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Overview

Ofcom is responsible for holding the BBC to account on behalf of audiences. We do this in three ways: overseeing the BBC's performance in delivering its Mission and Public Purposes; protecting fair and effective competition; and securing content standards in BBC programming. Every year, as set out in the [BBC Charter and Framework Agreement](#), we publish a report on the BBC's performance in these three areas, and how we have carried out our role.

This is our fifth Annual Report on the BBC and overall, we find the BBC continues to deliver its remit. In this main report, we summarise the BBC's performance across all areas of our regulation in 2021 and up to the end of the 2021/22 financial year, and also take account of some more recent developments. Alongside this report, we have made available the data that supports our assessment – see [Interactive performance report](#). We are also publishing an assessment of the BBC's compliance with the current [BBC Operating Licence](#) – see [Annex 1: Compliance with regulatory requirements](#).

The BBC continues to reach a wide proportion of the population as it marks its centenary year

About eight in ten people aged 16+ interact with BBC content each week in the UK.¹ In addition, the BBC reaches 68% of those aged 3-16 on a weekly basis.² In line with wider market trends, the overall reach of the BBC's broadcast channels has continued to decline, particularly to younger audiences, while use of its online services such as BBC iPlayer and BBC Sounds is growing. According to the BBC, in 2021/22 programmes were streamed on BBC iPlayer more than 6.6 billion times, up 8% on last year.³

The BBC plays a key role in informing, educating and entertaining audiences in the UK

The BBC continues to provide a broad range of high-quality and distinctive content across its services. Its formal learning content for children continues to be well-used and highly regarded by audiences. Further, the BBC has covered some of the largest events of national interest on its services over the last 18 months bringing audiences from across the UK together. For example, the state funeral of HM Queen Elizabeth II was broadcast on 52 channels in the UK, and BBC One attracted the largest audience with 65.3% of all UK viewers.⁴ Other important coverage has included the war in Ukraine, plus events such as the men's Euros 2020, the Tokyo Summer Olympics and the women's Euros 2022.

It is important that the BBC continues to offer a breadth of news coverage and content for audiences across the UK

The BBC remains the UK's primary source of news, and audiences value the wide range of its coverage. In 2021/22 73% of UK adults used a BBC service for news.⁵ The BBC has set out plans to modernise its news offering, including bringing the BBC News channel in the UK and the internationally focused World News channel together into a single TV news channel, and focussing more on multi-platform news and current affairs content. As the BBC seeks to make these changes, it is important that it continues to provide a breadth of news and information covering local, regional, national, UK and global issues for all UK audiences, however they want to access this content. We will keep this under review as the BBC's plans develop.

¹ Ofcom BBC Performance Tracker 2021/22.

² Ofcom BBC Children's Performance Tracker 2021/22.

³ [BBC Annual Report and Accounts 2021/22](#), p.4.

⁴ BARB live viewing only, all individuals 4+ on the TV set only. When adding in viewers from other BBC channels that broadcast the state funeral, the BBC reached 74% of all UK viewers watching broadcast TV at the time.

⁵ Ofcom 2022 News Consumption Survey.

The BBC has also recently set out plans to transform its local services in England, including its local radio stations. We are discussing with the BBC, and will scrutinise, its detailed plans for sharing programming on local radio and other plans it is developing to respond to the challenges of changing audience behaviours and the financial pressures it faces. We have recently published proposals for a new Operating Licence for the BBC, under which the BBC will be required to publish more information about how it delivers high quality, distinctive content and services for audiences across the UK. As part of our consultation, we have already committed to additional oversight of the extent of the sharing of programming on local radio. We will also consider whether Operating Licence requirements need to be strengthened to ensure the needs of UK audiences are met. If necessary, we will take steps under our competition powers to protect competition.

