

Ofcom Annual Report on the **BBC 2020-21**

Including a performance assessment for
the Charter period to date: 2017-2021



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Overview

Introduction

This is our fourth Annual Report on the BBC since we became the BBC's first external regulator in 2017. As we approach the mid-point of the Charter, we look back to assess how the BBC has delivered its remit to inform, educate and entertain the public and to support the creative economy across the UK.

We are responsible for holding the BBC to account on behalf of audiences by providing fair, robust and independent regulation. Our responsibilities cover three key areas: overseeing the BBC's performance in delivering its Mission and Public Purposes; protecting fair and effective competition; and securing content standards in BBC programming. Decisions about the scheduling of individual programmes and editorial matters are not within our remit.

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 [Royal 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.

About this report

This report feeds into our ongoing review of BBC regulation. In the summer we launched a review to consider whether our regulation remains fit for purpose in holding the BBC to account for viewers and listeners as we approach the mid-point of the Charter (running from 2017 to 2027). There are three key elements in our review:

1. **An assessment of the BBC's performance over the Charter period so far:** contained in this report we set out our assessment of how the BBC is meeting the needs of audiences and summarise the key themes we have identified across all our areas of responsibility since we took on regulation of the BBC.
2. **A report to Government on the regulation of the BBC:** this takes into account responses to the consultation we published in July and includes recommendations for consideration in the Government's own mid-term Charter review of the BBC. We will also set out the proposed changes we intend to make to our own regulatory processes. This will be published in spring 2022.
3. **An updated Operating Licence:** as set out in [Small Screen: Big Debate](#), there is a specific need to update the BBC's Operating Licence for the digital age. We will consult on proposals to update the licence in spring 2022, with a new licence in place by April 2023.

As well as assessing the BBC's performance over the Charter period so far, this report contains our assessment of the BBC's performance for the financial year ending 31 March 2021. Each year we must publish an annual report setting out how we have carried out our role, as set out in the [BBC Charter and Framework Agreement](#). We review how the BBC has delivered against its regulatory requirements this year and highlight specific aspects of BBC performance.

Across all our work, we are informed by the views of audiences and industry. We regularly talk to audiences and stakeholders in all parts of the UK and keep our research under review to make sure we are hearing from a diverse range of voices.

Our key findings: 2017 – 2021

In summary

The BBC's Mission is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.

Overall, the BBC has delivered its remit since 2017. It remains popular with audiences and adapted quickly to the Covid-19 pandemic, but we have identified several long-standing themes from our work to date:

Achieving due impartiality continues to be a complex challenge for the BBC

- The BBC has a good record of complying with broadcasting rules intended to ensure that programming is duly impartial. In contrast, when we ask audiences about BBC news, although they rate it highly for trust and accuracy, they consistently rate the BBC less favourably for impartiality.
- This is one of the Director-General's top priorities and we welcome the planned actions recently announced by the BBC. These must be rigorously assessed and transparently reported on to retain audience trust.

The BBC must keep evolving to be relevant to all audiences

- We have consistently seen that some audience groups have lower satisfaction with the BBC, such as disabled audiences, those in Scotland and those from less-well-off backgrounds.¹
- The BBC is taking steps to better serve less-satisfied audiences and to build stronger links with younger audiences. It will need to robustly hold itself to account in the delivery of these initiatives.
- The BBC needs to improve how it represents and portrays less-satisfied groups and must ensure that its workforce is more representative of people from different backgrounds. These are critical to the BBC's long-term success.

Distinctive and original UK content must continue to be a priority for the BBC

- The BBC offers the widest range of genres and invests heavily in the UK creative sector. This distinctive and original UK content is at the heart of how the BBC appeals to all audiences and meets its Mission and Public Purposes.
- As it pursues its strategy to focus on high-impact content, in the light of increasing competition for audiences and budgetary pressures, the BBC needs to maintain its commitment to original UK content.

Transparency should be further embedded into the BBC's ways of working

- Given the importance of the BBC to many people in the UK we have consistently called for the BBC to be more transparent. For instance: in how it explains its decisions to the public, how it engages with industry on proposed changes to its services, and in its reporting.
- We have seen some improvements in recent years, but there is further to go: it is critical the BBC holds itself accountable by clearly setting out how it will implement its strategies, measure their success and report on their effectiveness.

¹ 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.

Key findings in detail

The BBC has broadly delivered its remit over the Charter period to date

The BBC's Mission is to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain. Each year over the Charter period to date we have found that the BBC has broadly fulfilled its Mission and Public Purposes. It continues to reach the majority of the UK population each week and provides a significant volume of trusted news and current affairs, a wide-range of education and learning content, and high-quality, distinctive and creative content for audiences across its mainstream and specialist services. Each year since 2017, audience satisfaction with the BBC has remained relatively high, comparing well with other content providers.

Overall use of the BBC has remained strong. Although the number of people viewing and listening to traditional broadcast TV and radio services has been in gradual decline², in 2021 almost nine in ten adults used the BBC's services each week. This falls to eight in ten adults aged 15-24.³

The BBC adapted quickly during the Covid-19 pandemic to deliver for audiences. Like all broadcasters, the BBC had to change how it made its content and delivered its services because of the impact on staffing and ways of working (e.g. making programmes like *The One Show* in a Covid-safe way). The BBC also adapted what it produced in response to the circumstances of the pandemic. In particular, it provided a broad range of educational content to support parents and children when schools were closed.

“The BBC really stepped up providing educational programmes for school children and students during the major lockdowns and times schools were closed and I was very impressed by their response and amount of air-time they gave.”⁴

(Male, 25-34 years old, DE household, south-west England)

At a time when Covid-19 has reinforced the need for trusted and accurate information, the BBC continues to be the most important news source for audiences. News is at the heart of the BBC's Mission and is a vital input to public service broadcasting in the UK, helping audiences contribute to an informed, democratic society. The BBC increased its news output this year and more people have used BBC news on TV and online, across all age groups, including young people. It has remained the most-used source of news across the UK despite the wide range of other sources available.

² In 2017, 90% of individuals watched linear TV compared to 84% in 2020 (BARB). The decline in broadcast radio has been more gradual and over a longer period, although steeper among 15-24 year-olds: in Q1 2010, 89% of 15-24 year-olds listened to the radio each week compared to 82% in Q1 2020 (RAJAR).

³ IPA TouchPoints.

⁴ Ofcom BBC Covid-19 research.

Achieving due impartiality continues to be a complex challenge for the BBC

Audiences continue to be less favourable about the BBC's impartiality, but their views can be shaped by a range of factors which go beyond programming. Each year since 2017 audiences have scored the BBC highly for trust and accuracy in news output. However, our audience research also shows that the perception of impartiality continues to be an area where audiences are less favourable about the BBC. In research conducted for our [2019 News Review](#) we found that some audiences tended to base their perceptions of the BBC's impartiality on what they think about the BBC more generally. For example, in our qualitative research, we heard that views were influenced by the BBC brand, its funding mechanism and its portrayal in wider media. We also note that some audience groups are less satisfied with the BBC more generally, including those in DE households and audiences in Scotland. The BBC will need to consider these factors alongside its [Impartiality and Editorial Standards Action Plan](#) – see below.

Broadcasting rules do not require the BBC or other broadcasters to be absolutely neutral on every issue within news and current affairs, but they must be duly impartial. This means not favouring one side over another and giving adequate and appropriate time to a range of views, depending on the subject or the nature of the programme. The approach to due impartiality can vary depending on the service and likely audience expectations. Context is always important. In contrast to other broadcasters, the BBC First process means that complaints about the BBC's impartiality are initially dealt with by the BBC and only come to Ofcom for consideration if the complainant is dissatisfied with the BBC's final decision. There are a range of ways under the BBC First system in which due impartiality standards on BBC services are enforced. For example, during the Charter period, the BBC Executive Complaints Unit has upheld or partially upheld complaints in 22 instances (out of a total of 112) where it found that the appropriate standard of due impartiality had not been applied. Against this backdrop, in the same period, Ofcom has not considered it necessary or proportionate to also launch any investigations of our own under our due impartiality rules. However, on some occasions, although we have not opened a full investigation, we have published our reasoning explaining why, and have also given the BBC important guidance to help it comply with the due impartiality rules.

We welcome the BBC's action to improve audience perceptions of its impartiality. This year the BBC introduced new internal impartiality guidance, training, and rules on external engagement. In addition, in response to the [Serota Review](#) of BBC editorial processes, governance and culture, the BBC published an [Action Plan](#) on impartiality and editorial standards. We welcome the BBC's commitment to enhance accountability and track progress in delivering each action in the plan. It will be critical that the BBC rigorously holds itself to account in how it delivers the actions it has set out and transparently reports on progress. Given the apparent disparity between audience attitudes on the BBC's impartiality and its good record of compliance with the due impartiality broadcasting rules, it is important for the BBC to find creative and engaging ways of delivering – and demonstrating – to audiences its commitment and approach to due impartiality, in order to retain trust.

We will be updating a key part of the research we conducted as part of our 2019 News Review. We will be speaking to audiences from a wide range of backgrounds to understand the current influences on their perceptions of BBC impartiality given the complexity of this issue. We plan to publish this alongside our report to Government on BBC regulation in the spring of 2022.

The UK's media industry is facing its greatest challenge: the BBC must keep evolving to be relevant to all audiences

Even since 2017, there has been huge growth in the choice of services and content, developments in technology and significant shifts in audience behaviours. Alongside traditional broadcast content and free-to-air video-on-demand services (e.g. All4), consumers access content from a wide range of subscription video-on-demand services (SVoDs) such as Netflix and Amazon Prime, as well as video-sharing platforms like YouTube. The number of UK households with access to at least one SVoD service has almost doubled: from 33% in 2017 to 65% in 2021.⁵ As we set out in our [Small Screen: Big Debate statement](#), this rapid change in the industry is making it harder for public service broadcasters (PSBs) and radio broadcasters to compete for audiences.

The need to change is compounded by funding pressures that are likely to continue in the second half of the Charter period. The BBC's total income has fallen by 4.5% in real terms since 2017/18⁶ although the licence fee provides the BBC with relative financial stability. The National Audit Office concluded in [its report](#) on the BBC's strategic financial management that the BBC faces significant financial challenges, and that it needs to continue to make savings while also investing in technology and addressing an underlying lack of pace when implementing change.

The BBC's evolving strategy to compete for audiences is to focus on unique, high-impact content. The Director-General has said that in the past the BBC has spread itself too thinly in its attempt to cope with increasing competition. He said that the BBC's role *"is to offer exceptional value to all audiences by producing more differentiated, 'must-have' content they feel is for them."*⁷ This may ultimately mean producing fewer hours of content and the BBC has challenged itself to identify what it would stop making if it produced only 80% of its current hours.⁸

The BBC is already successful at bringing audiences together in large numbers, for instance through high-quality drama, news, and live events. For example, the latest series of *Line of Duty* had record ratings: the final episode had an average audience of 16.4 million people.⁹ Live events such as the Euros 2020 and entertainment like *Strictly Come Dancing* regularly bring viewers together for a shared experience. There has also been record viewing to BBC iPlayer this year, with requests up 28% on the previous year.¹⁰

However, we agree with the Director-General's [view](#) that the BBC does not deliver equally to all audiences. Since 2017, we have consistently seen that some audience groups have lower satisfaction with the BBC, such as disabled audiences, those in Scotland and those in DE households. Our research indicates that audiences in DE households use the BBC significantly less overall, along with young people aged 16-24 and disabled people aged 65 and over.¹¹

The BBC is trying to build stronger links with young audiences. We have found that young people tend to have positive impressions of the BBC content they do consume. Since 2017, responding to declining reach to this age group, the BBC has expanded its online services: in 2019 we approved its plan to increase content availability by developing BBC iPlayer beyond a 30-day catch-up service.

⁵ BARB Establishment Survey Q2 in each year.

⁶ Ofcom analysis of BBC Annual Report and Accounts.

⁷ BBC Annual Report and Accounts 2020/21.

⁸ BBC Annual Report and Accounts 2020/21.

⁹ BARB consolidated viewing up to 28 days on TV sets and other devices.

¹⁰ BBC Annual Report and Accounts 2020/21.

¹¹ Ofcom BBC Performance Tracker 2020/21.

The BBC launched its online audio service, BBC Sounds,¹² in 2018 as part of its strategy to meet changing audio behaviours, particularly among younger audiences, and this service has grown in popularity. However, according to BBC data, less than a third of its users are aged under 35 and this proportion has not grown.¹³ Today we have also agreed that the BBC should be able to relaunch BBC Three as a TV channel to help the BBC serve young people. Overall, across TV, radio and online, the BBC reaches around the same number of young people aged 16-24 each week as Netflix (7 in 10). BBC iPlayer alone reaches around 32% of this age group.¹⁴

Improving how audiences feel they are represented and portrayed by the BBC is critical to its success. If audiences do not see people like themselves on screen, or people from where they live, they are less likely to connect with the BBC and use it on a regular basis. The BBC has a duty to serve, reflect and represent people across the UK, and in 2018 we carried out an in-depth review to understand how BBC Television did this. For the review, we talked extensively to viewers and people working behind the camera: among other things, we found that some people feel less visible on TV. These issues persist, in particular for audiences in Scotland, disabled audiences and those in DE households. We have previously asked the BBC for a clear plan, setting out how it will serve these less-satisfied audiences better; we welcome the additional detail that the BBC has provided to us this year.

The BBC is taking steps to improve perceptions among less-satisfied audiences. The Director-General has placed significant value on improving the socio-economic diversity of the BBC's workforce to serve audiences better. The BBC has told us that it is continuing to commission more TV content that aims to serve audiences from a range of backgrounds, and that it has a renewed focus on recruiting a much wider pool of talent, from a range of social backgrounds as well as from the north of England, to front shows. It has also set out other initiatives, such as a £112m funding commitment to make diverse content. The BBC's strategy for the nations and regions, set out in its five-year plan, [Across the UK](#), could go some way towards improving reach and perceptions among audiences outside London and the south-east. The BBC will need to robustly hold itself to account in its delivery of these initiatives.

However, like other broadcasters, the BBC has further to go to ensure that its workforce represents people from different backgrounds. A diverse workforce can help ensure that the BBC remains relevant to UK audiences, when competition for their attention has never been fiercer. Audiences should be properly represented by those who make up the industry. In 2021, based on data the BBC provided to Ofcom, around twice as many people working for the BBC UK public services attended private schools as the UK average (14% vs 7%) and had parents in professional occupations when aged 14 (61% vs 33%). The trends are similar for the broadcasting industry as a whole, based on the limited data that we have.¹⁵ The Director-General has said that the BBC is working on a socio-economic workforce target, and we will continue to monitor the BBC's approach in this area. The BBC reported meeting some of its 2016-2020 workforce targets, but it fell short of

¹² BBC Sounds replaced BBC iPlayer Radio – the previous online audio service from the BBC.

¹³ BBC data: AT Internet. This relates to the accounts where age details have been provided to the BBC.

¹⁴ Ofcom BBC Performance Tracker 2020/21.

¹⁵ As explained on pages 13, 32 and 33 of [Five-year review: Diversity and equal opportunities in UK broadcasting \(ofcom.org.uk\)](#), information on socio-economic background is still lacking. We have visible data (on at least one measure of socio-economic background) for only 39% of radio employees, and 44% for TV. This information is provided by only 12 broadcasters.

its targets for representing women, both at the all-staff and leadership levels, and for representing minority ethnic colleagues in leadership roles.

The BBC will also need to consider a more ambitious and open approach to genuine, strategic partnerships. In our *Small Screen: Big Debate* recommendations to Government we set out several ways in which partnerships could support the ongoing transformation of the sector. For instance, we said that strategic partnerships with online organisations could help existing public service media (PSM) providers to reach wider audiences. We note that the BBC already engages in many partnerships, particularly with the education sector. It has also recently renewed and expanded its long-term partnership with Sky, which will ensure that BBC content and services are prominent on Sky platforms. The BBC has appointed a new Director of Partnerships, reporting directly to the Director-General, recognising the opportunity and potential in how the BBC approaches partnerships, and aiming to improve strategic oversight.

Distinctive and original UK content which reflects the lives and issues of UK audiences must continue to be a priority for the BBC

The breadth of content provided by the BBC is an important driver of its distinctiveness. The BBC currently offers a broader range of genres than any other content provider. This is important in that it enables the BBC to reach a wide range of audiences; specific genres are shown to resonate with different audience groups. Such programming may have smaller audiences but be highly valued by those who do watch or listen to it. In pursuing its strategy, the BBC will need to balance the value of high-impact content and a wide range of content to maintain its distinctive offering for all audiences.

Original UK content is a cornerstone of how the BBC meets its Mission and Public Purposes. As part of *Small Screen: Big Debate*, stakeholders agreed with our assessment: to ensure that the needs of all audiences are met it is vital that the PSM system provides a wide range of high-quality UK content. This content needs to cover all genres and appeal to audiences with varying interests, to ensure that it provides something for everyone.

“I don’t know where I’d be if I didn’t have (PSB) TV now... it just seems like a morale booster, a sense of normality. I think with Netflix, I can reach a point where I get fed up, some bits are a wee bit too Americanised and there’s only so much of that I can take.”¹⁶
(Female, 25-39, Belfast)

Investment in original UK content by the BBC is critical for delivering distinctiveness, particularly in the provision of at-risk genres such as arts, music and comedy, which are less likely to be provided by others, and where the BBC’s spend has declined more rapidly than in other genres.

The BBC also has an important place in the UK creative sector; its contribution to public service broadcasting spend on externally produced originations has increased each year over the Charter period, from 35% in 2017 to 44% in 2020. The BBC works with a wide range of producers: 340 in 2020. We think that the BBC has a particularly important role to play in the nations and regions.

¹⁶ [*Small Screen: Big Debate* qualitative research.](#)

Under the new Operating Licence that we introduced in 2017, we imposed rules requiring the BBC to spend broadly the same amount on programmes per head, and make broadly the same volume of commissions per head, in each of the UK's four nations. This year has been unique due to the impact of Covid-19, meaning that the BBC did not meet all of its requirements for production in the nations for the first time. We will keep this under close review as the sector recovers from the pandemic.

Total BBC spend on original TV content has been in long-term decline, reducing from £1.6bn in 2010 to £1.2bn in 2019, although the number of hours of content each year has remained relatively stable. This decline was intensified by Covid-19, with spend on first-run originated output falling by 15.9% in 2020. Alongside original commissions, the BBC may use acquired content to appeal to different audiences and to attract new ones. However, we would be concerned if acquisitions were to play too large a role in the BBC's overall content mix: we think it is important for the BBC to maintain its commitment to focusing on original UK content for all audiences. In our work on reviewing the Operating Licence we will be considering how to ensure that audiences continue to benefit from a wide offering of original content.

Transparent decision making, reporting, accountability and engagement with industry should be further embedded into the BBC's ways of working

Given the valued position the BBC holds for many people across the UK, it should be more open to explaining publicly the decisions it makes that affect UK audiences and industry. Transparency is critical to maintaining public trust and support in the BBC. Since 2017 we have raised this as a key area in which the BBC could improve. Transparency relates to a multitude of activities, such as how the BBC engages with stakeholders to understand the potential market impact of its planned changes, how it explains its plans and reports on its performance, and how it explains its decisions on content standards and resolves complaints.

“As a publicly funded organisation in a society that is increasingly open, the BBC must continue to seek opportunities to enhance transparency still further.”

(Serota Review)

There have been improvements since 2017 in the BBC's reporting on its plans and its strategy to deliver the Public Purposes, both in its public commitments in the BBC Annual Plan, and in its Annual Report and Accounts which linked back to the Director-General's strategic priorities announced last year. We have also seen some better reporting on BBC iPlayer and BBC Sounds. However, there is further to go to fully embed the contribution of these services to the Mission and Public Purposes in the BBC's performance reporting. Effective measurement of online delivery is not an issue that is unique to the BBC and we are considering future measurement approaches for the PSM system, following on from our *Small Screen: Big Debate* statement.

Transparency over complaints handling has improved incrementally since 2017 but there is more to do to retain public confidence in the BBC's editorial decision-making: this is a conclusion shared by the Serota Review. Following intervention by Ofcom, the BBC now publishes details of all its upheld, partially upheld and resolved decisions at the final stage of its Complaints Framework. However, in 2020/21 the BBC did not publish any 'not upheld' decisions made by the Executive

Complaints Unit under our [Complaints Determinations](#).¹⁷ Given the importance for the BBC to be as transparent as it can be in explaining its editorial standards decision-making to audiences, to maintain public confidence we will be discussing with the BBC why this was the case. We note that the Serota Review recommends that the BBC should publish, with adequate reasoning, findings of any investigations into serious breaches of the BBC Editorial Guidelines. It also recommends that the BBC's Complaints Framework is updated to provide transparency about the Director-General's overall role in editorial standards investigations and to clarify how the BBC handles expedited complaints about broadcast or published content where a decision has to be reached speedily. As part of our ongoing review of BBC regulation, we will be engaging with the BBC on the latest revision of our Complaints Determinations to further increase the BBC's transparency in this area and to more fully explain its final complaints decisions to audiences, particularly in the area of due impartiality.

The BBC's engagement with industry on planned changes to its services remains mixed. Although we continue to hear from stakeholders that the BBC's plans do not include enough detail (for instance, those in relation to the development of BBC Sounds), there have been some positive examples of the BBC proactively communicating with industry, notably on its education strategy and more recently through publication of its Across the UK strategy. By publishing its aspirations for the nations and regions early, the BBC is allowing potentially affected organisations to respond with any issues or concerns in advance of implementation. The BBC should do more of this and ensure that it provides sufficient information to allow stakeholders to understand the potential impact on competition at an early stage. This is likely to require it to provide more information about its planned changes than commercial operators might disclose regarding their own strategies.

It is critical that the BBC holds itself accountable through robust governance and decision-making processes and by clearly setting out how it will implement its strategies and initiatives, measure their success and report on their effects. It is important for the BBC to analyse its own performance, to ensure that it is upholding the highest editorial standards, and to understand the impact it is having on competition. It is not a foregone conclusion that the actions the BBC takes will deliver improvements for audiences. Some initiatives may not work or may not have the intended effect. The BBC must rigorously track progress in delivering its plans against clearly defined metrics (e.g. on diversity, inclusion, across the UK, high-impact content and changes to services). This is the only way in which the BBC will know whether its strategies are working, or if they need to be revisited.

Transparency will be a key focus of our work on the review of BBC regulation across competition, content standards and changes to the Operating Licence. Increased transparency in how the BBC sets out its plans to deliver its services, takes account of its potential impact on competition and reports on its performance are key areas. This will be particularly important if the next Operating Licence gives the BBC more scope to decide how to deliver its licence obligations.¹⁸ We think it will be important for the BBC to follow a clear and structured reporting cycle that allows stakeholders and audiences to understand the BBC's strategy and implementation plans and how the BBC is performing against them. We are working with the BBC to understand the full range of the performance data it collects and how this can best be used to demonstrate its performance and hold it accountable under a new licence.

¹⁷ Ofcom's Complaints Determinations outline the requirements for reporting and publishing information on the BBC's handling of complaints at stages 1 and 2 of the BBC's Complaints Framework.

¹⁸ We [consulted](#) on our approach in July 2021, marking the beginning of our review of BBC regulation.

Our work programme

In this section we explain how this report fits into our overall BBC work programme, including our ongoing review of BBC regulation as we approach the mid-point of the Charter.

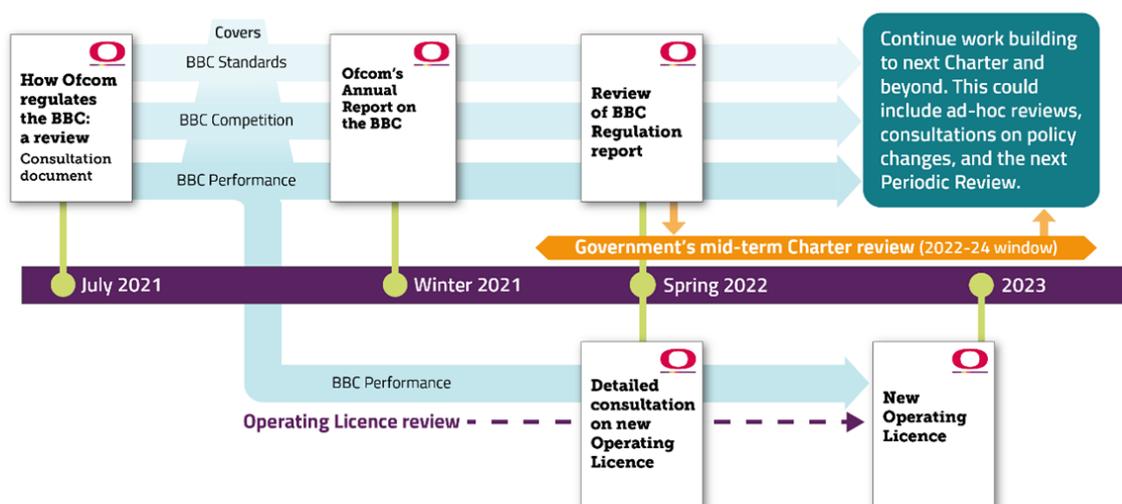
We also summarise our decisions on BBC Sounds and BBC Three that are published alongside this report.

This report considers the BBC’s performance over the Charter period to date

As we near the mid-point of the current BBC Charter period (running to 2027), we are required to provide advice to Government for its mid-term Charter review.¹⁹ We plan to use this opportunity to build on the conclusions of *Small Screen: Big Debate*, and to reflect on our regulation of the BBC, across all our areas of responsibility over the last four years, to ensure that it remains fit for purpose in holding the BBC to account on behalf of viewers and listeners. As set out in *Small Screen: Big Debate*, there is a specific need to update the BBC’s Operating Licence. We will also be considering whether we need to update other aspects of our regulation for the remainder of the Charter period.

This report contributes to our review of BBC regulation by looking back over the Charter period so far to assess how well the BBC has delivered its Mission and Public Purposes since April 2017. We also consider how the BBC has responded to the concerns we have raised, setting out where improvements have been made and where there is more work for the BBC to do. We will be following up on specific issues in more detail as part of our ongoing review of BBC regulation.

Figure 1: Overview of our BBC programme of work



¹⁹ The Charter states that the ‘Periodic Review’ should be undertaken “in sufficient time” to inform the Government’s mid-term Charter review, which the Government must carry out between 2022 and 2024. Articles 51(2) and 57 of the Charter.

