly in our [Broadcast and On-Demand Bulletin](#). We publish the outcome of all complaints about the BBC's online material every two months in our [Bulletin for complaints about BBC online material](#).



Gavin & Stacey Christmas Special (image courtesy of the BBC)

¹⁵⁴ Except for fairness and privacy complaints, which Ofcom has a statutory duty to accept directly from complainants.