The BBC has begun to take action to improve how it handles complaints

When we published our review of BBC regulation earlier this year, we set out that significant improvements were needed to the BBC First complaints system, to ensure that it meets audience needs. Since then, the BBC has told us that it is committed to making changes to its complaints-handling processes, and has said it will be introducing improvements to: the timeliness of responses; ensure all complainants are treated consistently; and the transparency of the process. We will continue to engage with the BBC to understand the detail of its proposed changes and how these will improve the experiences of audiences who wish to make a complaint. It is important that the BBC makes significant progress in this area, and we will be monitoring the implementation of these changes closely to see whether they address audience concerns. We will also conduct a further review of the BBC First system before the end of the current Charter period, to assess the impact of any changes, and will update our research on audience perceptions of BBC First in the next two to three years.

The BBC must continue to focus on addressing audience perceptions of impartiality

Our review of BBC regulation also found the BBC's impartiality to be a key area of concern among audiences and one where they consistently rate it less favourably than trust and accuracy. Since then, the BBC has continued to implement its Impartiality and Editorial Standards Action Plan and has told us that all of these commitments have now either been completed or are in progress. Additionally, to improve transparency, as a result of Ofcom's intervention, the BBC is now publishing the reasoning behind its decisions to not uphold complaints on due impartiality and due accuracy that reach the final stage of its process. Addressing audience perceptions on this matter is challenging and we recognise it is a complex area. We will continue to monitor the BBC's performance and we urge it not to lose momentum in its efforts to address this issue.

The BBC is still struggling to deliver to all audiences

Some audiences are persistently underserved by the BBC, and this is particularly the case for those in lower socio-economic groups, who are less likely than other audience groups to use BBC services. Across all the Public Purposes these audiences continue to rate the BBC lower than UK audiences overall, and they are less satisfied with the BBC as a whole.⁶ As a result, next year we will launch a review to better understand these audiences, their habits, and how the BBC is delivering for them.

We will continue to monitor the BBC's plans to ensure that it is delivering for audiences

The BBC is currently operating in a period of significant change. Audience behaviours continue to shift rapidly, and at the same time the BBC is coming under greater financial pressure. This presents a significant challenge for the BBC to deliver for all audiences, who are consuming content in increasingly fragmented ways. It therefore needs to find new ways to engage with those who have shifted the majority of their media consumption online and use a range of services for their media, while continuing to offer a broad range of content across its traditional broadcast outlets, all with a shrinking budget.

⁶ Ofcom BBC Performance Tracker 2021/22.

We recognise that the BBC will have to make some difficult decisions as it seeks to respond to these challenges. In doing so, it is critical that it is transparent about its plans and how it will deliver its remit. We will engage with the BBC as its plans evolve to ensure that it delivers its obligation to serve all audiences across the UK with distinctive, high-quality UK content covering a broad range of genres. We will also continue our work on updating our regulation to ensure that it best supports the BBC in responding to these challenges, while remaining effective at holding the BBC to account.

Context for this year's report

As it marks its centenary year, the BBC has set out plans to transform its services

It has been well documented that people are steadily migrating towards online services to watch and listen to content, and that there continues to be intense competition for audiences' time, particularly from well-funded global players. Our most recent [Media Nations report](#) showed that following an increase in viewing influenced by the Covid-19 pandemic in 2020, the downward trend in time spent watching broadcast TV⁷ content resumed last year. Live radio's share of audio listening time has also fallen – from 75% in 2017 to 63% in 2022.⁸

Alongside this, the BBC is facing financial challenges. Under its recent settlement with the Government, the licence fee will be held at its current level until 2024 and then rise with inflation (CPI) until the end of the Charter period.⁹ The BBC has said this will create a £285m annual funding gap by 2027. In addition, production costs are rising as a result of increased competition for skilled workers and studio space, the Covid-19 pandemic, and general inflationary pressures.¹⁰

This all puts pressure on the BBC's ability to deliver its Mission and Public Purposes. It must innovate and adapt its online services to ensure that it remains relevant and appealing to an increasingly fragmented audience, while continuing to offer a wide range of content for audiences who still only use live broadcast TV and radio services, and it needs to do this with a smaller budget.