Update on our review of regulation

We consulted on our approach to our [review of BBC regulation](#) in July 2021. We set out how we planned to review our regulatory role across our work on performance, competition and content standards and also identified the key cross-cutting themes – transparency and engagement, public value and diversity – which we would consider as part of our review.

Our consultation closed in September 2021, and we are now reflecting on the points made by respondents. Broadly, they welcomed the scope of our review and felt we had identified the right areas and key themes to look at. We have provided a high-level summary of stakeholders' responses on specific work areas below, and we will go into more detail in our report on the regulation of the BBC next year. We will also publish responses to our consultation in due course. We will work closely with the BBC and other stakeholders over the coming months as we develop our views on the issues we set out in the consultation, our recommendations to Government and our proposals for a new Operating Licence.

We have recently commissioned further research into how audiences' needs, and their expectations of the BBC, have changed, given the huge range of choice now available. We will use this to inform our work in this area, providing important context for future assessments of the BBC and allowing us to ensure that our findings are rooted in what is important for audiences.

Performance – our review of the Operating Licence

As part of our review of BBC regulation we are considering how the BBC's [Operating Licence](#) should evolve to reflect changing audience habits and expectations, and to enable the BBC to deliver its Mission and Public Purposes across both its broadcast and on-demand services. Our consultation set out our planned approach to doing this, including proposals that the Operating Licence should expand to cover the BBC's online services (such as BBC iPlayer and BBC Sounds) more comprehensively. We also said that the BBC should have the scope to determine how best to fulfil its licence obligations across its platforms and services. We were clear that greater transparency and more effective reporting from the BBC are required, both when it sets out its plans and when it reports on its performance. Alongside, we set out the need to update our approach to performance measurement.

Stakeholders agreed that the licence should evolve and supported our proposals to incorporate the BBC's on-demand services fully. They agreed that the BBC needs to be more transparent about its activities. Some respondents questioned whether the BBC could be held to account through qualitative requirements and suggested that some audiences would be adversely affected if certain quotas were removed. It was also proposed that without quotas, the BBC could become less distinctive, potentially having a negative impact on competition.

We will continue to engage with stakeholders over the coming months as we develop our views on the issues we set out in the consultation and our proposals for a new licence. There will be another opportunity for stakeholders and the BBC to comment on our detailed Operating Licence proposals in spring 2022, and we plan to have a new licence in place by April 2023.

Reviewing how we assess the BBC's impact on competition

In the past, when undertaking competition assessments, we have raised concerns that the BBC has not always engaged fully with industry about its plans or demonstrated how it has taken stakeholder concerns into account. In our consultation, we set out our plan to consider whether any changes to the existing competition processes were needed, given our and stakeholders' experience over the last four years.

In response to our consultation, many argued that the BBC is not sufficiently transparent in setting out plans to change its services and does not engage effectively with stakeholders or take account of their concerns. Some stakeholders also argued that current regulation fails to provide sufficient oversight of changes to BBC services. Other stakeholders, including the BBC, thought the current process could be made more efficient.

Reviewing how we protect audiences and maintain content standards

We set out our plan to review whether the BBC First complaints process continues to deliver for audiences. BBC First is a unique process designed to meet the particular challenges of regulating the BBC. It allows the BBC to consider and potentially resolve audience complaints before they reach Ofcom, a process that does not apply to other broadcasters we regulate.

In response to our consultation, many stakeholders, including the BBC, supported our approach to reviewing the BBC First system. A small number of stakeholders made specific points in relation to the efficacy of the system.

Alongside this report, we have also published our decisions on BBC Three and BBC Sounds

BBC Three television channel

This year we carried out a competition assessment into the BBC's proposal to relaunch BBC Three as a broadcast channel, as part of its strategy to engage better with younger audiences. We have [decided](#), following consultation, that the BBC should be allowed to go ahead with the proposal. To secure the contribution of the proposals to the delivery of the BBC's Mission and Public Purposes, BBC Three will be subject to new Operating Licence conditions.²⁰

Alongside this process we considered what the appropriate minimum level of prominence for BBC Three on the licensed electronic programme guides (EPGs) should be. We assessed the potential impact of this decision on EPG providers and other broadcasters and we have decided that BBC Three should have a minimum prominence at slot 24. Providers will have a maximum of 18 months to implement our decision.

²⁰ These are: from the launch of the service the channel must provide news content every weekday, provide a range of first-run UK originations intended to appeal to 16-34 year olds across a mix of genres, and that 75% of its broadcast hours must be UK originations.

Market position and impact of BBC Sounds

Following consultation earlier this year, we have concluded that we do not have reasonable grounds to believe that BBC Sounds is having a significant adverse impact on fair and effective competition. We will not therefore be carrying out a competition review of BBC Sounds. There is strong evidence showing that: commercial radio has been more successful than BBC Sounds at attracting online listeners; listeners to BBC Sounds tend to use multiple platforms; and the UK podcast sector has a wide range of non-BBC content so that producers are able to generate commercial revenue.

However, we recognise that the BBC holds a strong position in the UK radio and audio sector. It is therefore important that the BBC carefully considers how further changes in this area, including to BBC Sounds, may affect competition. We will also continue to monitor such changes.

Our performance assessment

In this section we provide a brief overview of key market developments and summarise the BBC's overall performance over the Charter period. Overall use of the BBC remains strong despite increasing competition for audience attention from online providers.

How we do our assessment

Using the [measurement framework](#) that we published in 2017, we assess the BBC's performance to provide a broad picture of how well the BBC is delivering its Mission and Public Purposes, beyond the regulatory conditions in the Operating Licence.

We draw on a range of sources for our evidence base, including industry sources such as BARB, third-party sources, data provided to us by the BBC, and our own commissioned research.

The impacts of lockdown have been felt across all parts of society and provide important context for our assessment this year. They also affected market research, as face-to-face methods of engaging with audiences were suspended. This had a direct impact on how we were able to do our assessment: the official audience measurement body for the radio industry, RAJAR, suspended its fieldwork at the start of lockdown, so no published data for BBC radio was available. Changes to the way we conduct our own research has also limited our ability to make comparisons over time.

As in previous years, we have also published an [interactive performance report](#), which provides extensive data on our assessment, for all platforms and across Public Purposes 1 - 4. The user 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 the sources we refer to in our assessment.

This year, for the first time, our report includes a short review of the BBC World Service's performance in contributing to the Mission and promoting the Public Purposes. The BBC World Service primarily delivers the fifth Public Purpose.²¹ Ofcom does not regulate the BBC World Service, so this is not normally included in our Annual Report on the BBC. However, as part of our assessment of performance over the Charter period we have considered it in the [Public Purpose 5 section](#) of this report.²²

²¹ To reflect the United Kingdom, its culture and values to the world: The BBC should provide high-quality news coverage to international audiences, firmly based on British values of accuracy, impartiality, and fairness. Its international services should put the United Kingdom in a world context, aiding understanding of the United Kingdom as a whole, including its nations and regions where appropriate. It should ensure that it produces output and services which will be enjoyed by people in the United Kingdom and globally.

²² BBC Agreement, clause 35(7).

Key market developments

It is important that as well as considering competition in the sector, we understand the environment in which the BBC is operating, both in terms of overall audience trends and changing habits. These are important contextual factors that we consider in our assessment of the BBC's performance.

Audiences now expect on-demand and digital content

The media landscape has changed rapidly since the start of the current Charter period, with audiences expecting more content when they want it and on the device of their choosing. As detailed in our recent [statement on the future of public service media](#) (PSM statement), in addition to traditional media sources, a wide range of other services, from social media to online gaming platforms, are increasingly competing for audience attention. Nearly all online adults (97%) have used video-sharing services such as YouTube,²³ and these services continue to grow rapidly in popularity. There are more subscription video-on-demand (SVoD) services available, such as Disney+. In 2017, 29% of adults watched SVoD services each week; by the first half of 2021 this had almost doubled to 55%.²⁴ These changes in audience trends look set to continue.

This year, the Covid-19 pandemic has accelerated existing trends in online viewing

Over the past year, lockdown has changed audiences' media behaviour, as they have sought out content to keep themselves and their families occupied. The 'stay at home' directive radically influenced audience media consumption: an almost complete suspension of commuting impacted typical radio listening; more time at home led audiences to seek out new content and take out new subscriptions to services; productions were either suspended or significantly affected as broadcasters needed to protect their staff and then find innovative ways to keep productions going.

As reported in [Media Nations](#), overall consumption of audio-visual content increased across nearly all forms of video viewing compared to the previous year. Overall, the average time spent watching broadcast TV in 2020 was 3 hours 12 minutes per person. This was nine minutes (5%) higher than the average time spent in 2019, reversed the declining trend seen over the last decade and was entirely driven by viewers aged over 45. The pandemic did not shift broadcast TV viewing for under-45s who watched less than in 2019.²⁵ Average viewing of SVoDs almost doubled to an estimated 1 hour 5 minutes per day per person, while viewing of broadcaster video-on-demand (BVoD) services, such as BBC iPlayer, ITV Hub and All 4, increased by 9% to an estimated 12 minutes per person per day in 2020.²⁶

The challenge for public service broadcasters (PSBs), including the BBC, is evident from research, which suggests that two-fifths of those using SVoD services say they can envisage '*not watching broadcast TV at all*' five years from now.²⁷ Many of the audiences we spoke to do not see SVoD services as comparable with broadcaster catch-up services such as BBC iPlayer; SVoDs are perceived

²³ Ofcom's [User experience of potential online harms within video-sharing platforms](#).

²⁴ IPA TouchPoints.

²⁵ BARB.

²⁶ Ofcom estimates modelled from BARB, Comscore and IPA TouchPoints data. Estimates are averages per person of the TV and online population, not users. More detail can be found on pages 6 - 7 of [Media Nations 2021](#).

²⁷ Ampere Analysis Consumer, age: online 18-64, Q1 2021, UK. Base: 1,633, those who use SVoD.

as having a greater range of content, and as sources of new content, as well as generally having superior functionality including search and recommendations. In contrast, the broadcaster services are broadly seen as simply catch-up services for content missed on traditional TV channels.²⁸

Online listening is growing

As part of our statement on the market position and impact of BBC Sounds published alongside this report, we provide a detailed overview of how the audio market has evolved. Overall, there has been a gradual decline in radio listening, driven in particular by drops in listening to BBC radio and to local commercial stations. National commercial stations have bucked this trend and appear to have benefited from the increase in the number of stations since 2016. There has been an increase in online audio listening, but this has been driven by music streaming services; the switch from traditional radio listening has been slower to shift to online platforms. At the start of the Charter period, 26% of adults listened to a streaming service each week, increasing to 45% at the beginning of 2021.²⁹

Global 'big-tech' firms have increased competition in the content market

As we set out in our [PSM statement](#), global companies now competing with UK PSM providers, have much greater financial resources, allowing them to invest heavily in their platforms and new content. Netflix has said that it intends to spend more than \$17bn on content in 2021.³⁰ As of [November 2020](#), Netflix had budgeted for £750m of content spend in the UK alone, an increase of 50% on the year before, making the UK its second-largest market after the US. While this is great news for both UK audiences and the wider creative economy, it does present a significant challenge for PSM providers. Since 2010, the content budgets of the PSM providers have been under pressure (direct spend on first-run programming fell from £3.3bn in 2010 to just under £2.9bn in 2019) and have increasingly drawn on third-party sources.³¹ First-run BBC content spend fell by £0.4bn between 2010 and 2019, to £1.4bn.

These shifts in media behaviours and audience consumption highlight the challenges the BBC continues to face in both attracting and maintaining the attention of audiences today, especially among younger people.

The BBC is facing funding pressures that are likely to continue in the second half of the Charter period

Although the licence fee provides the BBC with relative financial stability, its total income has fallen by 4.5% in real terms³² since 2017/18.³³ This reduction in income was driven by a decrease in total licence fee revenue, from £4.01bn to £3.75bn. There were two main reasons for this decrease. As a result of the Government decision to pass responsibility for TV licences for the over-75s to the BBC, a proportion of them (c.30%) are now funded by the BBC directly, which led to a loss of revenue; and

²⁸ Ofcom BBC Covid-19 research.

²⁹ IPA TouchPoints.

³⁰ Netflix, April 2021. First quarter earnings letter to shareholders.

³¹ Ofcom analysis of broadcaster data. Figures are expressed in 2020 prices and include direct spend on first-run originations for networked and the nations' and regions' programming. Figures do not include third-party contributions.

³² In March 2021 terms.

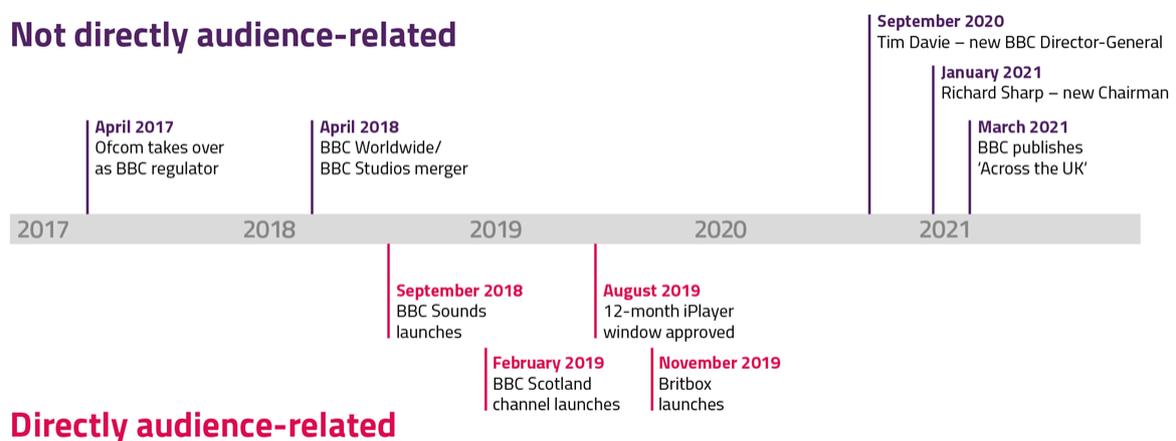
³³ Ofcom analysis of BBC Annual Report and Accounts.

the number of TV licences sold (including to over-75s) decreased by 3.9%, from 26.2 million to 25.2 million. The BBC also generates non-licence fee income, primarily from its commercial activities in BBC Studios. BBC Studios has stated that its target is to deliver £1.2bn of returns to the BBC in the first five years of the current Charter period (to 2021/22). In its 2020/21 Annual Report and Accounts, the BBC reported that BBC Studios was on track to meet this target in 2021/22. The National Audit Office concluded in [its report](#) on the BBC's strategic financial management that the BBC faces significant financial challenges, and that it needs to continue to make savings while also investing in technology and addressing an underlying lack of pace when implementing change.

The BBC has developed its services in response to broader changes

Since Ofcom became its first external regulator in 2017, there have been many developments across the BBC, a lot of which directly affected licence-fee payers, in response to the changes in audience behaviour that we have described.

Figure 2: Notable BBC developments during the Charter period



Overall BBC performance



Overall impression of the BBC

On average, **58%** of adults in the UK have a **positive impression** of the BBC



Differences by demographic

More likely



households



63%



Audiences in London



64%

Less likely



households



53%

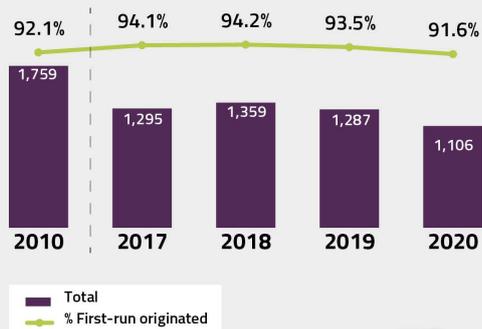


Audiences in Scotland

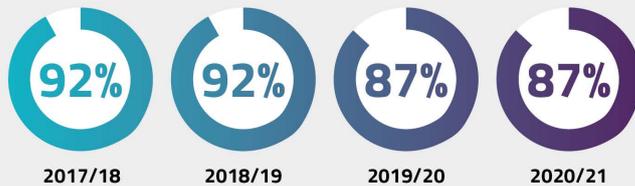


49%

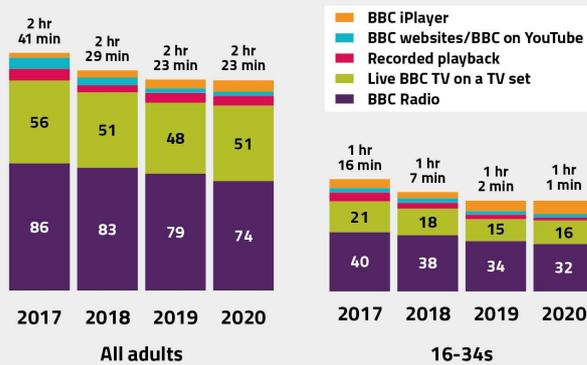
Total BBC network TV spend (£m)



Weekly reach across all BBC services ages 15+



Total BBC minutes consumed on average per day



³⁴ Sources used: Ofcom BBC Performance Tracker 2020/21; Ofcom/BBC spend (excluding nations' and regions, CPI using 2020 prices); Ofcom estimates using BARB (inc. Dovetail and non-linear), BBC iPlayer 4 screens data, RAJAR, IPA TouchPoints (including for modelling radio from previous RAJAR in 2020), measured as BBC in Comscore.

The BBC continues to reach the majority of adults: 87% of them consume some BBC content each week

This varies by demographic; young people are less likely to be weekly consumers of the BBC, particularly those in lower socio-economic households.³⁵³⁶ The decline in weekly reach to BBC TV has slowed, with an average of 71% of individuals watching each week in 2020 compared to 72% in the previous year.³⁷ BBC online (BBC websites and apps) has seen a big increase in the number of users over the past year, with an average weekly reach of 63% by the first quarter of 2021, up from 55% 12 months earlier.³⁸ Although there is no official measurement figure available for the radio industry across 2020/21,³⁹ indications from other research are that overall radio listening was down due to reduced commuting throughout the lockdowns, although there was some uplift in online radio listening, including to BBC Sounds.⁴⁰

The amount of time spent with the BBC has remained stable over the past year, partly due to increased BBC iPlayer viewing

Although time spent with the BBC has been in gradual decline since 2017, the imposed lockdowns and more people staying at home in 2020 have, at least temporarily, halted this trend. In particular, over the past year we have seen more time spent with BBC TV, including BBC iPlayer, and also the BBC's website and apps. Overall, across TV, radio and online, the BBC reaches about the same number of young people aged 16-24 each week as Netflix (7 in 10). BBC iPlayer alone reaches 32% of this age group.⁴¹ The appeal of Netflix for younger people is even clearer when we look at children aged 11-16, 74% of whom use the BBC each week compared to 77% who use Netflix.⁴²

The increased viewing of BBC iPlayer (+4 mins) between 2017 and 2020 made up for more than half the decrease in viewing of broadcast BBC TV (-6 mins). But 2020 was an unusual year for viewing; for example, BBC TV viewing increased as people sought news on the pandemic. However, use of BBC TV so far in 2021 is below that of 2020: this suggests that there is likely to be a return to the previous pattern of a more pronounced decline in BBC TV viewing, only partially offset by BBC iPlayer. For viewers aged 16-34, increases in BBC iPlayer viewing between 2017 and 2020 make up for six of the nine daily viewing minutes lost to linear BBC TV.⁴³

Around a fifth of UK adults use BBC Sounds each week, primarily to listen to live radio

We commissioned our own audio survey earlier this year to understand where BBC Sounds sits in the audio market, and we have also drawn on data provided by the BBC. In March 2021, 18% of UK online adults claimed to use BBC Sounds each week.⁴⁴ It is most commonly used for listening to live

³⁵ 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.

³⁶ IPA TouchPoints.

³⁷ BARB. Reach criteria: 15+ consecutive minutes, individuals 4+.

³⁸ BBC Research: Compass by Ipsos MORI.

³⁹ Due to the pandemic and the associated restrictions, the radio industry audience measurement body RAJAR suspended its fieldwork from the end of Q1 2020.

⁴⁰ Other research includes IPA TouchPoints, Ofcom research for Media Nations, Ofcom BBC Covid-19 research

⁴¹ Ofcom BBC Performance Tracker 2020/21.

⁴² Ofcom BBC Teens Tracker 2020/21.

⁴³ Ofcom estimates using BARB (including Dovetail and non-linear), BBC iPlayer 4 screens data, RAJAR, IPA TouchPoints (for modelling radio from previous RAJAR in 2020), measured as BBC in Comscore (for website and YouTube).

⁴⁴ Ofcom Audio Survey, March 2021. The survey was conducted using online interviews.

radio, although BBC Sounds is also one of the top three sources for podcast listening, behind YouTube and Spotify: BBC data indicates that 56% of listening on BBC Sounds is to live radio and 44% to on-demand (including music streams, podcasts and catch-up radio).⁴⁵ However, although BBC Sounds is part of the BBC's overall strategy to meet changing audio behaviours, particularly among younger audiences, though more of this age group are using it, just 27% of BBC Sounds account holders are aged under 35, down from 29% at the same time last year.⁴⁶

Audiences are broadly favourable towards the BBC, particularly in its provision of trustworthy news and educational content at the height of the pandemic

Overall, 58% of adults in the UK have a positive favourable impression of the BBC. This varies by demographic, however, with those in DE households and those in Scotland significantly less likely to give the BBC a positive overall rating.⁴⁷

Three in ten of the BBC TV viewers we spoke to in our research said they now watched BBC TV more, compared to just before the start of the first national lockdown. Many said they turned to the BBC as their 'go-to' source of news, seeing it as a reliable source for information about the pandemic. However, they also said they turned more to SVoD services to discover new content.⁴⁸

My overall impression of the BBC has become somewhat elevated over the last few months primarily because of how responsible it has been when broadcasting critical events. The quality of programming continues to be world-class, covering influential topics that are shaping the future.⁴⁹

(Male, 35-44, C1C2 household, south England)



⁴⁵ Based on average weekly plays across Jan-March 2021.

⁴⁶ BBC internal data. This relates to the active weekly accounts where age details have been provided to the BBC. This is in line with our audio survey which found that 32% of weekly BBC Sounds users were aged 16-34.

⁴⁷ Ofcom BBC Performance Tracker 2020/21.

⁴⁸ Ofcom BBC Covid-19 Research.

⁴⁹ Ofcom BBC Performance Tracker 2020/21.

The BBC is a key contributor to the UK creative economy, consistently representing around half of PSB first-run origination spend each year

In [our PSM statement](#), we noted that UK PSMs continue to be central to the UK creative economy, particularly across the nations and regions. They remain the largest commissioners of content across the UK. Before Covid-19, PSBs spent around £3bn on new programmes in a broad range of genres and with a wide range of producers. Among the PSBs the BBC is uniquely placed and funded to sustain authentic, diverse programming made in and for the UK.

However, the BBC's total content spend on its TV services is in long-term decline

In 2019/20 the BBC's content spend on TV was 28% down in real terms compared to 2010/11, and then fell by a further 13% year on year in 2020/21 due to Covid-19.⁵⁰ Over the Charter period, the proportion of content spend on radio and online has increased. This has been particularly driven by online content⁵¹ spend, which has been increasing since 2012/13, reaching 11% of total content spend in 2020/21 (compared to 4% in 2012/13), as the BBC continues to expand its BBC iPlayer and BBC Sounds services.

Compared to 2017, first-run UK-originated TV spend in 2019 declined slightly (in real terms) by 1.2%, and then decreased by 15.9% to £1.01bn in 2020, as the pandemic disrupted production across most genres of programming.⁵²

Hours of first-run UK-originated TV content remained flat at around 22,000 between 2017 and 2019 but decreased by 5.4% in 2020 as a result of Covid-19. Apart from an increase in news programming, which by its nature comprises most of the BBC's first-run originated hours (75% in 2020, up from 71% in 2017), the genre mix has remained relatively consistent.⁵³

⁵⁰ Ofcom analysis of BBC data. Percentage changes are in real terms using 2020 prices.

⁵¹ Online content includes spend related to the BBC's online products on desktop, connected TV, mobile, and tablet. This includes news, sport and weather, children's services, Knowledge and Learning, and IP (internet protocol) delivered TV and radio services.

⁵² Ofcom analysis of BBC data.

⁵³ Ofcom analysis of BBC data.

Public Purpose 1: news and current affairs

In this section we review the BBC's performance since the start of the Charter period and assess how the BBC has delivered Purpose 1 in 2020/21. The BBC is the most-used news source in the UK and audiences rate it highly for trust and accuracy. The key ongoing issue we have identified each year is the challenge the BBC faces in improving audience perceptions of its impartiality.

***The Royal Charter states:** The BBC should provide duly accurate and impartial news, current affairs, and factual programming to build people's understanding of all parts of the United Kingdom and of the wider world. Its content should be provided to the highest editorial standards. It should offer a range and depth of analysis and content not widely available from other United Kingdom news providers, using the highest calibre presenters and journalists, and championing freedom of expression, so that all audiences can engage fully with major local, regional, national, United Kingdom and global issues and participate in the democratic process, at all levels, as active and informed citizens.*

How we do our assessment

News is at the heart of the BBC's Mission and is a vital input to public service broadcasting in the UK, as it helps audiences contribute to an informed, democratic society. To ensure the BBC meets audience needs we have specific news requirements in the Operating Licence across all its services.

To make our broader performance assessment we talk to audiences across the UK to understand their views on BBC news and current affairs output, asking them a range of questions including on accuracy, trust and impartiality.⁵⁴ We look at other metrics, including hours of, and spend on, content, as well as how many and what types of people use BBC news, and on which platforms. We also draw on external sources such as the Reuters Institute for the Study of Journalism.

Some of the key metrics we use to inform our assessment on this purpose are shown on the following page. All the supporting data that we use to inform our assessment can be found in the accompanying [interactive performance report](#): refer to the Purpose 1 section.

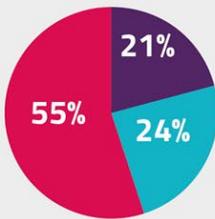
⁵⁴ Our annual News Consumption Survey has been affected by Covid-19 as we have been unable to carry out face-to-face interviews in 2020/21. The changes in methodology mean that overall comparisons cannot be made with previous surveys. However, in order to be able to make some comparisons, the online sample from this year and last year have been compared for some metrics in the News Consumption Survey. These are highlighted in the section.

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

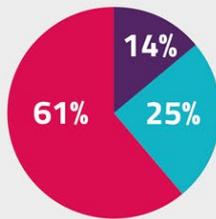
Audience* scores out of 10 for impartiality of BBC news sources

*Online sample only

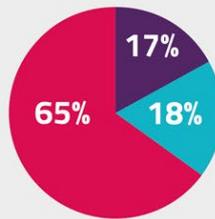
1-4 low 5-6 medium 7-10 high



2021 BBC TV



2021 BBC radio



2021 BBC website/app

Reach of BBC news sources



Reach of top news sources across any platform



Total news and current affairs hours



Total news and current affairs spend



Top 3 most important news sources



of users rated BBC news highly for providing Covid-19 news

⁵⁵ Sources used in dashboard: Ofcom 2021 and 2020 News Consumption Survey (online samples only - data not comparable to previous reports). For the purpose of the graphic, the pie charts are the same size so are not representative of the number of regular users of each source (Bases: TV 2165, radio 1082 website/app 1004); Ofcom analysis of BBC data. Data is converted to CPI using 2020 prices and includes nations' and regions programming; BARB; BBC Research: Compass by Ipsos MORI; Arrows indicate statistically significant differences between 2021 and 2020.

Context for our assessment

During the Charter period, in 2019, we conducted a detailed [review of BBC news and current affairs \(News Review\)](#) which assessed how well the BBC was delivering Purpose 1 for audiences. We did this because we wanted to understand more about why audiences rated the BBC lower on aspects such as its depth of analysis and due impartiality. The key findings and recommendations were:

- Accurate news provision must continue to be the main priority for the BBC;
- the BBC should have greater confidence in how it achieves due impartiality;
- the BBC should be better at representing the whole of the UK with authentic news and current affairs content that feels relevant and engaging to all audiences;
- the BBC should publish the steps it is taking, in particular with its online content, to help all audiences – especially younger people – to understand and engage with the world around them; and
- we said that we would review the BBC’s performance in how it links to online sources outside the BBC.⁵⁶

We comment on the BBC’s progress against these actions in our assessment.⁵⁷

In November 2020 the BBC Board appointed Lord Dyson to lead the investigation into the circumstances around the 1995 *Panorama* interview with Diana, Princess of Wales, conducted by Martin Bashir. In response to the report, [published](#) in May this year, Tim Davie said *“it is clear that the process for securing the interview fell far short of what audiences have a right to expect.”* In the BBC Annual Report and Accounts this year, both the Chairman and the Director-General apologised for these failings and confirmed that they were *“reviewing the effectiveness of their editorial policies and governance in detail”*. The [Serota Review](#), published in October this year, examined the editorial practices, governance and culture of the BBC and provided recommendations to help content makers and lead to improvements. It concluded: *“if the BBC is to maintain the trust of audiences, it must set the benchmark for editorial excellence across the world”*. We comment more on the findings of the Serota Review in the [Content Standards](#) section of this report.

Covid-19 has shaped the news agenda and has affected how news has been delivered and consumed over the past year. The importance of news was underlined by data, the policies that were reported and their direct impact on people’s daily lives. This has inevitably sharpened the focus on, and public scrutiny of, the BBC’s role as a trusted public service broadcaster and in particular its delivery of impartial news and information.

Performance assessment

Over the course of the Charter period most of the UK population used BBC news

Despite the increasing popularity of online news, TV is still the main way many people get their news: 79% access it this way.⁵⁸ We found in our 2019 News Review that the BBC was the UK’s

⁵⁶ We said the BBC had addressed this recommendation in our 2019/20 BBC Annual Report and report on performance against the relevant Operating Licence condition in our [Compliance Annex](#).

⁵⁷ As we noted in our last Annual Report, the BBC responded to our recommendations in its 2020/21 Annual Plan.

⁵⁸ Ofcom 2021 News Consumption Survey.

primary source for news, and this remains the case: it reached 80% of online adults in 2020/21.⁵⁹ However, there continues to be a difference in the extent to which the BBC engages different types of people, with those in DE households⁶⁰ less likely to use any BBC news than those in AB households.⁶¹

As in previous years, BBC One was the most used individual news source, reaching 62% of online adults.⁶² This year there were increases in the reach of BBC TV news across all age groups,⁶³ and in the reach of the BBC website/app.⁶⁴ In contrast, we reported in [Media Nations](#) that overall radio listening was affected because there was less out-of-home listening due to the imposed lockdowns, resulting in a decline in the overall use of BBC radio for news.⁶⁵

The BBC's online news services have performed strongly this year

The average weekly reach of the BBC News website has increased across all demographics this year (from 29% of adults 16+ in 2019/20 to 36% in 2020/21).⁶⁶ This year's News Consumption Survey found that a greater proportion (11%) of adults who follow news selected the BBC website/app as their single most important source than did so last year (8%).⁶⁷ BBC News had a stronger presence on YouTube this year, posting 60% more videos than in the previous financial year; the total number of UK views of those videos has doubled since last year.⁶⁸ We expect Covid-19 has been the primary driver for some of these changes.

In our last Annual Report we referred to the BBC's plans to update the BBC News app to improve personalisation, and we said that the BBC should consider how to tackle the concerns it had identified about the risk of an 'echo-chamber' effect, with news being selected on the basis of a user's pre-existing viewpoint. This year, the BBC has said that it has added more personalisation to the app, using location and broad interest categories to show local news, and to show different topics to different types of users. The BBC also told us what steps it had taken to avoid echo-chambers in a personalised experience; this includes improving the prominence of 'explainers' which give an 'impartial view of an issue'. The BBC said it continues to explore ways of managing personalisation, for instance in relation to coverage of challenging topics.

While our research finds that the claimed reach of news on BBC Sounds remains small⁶⁹ compared to other BBC sources, news and current affairs podcasts are popular among those using the service⁷⁰ with the *Americast* podcast proving particularly popular in the run-up to the 2020 US election, and

⁵⁹ Ofcom 2021 News Consumption Survey online sample only.

⁶⁰ 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.

⁶¹ Ofcom 2021 News Consumption Survey online sample only.

⁶² Ofcom 2021 News Consumption Survey online sample only.

⁶³ BARB - average weekly reach (3+ minutes) to the national/international news genre.

⁶⁴ BBC research: Compass by Ipsos MORI, 16+

⁶⁵ Ofcom 2021 News Consumption Survey online sample only.

⁶⁶ BBC research: Compass by Ipsos MORI, 16+

⁶⁷ Ofcom 2020 and 2021 News Consumption Survey online samples only.

⁶⁸ BBC data.

⁶⁹ Ofcom 2021 News Consumption Survey online sample only.

⁷⁰ Ofcom Podcast Survey, March 2021.

the immediate aftermath.⁷¹ This follows other iterations of the same format that have proved a success for the BBC, such as *News* and *Brexitcast*.

The BBC continues its efforts to reach young audiences

We have said in previous Annual Reports and in our News Review that the BBC has an opportunity to better serve all audiences with its online news, in particular young people. This year the average weekly reach of the BBC News website/app among 16-34s has increased compared to last year (36% vs 31%).⁷² The BBC also provides other news output tailored for young people. For example, *Newsbeat*, on BBC Radio 1, provides targeted news content for young people every weekday, twice a day. In addition, we note [the BBC's plan](#) to have nightly news bulletins, tailored to the interests of young people and presented by young people on the broadcast BBC Three channel which we have agreed it can relaunch. Although the pandemic has delayed some of the BBC's plans, it has been making use of its [Next Generation Committee](#) to help feed into news stories and make them more appealing to younger audiences.

The BBC's Covid-19 news was highly rated and kept audiences informed

As a trusted source, the BBC, alongside the other PSBs, played an important role during the pandemic in ensuring that citizens across the UK were kept informed with up-to-date, accurate news.⁷³ Broadcasters adapted in order to continue delivering the news, especially during national lockdowns, and PSBs collaborated and learnt from each other during this time.⁷⁴ BBC local radio in England shared output between stations to help with staffing restrictions, and created three temporary local radio outputs for audiences in Bradford, Wolverhampton and Sunderland in response to the pandemic. The BBC also shared some of its local radio content, including news bulletins, with Community Media Association radio station partners. Large majorities of regular users of BBC news services believed the BBC was 'good for providing news about Covid-19' and 'good for helping to understand Covid-19 restrictions'.⁷⁵



⁷¹ BBC data: AT Internet.

⁷² BBC research: Compass by Ipsos MORI.

⁷³ [Ofcom Covid-19 news and information tracker: consumption and attitudes.](#)

⁷⁴ [Coronavirus is changing journalism. Will its impact on newsrooms last?](#)

⁷⁵ Ofcom 2021 News Consumption Survey online sample only.

Although audiences rate BBC news highly for trust and accuracy, as in previous years, they continue to be less favourable about impartiality

As we said in our News Review, maintaining a focus on accurate news provision is the best way for the BBC to retain and strengthen its reputation. This year, and over the Charter period to date, we have found that regular viewers continue to rate BBC TV news highly for trust and its accuracy.⁷⁶ In our research, we also ask regular viewers of different TV channels the extent to which they perceive those channels to be impartial. The findings consistently show that although more than half of viewers of BBC TV news rate it highly for impartiality, the proportion rating it highly is lower than for other channels. For example, 63% of viewers of ITV news scored it highly for delivering impartial news compared to 55% of viewers of BBC TV news.⁷⁷ However, our research indicates that BBC TV has a much greater number of regular news viewers than other TV channels, and therefore more people who consider it impartial. For example, BBC TV has an estimated 19.6 million regular viewers of news who believe it is highly impartial, compared to 14.2 million for ITV.⁷⁸

We note from our research that the BBC website/app and BBC radio both perform better in terms of perceptions of impartiality than BBC TV: 65% of BBC website/app regular news users rated it highly, and 61% of BBC radio regular news users rated it highly. The BBC website/app also saw its performance on impartiality improve compared to last year. It is possible that this is due to the differences in audience engagement with the platforms. BBC One news bulletin programmes reach a broad audience with selected key stories reported, whereas users of the BBC News website/app can select the stories they want. This is also in line with the findings of our BBC Performance Tracker, which show that users of BBC websites/apps are the most satisfied, followed by BBC radio listeners and then BBC TV viewers.

We note that the BBC has been working in partnership to tackle disinformation to support audience trust in news:

Combatting the spread of harmful disinformation with the Trusted News Initiative

The Trusted News Initiative (TNI), a global coalition of news organisations and technology platforms led by the BBC, has continued to work together to fight harmful disinformation. Its 'fast alert' system operated during the US Presidential Election to tackle disinformation. The system was also used when a Covid-19 conspiracy group urged people to attack 5G infrastructure in several countries. In March this year, the TNI hosted a conference on Trust in News, at which it presented the preliminary findings of research designed to give a solid evidence base into the best ways of addressing fake news.

⁷⁶ Ofcom 2021 News Consumption Survey online sample only: 71% of regular viewers of BBC TV news rate it highly for accuracy, and 68% rate it highly for trust.

⁷⁷ Ofcom 2021 News Consumption Survey online sample only (regular viewers of news on each channel). See [interactive performance report](#) Purpose 1 Television section for full comparison.

⁷⁸ We estimate that between 18.4 and 20.8 million regular viewers of BBC TV news believe it is highly impartial and between 13.1 and 15.4 million regular viewers of ITV news believe it is highly impartial. See [interactive performance report](#) News Consumption Survey source page for the methodology for these estimates.

The concept of 'due impartiality' is complex

As we said in our News Review, 'due' is an important qualification in the concept of impartiality. Impartiality itself means not favouring one side over another. '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 and every facet of every argument has to be presented. The approach to due impartiality can vary depending on the service and likely audience expectations. Context is always important.

Due impartiality is a complex area which broadcasters can use a range of editorial techniques to achieve. Our research on audience perceptions of due impartiality also shows a complex picture. For example, in our News Review we found that audience perceptions of impartiality were influenced by a number of factors, many of which were unrelated to the BBC's news and current affairs content. In the [section on Content Standards](#), we discuss how due impartiality standards have been enforced under the BBC First system during the year and over the Charter period to date.

[Research](#) by the Reuters Institute demonstrates that, while there is still significant support for the idea of news outlets being 'neutral on every issue' (53%), there are also significant proportions of audiences who feel there are some issues where it 'makes no sense for news outlets to try to be neutral' (28%) or who don't know what their view is (18%). Another recently [published report](#) on the relevance of impartiality found that the idea of impartiality is not straightforward for audiences, and that age, media literacy and political outlook are all important determinants of views on impartiality, with different groups holding diverging views on where impartiality is appropriate. The report also argues that trust in public service brands is built on their adherence to impartiality guidelines, and that maintaining impartiality is a "fragile balancing act" with little required to upset it in the eyes of audiences.

As indicated above, audiences' perceptions of the BBC's approach to due impartiality have been an issue for the BBC throughout the period.⁷⁹ How the BBC performs on this subject can have a wider impact than simply Purpose 1 delivery, and it is important for the BBC to demonstrate that it is addressing this. Among audiences who felt that the quality of the BBC's informative programmes and content had fallen since Covid-19, their perception of bias in its news coverage was an important factor, while those who felt that the content had improved since then said it was because they perceived the BBC's coverage as reliable, accurate and unbiased.⁸⁰

"The BBC has always provided in-depth/unbiased and accurate reports and has never been more useful than during the pandemic"⁸¹
(Male, 65+, C1C2 household, Northern Ireland)

⁷⁹ Audience ratings for the impartiality of BBC TV news declined over the first three years of the Charter period but were steady this year; it has consistently been one of the lower-scoring aspects of BBC TV news' performance.

⁸⁰ Ofcom BBC Covid-19 Research.

⁸¹ Ofcom BBC Covid-19 Research.

Given the importance of the BBC in providing duly impartial content to audiences, and the complexity of this issue, in the coming year we will be building on the detailed research we published in 2019 to add to our understanding of audiences' current attitudes. We plan to publish this in spring 2022.

The BBC Director-General has emphasised that renewing the BBC's commitment to impartiality is his first priority

The BBC said in its Annual Report and Accounts this year that impartiality is one of its strategic priorities, and that it has built on its commitment to impartiality with the following actions:

- Introducing new impartiality guidelines for staff, as well as new social media rules.
- Rolling out impartiality training across the organisation.
- Introducing new rules on declaring external engagements for colleagues working in journalism, presenters, on-air staff and senior leaders.

The BBC subsequently published its [impartiality and editorial standards action plan](#) in response to the Serota Review. In this plan it describes due impartiality as being "*at the heart of the BBC's Mission and Public Purposes*" and sets out what it describes as the second phase of action on impartiality, with actions to:

1. Continue to deepen the understanding of impartiality across the organisation.
2. Challenge itself creatively to ensure it reflects a wide range of viewpoints.
3. Ensure that it is meeting the highest standards on impartiality across its output.
4. Enhance day-to-day governance and accountability to ensure change is delivered.

The BBC has also, in this plan, made specific commitments to begin a series of regular published thematic reviews of the due impartiality of output in key areas of public debate, and to initiate a series of internal programme and content reviews of key news and current affairs (and relevant factual) output. The BBC adds that it will track its delivery of the actions in this plan, conduct more social media perception reporting and monitor delivery of the impartiality training programme.

We welcome the BBC's commitment to enhance accountability and track progress in delivering each action in the plan. We also welcome the BBC's own ongoing, in-depth research in this area, as well as its commitment to further research, both independent and internal, as part of its impartiality action plan. It will be critical that the BBC rigorously holds itself to account in how it delivers the actions it has set out and transparently reports on progress.

Given that there is an apparent disparity between audience attitudes about the BBC's impartiality and its good record of compliance with the due impartiality broadcasting rules, it is important for the BBC to find creative and engaging ways of delivering – and demonstrating – to audiences its commitment and approach to due impartiality, in order to retain audience trust. We will be following up with the BBC on its action plan and will continue to monitor the impact of the steps taken by the BBC and its performance in the wake of the review.

The BBC must hold itself accountable to its commitment to increase the impact of its journalism across the nations and regions

Among online adults who follow news, reach of BBC regional/local TV broadcasts (50%) and BBC local/nations' radio bulletins (13%) is consistent with last year, and the proportions satisfied with this output also remain high, with 82% of adults who follow news on BBC regional TV and 80% of

adults who follow news on BBC nations' or local radio satisfied with the quality of the local news they provide.⁸² However, as in previous years, audiences in Scotland are less satisfied than other parts of the UK with some aspects of BBC news.⁸³

We note that the BBC published its [Across the UK](#) plan in March this year. This document sets out the BBC's five-year plan to move significant parts of BBC News to centres across the UK, with half of the UK-focused teams to be based, all or in part, around the UK, with various teams moving to Cardiff, Glasgow, Leeds, Birmingham and Salford. According to the BBC, this plan will ensure that it covers stories that matter to audiences across the UK, more effectively represents different voices and perspectives and increases the impact of its journalism. In our News Review, our research highlighted that BBC news is seen by some as representing a White, middle-class and London-centric point of view. There was a perceived lack of diversity among BBC reporters and presenters, and a lack of different viewpoints. As set out in the [overview](#), the BBC must hold itself accountable as it implements this strategy, by setting out how it will measure its success and report on its impact.

Differing policies relating to Covid-19 guidance in the devolved nations have highlighted the importance of regional news and current affairs. However, current affairs hours have been particularly affected over the past year, in part due to Covid-19. In England the cancellation of *Inside Out*, which accounted for more than a third of all hours of regional current affairs content in England in 2019, contributed to a significant fall in hours.⁸⁴ We note that [BBC England has commissioned](#) a new current affairs series for BBC One which will have six regional versions made in regional hubs and will launch in January 2022. In Wales and Northern Ireland, current affairs hours have also fallen year on year, while remaining consistent in Scotland. There has also been a significant reduction in total news and current affairs spend from £344m to £294m this year, with spend on this content for the nations and regions falling by a larger proportion than network spend.⁸⁵ We will continue to monitor this given these declines are likely driven by Covid-19.

We have commissioned further analysis, looking at regional news provision in different parts of the UK, which we hope to publish early next year. We will take this work into account when assessing how well different audiences across the UK are served.

Operating Licence conditions

Alongside our broader performance assessment, we also consider the BBC's performance against the specific news requirements set out in the Operating Licence. This year, due to Covid-19, the BBC missed three conditions related to the provision of news on BBC Radio 1, BBC Radio 1Xtra and BBC Asian Network. The latter two were also missed in the last few weeks of 2019/20. Additionally, there was a technical breach related to the provision of news on CBBC due to the BBC making seasonal changes to its schedule around Christmas⁸⁶; otherwise the BBC has met its requirements related to this purpose. See the [Compliance Annex](#) for a full assessment of the Operating Licence requirements.

⁸² Ofcom 2021 News Consumption Survey online sample only.

⁸³ Ofcom BBC Performance Tracker 2020/21.

⁸⁴ Ofcom analysis of BBC transmissions data.

⁸⁵ Ofcom analysis of BBC data. Total news and current affairs spend is expressed in real terms using 2020 prices and includes network and nations' and regions' programming.

⁸⁶ Note that analysis of the provision of news on CBBC is discussed in the Purpose 2 section of this report.

Public Purpose 2: learning

This section sets out our review of the BBC's performance in delivering Purpose 2 in 2020/21 and how it has met this purpose since the start of the Charter period. Our findings are set out in four broad areas: children's, formal and informal learning, adults' informal learning, and partnerships. The delivery of this purpose has been consistently well-rated by audiences, and in particular this year the BBC has stepped up to fill the gap when schools were closed.

***The Royal Charter states:** The BBC should help everyone learn about different subjects in ways they will find accessible, engaging, inspiring and challenging. The BBC should provide specialist educational content to help support learning for children and teenagers across the United Kingdom. It should encourage people to explore new subjects and participate in new activities through partnerships with educational, sporting and cultural institutions.*

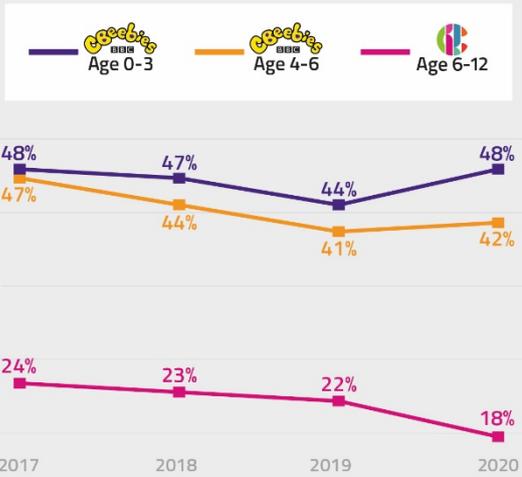
How we do our assessment

During 2020/21 we agreed to change the Operating Licence with respect to the provision of news for children, and to provide greater flexibility to allow the BBC to meet its first-run originations quota with some BBC iPlayer-only content. We look at the impact of both these changes in this section.

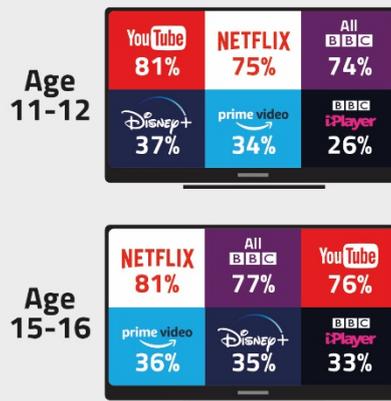
This year we undertook specific audience research on how the BBC responded to Covid-19; we draw on this for our assessment of Purpose 2. We talked to parents and children to gather views on how the BBC delivers this purpose, and we looked at consumption habits and the use of BBC educational content. This year, we commissioned a new Teens Tracker to provide an understanding of media consumption and attitudes, perceptions of different BBC services and brand awareness among UK secondary school children aged 11 to 16.

Some of the key metrics we use to inform our assessment on this purpose are shown on the following page. All the supporting data that we use to inform our assessment can be found in the accompanying [interactive performance report](#): refer to the Purpose 2 section.

Weekly audience reach of CBeebies and CBBC



Use of services by children



Weekly reach of BBC Bitesize



Words to describe Bitesize



Overall purpose 2 perceptions

- 64% POSITIVE** Programmes and content that help people to learn about new things
- 54% POSITIVE** Explores issues and ideas that people may not have come across before
- 52% POSITIVE** Inspires people to try new activities, hobbies or interests

68% of parents with children under 16 believe the BBC supports younger children with their learning

60% of parents with children under 16 believe the BBC supports teenagers with their learning



Purpose 2: To support learning for people of all ages

First-run network hours of BBC informal learning



⁸⁷ Sources used in dashboard: BARB; BBC Weekly Unique UK Browsers (DAX) / Visitors (ATI); Ofcom BBC Teens Tracker 2020/21; Ofcom BBC Performance Tracker 2020/21; Ofcom analysis of BBC data.

Performance assessment

Formal learning

The BBC has delivered the ‘biggest education offer’ in its history, which was very highly used and well perceived by audiences

Data from the BBC shows that BBC Bitesize increased its reach in 2020/21 to 2.7 million average weekly browsers, up from 1.7 million in 2019/20,⁸⁸ and saw a sharp increase in use by primary-age pupils, with use increasing from 38% of pupils in 2019/20 to 67% this year.⁸⁹ The number of secondary school pupils using BBC Bitesize also increased, although more moderately, as use was already high (up from 73% of pupils to 77%).⁹⁰

Our own research showed that more than half of secondary school children used BBC Bitesize to help with schoolwork during lockdowns, although use of BBC Bitesize was more likely in AB households (69%) than in DE households (45%), and less likely in Wales (46%).⁹¹

The BBC’s ‘Lockdown Learning’ offering brought a record number of browsers to the BBC Bitesize website during its launch week in January this year. The BBC responded in a quick and innovative way to school closures; responding to the importance of providing services to children without online access, the BBC provided five hours of curriculum-linked learning every weekday across CBBC and BBC Two. It also adapted its offering for the curricula of the different nations. The BBC’s ‘*Make a Difference*’ campaign connected people with charities working to provide devices to children, and BBC Bitesize partnered with a range of organisations including the Premier League and Puffin Books to enhance its provision. By the end of the summer term, the BBC had published nearly 2,000 curriculum-led *Bitesize Daily* lessons online; in the first week of school closures in January there were nearly 1 million requests for *Bitesize Daily* programmes.⁹²

This year, perceptions of BBC Bitesize have been high: when asked to choose any words to describe BBC Bitesize, almost half of children aged 11-16 who provided any words said that it was helpful, while around one in five described it as fun, easy or informative.⁹³ Six in ten 11-16s who used BBC Bitesize during a lockdown said they would miss it if it was no longer available.⁹⁴ Parents of under-16s have also had positive perceptions of the BBC’s education offering, with 68% agreeing that it supported younger children with their learning, and 60% saying it supported teenagers with their learning.⁹⁵ Our research has consistently shown that audiences are positive about the BBC’s education provision: from 2017 to March 2020,⁹⁶ 82% of users each year have agreed that BBC Bitesize offered them something that others providers of educational content did not, and over the same period the majority of parents have agreed that the BBC supports younger children and

⁸⁸ BBC Weekly Unique UK Browsers (DAX) / Visitors (ATI). BBC BITESIZE (web and app). April 2019-March 2020, April 2020-March 2021. Note that 2020/21 had 25 weeks of school closures compared to 1 week for 2019/20.

⁸⁹ BBC Annual Report and Accounts, 2020/21.

⁹⁰ BBC Annual Report and Accounts 2020/21; BBC research: DJS Teacher and School Student Tracker.

⁹¹ Ofcom BBC Teens Tracker 2020/21.

⁹² BBC Annual Report and Accounts 2020/21.

⁹³ Ofcom BBC Teens Tracker 2020/21.

⁹⁴ Ofcom BBC Teens Tracker 2020/21.

⁹⁵ Ofcom BBC Performance Tracker 2020/21.