In May 2022, seeking to address these challenges, the BBC set out its strategy to become a '[Digital First](#)' organisation. The plans seek to ensure that the BBC delivers for all audiences as they continue to migrate online, while maximising value from the licence fee. In his [speech to staff](#) announcing the strategy, Director-General Tim Davie was explicit that too much of the BBC's resources are focused on broadcast and not online, and that part of the move to becoming a digital-first organisation will involve "*making tough choices on traditional distribution*". So far, we know that the strategy includes plans to put more money into new programmes for BBC iPlayer, moving local and regional news and current affairs output towards digital, shifting resources from broadcast news to digital and online video news, [transforming its local services in England](#) and investing more in developing its online services. In the longer-term, the BBC also expects to stop broadcasting some of its smaller channels on linear such as BBC Four and CBBC. The BBC is still developing its plans and we are engaging with it to understand the implications for audiences and for our regulation.

⁷ 'Broadcast TV' includes television programmes shown on a TV channel, catch-up, recorded viewing up to 28 days after live broadcast, and broadcaster video-on-demand services.

⁸ IPA TouchPoints 2017 and 2022 (wave 1).

⁹ The Government has committed to a review of the licence fee by the end of the current Charter period.

¹⁰ According to broadcaster data, average spend-per-hour on first-run UK-originated PSB programming in 2021 was about £82,500, compared to £80,000 in 2019. Broadcast's [Indie Survey 2022](#) found that 92% of independent production companies reported costs between 10% and 25% higher than pre-pandemic levels.

The regulatory framework for the BBC needs to change to ensure that it continues to deliver for audiences

In June 2022, we published the findings from our detailed [review of BBC regulation](#) ('June review'). This considered whether any changes are required to ensure that the regulatory framework remains effective for the rest of the Charter period and noted the importance of the framework keeping pace with the changing environment in which the BBC operates. Our key findings focused on the following areas:

The BBC First complaints process

The review found that a substantive proportion of audiences that have complained to the BBC were dissatisfied with the BBC's complaints process.¹¹ We therefore called on the BBC to take urgent action to address this. We said that it needed to make its complaints process simpler and more transparent, and we also set out that we expect the BBC to alert us at an early stage to potential serious editorial breaches so that we can better scrutinise how the complaints process is working in practice and intervene early if necessary. In the [content standards chapter](#) of this report, we provide an update on how the BBC has begun to address these concerns, and we highlight the areas that we will monitor particularly closely.

Audience perceptions of due impartiality

We also found that despite the BBC's generally good record of compliance with our due impartiality rules, this remains a key area of concern for audiences. As a result, we required the BBC to publish more information on how it makes decisions on due impartiality and due accuracy complaints that reach the final stage of its process. The BBC has also been implementing its Impartiality and Editorial Standards Action Plan. We discuss the steps the BBC has taken since our June review to address this issue in the [content standards chapter](#) of this report.

BBC Operating Licence

Within the review, we set out that the BBC's current Operating Licence needs to evolve to better reflect how audiences now watch and listen to content, and to allow the BBC to continue to adapt to these changing audience behaviours. As a result, [we set out proposals](#) to update the Operating Licence to fully incorporate the BBC's online services, to give the BBC greater flexibility to decide how best to reach audiences (including removing some quotas), and to require the BBC to publish more information about its plans and delivery in its Annual Plan and its Annual Report and Accounts. We proposed to retain quotas in areas where we felt specific safeguards remained necessary. We plan to publish a final Statement next year, alongside a new Operating Licence for the BBC that will take effect from 1 April 2023.

Competition Framework

We recommended that the Government makes changes to the competition rules to ensure that they strike the right balance between allowing the BBC to make the changes to its services so that it continues to meet audience needs, while continuing to protect fair and effective competition. We have also today published a separate [consultation](#) on some proposed changes to our competition guidance. We expect these changes will provide greater flexibility and clarity, ensure that our processes are as efficient as possible under the current Charter and Agreement, and improve

¹¹ Among those who had cause to complain to the BBC but didn't go on to make a complaint, the main barriers were assumptions that 'it would not make a difference' (42%) or the complaint 'would not be taken seriously' (29%). Just under a quarter (23%) thought it would be 'too much effort'. [Audience perceptions of the BBC First complaints system](#)

engagement between the BBC and its rivals. We have also set out our current view on the potential impact of the BBC on competition in the audiovisual and audio sectors.