⁹⁶ Ofcom BBC Performance Tracker 2020/21. This question was not asked in 2020/21; 2017/2018 86%, 2018/19 82%, 2019/20 90%.

teenagers with their learning.⁹⁷ Use of BBC Bitesize is strongly aligned to those who have positive attitudes of the BBC as a whole; four in ten children we surveyed said they would miss the BBC if it was not there anymore, rising to nearly six in ten who have used BBC Bitesize during lockdown, suggesting a stronger relationship with the BBC amongst BBC Bitesize users.⁹⁸

The BBC also provides BBC Teach, which offers curriculum resources to help teachers plan lessons. Its use almost tripled across the 2020/21 period compared to the previous year.⁹⁹

'It provided urgently needed school programmes for children when the schools were closed due to Covid.'¹⁰⁰

(Female, 55-64, DE household, East Midlands)

'Home School History on Radio 4 and BBC Two's Bitesize Daily showed innovation and support to parents.'¹⁰¹

(Male, 45-54, DE household, south-west England)



During the Charter period the BBC has undertaken a major review of BBC Bitesize and has subsequently expanded its content. Perceptions have remained high throughout

In our first Annual Report on the BBC, we noted that use of BBC Bitesize had declined at the start of 2018; subsequently, the BBC carried out a major review of BBC Bitesize during 2018/19. The initial developments focused on technology developments to improve user experience and personalisation, whereas later changes focused on expanding learning content, providing content on career options, and supporting students outside the curriculum. In 2019/20 the BBC launched

⁹⁷ Ofcom BBC Performance Tracker 2020/21.

⁹⁸ Ofcom BBC Teens Tracker 2020/21.

⁹⁹ In 2020/21 it was used by an average of 342k unique browser each week, compared to the previous years' 121k. Weekly Unique UK Browsers (DAX) / Visitors (ATI). BBC Teach. Note that 20/21 had 25 weeks of school closures compared to 1 week for 19/20.

¹⁰⁰ Ofcom BBC Covid-19 research.

¹⁰¹ Ofcom BBC Covid-19 research.

Bitesize Careers and Bitesize Support and expanded its nations' content. It continued to be well-received following these changes.¹⁰²

The BBC has told us that it plans to reflect on what it has learnt during the Covid-19 period as part of its thinking about its future plans for BBC Bitesize. More broadly, the success and popularity of the BBC's educational content during the Covid-19 period gives the BBC the opportunity to build on this success to retain young audiences in the longer term.

Adults' informal learning

The BBC provides a wide range of informal learning programming

The BBC provides content that supports adults' learning, including factual content across a range of genres such as arts, religion, history and science, across TV, radio and online (we consider these genres in further detail in the [Purpose 3 section](#) of this report).

The BBC provides a wider range of such content than the other PSBs: in 2020 it provided more hours of total and first-run informal learning programmes on TV, and the BBC's output was more evenly spread across the range of informal learning genres. Thirty-seven per cent of its first-run informal learning hours were documentaries, 20% were arts and classical music and 17% were on nature and wildlife.¹⁰³

Analysis of the categories of programmes available on BBC iPlayer and from SVoD providers shows that informal learning content accounts for a higher proportion of content available from the BBC: we estimate that in 2020 13% of the hours available on BBC iPlayer were specialist factual, compared to 8% on SVoD platforms.¹⁰⁴

Different sub-genres and topics of programming can appeal to different audience groups, so a wide range of informal learning programming is important to allow the BBC to appeal to all audiences. On TV, the BBC's informal learning programming is more likely to be watched by older audiences, White audiences and disabled audiences. However, on TV, there has been a continued decline over the Charter period in first-run hours of informal learning programming

The total number of hours of informal learning content on TV has declined for the third consecutive year (from 5,411 hours in 2017 to 5,224 hours in 2020). Hours of first-run informal learning content have declined to a greater extent, falling by 11% between 2017 and 2019, and by 12% in 2020 (although Covid-19 has had an impact this year). The proportion of repeats has grown over the period. Arts and classical music, and history first-run programming, have had some of the largest falls in hours over the last few years.¹⁰⁵

Overall viewing of informal learning programming also fell this year, with viewing down among all adult age groups.¹⁰⁶

¹⁰² BBC data: AT Internet Weekly Unique UK Browsers (DAX) / Visitors (ATI) BBC Bitesize web/app

¹⁰³ Ofcom analysis of broadcaster data.

¹⁰⁴ Ofcom analysis of Ampere Analysis Analytics data. Genre reclassifications of Ampere data estimated and applied by Ofcom. SVoD percentages are expressed at a total SVoD level and exclude titles where the primary production company is the BBC to avoid double counting content.

¹⁰⁵ Ofcom analysis of BBC data.

¹⁰⁶ BARB.

Since 2017 audience perceptions about the BBC’s educational provision have remained positive

Audiences have continued to rate the BBC’s provision of informal learning content highly: this year, the majority of adults agreed that the BBC ‘explores issues and ideas that people may not have come across before’ and ‘inspires people to try new activities, hobbies or interests’. In previous years, audiences have rated highly statements such as ‘programmes and content that are informative’ and ‘programmes and content that are inspirational’.¹⁰⁷ See the Purpose 2 section of the [interactive performance report](#).

The BBC also provides informal learning content on radio and online

Online content is now more likely to be made available on BBC iPlayer, BBC Sounds and on the BBC News website and app, than on dedicated parts of the BBC website. On radio, the BBC provides a range of programming including regular strands such as *Front Row* on BBC Radio 4, *Free Thinking* on BBC Radio 3 and *Good Morning Sunday* on BBC Radio 2, as well as a range of documentary and other output. Around 60% of BBC Sounds users say that they listen to educational podcasts,¹⁰⁸ and titles such as *You’re Dead to Me* and *In Our Time* were among the most popular for on-demand listening.¹⁰⁹

However, understanding the performance of this content is challenging, as there is limited publicly available information about its impact; unlike BARB data for TV, we do not have the same degree of detail for radio, online and on-demand; we rely on the BBC to provide information here.

The BBC undertakes internal reporting on the impact of its output, including tracking measures related to informal learning, such as whether programmes were thought-provoking and whether audiences felt that they learnt something new or did something new as a result of the programmes they watched or listened to. The BBC also looks at case studies of how content has delivered impact; recent examples have included *Gardeners’ World* and *Winter Walks* (through a focus on ‘experiencing nature virtually’), both of which scored highly for ‘audiences doing something new’¹¹⁰.



¹⁰⁷ Ofcom BBC Performance Tracker. Note: there were changes to the wording of some statements in 2020/21.

¹⁰⁸ Ofcom Podcast Survey, March 2021.

¹⁰⁹ BBC data: AT Internet

¹¹⁰ BBC internal data.

In future, we would like to see the BBC report in more detail about its provision and the impact of informal learning content for adults

Despite this internal measurement and reporting, the BBC does not provide a dedicated assessment of this aspect of Purpose 2 in its Annual Report and Accounts. This is an important area for audiences and overall society, and it contributes to the BBC's distinctiveness: we think that the BBC could do more to demonstrate and report on the impact of its informal learning content.

Children's informal learning

CBBC and CBeebies are the most-viewed children's TV channels among their target audiences. However, over the Charter period to date, their reach has declined

Reach of the CBBC channel on TV among 6-12 year-olds fell from 24% in 2017 to 18% in 2020. The reach of CBeebies (among 0-6s)¹¹¹ is higher, at 45% but has also fallen since 2017. Decreases have been seen to most children's channels and CBBC and CBeebies are still the most popular children's channels for their target audience. The time children are spending with the channels is also falling.¹¹² The BBC [announced in February 2021](#) that it was seeking a piece of content that would be like a 'UK version of The Simpsons' for children in a drive to support home-grown animated series. Although outside the reporting year, the BBC has announced its '[Ignite](#)' initiative to find the "UK's next animation hit". The BBC has set out its plans to tackle the decline in viewing of CBBC, which include introducing more animated programmes, which it sees as important for delivering appeal, fun and entertainment.

In 2017/18 the BBC announced a £34m investment in children's content, which it told us it used to fund an enhanced online offering, including the development of new apps for CBeebies and CBBC and games such as *Nightfall*. As such, there was a year-on-year increase for both CBeebies and CBBC in average numbers of weekly visitors using games,¹¹³ and CBeebies apps such as *Go Explore* and *Playtime Island* had large increases in average weekly browsers.¹¹⁴

A large proportion of CBBC and CBeebies viewing is via BBC iPlayer

According to BBC data, in March 2021 viewing via BBC iPlayer made up around 38% of total CBeebies viewing, up from 30% in April 2020. The figure for CBBC is higher, at around half of all viewing, although it has changed less over the period.¹¹⁵ This is a considerably higher proportion of viewing to those channels via BBC iPlayer compared to our estimates for total BBC viewing by all individuals through BBC iPlayer, at 12%.¹¹⁶

Both CBBC and CBeebies had record levels of BBC iPlayer requests this year. There were 30 million average weekly CBeebies iPlayer requests in Q1 2021, up strongly on the previous year. Requests for CBBC content were more stable but were also at record levels during the year, with around 9 million weekly requests in Q2 2020.¹¹⁷ Overall use of BBC iPlayer is high among children and has increased in

¹¹¹ Age 0-3 uses the BARB audience 'Houseperson with children aged 0-3' as a proxy for this audience.

¹¹² BARB 28-day consolidated viewing, within the channels' transmission times.

¹¹³ BBC data AT Internet.

¹¹⁴ BBC data AT Internet.

¹¹⁵ BBC data based on deduplicated viewer minutes modelled from BARB/AT Internet

¹¹⁶ Ofcom estimates using BARB (including Dovetail and non-linear) and BBC iPlayer 4 screens data, all individuals (4+).

¹¹⁷ BBC data: AV Analytics.

recent years: in Q1 2021 it was used by 39% of 0-12 year olds and almost 40% of 13-15 year olds on average per week.¹¹⁸

Although the BBC has had some success in improving its online provision, it will need to continue to evolve its offering, as the overall reach of BBC children’s services has fallen this year

Although the BBC still reached around half (51%) of children aged 6-12 on average each week across its children’s services¹¹⁹ in 2020/21, this was down from 58% last year. However, this was similar to its reach to children in 2018/19 (52%). Among 0-6s almost three-quarters (73%) used the BBC’s children’s services, down from 79% last year. While there were increases in use of the children’s websites and apps, and BBC iPlayer, among both age groups, this has not made up for the decline in TV viewing by children, which has driven the overall decline for reach across children’s services. Despite this, the TV channels remain the most popular way of consuming BBC children’s content on the BBC.¹²⁰



With the growing consumption and widening choice of online content, it is important that children can watch and access BBC content wherever they want, whether that is through the BBC website, BBC iPlayer or BBC apps. As set out below, in 2020 we agreed to give the BBC greater flexibility in where it shows its new first-run content. Online provision will play a key part in this.

¹¹⁸ BBC research: Kids Cross-Media Insight by Ipsos MORI.

¹¹⁹ BBC children’s services include its TV channels (CBBC and CBeebies), children’s content on BBC iPlayer and BBC apps and games for children.

¹²⁰ BBC research: Kids Cross-Media Insight by Ipsos MORI.

Changes to BBC's Operating Licence regarding provision of children's content

In 2020, following a request by the BBC, we made changes to the BBC's Operating Licence.

In summary, we agreed to reduce the minimum amount of news that the BBC is required to broadcast on CBBC and to allow it to show news once a day rather than at intervals throughout the day. We also introduced a new condition which requires the BBC to provide daily children's news online. We agreed to reduce the first-run UK originations quota for CBBC and to enable the BBC to count children's content which is commissioned for, or made available only on, BBC iPlayer, towards its children's first-run UK originations quotas. Finally, we introduced new licence requirements to ensure that at least half of the first-run UK originated pre-teen and pre-school content which the BBC is required to provide is shown on the CBBC and CBeebies linear channels. Below we provide an assessment of the impact that these changes have had on audiences to date.

Newsround

The BBC has reduced news on the CBBC channel to one *Newsround* edition per day and has expanded the range of content on its website.

Since the changes were made, reach of *Newsround* online has increased: in the second half of 2020/21 it was used by 11% of 10-12 year-olds and 6% of 6-9s on average per week, where previously reach had been in decline. Almost three-quarters of school children aged 4-12 who had heard of *Newsround* said they watched it on TV. However, TV viewing figures from BARB tell us that only 14% of children aged 6-12 had watched at least one episode of *Newsround* on CBBC in the eight-month period since the number of episodes per day decreased, compared to 25% in the eight months before the change. Over 80% of *Newsround* users aged 4-12, for both TV and website, scored it at 4 or 5 out of 5 when asked how good it was as a source of news. This year, the BBC met its new Operating Licence condition relating to *Newsround* online.

The changes have not been in place long enough for us to conclude their overall effects, but we note that online reach has recently increased, and that there are positive perceptions of its delivery.

BBC iPlayer

Since these changes, the provision of BBC iPlayer-only first-run content has not changed much due to the Covid-19 impacts on production, with the pandemic causing the BBC to miss its licence condition for first-run UK originations on CBeebies/BBC iPlayer.

This year BBC iPlayer-only children's content has been focused on short-form content (less than 5 minutes) such as *Hey Duggee – Top of the Pups* on CBeebies, which received more than six million requests. There has been more BBC iPlayer-first content, with some CBBC content, with shows such as *My Mum Tracy Beaker* gaining a sizeable proportion of its total viewing from BBC iPlayer before its broadcast on the linear channel.

We will continue to monitor the impact of these changes to *Newsround* and BBC iPlayer.

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 public purposes, as they can amplify the BBC's message, offer expertise, and often help reach a wider audience.

The BBC undertook 555 partnerships this reporting year¹²¹

The BBC continues to participate in partnerships across a range of areas, including arts, children's and education, research and development, and radio and music. This year there was a large increase in the number of partnerships the BBC reported (up from 374 last year), but this was partly due to the inclusion of the activities of individual local radio stations in England, which were not included last year. This year, the BBC reported that it had undertaken 136 partnerships in England.¹²²

In future, partnerships could play a bigger role in the BBC's delivery of its Mission and Public Purposes, and it will become increasingly important for the BBC to be able to measure their impact

As set out in its Annual Report and Accounts, the BBC established a BBC partnership group in 2020 to "ensure [that its] key public service partnerships help the BBC deliver on its Public Purposes and other Charter obligations". The purpose of this group was to identify those responsible for the operation of partnerships across the BBC, to understand the entirety of its partnership work and to establish best practice. The BBC has recently appointed a new Director of Group Partnerships, reporting directly to the Director-General. The new role has a remit to increase the impact and value of the BBC's partnerships, both for its audiences and for the BBC's partner organisations. The BBC intends that in future it will have: a universal, best-practice approach to the operating of all creative partnerships; a strengthened focus on the evaluation of the effectiveness of its partnerships; and a partnerships strategy to support BBC corporate priorities. As set out in the [overview](#) because of the challenges the BBC is facing, it may need to take a more ambitious and open approach to genuine, strategic partnerships.

The BBC has told us that it intends the partnerships group to have a strengthened role in the setting of objectives for partnerships, identifying the highest-priority partnerships for the organisation, and bringing parts of the organisation together to amplify impact. It is also seeking to identify objectives and measures relating to the overall partnership strategy and the performance of the portfolio. It will be important for the BBC to be able to measure and demonstrate the effectiveness of the steps it plans to take once they are implemented.

We have previously noted in our Annual Reports that the BBC does not have a standard approach to measuring the impact of its partnerships, and that better information on this could show even more clearly how partnerships help the BBC meet its Mission and Public Purposes. We know that the BBC carries out analysis of the impact of its content, including in relation to some partnerships (e.g. the Couch to 5k app, in partnership between BBC Sport and Public Health England). Partnerships could be a powerful way for the BBC to amplify its role and its impact in the UK. Given this, and as that this is potentially an expanding area for the BBC, we encourage it to consider additional ways in which it can measure and explain publicly the impact of partnerships on UK audiences and citizens.

¹²¹ BBC Annual Report and Accounts 2020/21.

¹²² BBC Annual Report and Accounts 2020/21.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC's performance against the relevant Purpose 2 Operating Licence conditions. In every year except 2020/21, the BBC fully complied with the conditions. This year, the BBC did not meet the requirement for first-run UK originations for pre-school children on CBeebies and BBC iPlayer.¹²³ The BBC also missed two conditions relating to the provision of documentaries on BBC Radio 2 and live/specially recorded performances on BBC Radio 3. We are satisfied that these shortfalls were due to the pandemic. See the [Compliance Annex](#) for a full assessment of the Operating Licence requirements.

¹²³ Within the Operating Licence the condition (2.36) is listed under Public Purpose 3, but we reference it here as our wider performance assessment about CBeebies is included in this section.

Public Purpose 3: creative, high quality and distinctive output and services

This section sets out our review of the BBC's performance in delivering Purpose 3 in 2020/21 and how it has met this purpose since the start of the Charter period. We find that the BBC's services continue to maintain a distinctive position in the UK media landscape. However, it is critical that the BBC maintains its commitment to focusing on original UK content which is the foundation of the BBC's distinctiveness.

***The Royal Charter states:** The BBC should provide high-quality output in many different genres and across a range of services and platforms which sets the standard in the United Kingdom and internationally. Its services should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content.*

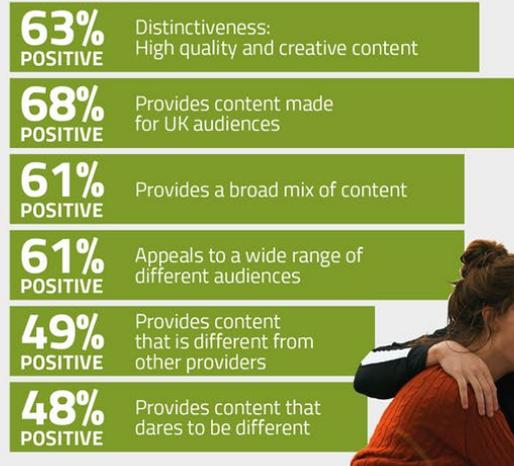
How we do our assessment

Distinctiveness is one of the more subjective of the purposes to assess. It is delivered across different services and types of programming and may be perceived differently by different audiences. We have used a 'basket' of measures to look at the distinctiveness of the BBC's services and content across the Charter period. These include: its mix of genres and output, the quality of this output, the amount of original, UK-produced programming, the level of risk-taking, innovation, and the range of audiences it serves.

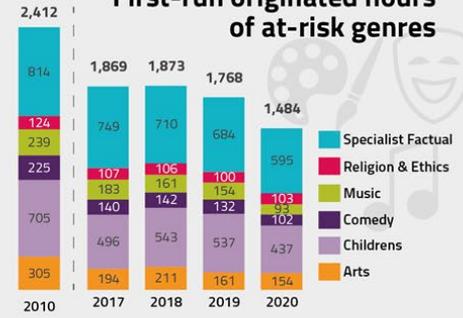
Our assessment considers the BBC as a whole, across these measures; we do not assess quality or distinctiveness of individual programmes or services.

Some of the key metrics we use to inform our assessment on this purpose are shown on the following page. All supporting data that we use to inform our assessment can be found in the accompanying [interactive performance report](#): refer to the Purpose 3 section.

Positive ratings of aspects of the BBC's distinctiveness among UK adults



First-run originated hours of at-risk genres

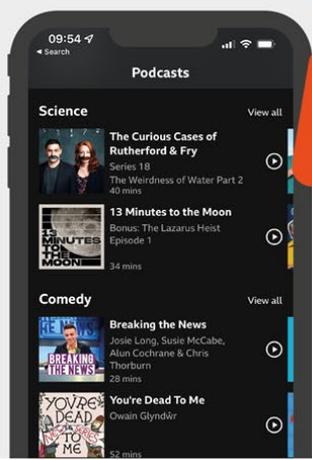


At-risk genres % of total hours



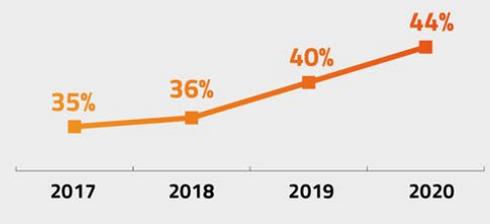
*Excluding BBC News and BBC Parliament

Weekly reach for the BBC's on-demand services



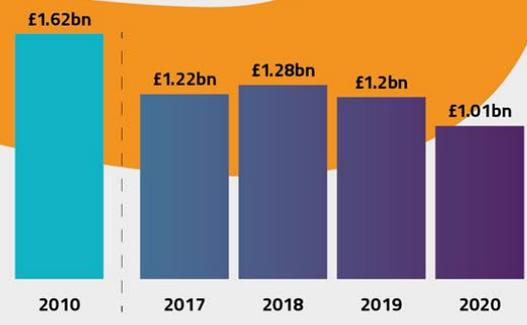
Purpose 3: To show the most creative, highest quality and distinctive output and services

Over a third of total PSB spend on external commissions is from the BBC



The **BBC** worked with **340** external producers in 2020

BBC spend on first-run UK originated network programming



¹²⁴ Sources used in dashboard: Ofcom BBC Performance Tracker; Ofcom analysis of broadcaster data; Ampere Analysis VoD catalogue data; Ofcom Audio Survey, March 2021.

Performance assessment

The BBC has consistently offered a wider range and mix of content than other UK broadcasters and video-on-demand services over the Charter period

Although there is an increasingly wide range of choice for audiences, overall, the BBC maintains a distinctive position in the UK media landscape. The breadth of content provided by the BBC is an important driver of the distinctiveness of its mainstream and specialist services. The BBC TV channels have a broader genre mix than other PSB channels or commercial channels, and it has largely maintained this throughout the Charter period.¹²⁵ BBC iPlayer also provides a wider genre mix when compared with other BVoD and SVoD providers, with more education, music, and news and current affairs programming, for example.¹²⁶ Audiences have consistently agreed on this across the Charter period – 61% rate the BBC highly for providing a broad mix of content.¹²⁷

The BBC's radio stations carry a mix of mainstream and specialist music genres, as well as a broad mix of speech content. The Operating Licence sets out requirements for the BBC's main radio stations. These include conditions that are designed to add to the services' distinctiveness, such as for a minimum amount of new music, including music from UK artists, original commissions and coverage of live performances and events. It also requires BBC Radio 1 and BBC Radio 2 to play a broader range of music than comparable providers. We have assessed the BBC's compliance with these requirements in the [Compliance Annex](#).

We have asked the BBC how, apart from the licence conditions, it secures the distinctiveness of its network radio services. In its response the BBC highlighted the amount of original content it commissions (such as in audio drama and comedy); the amount and depth of its news and current affairs coverage on BBC Radio 4 and BBC Radio 5 Live; and the range of sports covered on BBC Radio 5 Live.

The BBC serves a wide range of audiences, who rate it highly for its distinctiveness and quality

A broad mix of genres enables the BBC to reach a wide range of audiences. It continues to reach a large number of people across its TV, radio and online services, although the audience profile of the main broadcast services (BBC One, BBC Two, BBC Radio 2 and BBC Radio 4) tends to skew toward older and ABC1 households than comparative services. The BBC's network radio stations serve a range of audiences and have different audience profiles, both compared to each other and to commercial services.

The BBC is successful at bringing audiences together in large numbers, for instance through high-quality drama, news, and live events. For example, the latest series of *Line of Duty* had record ratings: the final episode had an average audience of 16.4 million people.¹²⁸ Live events such as the Euros 2020 and entertainment like *Strictly Come Dancing* regularly bring viewers together for a shared experience.

¹²⁵ The genre mix can be seen in detail in the Purpose 3 - Television - Availability section of the [interactive performance report](#).

¹²⁶ Ofcom analysis of Ampere Analysis data.

¹²⁷ Ofcom BBC Performance Tracker 2020/21.

¹²⁸ BARB consolidated viewing up to 28 days across TV and other devices.

Overall, audiences continue to rate the BBC highly for providing high quality and creative content – this year 63% of audiences agreed that the BBC does this well.¹²⁹ When asked how the BBC compared to other providers, 42% thought that the BBC was better at providing high quality TV content – more than double those who thought it was worse than other providers (19%). Over six in ten weekly BBC radio listeners consider the BBC is of higher quality and has a greater range of content than other providers.¹³⁰ As we have found over the Charter period, perceptions among audiences in DE households tend to be lower than those in AB households.

BBC radio stations were more likely to be rated as better rather than worse compared to other providers on aspects of Purpose 3 – particularly on whether the BBC ‘provides a broad mix of radio content’ and ‘provides high quality radio content’.¹³¹ Around half of BBC radio listeners agree BBC radio is better than others at providing radio content that is different. Perceptions, however, vary by listeners to different stations: for example, 46% of BBC Radio 2 listeners agreed compared to 62% of BBC Radio 4 listeners. The BBC told us that it undertakes internal research to understand audience views in this area, both at specific programme level (such as in terms of audience appreciation) and at service level.



The BBC has taken steps to develop stronger links with younger audiences

As we have noted in previous Annual Reports, younger audiences’ (children and 16-24 year olds) use of the BBC has been in decline and the BBC needs to do more to attract and retain them. Distinctive content and services which appeal to these audiences are crucial to this. The BBC is taking steps to respond to this challenge. The rate of decline in the reach of BBC TV to 16-24s slowed between 2019 and 2020, with viewing time stabilising. However, use of BBC TV in 2021 so far is below that seen in 2020, which suggests there may be a return to the previous pattern of a more pronounced decline in BBC TV viewing.

¹²⁹ Ofcom BBC Performance Tracker 2020/21.

¹³⁰ Ofcom BBC Performance Tracker 2020/21.

¹³¹ Ofcom BBC Performance Tracker 2020/21.

There are differences in attitudes towards the BBC among young people, depending on the frequency with which they use it. For example, 62% of 16-34 year olds say the BBC is important to them, but this rises to 73% for those that watch BBC TV weekly, and 77% for weekly radio listeners in this age group. Users of services targeted to 16-34s are also more likely to say the BBC is important – 74% of weekly BBC Radio 1 listeners and 82% of weekly BBC Three viewers.¹³² This illustrates that a distinctive range of services appealing to different audience groups is important to serve all audiences. We have agreed that the BBC can bring back BBC Three as a TV channel, which could be another important way for the BBC to reach young audiences. The BBC said in its [Public Interest Test](#) that the channel will help it reach young people who are light BBC TV users. It said these tend to be the same audiences it needs to do more for: audiences from lower socio-economic backgrounds, that live outside of London and the south east and those with less access to on-demand services.

The BBC's spend on original TV content produced in the UK has been in long-term decline, and fell sharply in 2020 due to Covid-19 restrictions and their impact on production

The BBC is uniquely placed and funded to sustain original programming made in the UK and for UK audiences. Original UK content is a cornerstone of how the BBC meets its Mission and Public Purposes and is critical for delivering distinctiveness. Overall, the BBC continues to spend a high proportion of its total TV programming spend on first-run originations (rising from 92% in 2010 to 94% in 2019).

However, in line with declines in total spend, its expenditure on original TV content produced in the UK has declined in real terms over the last decade, with spend down by an average of 3% each year between 2010 and 2019. Since the start of this Charter period, the BBC's spend on first-run originated TV programming fell by 1.2% between 2017 and 2019 and fell sharply by 15.9% in 2020 as a result of Covid-19 and delays to production. However, despite the decline in original TV content spend, the number of hours of original content each year has remained relatively stable.

In addition, over the Charter period there have been some changes to the allocation of expenditure between genres. While the genre mix of first-run originated spend was broadly maintained between 2017 and 2019, in 2020, possibly due to Covid-19, greater proportions of first-run originated spend were allocated to drama, entertainment and news. While more news coverage and hours drove an increase in news spend, the proportionate increase in drama and entertainment spend seems to have been driven by an increase in cost per hour.¹³³

The decline in the BBC's direct programming spend has been offset to an extent by funding from third parties, including co-production arrangements, tax credits and distributor advances. As we noted last year, this continues to be spent primarily on drama content, although children's and factual programming also attracts third party investment. However, we note that there are risks and trade-offs with the BBC's use of third-party funding: the BBC may not have full creative control of productions, and funding depends on the budgets and strategies of other players. Third-party funding is also less likely to be found in more niche genres, including some 'at-risk' genres less likely to be provided outside the BBC.

¹³² Ofcom BBC Performance Tracker 2020/21.

¹³³ Ofcom analysis of BBC data.

Spend on first-run programming in at-risk genres like comedy and music is declining at a faster rate than other genres

The BBC plays a particularly important role in providing programmes in genres that are at-risk¹³⁴ including music, arts, religion and other specialist factual content, as well as comedy and children's programming. This content makes a significant contribution to the distinctiveness of the BBC's services, and specific genres are shown to resonate with different audience groups. Such programming may have smaller audiences but be highly valued by those who do watch or listen to it.

Programming in at-risk genres accounted for 54% of BBC TV hours (excluding the BBC News channel and BBC Parliament) and 37% of BBC iPlayer catalogue hours in 2020. This content is less likely to be found elsewhere – the proportions of at-risk programming on BBC services are higher than for most of its competitors.¹³⁵

In the Charter period overall, the total volume of at-risk genres has been broadly maintained. However, spend and hours of first-run programming in at-risk genres have declined at a faster rate than first-run programming in other genres, while acquired and repeated hours of at-risk genres have increased. In 2020 there was a 72% increase in acquired hours of these genres, partly as a result of production delays due to Covid-19 restrictions. Repeated programming still comprises the greatest share of BBC at-risk programming and increased from 87% in 2017 to 89% in 2020. The proportion of repeats may increase further in the future. For example, we note that the BBC has proposed that BBC Four should become “*the home of the most distinctive content from across the BBC's archive*” with original arts programming on BBC Two and BBC iPlayer.¹³⁶

The BBC's emerging strategy is to focus on unique high-impact content: this will need to be balanced with its duty to maintain a distinctive offering for all UK audiences

In its Annual Plan for 2021/22 the BBC said it expects a “*restoration of content spend following additional savings achieved and delayed events from 2020/21*”.¹³⁷ At the same time it has set out a strategy “*focusing on unique, high impact content, commissioning fewer but bigger titles of higher quality that can reach more audiences and with more opportunities for creative innovation*”.¹³⁸ This may ultimately mean producing fewer hours of content: the BBC has challenged itself to identify what it would stop making if it produced only 80% of its current hours.¹³⁹

A reduction in new original hours commissioned by the BBC could lead to an increase in the use of acquired programming and repeats to fill the schedule. Although acquisitions remain a small proportion of total output, at 1.8% of total BBC network hours at 2020, they have increased over the Charter period, with hours in 2019 10% higher than in 2017, and up a further 20% in 2020 (again, possibly due to the impact of Covid-19 on production).

We said in our [BBC Three decision](#) that we agreed with the BBC that well-chosen acquisitions could play an important role in the overall makeup of the channel and that they could both complement

¹³⁴ 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 defined as at-risk are set out in Schedule 2 of the Agreement.

¹³⁵ Ofcom analysis of BBC data and Ampere Analysis Analytics data. More detail provided in the Purpose 3 section of the [interactive performance report](#).

¹³⁶ BBC Annual Plan 2021/22.

¹³⁷ BBC Annual Plan 2021/22.

¹³⁸ BBC Annual Plan 2021/22.

¹³⁹ BBC Annual Report and Accounts 2020/21.

original BBC content and draw audiences to the channel. However, acquisitions may not contribute as much as original content to the BBC's Mission and Public Purposes. We would be concerned if acquisitions were to play too large a role in the BBC's overall content mix. We think it is important for the BBC to maintain its commitment to focusing on original UK content for all audiences, including in at-risk genres.

In pursuing its strategy, the BBC will need to balance the value of high-impact content and a wide range of content to maintain its distinctive offering for all audiences. In our work on reviewing the Operating Licence we will be considering how to ensure that audiences continue to benefit from a broad mix of original content.

The BBC's commissioning and scheduling decisions can all support distinctiveness and innovation

Commissioning from a diverse range of producers is likely to support distinctiveness and innovation. The BBC consistently uses a high number and broad range of producers: it used 340 external producers in 2020. This was down on 360 in 2019, but was its second highest on record.¹⁴⁰ Qualifying independent production companies¹⁴¹ accounted for 34% of BBC TV hours in 2020, up from 32% in 2019.¹⁴² The BBC's TV [Commissioning Supply Report](#) sets out its plans to support small and diverse producers.

The number of newly introduced series or titles versus returning titles is one proxy for the BBC's risk-taking. The BBC maintained this balance in 2020, with 49% of first-run originated titles aired during the year being new titles, compared to 48% in 2019, up from 42% in 2017. Hours of new commissions were also stable compared to 2019, and up on 2017, although an element of this came from new series repurposing archive sports events, such as *Euros Rewind* and *Olympics Rewind*, as a reaction to disruption from the pandemic.¹⁴³

In its Annual Report and Accounts, the BBC highlights particular landmark and topical programmes as examples of innovative and distinctive programming. These can be distinctive in terms of their creative risk and use of new talent, as well as in terms of their release strategy and scheduling to attract new audiences. For example, *Normal People* was made available as a boxset on BBC iPlayer before the first BBC One broadcast. The BBC reported that the series gave BBC Three its best week on BBC iPlayer when it was released, with more than 16.2 million programme requests across all 12 episodes, leading to it becoming 2020's most requested series on the platform. On broadcast TV, *Normal People* aired on BBC One in the competitive Monday 9pm slot, with average viewing on the TV set per episode at 3.3 million. This was below the slot average of 4.5 million but including viewing that was pre-broadcast and on other devices the overall average audience was 4.9 million people per episode. Its audience on broadcast TV had a broad age range, and with 14% in the 16-34 group it skewed slightly younger than other BBC dramas such as *Killing Eve*, *Bloodlands* and *The A Word*.¹⁴⁴

¹⁴⁰ Ofcom analysis of BBC data. Figures include production companies used for originated content only and reflect reported names of suppliers used across network and nations' and regions' programming.

¹⁴¹ 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)). Qualifying BBC TV hours excludes news, and programmes where BBC funding is less than 25%.

¹⁴² Ofcom analysis of BBC data. More information can be found in Ofcom's [PSB Annual Compliance Report](#).

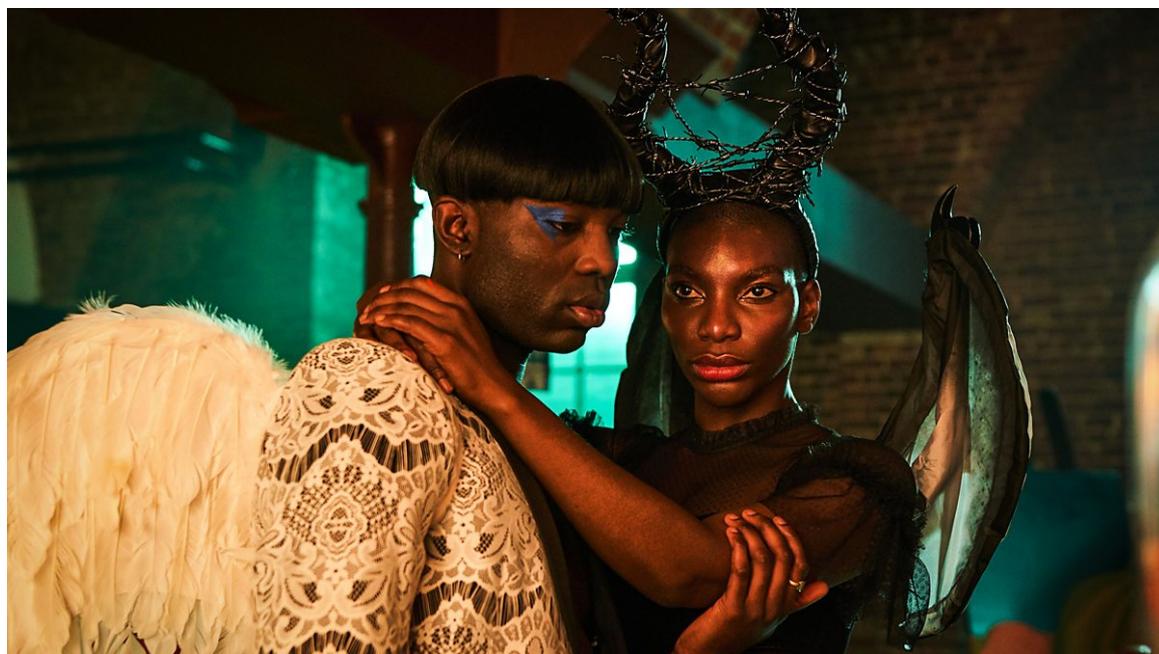
¹⁴³ Data on new and returning series by genre can be found in the [interactive performance report](#).

¹⁴⁴ BARB live and up to 28 days after broadcast. Other devices include viewing on computers/laptops and tablets. Please see the *Drama focus* tab within the Purpose 3 section of the [interactive performance report](#).

The BBC could go further to demonstrate to viewers and listeners how it innovates and takes risks in its output

Audience perceptions of the BBC's risk-taking and innovation remain persistently low compared to other aspects of this Purpose, with just under half (48%) of UK adults rating the BBC positively on providing content that *'dares to be different'*, while 49% rate it positively on providing content that is *'different from other providers'*. This again varies depending on what BBC services audiences use. For example, 61% of those who watch BBC Three content each week agree the BBC *'provides content that dares to be different'*, increasing still further to 68% of BBC Sounds users. In our previous Annual Reports, we have encouraged the BBC to consider how it can go further to demonstrate and measure the impact of its activities that contribute to innovation.

This year we have asked the BBC for more information about its approach to risk taking and innovation, and how this is built into its creative decisions. The BBC notes different types of innovation and creative risk in, for example, commissioning new drama with new on-screen talent (such as, *I May Destroy You* and the *Small Axe* series of films). It also states that it innovates in established programmes and returning formats to refresh them and attract new viewers, for example with a new presenting team on *Top Gear* or new production techniques (due to Covid-19 restrictions) on *Strictly Come Dancing* and in its *BBC Proms* coverage. The BBC considers that innovation can be difficult to measure, and it looks at the performance of titles across a basket of audience measures, including changes in viewing and audience profile, audience perceptions of quality, distinctiveness and originality of its programmes and services. The BBC also cited the number and breadth of industry awards, such as those from BAFTA, as one measure of *"quality, innovation, challenge, risk-taking and creative ambition."*



In relation to its network radio services, the BBC highlighted scheduling decisions such as moving specialist programming to earlier slots (i.e. from late-night to evening) as a way of exposing different content to potentially new and wider audiences. The BBC also pointed towards talent development programmes intended to bring in new production and presenting talent from more diverse backgrounds.

We recognise that there are a number of different ways in which the BBC takes risks and innovates across its content and services, including activities such as those highlighted, which may contribute to distinctiveness. We also acknowledge there is no single approach to, or outcome from, creative risk-taking and innovation, and that the BBC undertakes audience research to measure audience responses to programmes and services and their perceptions for this purpose.

However, our research suggests audiences do not always think the BBC takes risks and innovates: if these perceptions persist, the appeal and value of the BBC's services, to different types of audiences, may suffer as a result. Risk taking and innovation can help the BBC make connections with audiences by showing them that it offers something unique that appeals to everyone. We therefore encourage the BBC to consider how it can go further to measure and report on what it is doing in this area.

BBC iPlayer and BBC Sounds are increasingly important to delivering the Mission and Public Purposes: there is further to go to fully embed their contribution in the BBC's performance reporting

During the Charter period, on-demand services have become key to the BBC's content strategy and delivery. In 2019 we approved its plan to increase content availability by developing BBC iPlayer beyond a 30-day catch-up service. The BBC launched its online audio service, BBC Sounds¹⁴⁵ in 2018, and this has grown in popularity.

We have previously asked the BBC to publish more information on the content and audience performance of BBC iPlayer and BBC Sounds. There are some improvements this year in the BBC's reporting in its Annual Report and Accounts; for example, by publishing additional metrics on registered users and use of BBC Sounds and by bringing together all related metrics to make it easier to find performance information.

The use of both services has increased, with particular growth in 2020/21, when there were 28% more programmes streamed on BBC iPlayer compared to the previous year, and around two-thirds more plays of content on BBC Sounds.¹⁴⁶ In 2021, 36% of adults used BBC iPlayer each week,¹⁴⁷ with 18% using BBC Sounds.¹⁴⁸

The BBC's broadcast services remain the main way in which viewers and listeners discover and access BBC programmes. Viewers also use BBC iPlayer to watch programmes live, and live radio makes up over half of plays through BBC Sounds.¹⁴⁹ Our research further suggests that audiences perceive BBC iPlayer to be primarily a catch-up service, in contrast to SVoD services which are perceived as destinations to discover new content.¹⁵⁰

In its Annual Report and Accounts 2020/21, the BBC sets out its aim of "*extracting more value from online*" by accelerating work to improve search, recommendations and access to increase users and usage. It said it will continue to evolve BBC Sounds to deliver more value to all audiences, including commissioning some content for linear services and BBC Sounds together, and exclusive content, standout events and interactive content.

¹⁴⁵ BBC Sounds replaced BBC iPlayer Radio – the previous online audio service from the BBC.

¹⁴⁶ BBC Annual Report and Accounts 2020/21.

¹⁴⁷ Ofcom BBC Performance Tracker 202/21

¹⁴⁸ Ofcom Audio Survey, March 2021.

¹⁴⁹ The BBC report that 20% of BBC iPlayer requests and 56% of BBC Sounds plays were to live output. BBC Annual Report and Accounts 2020/21.

¹⁵⁰ Ofcom BBC Covid-19 research.

The BBC also cites technology developments as a way it can innovate to better meet audience needs. For example, it considers that BBC iPlayer’s capability to create a personalised experience to users, its multi-platform options for viewing, and content curation combining data and editorial expertise make it a distinctive and innovative service.

The on-demand services offer an opportunity for the BBC to make more impact with its content and reach audiences that it may not reach through its broadcast services. The extent to which BBC iPlayer and BBC Sounds contribute to distinctiveness will depend on a number of factors. These could include the extent to which audiences are exposed to a range of genres and UK-originated content, and how this content is made prominent and discoverable to them. It will be important for the BBC to find ways to encourage audiences to explore the breadth of available content through these services, and to report on this.

The BBC will need to continue to develop how it measures its delivery of the Mission and Public Purposes across both broadcast and on-demand services. Many of the measures used by Ofcom and the BBC are rooted in broadcast services. Effective measurement of online delivery is not an issue that is unique to the BBC and we are considering future measurement approaches for the PSM system following on from our *Small Screen: Big Debate* statement. In our review of the Operating Licence we will be considering how the licence should cover the BBC's online services more comprehensively, including measuring and reporting on the contribution these services make to the delivery of the Mission and all the Public Purposes.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC’s performance against the relevant Purpose 3 Operating Licence conditions. This year, due to the exceptional circumstances of the pandemic, the BBC failed to meet two licence conditions related to this purpose: the number of sports with live commentary on BBC Radio 5 Live and the number of new sessions (live or recorded) on BBC Radio 1. Prior to this, the BBC had complied with the relevant Purpose 3 Operating Licence conditions.¹⁵¹ See the [Compliance Annex](#) for a full assessment of the Operating Licence requirements.

¹⁵¹ Except in 2018/19 where there was a shortfall of 3 hours against the quota for live music in BBC Radio 2.

Public Purpose 4: reflecting, representing and serving the diverse communities of the UK

Purpose 4 is traditionally less highly rated by audiences, and we have consistently said that the BBC needs to do more in this area. In this section we look at audience perceptions by demographics, to identify less-satisfied audiences, which include disabled people, those who are less well-off¹⁵² and those living in Scotland. We then consider the BBC's activity in the nations and regions. Lastly, we look at how the BBC has fulfilled its broader diversity requirements.

***The Royal Charter states:** The BBC should reflect the diversity of the United Kingdom both in its output and services. In doing so, the BBC should accurately and authentically represent and portray the lives of the people of the United Kingdom today and raise awareness of the different cultures and alternative viewpoints that make up its society. It should ensure that it provides output and services that meet the needs of the United Kingdom's nations, regions and communities. The BBC should bring people together for shared experiences and help contribute to the social cohesion and wellbeing of the United Kingdom. In commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development.*

How we do our assessment

We use a number of sources to assess the BBC's performance against its diversity obligations, both on and off screen. These include: industry measurement data, our own and the BBC's audience research, the BBC's Annual Report and Accounts, the BBC's annual Progress Report on its implementation of the Diversity Commissioning Code of Practice (DCCoP), data provided directly to Ofcom in response to a formal information request and Ofcom's annual [Diversity and Equal Opportunities in Television and Radio report](#).

Some of the key metrics we use to inform our assessment of this purpose are shown on the following page. Supporting data that we use to inform our assessment can be found in the accompanying [interactive performance report](#): refer to the Purpose 4 section.

¹⁵² 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.

Less-satisfied audiences

42% of older people aged 65+ gave a positive rating on reflecting the lives of people like them

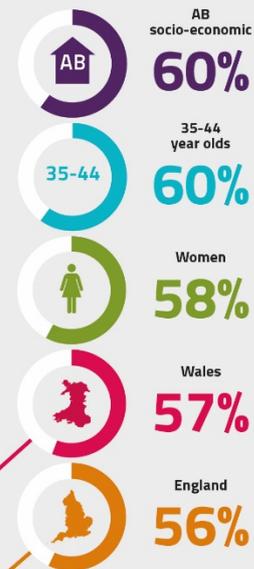
26% of disabled people gave a negative rating on the BBC including people like them

43% of DE socio-economic households gave a positive rating on reflecting the lives of people like them

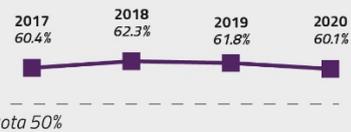
28% of people in Scotland gave a negative rating on the BBC reflecting the lives of people like them

28% of people in Northern Ireland gave a negative rating on the BBC reflecting the lives of people like them

% with positive overall rating of the BBC



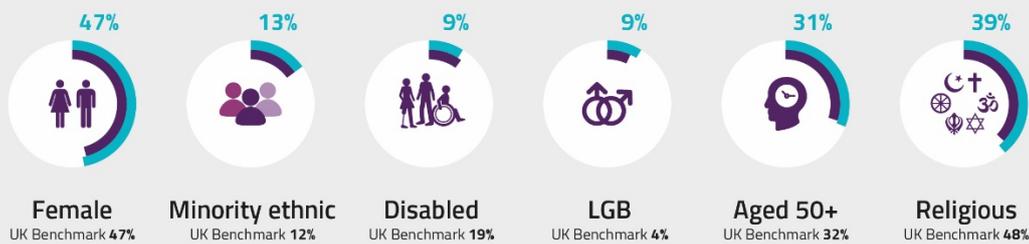
BBC performance against Made outside London hours quota



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

Workforce diversity - BBC UK public service staff

2020 2021



¹⁵³ Sources used in dashboard: Ofcom BBC Performance Tracker 2020/21; Ofcom analysis of BBC data; BBC response to Ofcom information request. The acronym 'LGB' (lesbian, gay, bisexual) used in this dashboard follows the legal definition of sexual orientation as a protected characteristic in the Equality Act 2010. We have used this term to achieve consistency with Ofcom's 2021 Diversity In Broadcasting (DiB) dataset. We are revisiting these descriptions in 2022 in a review of our diversity data questionnaires. Trans identities are captured under sex and gender reassignment rather than sexual orientation.

Performance assessment

The BBC's future success depends on its continued ability to connect with, and remain relevant to, a range of audiences, who rightly expect that the BBC should reflect their own lives, along with the diversity of the UK. Given this, the BBC's duty to accurately and authentically represent and portray UK audiences is of vital importance.

How well the BBC represents and portrays people continues to be one of the lowest-rated aspects of BBC performance across all the purposes

During the Charter period we have found that these perceptions tend to be lower among certain groups including disabled people, those in DE households and those living in Scotland. We also know from BARB that viewing across all BBC TV channels varies by demographics; it is highest among older age groups, particularly adults aged 75+, and lowest among 16-24s.

In 2018, we carried out an [in-depth review](#) to understand how BBC TV reflects and portrays the whole of UK society. As part of this we talked to an extensive range of viewers. Among other things, we found that some people felt less visible on TV: for example, some people felt that BBC content reflects the lives of middle-class people more than those from other backgrounds. Others had concerns about being presented in one-dimensional, inauthentic or stereotypical ways: for example, some disabled people said that the BBC, and TV in general, tends to focus on their difficulties and struggles. People also said they wanted to see wider representation of the UK outside its major cities (and especially London). In response to these findings, we [wrote to the BBC](#) stating that it needed to go further in representing and portraying audiences authentically. Since then we have continued to highlight this as an area for improvement.

Despite this, concerns around representation and portrayal persist. This year overall, 56% of all audiences rated the BBC highly for representation and portrayal, which is the lowest positive rating of all the purposes. Less than half of UK adults rated the BBC highly on '*reflects the lives of people like me*' (48%) with almost a quarter giving the BBC a low rating for this. The negative rating is mainly driven by audiences in the nations, men and those aged 55+. This year, we also asked children aged 11-16 about their views of the BBC. The findings show that just four in ten agreed that the BBC has programmes '*with people like me in them*'.¹⁵⁴ This is a concern because it means over half of this age group do not agree that the BBC represents them: the BBC's future sustainability could be put at risk if younger audiences do not engage with its content.

Nations and regions

Perceptions of representation and portrayal are more positive among audiences in Wales and England than those in Scotland and Northern Ireland

Previously we have highlighted that positive perceptions of the range of BBC content representing Wales were significantly below the UK average. This year, we found that all representation and portrayal metrics for Wales are in line with the UK averages. This is something we will keep under review to understand whether it reflects a longer-term improvement. Audience perceptions in England were also broadly positive and in line with the UK average, although there is some variation between regions. Satisfaction is generally highest in London, as has been the case in previous years, but below average in the West Midlands. People in Scotland rated the BBC below the UK average

¹⁵⁴ Ofcom BBC Teens Tracker 2020/21.

(50%) for 'reflects the life and culture of communities throughout the UK', while those in the north of England were less likely to rate positively than Londoners for 'provides content that is relevant to me'. Last year we highlighted that there had been a year-on-year improvement in positive perceptions in Northern Ireland. This year, while overall perceptions are in line with the UK average, scores were below average for whether the BBC 'features the nation where I live' (48% for Northern Ireland vs 55% UK average) and 'provides content that is relevant to me' (47% for Northern Ireland vs 54% UK average).

The BBC is taking steps to improve audience perceptions in the UK's nations and regions, although this has yet to translate into improved satisfaction among specific groups

In each of our Annual Reports on the BBC (since we took over its regulation in 2017), we have said that the BBC needs to take action to improve perceptions among audiences which we have found to be consistently less satisfied with it. In particular, as we said in our 2018/19 report, the BBC needs to do more to appeal to audiences in Scotland. The BBC launched its BBC Scotland TV channel in February 2019 and has told us that it has a strong focus on commissioning shows that portray audiences in Scotland. Examples of such shows include *Scotland's Home of the Year*, *Inside the Zoo* and *My Kind of Town*.

Since its launch, BBC Scotland's share of broadcast viewing in Scotland has been within the predicted range (2% in 2019 and 2.2% in 2020).¹⁵⁵ In addition, there has been an uplift in viewing of BBC Scotland content on BBC iPlayer, up by 19% in 2021 compared to the previous year.¹⁵⁶ We also know that those who watch BBC Scotland are more likely to have positive perceptions of the BBC. But despite this, the channel has had a limited impact on overall audience perceptions in Scotland, given that satisfaction among people in Scotland generally remains low.¹⁵⁷

This year the BBC has provided us with more information on the steps it is taking to improve perceptions among different audience groups, including in the UK's nations and regions. For instance, the BBC has provided us with examples of programmes commissioned to portray and appeal to audiences in the nations and regions. *Bloodlands*, which the BBC said showcased local skills, talent and places in Northern Ireland, attracted an audience share of 52% in Northern Ireland compared with 33% in the UK overall, while the share of programme viewing for series three of *Keeping Faith* was seven percentage points higher in Wales than the UK average.¹⁵⁸

We welcome the actions the BBC is taking to improve audience satisfaction, and the fact that it is monitoring the impact of programmes on specific groups. However, these actions have yet to translate to improved satisfaction. As we set out earlier in this report, it is not inevitable that the BBC's initiatives will deliver improvements for its audiences, and the BBC will need to keep track of how well it is doing against specific targets to know whether its nations' and regions' strategy is working.

¹⁵⁵ BARB: Share of all viewing to broadcast channels between 7pm – midnight, in Scotland.

¹⁵⁶ BBC internal data: 60.06 million streams between April 2019 to March 2020 and 71.6 million streams from April 2020 to March 2021.

¹⁵⁷ Ofcom BBC Performance Tracker 2020/21.