The Government is also reviewing some aspects of the BBC's framework

Under the Charter, the Government may undertake a mid-term review between 2022 and 2024. It published the Terms of Reference for its [BBC Mid-Term Review](#) in May 2022. This will examine whether the governance and regulatory arrangements set out in the current Charter and Framework Agreement are effective in enabling the BBC to deliver its Mission and Public Purposes. It will also look at the evidence as to how Ofcom can effectively hold the BBC to account. Further, the Government has set out its intention to review the BBC's funding model by the end of the current Charter.

In its [White Paper](#) the UK Government has said that it intends to introduce a Media Bill which would include reforms to the current prominence and availability legislation for public service content. Such provisions would help to ensure that BBC content is both available and easier for audiences to find, on a variety of smart TV services. We are working closely with the Government as it progresses draft legislation in this area.

We will continue to hold the BBC to account to ensure it delivers for all audiences

The pace and scale of change in the market in which the BBC is currently operating is substantial. It is facing significant financial pressures as a result of the licence fee settlement, increased production costs and inflation. We recognise that it will have to make some difficult decisions in order to operate within the boundaries of its current financial position whilst also seeking to develop its online services so it can reach increasingly fragmented audiences. As the BBC seeks to respond to these challenges it remains critical that it is transparent about its plans and how it will meet the needs of UK audiences and deliver the Mission and Public Purposes. The BBC must also continue to prioritise the provision of the high-quality and distinctive programming that it is well-known and valued for. We expect the BBC to keep up the momentum of implementing its commitments to better serve and support the nations and regions, improve perceptions of due impartiality, and address the concerns we have identified with its complaints process.

The BBC's performance this year

Our assessment this year found that the BBC has continued to perform well. The following chapters within this report highlight some notable achievements this year, as well as areas where we think the BBC should be doing more. We set out our [key priorities and next steps](#) for the year ahead at the end of this report.

A particular issue we raise this year is that we have found audiences in lower socio-economic groups, and disabled audiences, continue to be less satisfied with the BBC. This has been the case for a number of years, and we have also previously highlighted issues with audiences in Scotland and Northern Ireland being less satisfied. Those classified as falling within lower socio-economic groups, in particular those referred to as the D and E groups,¹² represent almost a quarter of the UK population. These audiences consume less BBC content and have consistently rated the BBC lower

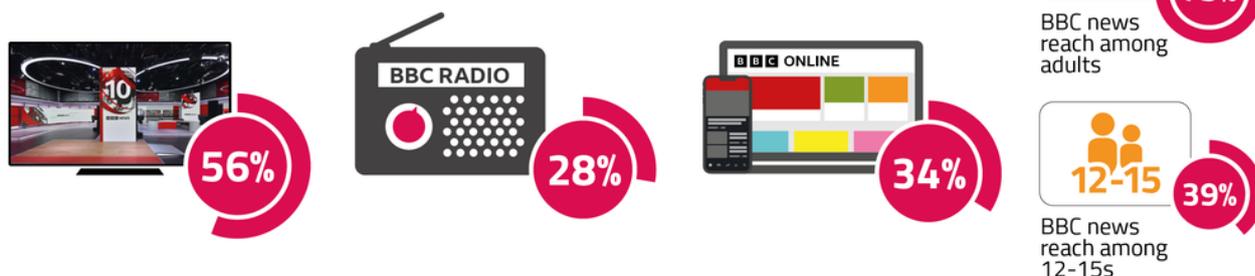
¹² Socio-economic classification is typically based on occupation and includes the following categories: A, B, C1, C2, D and E. Those in lower socio-economic groups, D and E, are more likely to be older, unemployed, retired with only a state pension or have a disability compared to the other groups.

than other audience groups. We think it is important to understand these audiences better, given the persistent trend we have observed with their satisfaction of the BBC, and the fact that they make up a significant proportion of the UK population. As such, next year, we will launch a thematic review to better understand these audiences, how they consume media and how the BBC connects with them.

Public Purpose 1: News and current affairs

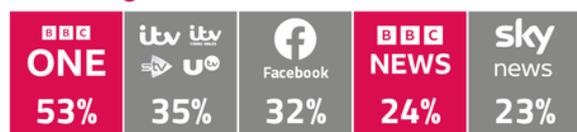
To provide impartial news and information to help people understand and engage with the world around them.

Reach of BBC news sources among adults

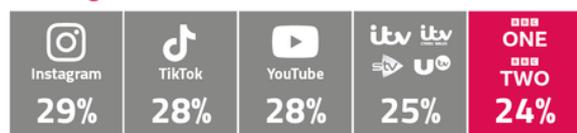


Top news sources

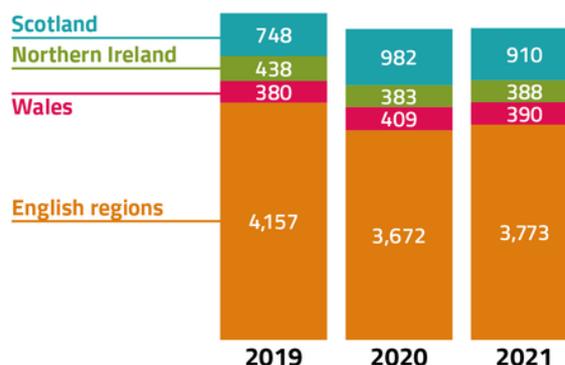
All adults aged 16+



Teens aged 12-15



News and current affairs hours for nations and regions



Audience views of BBC news among all adults 16+

News and information to help people understand what is going on in the UK and the world



News coverage that represents a range of opinions



News coverage that is impartial - not favouring one side over another



Less satisfied audiences

DE 59% of those in the DE socio-economic group gave a positive rating for the BBC providing news and information to help people understand what is going on in the UK and the world

LGB 45% of LGB audiences gave a positive rating for the BBC providing news coverage that represents a range of opinions

Sources used: Ofcom 2022 Adults and Teens News Consumption Surveys. Ofcom analysis of BBC data; BARB (national/international news); BBC Research: Compass by Ipsos MORI; Ofcom BBC Performance Tracker 2021/22.

Summary

- The BBC remains the UK's primary source of news, reaching 73% of UK adults. The number of people using BBC News online has increased compared to pre-Covid-19.
- Overall, audiences value the BBC's coverage of local, regional, national and international issues, but there are notable and persistent differences in satisfaction levels among some audience groups, which the BBC must tackle.
- The BBC is making progress on its Impartiality and Editorial Standards Action Plan, and we urge it to maintain momentum in this area.
- We will monitor the impact on audiences as the BBC's plans to modernise its output in this area evolve, including its plans to bring the BBC News channel in the UK and BBC World News together as a new channel, and its plans to update its regional news and current affairs output and its local services in England.

***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.*

The BBC continues to deliver a wide breadth of news across the range of its services covering local, regional, national and international matters. This is a critical part of its mission to inform audiences. It has also continued to demonstrate the key role that it plays in the delivery of news and current affairs when big stories break, such as the invasion of Ukraine earlier this year, and more recently, the death of HM Queen Elizabeth II.

In 2021/22, 73% of UK adults used a BBC service for news. BBC One continues to be the most-used individual news source across platforms, reaching 53% of adults¹⁴, but BBC TV channels have seen a decline in their overall reach this year.¹⁵ The reach of news on BBC radio remains consistent with 2020¹⁶, although there has been an increase in the number of people using BBC News online on average per week compared to pre-Covid-19 levels.¹⁷

The BBC's overall spend on news and current affairs, including non-network programming for the nations and regions, remained relatively flat at £288m compared to 2020 (£294m); however, this is below the pre-pandemic level (£341m in 2019).¹⁸

¹⁴ Ofcom 2022 News Consumption Survey.

¹⁵ BARB - average weekly reach (3+ minutes) to the national/international news genre, adults 16+.

¹⁶ Radio reach from Ofcom 2022 News Consumption Survey.