¹⁵⁸ BARB: 28-day consolidated data.



The BBC's Across the UK plan could help it improve audience satisfaction in the nations and regions

The Across the UK plan, published in March 2021, sets out a range of high-level proposals regarding the BBC's activity in the UK's nations and regions, including a commitment to double the number of nations' co-commissions appearing on UK-wide channels, and increasing its spending target from 50% to 60% for network commissions made outside London.

The BBC has told us that, as part of this strategy, all ten of its targeted opportunities¹⁵⁹ for network TV commissions since April 2020 have focused on nations' and regions' suppliers and portrayal.¹⁶⁰ All five of the BBC Three targeted opportunities announced in 2020/21 had a specific geographic focus to enhance the portrayal of young audiences in areas across the UK, including Northern Ireland, Wales and Scotland.

This strategy could help the BBC improve audience perceptions in the nations, as well as in other areas of the UK, particularly if the productions feature locations, casts and storylines from the nations and regions.

Last year, we reported that the BBC's stakeholders had raised concerns about the transparency of the BBC's investment, strategy and performance in the nations and regions, and they considered that there is insufficient detail on these matters in the BBC's Annual Report and Accounts. We think that the Across the UK plan is a positive step towards the BBC being more open and transparent about this.

However, in advance of more detail being published on these plans and, given the longstanding interest in this issue from the Scottish Parliament and others, we asked the BBC to provide specific information about its strategy for funding BBC ALBA. In response, the BBC noted the different elements which make up its spend on the channel¹⁶¹ and set out the factors it considers in setting

¹⁵⁹ The BBC's targeted opportunities set out specific requirements for production companies looking for commissions. They usually involve briefing sessions hosted by commissioners, with audience research if available. A written brief is also published on the [Commissioning](#) website.

¹⁶⁰ Information provided to Ofcom in September 2021.

¹⁶¹ The majority of spend goes on staff costs and direct and indirect production costs of internally produced programmes across a range of genres.

the spend.¹⁶² The BBC also told us that it has increased its contribution across the years, including funding the provision of weekend news on MG ALBA (and BBC Radio nan Gàidheal) from 2018 and producing co-commissions with BBC Scotland. In line with its Across the UK commitments, the BBC also told us that it recognised that the current Collaboration Agreement between MG ALBA and the BBC needs to be updated in order to better reflect the digital landscape, to support new talent development and should include a review of the overall governance framework between the organisations. We understand the process to renew the Collaboration Agreement has begun and look forward to seeing the outcome of that in due course.

The success of the BBC's strategy will depend on how well it implements its plans. While some of the commitments are measurable numeric targets, others, such as the pan-UK commissioning model, are more difficult to quantify, and specific commitments to Northern Ireland are limited compared to those for other nations. While it is helpful that the BBC has set out its strategy for the nations and regions, it is also important that it sets out its detailed implementation plans, and how much investment there will be in specific areas. It will be vital for the BBC to measure the impact of its plans to ensure that it is delivering for audiences and the creative economy.

Finally, it is important that all the nations of the UK are represented at all levels of BBC decision-making, to hold the BBC to account for its plans and actions in those nations. It is a requirement under the Charter¹⁶³ for the BBC Board to contain one non-executive member for each of the constituent nations of the UK. Recruitment is a matter for Government rather than the BBC, but a Board member for Northern Ireland has not yet been appointed and Northern Ireland remains the only devolved nation without a designated Board member.

The BBC has taken steps to try to mitigate the effects of the Covid-19 crisis on its output in the nations and regions

Under the new Operating Licence that we introduced in 2017, we set rules requiring the BBC to spend broadly the same amount on programmes per head, and make broadly the same volume of commissions per head, in each of the UK's four nations. Across the Charter period so far, the BBC has been consistent in meeting these targets on qualifying network programmes that must be made in the nations and English regions. These are higher than the equivalent requirements placed on ITV, Channel 4 and Channel 5.

The BBC did not meet all of its quotas this year due to extenuating circumstances caused by the Covid-19 crisis. We set this out in more detail in the [Compliance Annex](#). However, we are broadly satisfied that the BBC has taken appropriate steps to mitigate the effects of missing these targets on the creative economy, and audiences, wherever possible. The BBC told us that it had supported the creative economy by helping with cash flow and covering the additional Covid-19-related costs of production.

The BBC supported 96 companies through its [Small Indie Fund](#), twice as many as originally planned, of which two-thirds are based in the nations and regions. It has renewed its successful six-year partnership with Northern Ireland Screen, and established similar initiatives in Scotland and the North of England, which have secured commissions for the sector. For example, *Guilt*, broadcast on

¹⁶² These include the demand for the service; the overall funding context and value for money, as well as the needs of those with knowledge of interest of a minority language balanced against the needs of licence fee payers generally.

¹⁶³ Article 23(1) of the Charter.

BBC Two and BBC Scotland, has recently returned for a second series and was supported by Screen Scotland.

The BBC provided additional educational content according to the devolved nations' curricula during the Covid-19 crisis to support students learning from home. It also used repeats which focused on the portrayal of specific communities, in order to mitigate the effects of limited new content on audience perceptions, and adjusted production methods to produce content within Covid-19 guidelines, such as BBC Scotland's *Shelf Isolation*.

Last year we said that the BBC was in a strong position to support the UK's creative economy during its recovery, given the BBC's funding and the degree of insulation from further market shocks that this provides. In its Annual Plan, the BBC said that its Across the UK plan will enable it to spend at least an extra £700m outside London by 2027/28, generating an additional economic benefit of more than £850m.¹⁶⁴ We will monitor the BBC's activity following the Covid-19 crisis to ensure that it is taking appropriate steps to help the recovery of the sector following the impact of the lockdowns on UK production.



The producers that we spoke to outside London told us that commissioning via online meetings has improved access to commissioners

Last year, we encouraged the BBC to consider how it can embed the 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.

This year, as more commissioning was conducted online, producers have told us that they have had better access to commissioners, regardless of where they are based. The BBC held 25 commissioning briefings in 2020 (22 of which were online) and said that the online briefings were available across

¹⁶⁴ BBC Annual Report and Accounts 2020/21.

the UK which increased access for all.¹⁶⁵ Over half of the producers that the BBC works with are based outside London; 57% in both 2019 and 2020, up from 50% in 2018.¹⁶⁶

We again encourage the BBC to maintain its commitment to working with producers outside London, including by holding briefings virtually where appropriate. We also welcome the BBC's commitment to a 'pan-UK commissioning model' in the Across the UK plan, and encourage it to ensure that it is learning lessons from the new ways of working developed during the Covid-19 crisis.

Diversity obligations

Along with serving the nations and regions of the UK, the BBC has broader diversity obligations under Purpose 4, which include to accurately represent and authentically portray the diverse communities of the UK.

Over the Charter period, the BBC has made progress in its reporting to us on how it is working to improve perceptions among less-satisfied audiences

We have repeatedly said that the BBC needs to clearly identify its less-satisfied audience groups and explain how it has met, and intends to meet, their needs. In response to our request, last year the BBC identified some audiences who were 'less satisfied', and this year has provided us with more detail on how it is working to improve perceptions within these groups. This includes analysis of the impact of a range of programmes that it has commissioned to appeal to certain audience groups, using viewing data and audience research. For example, it cited a number of programmes commissioned to appeal to minority ethnic audiences, such as *Sitting in Limbo*, which achieved a 42% viewing share among Black audiences and 26% among minority ethnic audiences, compared with an all-individuals average of 12%.

This year the BBC also provided us with some more detail in relation to developing a new approach to commissioning briefings, across all genres, to encourage the development of ideas that reflect all audience groups and to support the production sector's understanding of the needs of these groups (making use of its own research). For example, the BBC reported that in 2020/21 it referenced the need to reflect audiences from diverse backgrounds and the nations and regions in all 11 of its genre briefings to producers; it held four audience masterclasses focused on different aspects of diversity (minority ethnic, socio-economic diversity and two on disability); and referenced diverse audiences in 50% of its genre web briefings on its commissioning website.

We welcome both the additional information that the BBC has provided to Ofcom this year to explain the work it is undertaking to address the needs of less satisfied audiences, and its commitment to continue to provide similar information in its future annual reporting to us. We encourage the BBC to consider how it can share more of this information publicly to demonstrate the range of work it is doing to improve representation and portrayal both on and off screen.

¹⁶⁵ [BBC Commissioning Supply Report 2020](#).

¹⁶⁶ See Commissioning Supply Reports 2018, 2019 to 2020. These figures include network programming and programming for the nations and regions.

The BBC needs to ensure it can track the progress of its diversity plans against clearly defined goals

As part of its [Diversity and Inclusion Strategy 2016-20](#) the BBC put in place voluntary on-screen and on-air targets to increase diverse portrayal by 2020.¹⁶⁷ In seeking to determine the BBC's plans for on-screen and on-air targets from 2021 onwards it has become clear that although it has met all of its 2020 on-screen (TV) portrayal targets at a headline level, the BBC has not measured whether it has met its on-air portrayal commitment for radio. The BBC has subsequently told us that it was unable to implement the data-gathering approach initially envisaged, and subsequently failed to find an alternative way to measure on-air (radio) portrayal.

While there is evidence included in *The [50:50 Impact Report](#)* and the BBC Annual Report and Accounts that the BBC is working to increase on-air representation, this information is not a substitute for the metrics required to judge whether the BBC has met its voluntary on-air (radio) portrayal targets.

The BBC has told us that it plans to set new on-screen and on-air diversity targets once new census data is published in 2022. Until then it will continue to use the 2020 targets to help deliver on-screen and on-air diversity representation. In order for targets to have value, they have to be measurable (as set out below). We expect the BBC to provide us with detailed information on how it will measure and report on its delivery against its on-air target for the time this metric remains in place and will closely monitor all future reporting of this data.

The BBC's wider plans to improve representation and portrayal also include a commitment that 20% of the production teams, on programmes made for the BBC, should be from under-represented groups. Since announcing this initiative in 2020 the BBC has expanded on its plan and established detailed criteria for meeting the commitment; this can be found on the BBC's [Commissioning](#) and [Creative Diversity](#) websites. The BBC had previously referred to its 20% diverse-talent commitment as 'mandatory', but it is now referred to in the 2020/21 DCCoP progress report as an 'ask' of producers. It is currently unclear whether this change in language will dilute the impact of the original commitment.

We welcome the BBC's transparency about its plans at an early stage, and we accept that the detail of schemes may change as initial announcements evolve into worked-up schemes that have been consulted on. However, it is not a foregone conclusion that the BBC's planned initiatives will always work or have the intended effect. As stated elsewhere in this document, and as demonstrated by the examples above, it is crucial that once the details have been agreed, the BBC publicly sets out the finalised parameters for such schemes, including clear, measurable objectives, outcomes and timelines for delivery, and has in place robust mechanisms for assessing its own commitments. It should track progress rigorously and report transparently preferably on an annual basis, so that it can internally and externally hold itself to account for the delivery of its commitments.

¹⁶⁷ These were: a. 50% women on screen, on-air and in lead roles across all genres, from drama to news b. 8% disabled people on screen and on-air including some lead roles c. 8% LGBT on-screen portrayal including some lead roles d. 15% Black, Asian and ethnic minorities on screen, on-air and in lead roles across all genres.

Over the Charter period to date, there has been little progress in reporting against the Diversity Commissioning Code of Practice (DCCoP) requirements, or how the BBC is holding production companies to account

The BBC's [DCCoP](#) sets out the steps the BBC will take when commissioning content to ensure that it represents and authentically portrays all audiences; it includes a number of expectations both of itself and of its suppliers. However, throughout the Charter period, the BBC's reporting has consistently lacked detail on how it holds itself and production companies to account for meeting the DCCoP commitments. Since the DCCoP was first introduced in 2018, the BBC reports that only 30 of 46 commitments have been fully implemented and 16 are still in progress, the majority of which relate to expectations on producers. The BBC has set out some detail on the measures it is taking, but the information included in the DCCoP progress report has been high-level, so it remains difficult to assess how much progress is being made in this area.

The BBC has recently provided some cases studies to Ofcom, showing how it builds diversity into the commissioning process. But it is evident from the DCCoP progress report that the BBC is still currently unable to track, at scale, whether producers are meeting DCCoP requirements. The BBC has said that it plans to move its business documentation online in order to better track progress between commission and execution. We consider that automation of this process will be a crucial step forward in enabling the BBC to assess the performance both of its suppliers and its own commissioning teams against the requirements of the DCCoP, and then to act on the findings. We will follow the BBC's progress closely in moving its systems online. In addition, from next year, the BBC will provide us with a detailed bespoke report on its obligations within Purpose 4. This will provide richer evidence on how it has delivered the DCCoP requirements, and also cover similar information to that provided to us this year on how the BBC is meeting its representation and portrayal obligations. We welcome this positive development.

Over the Charter period, the BBC has made progress in the transparency of its reporting on its workforce diversity

The BBC has reported on the diversity of its total workforce in its Annual Report and Accounts for the first time this year, rather than only of those who have submitted diversity information.

The BBC has also made significant progress in the collection of data on the socio-economic background of employees: in 2021, 78% of people working for the BBC UK public services provided visible data¹⁶⁸ on socio-economic background compared to 59% in 2020. In comparison, there is only limited collection of data on employees' socio-economic background in the broadcasting industry as a whole.¹⁶⁹

As part of Ofcom's [Diversity in Broadcasting](#) work programme we continue to urge broadcasters (including the BBC) to collect and report on workforce diversity by geographic area. Publication of this data by the BBC would improve transparency about the make-up of its workforce in the various parts of the UK and could also be taken into account in tracking and assessing the success of its Across the UK plan.

¹⁶⁸ 'Visible data' is data which an employer has requested from an employee; that an employee has disclosed to their employer; and that the employee has consented to share with Ofcom.

¹⁶⁹ As explained on page 13 of our [Five-year review of diversity and equal opportunities in TV and radio](#), we have visible data (on at least one measure of socio-economic background) for only 39% of radio employees, and 44% for TV. This information is provided by only 12 broadcasters.

The BBC has made some progress towards achieving a more diverse workforce over the Charter period, but there is further to go

The BBC set out a number of workforce targets in its Diversity and Inclusion Strategy 2016-20. It has reported meeting some of these targets, including the 8% LGBTQ+ target for all staff and for leadership; for its 8% disability target for all staff and leadership and for its 15% ethnicity target for all staff. However, it fell short of its 50% target for women at all-staff (48.3%) and leadership (45.0%) levels, and of its 15% ethnicity target at leadership level (11.9%).¹⁷⁰

Since 2018, the BBC has consistently fallen behind ITV, Channel 4 and ViacomCBS on the representation of women in its television workforce. The same is true in radio. BBC TV services also have a lower proportion of staff from minority ethnic backgrounds (15%) than ViacomCBS (21%) and Channel 4 (17%).¹⁷¹ While this is higher than the overall representation in the UK labour market (12%) it is far lower than the local labour market representation of minority ethnic groups in London (35%)¹⁷² and Manchester (31%)¹⁷³ where a large proportion of BBC staff are based. Since 2020, the BBC's representation of people from minority ethnic backgrounds in its radio services (9%) has fallen behind Global (13%) but remains ahead of Bauer (7%).¹⁷⁴

Our recent [five-year review of diversity and equal opportunities in TV and radio](#) highlighted that in addition to recruiting diverse staff, all broadcasters need to focus on retaining these colleagues and enabling them to progress to senior levels.

The BBC, like other broadcasters, also has further to go to improve its socio-economic diversity. In 2021, based on data the BBC provided to Ofcom, about twice as many people working for the BBC UK public services attended private schools as the UK average (14% vs 7%) and had parents in professional occupations when aged 14 (61% vs 33% UK average). The trends are similar for other TV and radio broadcasters that currently collect and report on this data.¹⁷⁵

We welcome the BBC's new internal diversity and inclusion plan, and as with its other diversity plans, we strongly encourage it to track progress closely

In January 2021, the BBC published a new [diversity and inclusion plan](#), which among other things sets out its internal workforce targets over the next three to five years, including 50% gender, 20% minority ethnic and 12% disability representation at all staff and leadership levels, and for 50% of LGBTQ+ colleagues to be 'out at work'. We welcome these targets and encourage the BBC to work to meet them for all the groups of people within these target categories, across all job types and levels. The plan also includes ten main actions to support the BBC in meeting the targets across a range of areas, including recruitment, senior leadership, inclusive behaviour, the employee networks and accessibility. However, we note that religion is not mentioned in the plan.

¹⁷⁰ See page 16 of the BBC's Diversity and Inclusion Plan 2021-23 for more detail.

¹⁷¹ For more detail see the interactive report '[employee diversity profiles for eight major UK broadcasters, 2018-2021](#)' included in Ofcom's [Five-year review of diversity and equal opportunities in TV and radio](#).

¹⁷² NomisWeb. ONS Annual Population Survey. Table T05 – Economic activity by ethnic group and nationality. All in employment aged 16-64. Apr19 – Mar20.

¹⁷³ NomisWeb. ONS Annual Population Survey. Table T05 – Economic activity by ethnic group and nationality. All in employment aged 16-64. Apr19 – Mar20.

¹⁷⁴ For more detail see the interactive report '[employee diversity profiles for eight major UK broadcasters, 2018-2021](#)' included in Ofcom's [Five-year review of diversity and equal opportunities in TV and radio](#).

¹⁷⁵ For more detail see page 32 of Ofcom's [Five-year review of diversity and equal opportunities in TV and radio](#).

The plan states that it is based on an extensive review of the previous 2016-2020 diversity and inclusion plan (including feedback from staff and external stakeholders). However, it is unclear how this review has informed the ten main actions included within it. We encourage the BBC to track and communicate how it is making progress on these ten actions. We would like to see the BBC include this information as part of its annual reporting to Ofcom on its workforce obligations.

The BBC's Director-General has placed significant importance on the organisation's socio-economic diversity. The BBC stated in its diversity and inclusion plan that it might implement a new target for socio-economic diversity in July 2021, but this has not yet been announced. We will continue to monitor the BBC's approach in this area.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC's performance against the relevant Purpose 4 Operating Licence conditions. As described above the BBC's lack of reporting on the on-air element of its on-screen and on-air diversity portrayal targets means that the BBC has not fully complied with condition 2.43 of the Operating Licence. In addition, this year, Covid-19 had a significant impact on production, which resulted in the BBC failing to meet seven conditions related to Purpose 4. This primarily related to hours and spend in the nations and regions, as well as live news on BBC ALBA. More information can be found in the [Compliance Annex](#) to this report.

Public Purpose 5: reflecting the UK to the world

In this section we summarise the performance of the BBC World Service over the Charter period to date. Ofcom does not regulate this service and it has not been included in our previous annual performance assessments.

***The Royal Charter states:** The BBC should provide high-quality news coverage to international audiences, firmly based on British values of accuracy, impartiality, and fairness. Its international services should put the United Kingdom (UK) in a world context, aiding understanding of the UK as a whole, including its nations and regions where appropriate. It should ensure that it produces output and services which will be enjoyed by people in the UK and globally.*

How we do our assessment

The BBC's delivery of its fifth purpose is achieved through the BBC World Service, alongside Newsgathering, BBC Monitoring, BBC Global News and Media Action. In the BBC's Annual Report and Accounts, it states that the BBC's news website was "the biggest English-language digital media outlet in the world" at the end of 2020. The Reuters Institute 2021 Digital News Report found that BBC News was a popular source of news in several countries; for instance, in the Nigeria survey sample the BBC reached 39% of people each week with its TV and radio news, and 54% with online news.¹⁷⁶ This section focuses on the BBC World Service to inform our work on reviewing BBC regulation.¹⁷⁷ Responsibility for setting a [licence](#) for the BBC World Service lies with the BBC itself,¹⁷⁸ and Ofcom does not regulate the content standards of this service. As we have not reviewed the performance of the BBC World Service before, we have primarily relied on information provided to us by the BBC and public information.

Performance assessment

The BBC World Service delivers news in 42 languages, including English, via TV, radio and digital platforms, serving the needs of audiences within each market. It has newsgathering bureaux in 58 countries and 72 cities. It has been funded by the UK licence fee since 2014 and has received additional funding from the UK Government's Foreign, Commonwealth and Development Office (FCDO) since 2016, through the World 2020 expansion programme.¹⁷⁹ Since 2016, the FCDO has invested over £378m.¹⁸⁰ The BBC has [set an ambition](#) to reach a global audience of 500 million people by 2022, with a target for the BBC World Service to reach 364 million people globally by then.¹⁸¹

¹⁷⁶ These data are based on a survey of English-speaking, online news users in Nigeria – a subset of a larger, more diverse, media market. Respondents are generally more affluent, younger (18–50 only), have higher levels of formal education, and are more likely than the wider Nigerian population to live in cities. Findings should not be taken to be nationally representative.

¹⁷⁷ As required by clause 35(7) of the Agreement.

¹⁷⁸ Clause 34 of the Agreement.

¹⁷⁹ BBC World Service Performance Review 2016-2020.

¹⁸⁰ Total investment by the FCDO between 2016/17 and 2020/21 was £378.6m. The FCDO 2021/22 investment is £94.4m.

¹⁸¹ BBC World Service Performance Review 2016-2020.

The BBC World Service has seen significant growth in reach between 2016 and 2020, especially on digital platforms

In a recent [performance review](#) of the World Service, the BBC reported that its total audience increased by 42% between 2016 and 2020, reaching 351 million people in an average week in March 2020. By March 2020, the BBC World Service was reaching 159 million people across audio platforms in the average week, with the number of people listening directly via the BBC World Service radio services remaining stable. In line with overall market trends, direct TV reach of the BBC World Service remained flat between 2016 and 2020. However, the BBC reports that direct TV (i.e. people watching through the BBC's own services) has remained an important medium in key regions. The BBC World Service reached 116 million people in an average week across its digital platforms – amounting to 33% of the total reach of BBC World Service Languages and English service offerings. Its growth accelerated in 2019, with a surge in 2020. The BBC recognises that this was caused by audiences across the world turning to the BBC to access trusted information about the pandemic.

Due to the impact of Covid-19, data relating to the reach of the BBC World Service across its platforms and services in 2021 is currently unavailable. In its [Annual Report and Accounts](#), the BBC has stated that it will publish data on the global annual performance of all BBC services, platforms and countries later in the year when data becomes available.

The BBC World Service's syndicated reach accounts for 62% of its global audience

Delivering output through third-party platforms and partner services has enabled the World Service to expand its global audience reach. The BBC states that with more than 1,800 radio partners, the most significant growth in audio consumption has come from syndicated radio. The BBC World Service English across syndicated radio now reaches 67 million people each week. The BBC also states that by working with over 80 major international broadcasters and satellite services, the BBC World Service has seen a 51% increase in audience growth on its TV platform since 2016.

Recognising the increasingly important role that online services will play in the future, the BBC told us that it has adopted a multi-platform approach for its World Service content. It indicates that its refreshed international digital strategy will focus on increasing content consumption on BBC-owned sites around the world, both in English and foreign languages.

The Serota Review concluded that investment in editorial support has not kept pace with the growth in BBC World Service output

Investment by the FCDO has enabled the BBC World Service to carry out its biggest expansion since the 1940s, adding 12 new languages – including Korean and Serbian – to its services. Over a thousand staff have been recruited since 2016 as part of the World 2020 expansion. The Serota review recommends that the BBC's Editorial Policy team should be strengthened to provide targeted support to BBC World Service languages. It also notes that the BBC's editorial standards are different from those that prevail in many parts of the world and often need to be learned and promoted by staff in those regions.

The BBC World Service is on track to meet all its targets for 2022, except for increasing reach to women

The BBC World Service has now met, or is on course to meet, its global reach targets for 2022. Having reached 31% of young people in 2020, the BBC World Service has exceeded the licence target to reach 27% of this audience by 2022.¹⁸² However, the BBC will fall short on one target – that, of its total reach, 48% should be women. The proportion of the total BBC World Service audience that are women has remained at 38% since 2016. In its [performance review](#), the BBC states that it is aware of this challenge and that it has “*placed a greater focus on improving representation of women through several initiatives*”. These include commissioning new content that seeks to represent the issues closest to the lives of women; addressing representation on screen across its news services; and through editorial outreach initiatives and events.

Partnerships are important to the delivery of the BBC World Service

The BBC uses partnerships in the UK to help deliver its purposes, as they can amplify the BBC’s message, offer expertise, and potentially reach a wider audience. The BBC World Service also works with a substantial number of media partners globally. The BBC has told us that it has approximately 2,000 partnerships, including arrangements in TV, radio, and digital as well as with big-tech companies like Facebook, Google, and Microsoft, and co-production arrangements. The BBC states that its partnerships ensure the availability of full BBC channels, individual programmes and news services, and are crucial to ensure that BBC content reaches audiences on the relevant platforms.

The BBC World Service continues to be ranked first for trust and reliability among international news providers

According to the BBC’s brand tracker surveys, the BBC World Service remains at number one for trust and reliability among international news providers.¹⁸³ Other sources also indicate BBC news is a trusted source; in five of the six countries outside the UK where respondents were asked if BBC news was trustworthy, majorities of respondents, ranging from 67% in Canada to 83% in South Africa, agreed it was.¹⁸⁴ In response to the pandemic it restructured its operations, providing a core news service to help audiences understand the wider implications of the pandemic and to expose misinformation.

¹⁸² BBC World Service Performance Review 2016-2020.

¹⁸³ BBC Annual Report and Accounts 2020/21.

¹⁸⁴ Reuters Institute 2021 Digital News Report. Substantial majorities of respondents asked the question gave BBC News a score of 6-10/10 for ‘trustworthy’ in Canada, Ireland, India, Singapore and South Africa, while 47% did so in the USA. Data excludes those that had not heard of the BBC. All surveys were conducted using online panels. This methodology means that respondents are pulled from the subset of the population who have internet access and who are willing to participate in online panels. This group may differ in attitudes or demographic indicators, such as affluence or urbanity, from the rest of the population.

Case study: Tackling disinformation during the Covid-19 pandemic

The Anti-Vax Files was an eight-part podcast from BBC Trending in which a team of disinformation reporters from across the BBC investigated how anti-vaccine activists used social media to spread their message, and capitalised on fear and mistrust to advance their own agendas during the pandemic. Research from BBC Monitoring across multiple languages showed the global extent of the spread of extreme anti-vaccine content. The series interrogated the social media giants, spoke to those fighting online against misinformation, and told the stories of those who had escaped the conspiracy theory 'rabbit hole'. At the end of October 2021, the series had had 52,010 plays globally on the BBC Sounds website and app. It had also been downloaded 62,251 times on third-party audio platforms such as Apple and Spotify.