¹⁷ Online reach from BBC research: Compass by Ipsos MORI, adults 16+. Includes website and app access to BBC news online.

¹⁸ Ofcom analysis of BBC data. Total news and current affairs spend is expressed in nominal terms.

Audiences are generally satisfied with the BBC's news and current affairs output, but dissatisfaction among some audience groups persists

Two-thirds of UK adults rate the BBC favourably for providing *'news and information to help people understand what is going on in the UK and the world.'*¹⁹ [Recent research](#) conducted as part of our [June review](#) found that people respected the BBC for the quality and credibility of its news and current affairs output.

However, as noted above, the BBC continues to face challenges with reach and satisfaction among some audience groups, most notably lower socio-economic groups. BBC news sources only reach 66% of DE adults compared to 75% of adults in other socio-economic groups (A, B, C1 and C2).²⁰ Our BBC Performance Tracker found that DE audiences are also less likely than the UK average to have positive views of the BBC's delivery of *'news and information to help people understand what is going on in the UK and the world'*, and *'news coverage that represents a range of opinions'*.

When we consider younger audiences, the BBC appears to be a less established part of their lives when compared with older people who feel they have *'grown up with'* the BBC.²¹ Younger groups can feel that the BBC is aimed at older generations; they use the BBC's news services less, although they do use and appreciate its coverage when checking the validity of stories they have seen on social media. Among 16-24-year-olds, the reach of BBC news sources remains lower than among other age groups (60% vs 75% of adults aged 25+) and the combined reach of BBC sources among 12-15-year-olds has fallen to 39% from 55% in 2018.²²

The BBC has plans to enhance its digital news delivery, building on the encouraging performance of its online news and current affairs content.

The BBC has recognised that it could better serve audiences with its online content, and in his May 2022 speech announcing the [plan to deliver a digital-first BBC](#), the BBC's Director-General Tim Davie announced that *"every part of our news output will now be judged not just on linear performance but streamed delivery"*. The BBC has said that this will entail content being made with multi-platform delivery in mind, and it has also told us that it plans to make news and current affairs central to BBC iPlayer and BBC Sounds through new formats, and better curation and personalisation.

Between January and March 2022, 12.6 million adults used BBC iPlayer for news²³, and the [BBC's own research](#) shows that audiences feel that BBC iPlayer is effective at helping the BBC to deliver Purpose 1.²⁴ Altogether, including catch-up and live viewing, audiences currently spend a lot less time watching news on BBC iPlayer than on broadcast TV; they use BBC iPlayer more for other genres, with news accounting for just 6% of total BBC iPlayer viewing compared to 30% of broadcast

¹⁹ Ofcom BBC Performance Tracker 2021/22.

²⁰ Ofcom 2022 News Consumption Survey. Channel 4 and Sky sources also each have lower reach among DE audiences, while ITV has greater reach to this group than to other audiences.

²¹ Ofcom 2022 [Drivers of perceptions of due impartiality: The BBC and the wider news landscape](#), p56-58.

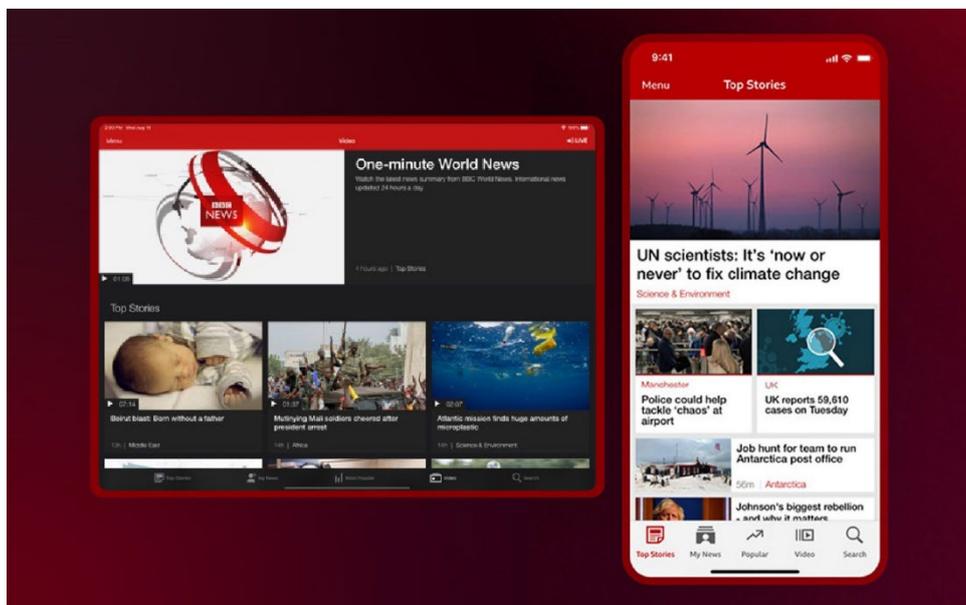
²² Ofcom 2022 [Teens' and Adults' News Consumption Survey](#). We note that this cross-platform reach may not include all BBC use through social media channels.