As the ways in which audiences can access news continues to grow, there is evidence that trust is under increasing pressure. However, we note that the [Reuters Institute 2021 Digital News Report](#) finds that trust in the news increased by an average of 6% over the past year in the countries surveyed. The BBC recognises that its role in providing trusted news is becoming ever more important. In May 2021, the FCDO [announced](#) that £8m of new funding for BBC World Service projects would tackle harmful disinformation, challenge inaccurate reporting around the world and improve digital engagement.

As noted in the [Purpose 1 section](#) of this report, the BBC continues to play a role in combatting the spread of harmful disinformation, with the Trusted News Initiative (TNI). The Reuters Institute is undertaking a second phase of research, funded by the BBC World Service, looking at the effectiveness of interventions aiming to prevent the spread of disinformation. The research will investigate whether individual news brands can reach people who have misinformed views, and whether they can make a difference, or are simply reaching the already-converted. The findings will be shared with TNI partners and presented publicly in March 2022. The BBC has told us that there are plans to secure funding from TNI partners to deliver training about reporting on disinformation for new global partners.

The BBC World Service plans to improve how it measures its impact around the globe

The BBC has told us that it has developed several initiatives to improve the measurement of the World Service. As well as tracking frequency and time spent (in addition to reach), it has carried out a large-scale 'impact project' – a research programme to understand how to increase audience impact. The research showed that audience impact happens when discussion with others, improved understanding and a shift in opinion happens as a result of consuming news content. The BBC is working to understand which interventions it can make to drive better understanding and discussion.

BBC World Service content can benefit UK audiences

In the UK, the BBC World Service is available on radio and BBC Sounds and is used by 4% of adults each week.¹⁸⁵ The BBC [reports](#) that 45% of listeners think it is the best channel for providing understanding of international news – higher than most of its competitors. The BBC told us that the number of weekly UK users accessing BBC World Service English and Languages content online increased from 0.9 million in 2016 to 1.6 million in 2021.

As well as this direct reach, audiences in the UK can benefit from the BBC World Service’s international insight and expertise through its contribution to the BBC’s domestic news service during global events; BBC World Service journalists often report direct from the affected region. The BBC also told us that the BBC World Service uses opportunities to commission content that is appropriate for both UK and international audiences. It says that by joining up UK and international commissioning, resources can be used to cover global stories that are relevant to all audiences. For instance, World Service investigative journalism by BBC News Arabic informed the BBC Two documentary *Undercover with the Clerics: Iraq’s Secret Sex Trade*. Between October 2019 and October 2021, the story had 2.4m page views online.

We note that in the UK, audience perceptions of the BBC’s delivery of international news are high – 73% of regular users of BBC TV for news score it highly on ‘good for international news’.¹⁸⁶

¹⁸⁵ BBC World Service Performance Review 2016-2020.

¹⁸⁶ Ofcom News Consumption Survey 2021 online sample only.

The BBC's impact on competition

In this section we explain how we have protected fair and effective competition over the Charter period. We set out the work we have completed in 2020/21 and what we are planning to do as part of our review of how Ofcom regulates the BBC. The key issue we have raised to date is the BBC's lack of engagement with industry on its planned changes to services; we have seen some improvement here. However, there is more for the BBC to do to give assurance to the market that it has considered and accounted for the potential impact on competition that its plans might have.

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. Ofcom's role is set out in the Charter and Agreement and requires us to protect fair and effective competition in the UK.¹⁸⁷

We have put in place rules for both the public service and commercial activities and we review the changes that the BBC makes to these activities.

Our work in 2020/21 to protect fair and effective competition

Public service activities

Figure 3: How we regulate the impact on competition of the BBC's public service activities

Changes to public service activities	We 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 can do this through a BBC Competition Assessment (BCA).
Ongoing public service activities	We may open a BBC Competition Review (BCR) where there are reasonable grounds to believe that the carrying out of a UK Public Service is having a significant adverse impact on fair and effective competition.
Commissioning	The BBC is required over the course of the Charter period to commission an increasing amount of content following a competitive process that is fair, reasonable, non-discriminatory, and transparent (FRNDT). Our role is to monitor the BBC's compliance and enforce those requirements.
Distribution	We have a role to consider specific competition complaints about the way the BBC distributes its public services.

Over the past year we have considered three changes to BBC public services and reviewed the market position and impact of BBC Sounds. We have also continued to monitor the BBC's progress in meeting its targets in relation to commissioning.

Changes to public service activities and non-service activities

The BBC announced its proposal to relaunch BBC Three on 2 March 2021 and published its public interest test (PIT) in June 2021. As required by the BBC Charter and Agreement, we have considered the BBC's proposals through a public BBC competition assessment (BCA) and agreed that BBC Three can return as a broadcast channel. We summarise our decision in the [Our work programme section](#) of this report.

¹⁸⁷ See the section on Overview of our duties.

During 2020/21 we reviewed the BBC's materiality assessments of the following proposed changes to its public service activities:

- [the addition of the Radio 1 Dance stream to BBC Sounds](#) ¹⁸⁸
- [the addition of the Radio 1 Relax stream to BBC Sounds](#)

In each case, we did not have significant concerns about the proposals and did not require the BBC to carry out a PIT. Although we did not require the BBC to undertake further analysis in relation to the Radio 1 Relax stream, we noted that we did not think the BBC had engaged sufficiently with stakeholders, or had properly considered the impact of the proposed change on competitors, specifically commercial radio.

During 2020/21 we also reviewed the BBC's materiality assessments of the following proposed changes to its 'non-service activities'; that is, activities that are not UK public services, but which directly or indirectly fulfil the Mission and promote one or more of the Public Purposes:

- YouView¹⁸⁹ – BBC's continued participation in YouView under a new shareholder agreement.
- Digital UK and Freesat merger – The BBC's role in the arrangements made with ITV and Channel 4 to bring together Digital UK, which facilitates the provision of Freeview, and Freesat, which offers access to the UK's subscription-free satellite television service.

In both cases we did not require the BBC to undertake a PIT.

Changes to the BBC's Operating Licence

In reaching a decision on changes to the BBC's Operating Licence to enable the BBC to increase its online provision of children's content (see the [Public Purpose 2 section](#) of this report), we took into account the potential impact of the BBC's proposals on fair and effective competition. Our view was that the risk to fair and effective competition of the proposals was low.

Consideration of the market position of BBC Sounds

In October 2020 we published a [call for evidence](#), in which we sought evidence and information in relation to the market position and impact of BBC Sounds. Using the evidence provided to us by stakeholders alongside our own data and research, we considered the ways in which BBC Sounds might have a significant adverse impact on competition. In May this year, we published a [consultation](#) on our provisional view that we did not have reasonable grounds to believe that BBC Sounds was having a significant adverse impact on fair and effective competition.

Alongside this Annual Report we are publishing [our statement](#) in which we conclude that we do not have reasonable grounds to believe that BBC Sounds is having a significant adverse impact on fair and effective competition, and we will not be launching a BBC competition review (BCR).

¹⁸⁸ We note that Radiocentre Ltd has applied for permission to apply for judicial review of matters relating to our review of the materiality assessment relating to Radio 1 Dance. As at 22 November 2021, Radiocentre has been given permission to proceed on certain of the grounds in respect of which it sought permission.

¹⁸⁹ YouView is a joint venture between the following shareholders: BBC, ITV, Channel 4, Channel 5, BT and TalkTalk.

Competition in commissioning

As explained in the [Compliance Annex](#), 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. We have continued to monitor the BBC's progress in meeting its targets.

Progress towards the targets this year has not been as significant as in other years, and in the case of online, the percentage of content that is contested has decreased. For TV and radio programming, we understand the smaller increase is due to the BBC putting some of its plans for competitive tendering on hold due to the impact of Covid-19. However, the BBC has confirmed that it is on track to meet all the targets set out in the Agreement.

Figure 4: BBC progress towards commissioning targets

	Contested to date 18/19	Contested to date 19/20	Contested to date 20/21	Target	When target must be met
TV ¹⁹⁰	56%	62%	64%	100%	31 December 2027
Network radio ¹⁹¹	35%	48%	53%	60%	31 December 2022
Online ¹⁹²	44% ¹⁹³	62%	59%	100%	31 December 2027

Source: BBC Annual Report and Accounts 2020/21

The BBC is also required to ensure that there is genuine competition between BBC producers and external ones (whether independent producers or not) on an FRNDT basis.

We have met a range of producers as part of our ongoing stakeholder engagement. While they did not express significant concerns about the FRNDT requirement, they raised a number of points about the commissioning process. In particular, some producers wanted to see more information about the BBC's longer-term commissioning plans and the outcomes of commissioning rounds. Information about the BBC's commissioning plans and outcomes allows producers to pitch the most appropriate ideas to support the BBC's objectives, regardless of whether they are a BBC producer or an external one. We will discuss with the BBC whether more information about its plans for commissioning and the outcomes of commissioning rounds could be made available.

Commercial and trading activities

The BBC undertakes commercial activities to generate a financial return, which can be reinvested in BBC programmes and services and supplement licence fee income. 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

¹⁹⁰ The Agreement requires the BBC to ensure that it secures competition for 100% of relevant television programmes by 31 December 2027. The figure is based on the number of hours broadcast or provided on BBC iPlayer in 2020, taking into account commissioning decisions made up to 31 December 2020.

¹⁹¹ The Agreement requires the BBC to ensure that for relevant radio programmes it secures competition for at least 60% of relevant broadcasting time by 31 December 2022. The figure is based on the number of hours broadcast in 2020/21, taking into account commissioning decisions made up to 31 March 2021.

¹⁹² The Agreement requires the BBC to secure competition for 100% of relevant online material by 31 December 2027. The BBC has defined 'relevant online material' in a way that adheres to the provisions of the Agreement and has discussed this definition with Ofcom. It measures online contestability by expenditure on content production of relevant online material. The figure is based on expenditure in 2020/21.

¹⁹³ In this year the BBC used the percentage of relevant spend that was external as a proxy for contested spend. Therefore, this figure is not directly comparable with the figures for other years.

unfair competitive advantage. We have therefore set Trading and Separation requirements about how the BBC operates and trades across the boundary between its commercial and public service activities.

Figure 5: A brief summary of the Trading and Separation requirements

Operational separation	Supply and pricing of goods and services	Commercial rate of return
Ensure that the governance of the commercial subsidiaries is distinct and separate from the public service, and restrict the commercial subsidiaries' access to information regarding the public service's strategy, priorities and activities that is not available to third parties	Regulate the terms and conditions on which the public service and commercial subsidiaries sell goods and services to each other. Goods and services sold by the public service to third parties are also covered.	The BBC is required to earn a commercial rate of return for each commercial subsidiary and line of business over an appropriate period of time
Monitoring, reporting and transparency requirements*		

**These requirements apply across all three areas.*

Under this framework, the BBC must consider whether any proposed changes to its commercial activities are material and, if so, undertake a commercial test and refer the material change to us before it is implemented. We would then assess whether this change is material and if we conclude it is, we would conduct a Trading and Separation assessment and determination.¹⁹⁴

Our main areas of work in 2020/21 are described below:

Review of BBC Studios

On 9 October 2020 we published a [call for evidence](#). This review is assessing how the BBC has implemented our rules and is looking at concerns about the relationship between the public service and BBC Studios. As part of our review, we are assessing whether our regulation remains effective in this area.

Following consultation, we issued a [statement](#) in April 2021 setting out our decision that BBC Studios' changes to its lines of business¹⁹⁵ (from five to two, notably combining its production and distribution activities into a single line of business), were appropriate.¹⁹⁶

In the rest of the review we have looked in depth at the processes and procedures that the BBC has put in place, to ensure that it is meeting our rules.¹⁹⁷ This has centred around the main areas of our

¹⁹⁴ The Trading and Separation assessment will focus on whether the proposed change is likely to distort the market or create an unfair competitive advantage for the BBC commercial activity as a result of the relationship between the public service and the commercial activity.

¹⁹⁵ The business areas the BBC uses to set targets and report on performance.

¹⁹⁶ As part of our statement, we decided to change our rules so that the BBC is required to give Ofcom three months' notice of any future changes to the existing composition of its commercial subsidiaries and the lines of business within those subsidiaries. If we consider the BBC's changes to be inconsistent with the rules, the BBC Charter or the BBC Framework Agreement, we would, subject to consultation, be able to step in to prevent them.

¹⁹⁷ [The BBC's commercial and trading activities: requirements and guidance, Ofcom, 15 July 2021](#). This is the unofficial consolidated version of the trading and separation requirements and guidance. For the avoidance of doubt, in the case of any difference between texts, the text set out in the 11 February 2019 publication and any subsequent documents published on Ofcom's website shall take precedence. Modifications were made to the trading and separation requirements in the BBC Studios' line of business statement, 30 April 2021. The trading and separation requirements should be read alongside the subsequent documents published on Ofcom's website.

rules: operational separation, transfer pricing and rate of return. We plan to issue the findings of our review in December 2021.

Assessments of changes to commercial activities

In 2020/21 we assessed two changes by the BBC under the materiality assessment framework. These were:

- the transfer of BBC Three production staff from the public service into BBC Studios; and
- the splitting up of BBC Global News Limited (GNL) between BBC Studios and the BBC’s public service news division.¹⁹⁸

We agreed with the BBC that neither of these changes were material and advised the BBC of this view in July 2021.

Ongoing monitoring of commercial activities

We carry out ongoing monitoring of the BBC’s performance in its commercial activities, including assessing the reporting information provided by the BBC under our rules. Our forthcoming BBC Studios review will update stakeholders with the results of our monitoring this year. There were some errors in the 2019/20 annual reporting submission; this has subsequently been re-submitted by the BBC. We have engaged with the BBC and it has informed us that it is taking action to improve the accuracy of this information.

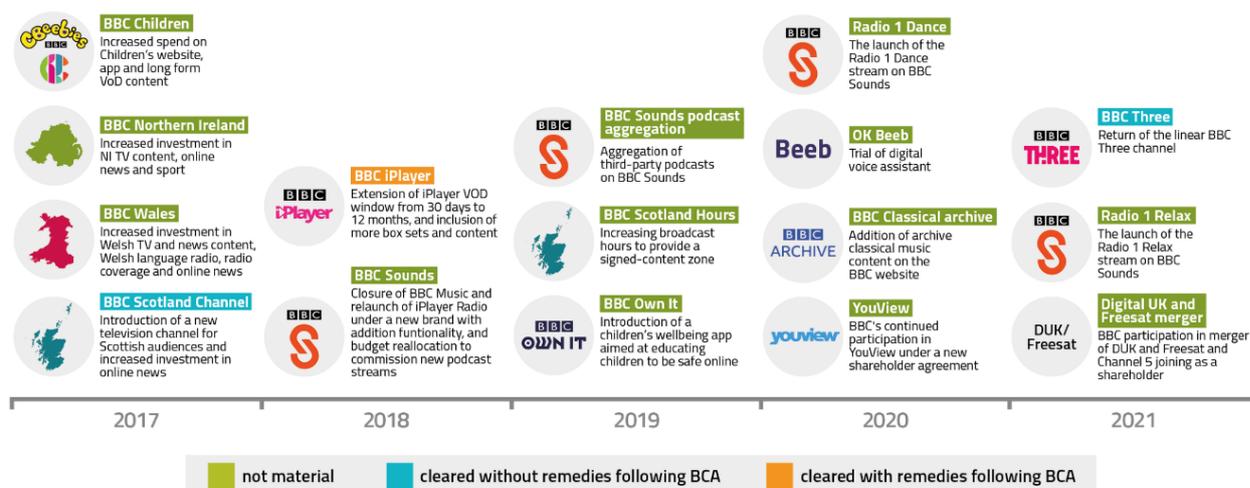
What we have done since April 2017

Public service activities

In March 2017 Ofcom published its approach to BBC competition regulation, alongside guidance on how we would consider both proposed changes to the BBC’s services and the impact of existing BBC services, as well as our requirements and guidance for the distribution of BBC public services.

Changes to public service activities and non-service activities

Since April 2017 Ofcom has engaged with the BBC on a number of proposed changes to the BBC’s public services and non-service activities. The infographic below sets out a timeline of the main proposals for which we have considered materiality.¹⁹⁹



¹⁹⁸ Editorial and operational control of BBC World News TV was transferred to the BBC’s public service news division, while the remainder of GNL, including its activities relating to the commercialisation of the service and online products and services were moved into BBC Studios.

¹⁹⁹ The proposals are grouped by the year in which the BBC provided us with a materiality assessment or published its PIT. The infographic is not intended to be completely exhaustive.

Case studies

BBC Scotland channel

In 2017, the BBC notified us of a proposal to launch the BBC Scotland channel. As a new public service, this was a material change. The BBC therefore conducted a PIT, during which time it consulted with stakeholders. In November 2017 the PIT was approved by the BBC Board and submitted to Ofcom for consideration. We began a BCA to consider whether the value that the public would derive from the channel would justify any adverse impact on fair and effective competition. In June 2018, following consultation, we published our determination.

We concluded that any adverse impact on fair and effective competition would be justified by the public value delivered by the proposal, and that the BBC could proceed with it. We emphasised the importance of the BBC implementing the proposal as it was set out, and highlighted the role of the BBC Board, both in monitoring that, and in considering any further expansion by the BBC. The BBC launched the channel in February 2019.

Changes to BBC iPlayer

In June 2018 the BBC provided us with proposals to add box-set content to BBC iPlayer, which it did not regard as material. Following assessment, we disagreed with the BBC, finding that its proposals could have a significant adverse impact on fair and effective competition. We therefore directed the BBC to undertake a PIT and imposed interim restrictions on BBC iPlayer content. In April 2019, the BBC published the outcome of its PIT. Its proposed changes to BBC iPlayer included making available all new programmes on BBC iPlayer for 12 months as standard. The BBC said that the proposals satisfied the PIT, as any impacts on fair and effective competition would be justified by the public value that the changes would generate for audiences.

At the same time, we launched a BCA and sought evidence from stakeholders on how the BBC's proposals would affect their existing businesses or investment plans. This was followed by a second consultation in June in which we consulted on our provisional conclusions, allowing stakeholders a final opportunity to comment. In August 2019 we concluded our BCA by publishing our final determination that the public value of the BBC's proposals for BBC iPlayer justified the likely impact on competition and that the BBC could therefore proceed with the proposals, subject to conditions and guidance.

Consideration of the competitive impact of existing BBC public service activities

In 2018, we considered a request from Wireless Group to open a BCR into how the BBC acquires sports rights for radio. We published our conclusion that although there is potential for competition between sports rights acquirers to be adversely affected by the BBC, it would not be appropriate to exercise our discretion to launch a BCR.

As noted above, we have concluded, following assessment, that we do not have reasonable grounds to believe that BBC Sounds is having a significant adverse impact on fair and effective competition, and that we are therefore not launching a BCR.

Commissioning

As explained above, the Agreement sets out specific targets that the BBC must meet in relation to increasing the proportion of content commissioned through a contestable process. We have continued to monitor the BBC's progress in meeting its targets since April 2017.

So far, during the Charter period, the BBC has met the following requirements:

- The BBC removed the in-house guarantee for children's, sport and non-news related current affairs television programmes.
- The BBC ensured that 40% of the TV programmes subject to the previous in-house guarantee for drama, comedy, entertainment and factual were opened up to competition.

Complaints

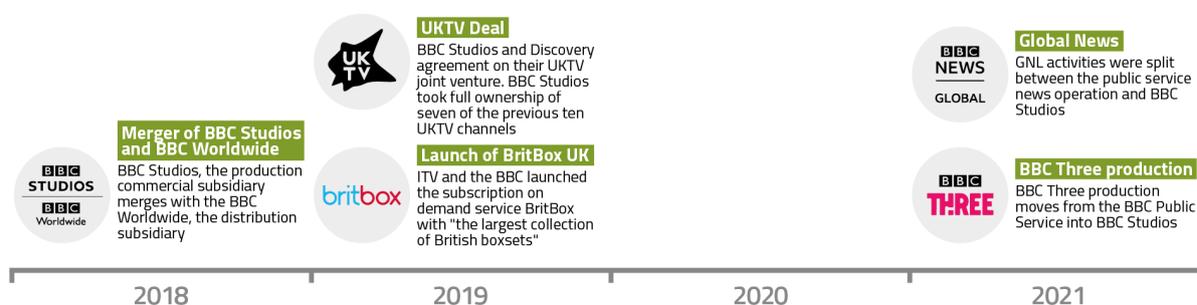
Since taking on our regulatory role, in enforcing compliance by the BBC with 'competition requirements',²⁰⁰ we have considered one complaint about the BBC's commercial activities, one complaint about the procurement of audience voting services and several complaints relating to the distribution of the BBC's UK public services. Most of the complaints relating to the distribution of the BBC's public services were about its 2019 decision to withdraw its live radio streams from TuneIn on certain platforms in the UK. We carefully considered each complaint mentioned above, concluding that none warranted further investigation.²⁰¹

Commercial and trading activities

In 2017, we published [rules](#) aimed at addressing the competition concerns arising from the relationship between the BBC Public Service and its commercial subsidiaries, to ensure that commercial activities do not distort the market or create an unfair competitive advantage as a result of their relationship with the BBC Public Service. Following further work in this area, including looking at the processes and practices around the operation of the commercial subsidiaries and their relationships with the BBC's Public Service, in 2019 we updated our [rules](#).

Since BBC Studios was created in 2017, there has been continued change as BBC Studios evolves to respond to market developments, and in our ongoing review of BBC Studios we recognise these changes. In Figure 6 we set out the changes within the materiality framework that we have assessed since 2017. We considered, and have determined, that the following developments were not material under the framework.

Figure 6: Changes to the commercial activities: 2018-2021



²⁰⁰ A 'competition requirement' is any requirement placed on the BBC by Ofcom to regulate the impact of the BBC's activities on competition. These requirements are set out in Ofcom's [Procedures for enforcement of BBC competition requirements](#).

²⁰¹ The decisions were made in line with our enforcement procedures.

Case study:

Our assessment of BritBox in 2019

In July 2019, ITV and the BBC announced the launch of BritBox, a subscription video-on-demand service.²⁰² BritBox has a significant amount of ITV and BBC content, alongside content from Channels 4 and 5 and the BFI. Of significance for our analysis was the fact that the BBC was giving BritBox access to content within the BBC public service's 18-month exclusivity window.

In our assessment of whether this was a material change to the BBC's commercial activities, we considered whether the BBC's involvement in BritBox created a significant risk of market distortion, or created an unfair competitive advantage as a result of the relationship of this activity with the BBC public service.²⁰³

We considered that our trading and separation rules would be sufficient to address most of our potential concerns. There were two areas not covered by our existing rules: in relation to the BBC's programme release policy (for allowing content to be shown on other platforms within its 18-month exclusivity period) and cross-promotion from the public services. Following consultation, we concluded that there was not a significant risk of market distortion or unfair competitive advantage but that we would monitor developments closely and would step in if concerns arose in the future.

Finally, as part of our work on commercial activities, we have engaged with the Fair Trading Committee, the BBC Board sub-committee responsible for overseeing the BBC's compliance with its regulatory obligations for trading and separation between the public service and the commercial subsidiaries. This engagement has helped us to better understand how the Fair Trading Committee assists the BBC Board in this area.

Key themes emerging from our work over the Charter period to date

Transparency and engagement with third parties

As we have said in previous Annual Reports, it is important that the BBC engages effectively and transparently with third parties on proposed changes to BBC services. Active engagement with industry will allow the BBC to adapt its proposals to avoid adverse impacts on competition that are not justified by the public value created and will reduce the likelihood of the need for regulatory intervention.

In the four years since Ofcom's first BBC Annual Report, we have seen a mixed picture in terms of the BBC's approach to transparency across its public service and commercial activities. We have observed some positive examples of third-party engagement from the BBC, such as on its education strategy. However, a range of stakeholders have raised concerns about the way in which the BBC has engaged with them on changes to its services, and we have also noted examples where the BBC could have engaged with industry more effectively including in relation to the development of BBC Sounds.

²⁰² The venture is ITV controlled with 90% of the equity held by ITV and 10% by the BBC.

²⁰³ We also needed to consider whether this was a new activity or a significant change to the commercial activities and we agreed with the BBC that it was a new activity.

In previous Annual Reports, we said that the BBC Board should do more to drive greater transparency by ensuring that the BBC engages effectively with stakeholders. We have highlighted the need for the BBC to make use of its Annual Plan – alongside other routes – to provide stakeholders with information about its future plans and strategy. We have noted that it would be beneficial if the BBC provided more clarity during the initial materiality process to allow stakeholders to properly engage with the BBC about the potential competition impacts.

The BBC has taken some steps to address these concerns. We have seen progress in the level of detail in the Annual Plan, and the Across the UK plan is a good example of the BBC providing early sight to stakeholders of its strategy. This is something we consider the BBC should do more of. However, we still think there is more the BBC can do. For example, we say in our statement on BBC Sounds that we expect the BBC to provide enough information for stakeholders to comment meaningfully on further changes to BBC Sounds, such as target audiences and expected take-up rates, and to ensure they have sufficient time to do so. However, we do not expect the engagement process to be open-ended, and we also expect stakeholders to engage in a timely fashion with the BBC.

In relation to PITs (of which there have been three over the Charter period so far), we have heard from stakeholders that the BBC does not sufficiently demonstrate how it has taken account of the potential impact on competition. Previously, we have criticised the analysis that the BBC has undertaken in its PITs, but we have seen recent improvements. In relation to its plans for BBC Three, the BBC provided more and richer information, for example, on public value. We have also seen improvements in how the BBC engages with us: we were consulted by the BBC in the set-up phase of the audience research that it commissioned for the BBC Three PIT, and were given the opportunity to comment on aspects such as the most appropriate methodology, especially given limitations due to Covid-19 restrictions, research questions and sample requirements.

In our view there is more the BBC could do to engender a culture of transparency throughout its operations, and a willingness to reconsider its plans in the light of stakeholder feedback. This view was echoed in the recent Serota Review, which said:

"The opportunities identified by contributors to this Review, from both inside and outside the BBC, would mean, amongst other things...less defensiveness and more transparency in how the BBC reacts to the outside world"
(Serota Review)

Ofcom review of BBC regulation

As set out in the section on [our work programme](#), we are currently undertaking a review of how Ofcom regulates the BBC. As part of this we are considering in more detail how best to assess the competitive impact of changes to the BBC's public services, now that we have sufficient experience of how the current processes work in practice. In particular, we are considering the concerns raised by stakeholders about the BBC's lack of transparency about planned changes: how it engages with stakeholders about the impact of changes and how it takes stakeholders' views into account. Our review will look at how the regulatory framework might be developed to encourage and enable the BBC to better engage with stakeholders, although alongside this, we expect the BBC to continue to develop its third-party engagement. We will also consider how the regulatory framework should be adapted to take account of the significant changes in how media content has been produced, distributed and consumed since the current framework was introduced. We are also considering the role of the BBC's public service in the operation of its commercial activities.



Content standards

In this section we first set out our work enforcing content standards on BBC services in 2020/21 and then provide a thematic overview of work in this area over the first four years of the current Charter period. The key issue we have addressed to date is the BBC's transparency in decision-making and complaints handling, which we will also address as part of our review of BBC regulation this year, leading up to the Government's mid-term Charter review.

Introduction

The BBC's content standards have come under particular public scrutiny over the past year, with the publication of the Dyson and Serota Reviews and the BBC's own impartiality and editorial standards action plan (see [Public Purpose 1](#)). Throughout this period, our fourth year of regulating BBC content, we have continued to look to the BBC to uphold the high standards that its audiences expect. Our [Operating Framework for the BBC](#) (and [previous Annual Reports](#)) sets out our role in regulating the BBC's content standards.

One of the principal ways in which we secure standards is through the handling of audience complaints. Unlike other broadcasters we regulate, the 'BBC First' complaints process gives the BBC the opportunity to resolve complaints in the first instance. But if a complainant has completed this process and is not satisfied with the BBC's final decision, they can refer the matter to Ofcom.²⁰⁴ In exceptional circumstances Ofcom may intervene at an earlier stage and it can launch investigations to determine compliance as it considers appropriate.

Enforcing BBC content standards in 2020/21

Complaints about BBC programmes

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. We have recorded no breaches of our Broadcasting Code during this period.

The BBC's complaints statistics for 2020/21 show that most complainants do not refer their complaint to Ofcom after receiving the BBC's final response to their complaint. It is important to understand the reasons for this low escalation rate, which might indicate that the BBC First process is working well but may also be due in part to other factors. We are aware that a number of complainants still incorrectly bring their complaint to Ofcom before completing the BBC's complaints process. Therefore, as part of our review of BBC regulation in the coming year, we will conduct research into how well the 'BBC First' complaints process delivers for audiences, in terms of their experience of the process and their satisfaction with both the process and the outcome.

The monthly reports which the BBC submits to Ofcom (as required by our [Determinations in relation to BBC complaints handling](#) – see below) allow us to assess whether all complaints progressed to

²⁰⁴ This does not apply for Fairness and Privacy complaints, which can be made directly to Ofcom.

Stage 2 of the BBC’s process are considered and resolved in a timely manner. As with all years, there have been isolated occasions in this performance period when this has not been the case, but this is unsurprising in a system which deals with such large numbers of complaints. In this context, we note that the BBC’s overall complaints numbers increased in 2020/21 but the response time for answering complaints within the KPI targets set by Ofcom also improved (see below).

Figure 7: Stage 1 complaints to the BBC

	2019/20	2020/21
BBC Stage 1 complaints	368,377	462,255
Complaints answered within the prescribed timeframe of 10 working days (target set by Ofcom 93%)	87%	93%

A key part of the BBC First system is the investigatory activity carried out at Stage 2 of the BBC’s complaints process by the BBC Executive Complaints Unit (ECU). During 2020/21 the ECU dealt with 455 complaints about BBC broadcast and on-demand content²⁰⁵ and upheld or partly upheld 19.

Figure 8: BBC complaints to Ofcom in 2020/21



Just as the BBC saw a significant increase in the number of complaints it received, so did Ofcom: between 1 April 2020 and 31 March 2021 we received high numbers of complaints about all broadcasters. We assessed 142,660 complaints about TV and radio, a 300% increase compared to last year, when we assessed 34,545 complaints. This was in part driven by the pandemic and complaints about ethnicity-related issues.²⁰⁶ Of these complaints, we assessed 185 that were about BBC content and which had completed the BBC’s complaints process, with the complainant dissatisfied with the outcome.²⁰⁷ Figure 8 shows the trend in complaints to Ofcom over the years we have been regulating the BBC.

²⁰⁵ This does not include complaints about the BBC World Service (which is not regulated by Ofcom).

²⁰⁶ [Ofcom’s Annual Report and Accounts 2020/21](#).

²⁰⁷ We also received a further 5,244 complaints which were found not to have completed the BBC’s complaints process before coming to us, nearly double last year’s total of 2,763.

This is a very small proportion (0.04%) of the overall number of complaints dealt with by the BBC in 2020/21 and fewer than the number of BBC standards assessments we completed last year (233). We did not consider that any of these 185 complaints raised substantive issues under the Code or warranted further investigation.

However, to ensure greater transparency for audiences, we have begun to make greater use of published 'not pursued' decisions as an important regulatory tool – such as publishing our decisions not to pursue complaints about the *Points West* (see box below), *Newsnight* and *Scottish Government's Coronavirus Updates* cases outlined in this section. These were cases which involved discussion of issues of general importance and public concern; for example, public health information relating to the current pandemic. We therefore considered it was in the public interest to publish our reasons for these assessments, as well as to provide guidance to the BBC and other broadcasters. We are monitoring closely how the BBC has acted on our findings in these cases.

***Points West*, BBC One/BBC News Channel, 28 July 2020, 18:30 and 22:30 and 29 July 2020, 10:00**

At 18:30 on 28 July 2020, *Points West* included a report about a racially aggravated attack on a young Black NHS worker in Bristol, in which the presenter used the 'n-word' in full as part of her description of racist language used during the incident. The same version of the report, containing the racially offensive word, was repeated in two further programmes.

The BBC received more than 18,000 complaints about the use of racially offensive language during the reports. On 4 August 2020 the BBC released a statement on its complaints website, which defended the broadcasts. On 10 August 2020 the BBC's Executive Complaints Unit (ECU) published a summary and response to the complaints. The response detailed an email sent from the then BBC Director-General, Lord Hall, to all BBC staff the day before, which said: "Every organisation should be able to acknowledge when it has made a mistake. We made one here".

The ECU did not investigate the complaints it received, since the Director-General, as the corporation's Editor-in-Chief, had made clear the steps he had taken and the judgement he had reached.

Ofcom received 878 complaints that had not completed the BBC's complaints process. In accordance with BBC First we referred these complaints to the BBC. We subsequently received one complaint about the broadcasts which had completed the BBC's complaints process, which we assessed under the Broadcasting Code. We considered that the very high potential for offence in the specific language which was included in these broadcasts was not justified by the context. We were also concerned that the first response of the BBC was to defend the broadcast of this language in these reports.

However, we took into account that the Director-General, as Editor-in-Chief, had publicly stated that the BBC should have taken a different approach and apologised for the distress caused. The BBC subsequently took steps to update its guidance on the use of offensive language and introduced a mandatory referral to Heads of Divisions for all decisions about the inclusion of racist language. Having carefully considered the steps taken and the final position reached by the BBC in response to complaints, Ofcom considered that, although the very high potential for offence in these broadcasts was not justified by the context, no further regulatory action was required.

The BBC's transparency in its handling of complaints

We noted, in our consultation document for our review of BBC regulation, that public confidence in the operation and effectiveness of the BBC's complaints process depends on the BBC being sufficiently transparent in how it handles and resolves complaints. This topic was also highlighted by the Serota Review, which identified a 'defensive mindset' at the BBC.

[Ofcom's Complaints Determinations](#) outline the requirements for reporting and publishing information on the BBC's handling of complaints at stages 1 and 2 of the BBC's Complaints Framework. The latest Determinations, which we published during 2020/21, include a specific provision that requires the BBC to increase its publication of summaries of the BBC ECU findings at stage 2 of the BBC's complaints procedure. The Determinations require:

- that the BBC should publish all upheld, partially upheld and resolved findings at stage 2; and
- that "some not upheld findings must be published in accordance with criteria agreed by Ofcom."

However, we note that the BBC has not published any of its 'not upheld' findings since the publication of our latest Determinations in July 2020. Given the importance for the BBC to be as transparent as it can be in explaining its editorial standards decision-making to audiences, to maintain public confidence, we will be discussing with the BBC why this was the case.

Our BBC Complaints Determinations were due for further review in mid-2021. However, as we stated in our July 2021 Consultation Document *How Ofcom regulates the BBC*, we intend to incorporate this review of the BBC Complaints Determinations into our wider review of BBC regulation which we are due to publish in 2022. In doing so, we will take account of the measures outlined in the BBC's impartiality and editorial standards action plan in this area to increase openness and transparency (including amending the BBC's Complaints Framework).

Securing the due impartiality of the BBC's programmes

Complaints to Ofcom about a lack of due impartiality in BBC programmes remained high during 2020/21 (see Figure 12 below). Of the total 5,429 BBC complaints we received, 1,530, or 28% of all BBC complaints to Ofcom, were about due impartiality, compared to 29% last year. Of the 185 complaints we assessed, 82 (44%) related to due impartiality, including the case studies below.

In the current reporting period we have not found any BBC content to be in breach of the due impartiality or due accuracy requirements of the Code.²⁰⁸ However, as already discussed, in contrast to other broadcasters, an important feature of the BBC First framework is the fact that the BBC can reach its own decisions about editorial content including due impartiality. Complaints only come to Ofcom for consideration if the complainant is dissatisfied with the BBC's final decision. During 2020/21, of the 18 cases that the BBC's ECU upheld or partly upheld, five related to due impartiality. Of these, one complainant escalated their complaint to Ofcom after completing the BBC's complaints process. We [assessed this complaint](#) but did not consider that it raised issues warranting investigation under our rules.

Although we did not launch any due impartiality investigations this year, as mentioned above, we decided, in the interests of transparency, to publish our reasoning as to why we did not open investigations in two cases (the *Newsnight* and *Scottish Government's Coronavirus Updates* – see

²⁰⁸ However, we have opened one investigation into BBC content relating to due impartiality so far in 2021/22.

boxes below). Both these cases were of significant public interest and our decisions set out important guidance to the BBC and other broadcasters.

Serious editorial complaints (including election complaints)

Much of the public focus on the BBC's content standards over the past year has concerned its handling of a historic serious editorial failing (regarding Martin Bashir's 1995 *Panorama* interview with Diana, Princess of Wales). Ofcom's overall remit in securing broadcasting standards is, through the enforcement of our Broadcasting Code, to protect audiences from harm and offence in programming. This is why we have always welcomed the way in which the BBC focuses on serious editorial complaints in its own Annual Report and Accounts.

We said in the consultation document for our review of BBC regulation that we intended to scrutinise the BBC's process for handling and expediting serious complaints. This has also been a key focus of the Serota Review, which recommended that *"The BBC should establish and publish a simple and proportionate procedure for self-initiated (internal) investigations into potential breaches of the Editorial Guidelines"*. The BBC has adopted this recommendation and has committed in its impartiality and editorial standards action plan to a procedure which *"will be independent from content-making divisions, with the most serious cases requiring an investigation involving or led by a non-BBC figure."*

We welcome the BBC's commitment to enhance accountability and track progress in delivering each action in its action plan on impartiality and editorial standards following the Serota Review, and we will closely monitor the BBC's progress in this area.

In this reporting period we have dealt with two high-profile specific election complaints: [a complaint](#) from the Alba Party in relation to the BBC's coverage of the Scottish Parliamentary Election and [a complaint](#) from Reform UK in relation to *Election Wales 2021: Leaders' Debate* on BBC One on 29 April 2021.

Last year we started to discuss with the BBC its handling of serious complaints, including election-related complaints. The BBC's transparency in this area is particularly important, as the consequence of any editorial failing may be substantial and the timeframe for the resolution of issues may be very short. To this end we welcome the recommendation of the Serota Review (since adopted by the BBC in its impartiality and editorial standards action plan) that *"The BBC Complaints Framework should be amended to make specific reference to, and clarify how, the BBC handles expedited complaints about broadcast or published content where a decision has to be reached speedily, potentially within a matter of hours."*

We want to ensure that the BBC First system continues to have the confidence of audiences during significant periods such as elections. We will continue to engage further with the BBC on the handling of serious editorial complaints, including election complaints, as part of our review of BBC regulation.

Newsnight, BBC Two, 26 May 2020, 22:45

During the opening segment of an edition of *Newsnight*, presenter Emily Maitlis commented on the then recent events involving the Chief Advisor to the Government at the time, Dominic Cummings. Her comments included that:

- Mr Cummings had “*broke[n] the rules*” during the first Covid-19 lockdown;
- he had “*made those who struggled to keep to the rules feel like fools*”;
- there had been a “*deep national disquiet*” about the incident; and
- the Government’s response had amounted to “*blind loyalty*” being shown to Mr Cummings.

The BBC received complaints that the presenter’s opening comments were biased and inaccurate. The BBC Executive Complaints Unit (ECU) published its finding on 3 September 2020 that the complaints had been ‘resolved’, stating that although the introduction “did not meet the required standards on accuracy or impartiality”, no further action was required because BBC News had conceded that the introduction did not meet the required standards on accuracy or impartiality.

Ofcom received five complaints which had completed the BBC’s process. Ofcom considered that the programme constituted news and dealt with a matter of major political or industrial controversy and a major matter relating to current public policy. We therefore assessed the content against Section 5 of the Code, which requires that news, in whatever form, is reported with due accuracy and presented with due impartiality.

We acknowledged that the section of the programme which followed the introduction, lasting approximately 20 minutes, discussed the story in more detail and included the Government’s public response as well as other alternative views. We therefore considered that an appropriate range of significant views on the subject matter were included and given due weight.

However, we also considered that the presenter’s opening remarks had the potential to be perceived by some viewers as an expression of her personal view on a matter of major political controversy and a major matter relating to current public policy.

Given the action taken by the BBC, including BBC News having acknowledged that the programme did not meet the BBC’s Editorial Guidelines for accuracy and impartiality, and the BBC’s ECU’s ‘resolved’ finding, Ofcom considered that no further regulatory action was required.

However, we did remind broadcasters that when preparing introductions in news programmes, which are designed to catch the audience’s attention – particularly in matters of major political controversy – presenters should ensure that they do not inadvertently give the impression that they are expressing personal opinions or views.

Coverage of the Scottish Government's coronavirus update: various programmes on BBC One Scotland and BBC Scotland, September-December 2020

Four complainants to Ofcom considered that broadcast coverage of the Scottish Government's regular updates about the coronavirus were not duly impartial, because it gave the Scottish National Party (SNP) and its leader, First Minister Nicola Sturgeon, a platform to promote their views on ongoing policy matters in Scotland without any opportunity being given to other Scottish political parties to express theirs.

The BBC had rejected all four complaints on the grounds that the content did not breach their editorial guidelines on due impartiality. The complaints cited a number of broadcasts and we took a proportionate approach in our assessment. In our view, across the broadcasts that we assessed, there were several statements which had the potential to be understood either as the First Minister's and her party's position on controversial policy matters, or as criticisms of the UK Government. However, we took into account that the First Minister's statements were relatively brief and almost all were given in response to questions from journalists, which were themselves challenging her and the Scottish Government's policies on the handling of the crisis. We also considered that: the First Minister regularly acknowledged the collaborative working relationship and constructive discussions between the Scottish Government, the UK Government and the administrations in Wales and Northern Ireland; and on BBC One Scotland, BBC reporters and correspondents went on to provide further analysis of what had been discussed in the First Minister's update briefings in subsequent programmes on those days.

Having taken into account the broadcaster's and audience's rights to freedom of expression, and all relevant contextual factors and editorial techniques as set out in our decision, Ofcom considered that due impartiality had been preserved. However, we reminded all broadcasters of the care that needs to be taken when featuring in their programming candidates and other politicians providing public health information and information relating to coronavirus restrictions across the nations of the UK.

Covid-19

We received a rise in complaints relating to potentially harmful content across the board in 2020/21, driven by a high number of complaints relating to coverage of Covid-19.

Figure 9: BBC Covid-19 complaints to Ofcom in 2020/21



Figure 9 shows that in 2020/21 we received 1,104 complaints relating to coverage of Covid-19 on the BBC, of which 1,051 were referred back to the BBC as they had not completed the BBC First process. Of the 185 BBC complaints we received that had completed the BBC First process, we decided not to pursue 82 (44%). These complaints related to issues including: ‘scare-mongering’; alleged lack of due impartiality on topics related to Covid-19 (such as mask wearing and vaccines); and perceived inaccurate or misleading information. We assessed all the BBC Covid-19 complaints that we received on a precautionary basis to check for potentially harmful material. However, none of these complaints raised issues warranting investigation under the Code.

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. These are known as fairness and privacy complaints. Between 1 April 2020 and 31 March 2021, we dealt with 48 complaints against BBC programmes about alleged unjust or unfair treatment, or about an unwarranted infringement of privacy, compared to 50 last year. Of these, five 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, two were upheld (compared to none last year).²⁰⁹

Online material complaints

In May 2017 Ofcom and the BBC 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 2020 and 31 March 2021 we received 599 complaints about the BBC’s online material, compared to 231 last year. Of these complaints, 514 were referred to the BBC under BBC First, and 61 were closed

²⁰⁹ *Reporting Scotland* (broadcast 6 May 2020) and once for *Newsnight* (broadcast 5 November 2019).

following assessment by Ofcom. We did not accept any complaints for the purposes of providing an Ofcom Opinion.

Key themes emerging from our work enforcing BBC content standards since April 2017

Under the BBC First System there are a range of regulatory tools that Ofcom can use to secure the BBC's content standards

Figure 10: Complaints to the BBC and ECU cases since April 2017

	2017/18	2018/19	2019/20	2020/21
Complaints				
Complaints received by the BBC	223,500	218,352	368,377	462,255
Cases dealt with by the ECU				
ECU upholds and partial upholds	26	37	31	18
ECU resolved²¹⁰	6	6	4	15

Figure 11: Complaints to Ofcom about BBC content since April 2017

	2017/18	2018/19	2019/20	2020/21
Complaints to Ofcom about BBC content	1,673	1,539	3,059	5,429
Not pursued cases	136	233	230	182
Not pursued cases with fully published reasoning	0	1	2	3
Investigations	3 (1 breach ²¹¹ , 2 not in breach ²¹²)	2 (1 breach ²¹³ , 1 not in breach)	1 (not in breach)	0

We have required increased transparency around complaints handling

In 2017 we set a series of requirements, by way of our [BBC Complaints Determinations](#), for the BBC to publish detailed data regarding its complaints function. This was intended to build and maintain public confidence in the operation of the BBC First framework. Since then we have reviewed and amended these Determinations to improve the transparency of the BBC's complaints handling. The BBC now publishes fortnightly information on editorial complaints, namely:

- the total number of programme complaints, with additional information about programmes that received more than 100 complaints;

²¹⁰ The BBC Complaints Framework outlines that if the ECU believes that enough was done to address the breach of editorial standards before it received your complaint, it may decide that it has been resolved.

²¹¹ *Panorama*, BBC One.

²¹² In our 2017/18 Annual Report on the BBC, we reported that we had investigated three complaints, which amounted to two cases. In fact, we investigated four (amounting to three cases).

²¹³ The *Today* programme, BBC Radio 4.

- information on editorial complaints that are progressed to the BBC’s Executive Complaints Unit (ECU) and the outcome of some of these complaints; and
- the percentage of complaints that received a response within the relevant time period.

A standards case in 2019, relating to [BBC Breakfast](#), gave us serious concerns regarding the BBC’s transparency about its complaints processes and we acted to address this as a matter of urgency. After we had publicly highlighted our concerns:

- the BBC reviewed its complaints process and consulted on changes to its Complaints Framework, which were subsequently introduced in June 2020; and
- as mentioned above, we revised our BBC Complaints Determinations to encourage the BBC to be more transparent in its decisions on editorial complaints, particularly in relation to the outcome of complaints which progress to stage 2 of its editorial complaints process. The BBC now publishes details of all its upheld, partly upheld and resolved decisions at stage 2.

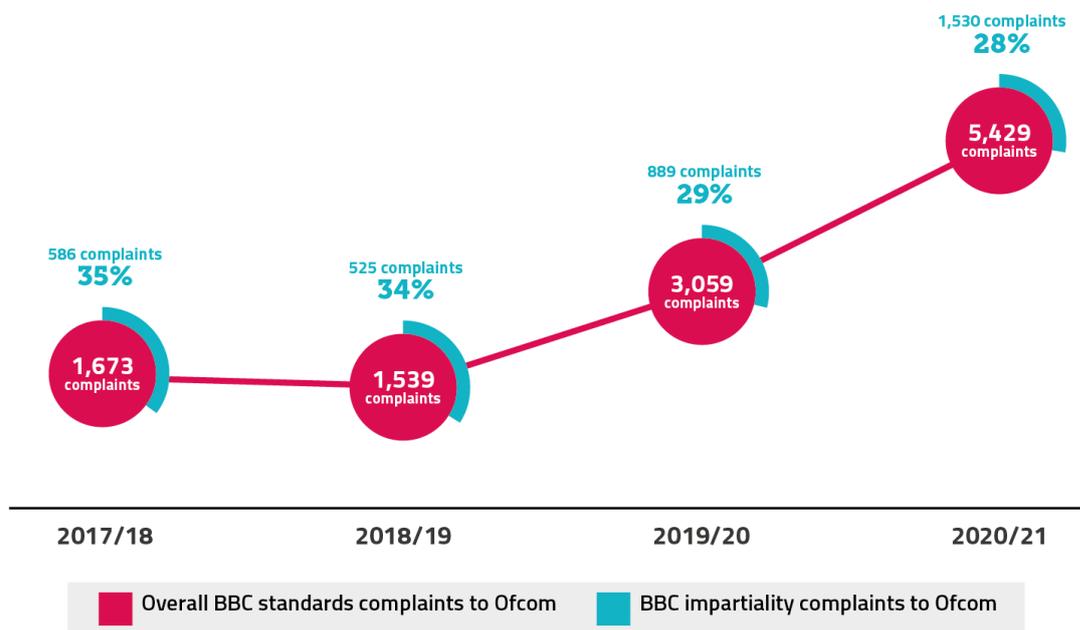
There are still areas where transparency can be improved; for example, as explained above, we will be meeting the BBC to discuss why it did not publish any ‘not upheld’ stage 2 decisions during 2020/21. We acknowledge that the BBC has committed to clarifying the role of the Director-General in the BBC’s complaints process in its impartiality and editorial standards action plan, following the recommendation in the Serota Review that *“the complaints framework reflects overall the role of the Director-General”*. We note that the Serota Review also recommends that: the BBC should publish, with adequate reasoning, findings of any investigations into serious breaches of the BBC Editorial Guidelines; and the BBC’s Complaints Framework should be updated to clarify how the BBC handles expedited complaints about broadcast or published content where a decision has to be reached speedily. As part of our ongoing review of BBC regulation, we will be engaging with the BBC on the latest revision of our Complaints Determinations to further increase the BBC’s transparency in this area and to more fully explain its final complaints decisions to audiences, particularly in the area of due impartiality.

Due impartiality remains a concern for audiences

- Due impartiality remains a concern for audiences, and impartiality complaints represent a large proportion of complaints received about the BBC (see Figure 12 below).
- As already discussed, audiences continue to be less favourable about the BBC’s impartiality, but their views can be shaped by a range of factors which go beyond programming. Given the complexity of this issue, in the coming year we will be building on the detailed research we did as part of our Review of BBC news and current affairs. We will be speaking to audiences from a wide range of backgrounds to understand the current influences on their perceptions of BBC impartiality. We plan to publish this alongside our report to Government on BBC regulation in the spring of 2022.
- We will also be particularly interested to observe the results of the commitments to due impartiality recently outlined in the BBC’s impartiality and editorial standards action plan. These include: expanding internal training and strengthening the understanding of editorial guidelines and social media rules; using audience research to inform a process of creative renewal and future commissioning; beginning a series of regular published thematic reviews of the due impartiality of output in key areas of public debate (the first to begin in January 2022); and the strengthening of internal governance and accountability processes in the area of impartiality, including initiating a series of internal programme and content reviews of key news and current affairs (and relevant factual) output.

- We will also keep the BBC’s compliance with the due impartiality rules in the Code under close review through our ongoing content standards enforcement work. There are a range of ways under the BBC First system in which due impartiality standards on BBC services are enforced. For example, during the Charter period, the BBC Executive Complaints Unit has upheld or partially upheld complaints in 22 instances (out of a total of 112), where it found that the appropriate standard of due impartiality had not been applied.²¹⁴ Against this backdrop, in the same period, Ofcom has not considered it necessary or proportionate to also launch any investigations of our own under our due impartiality rules. However, on some occasions, although we have not opened a full investigation, we have published our reasoning explaining why, and have also given the BBC important guidance to help it comply with the due impartiality rules.

Figure 12: BBC complaints to Ofcom over the Charter period



²¹⁴ The yearly breakdown for cases the ECU upheld or partly upheld was as follows:

- 2017/18: 26 cases, of which three related to due impartiality.
- 2018/19: 37 cases, of which four related to due impartiality.
- 2019/20: 31 cases, of which ten related to due impartiality.
- 2020/21: 18 cases, of which five related to due impartiality (of the 15 it resolved, five related to due impartiality).

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.

Periodic Review

As well as publishing an annual assessment of the BBC's compliance against its regulatory requirements and of its performance against our performance measures, under Article 51 of the Charter 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. The first review must be published in sufficient time to inform Government's mid-term Charter review.²¹⁵

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.

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).

²¹⁵ This Annual Report contributes to Ofcom's first Periodic Review, which we refer to as "our review of BBC regulation" and considers the BBC's performance over the Charter period to date.

- 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 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 if it considers 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 in its programmes. 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 the broadcasters we regulate.

Complaints about BBC programmes are considered under the BBC First Complaints Framework. The BBC handles complaints in the first instance²¹⁶, 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](#).

²¹⁶ Except for fairness and privacy complaints, which Ofcom has a statutory duty to accept directly from complainants.