²³ BARB as-viewed data, adults 16+, all news and weather genre. Reach criteria: to have watched on at least one occasion across all of the three months for 3 consecutive minutes or more.

²⁴ [BBC Annual Report and Accounts 2021/22](#), p169. 82% of weekly users rate BBC iPlayer as effective at helping the BBC to deliver Public Purpose 1.

TV viewing.²⁵ However, news accounts for a higher proportion of live viewing on BBC iPlayer; 48% of the time spent watching live coverage on BBC iPlayer was spent on news.²⁶

BBC News online reached 34% of UK adults on average per week last year (2021/22), up on levels before the Covid-19 pandemic, with this increase also evident in each of the UK nations.²⁷ In our [qualitative research](#), the BBC News website/app was valued by a range of audiences, particularly younger audiences, for its reliability, accuracy and focus on facts, clear explanations and the separation of news from opinion.



Our research shows that among 12-15-year-olds and 16-24-year-olds the BBC still has the widest reach of any news organisation.²⁸ However, younger audiences are becoming increasingly reliant on online sources such as news aggregators²⁹ and social media. For example, TikTok is now used by 28% of 12-15-year-olds for news (up from 11% in 2020), and by 27% of 16-24-year-olds (up from 5% in 2020). The BBC has acted to reflect the audience shift to TikTok by launching a number of new accounts, including a Newsround account aimed at older children and a BBC News account in March 2022, which the BBC told us had 13 million video views globally on average per month for June-October 2022.³⁰

²⁵ BARB as-viewed data, adults 16+. In the first 3 months of 2022 UK adults spent an average of 43 minutes watching BBC news/weather on BBC iPlayer out of nearly 13 hours they spent with BBC iPlayer overall (6%). In comparison, they watched 24.5 hours on average of BBC news/weather on BBC broadcast TV channels out of the 81.5 hours they spent with BBC broadcast TV overall (30%).

²⁶ In the first 3 months of 2022 UK adults watched an average of 17 minutes of BBC news/weather live on BBC iPlayer out of around 35 mins they spent watching BBC iPlayer live overall (48%).

²⁷ BBC research: Compass by Ipsos MORI, adults 16+. Includes website and app access to BBC news online.

²⁸ Ofcom 2022 Teens' and Adults' News Consumption Surveys.

²⁹ News aggregators are websites or apps which collate a range of content from a variety of different sources. Some of the news content is tailored to the individual user by an algorithm, and aggregators also use editors to curate articles which will be the same for every user.

³⁰ TikTok Analytics.

On other social media, from November 2021 to March 2022, BBC News videos across Facebook, Twitter, Instagram and YouTube were viewed 187 million times on average per month across the world. Across this period BBC news content formed 25% of all BBC videos viewed globally on Twitter and 32% on Instagram.³¹ Among the youngest age groups these platforms are increasingly important; in 2022 just 24% of 12-15-year-olds reported using BBC One or BBC Two for news, compared to 45% in 2018.³²

In its [Annual Plan 2020/21](#), the BBC said it planned to improve personalisation of the BBC News app. It has now told us that it will do this by introducing mandatory sign-ins for the app.³³ It has also told us that its strategy for personalisation entails presenting major news stories of universal importance, for example news about Covid-19, as standard. Alongside these universal stories, the app will offer more personalised content based on interests and geographical location. According to the BBC, creating a more personalised and intuitive experience, with video content at its core, will make the app more appealing to younger audiences.

The BBC is making progress towards actions aimed to address perceptions of its impartiality

Regular users of news on BBC TV, BBC radio and the BBC website/ app continue to rate them highly for trust and accuracy. However, impartiality is still consistently rated lower for the BBC website/ app and BBC TV.³⁴

Impartiality was central to our [June review](#), and is a key area of focus for DCMS as it completes its mid-term Charter Review of the BBC. The Director-General [has reiterated](#) that impartiality remains a priority as the BBC modernises and digitises its news and current affairs offering. If the BBC is to retain the trust of audiences, it must address the apparent disparity between audiences' attitudes to its impartiality and its generally good record of compliance with the due impartiality rules in Ofcom's [Broadcasting Code](#) ('the Code').

The BBC continues to face challenges to perceptions of its impartiality. [Our research](#) shows that people's views of the BBC's impartiality are shaped by a range of factors, with only some relating directly to its news and current affairs content. Perceptions can be influenced by the BBC brand, its funding mechanism and its portrayal in wider media.

This year, our BBC Performance Tracker showed that audiences in lower socio-economic groups (DE groups) are less likely than AB audiences to have positive views of the BBC providing '*news coverage that is impartial – not favouring one side over the other*'. We know that the BBC is aware of this issue and is working to identify variations in perceptions of impartiality among different groups, to assist with commissioning.

³¹ YouTube Analytics, Facebook Insights, Twitter Analytics, Instagram Insights. Figures only available at global level, not UK level, except for YouTube where BBC news videos were viewed 15.2 million times on average per month in the UK across 2021-2022, accounting for 19% of all BBC videos viewed on YouTube in the UK.

³² Ofcom 2022 Teens' News Consumption Survey.

³³ Information provided by the BBC: 86% of users are now signed-in with a target of 100% by the end of the year.

³⁴ Ofcom 2022 News Consumption Survey.

Perceptions of BBC news' impartiality among lesbian, gay and bisexual (LGB) respondents are also low. Our BBC Performance Tracker shows that 30% of LGB respondents have a negative view of the BBC providing news coverage that is impartial, compared to 23% for the UK average. In addition, 27% of LGB audiences have a negative view of the BBC providing "news coverage that represents a range of opinions", compared to 19% for the UK average.³⁵ In our [research](#) examining perceptions of impartiality, LGBTQ+ audiences were particularly critical of the BBC.³⁶ They often felt that the BBC was not covering certain topics or not covering them fairly. When reflecting on its own audience research, the BBC reported that this year for the first time on some measures LGB audiences gave lower scores than heterosexual audiences and the BBC has told us that it plans to keep this under close review.

The BBC's track record in enforcing due impartiality in its output is generally good but tackling audience perceptions of impartiality is crucial. In 2021/22, in three cases (relating to five complaints), the BBC Executive Complaints Unit found that the appropriate standard of relevant due impartiality had not been applied.³⁷ In July 2022 we found the BBC in breach of the due impartiality rules in the Code for the first time since we took over regulation in 2017. We found that the BBC had failed to provide due impartiality in an interview with the then Scottish Conservative leader, Ruth Davidson, in an edition of *World at One* on BBC Radio 4 on 24 February 2021. We discuss the *World at One* decision in greater detail in the [content standards chapter](#) of this report.

The BBC reported on progress against its [Editorial Standards Action Plan](#) ('Action Plan') in its [Annual Report and Accounts 2021/22](#) and in a [statement](#) published in July 2022. It reported that it had published a new [Whistleblowing policy](#), as well as a new [Procedure for self-initiated investigations of potential breaches of editorial standards](#) and a new [Procedure for fast-tracked editorial complaints](#). The BBC also said that by the end of March 2022, 92.6% of all staff had completed at least one of a suite of Safeguarding Impartiality courses.³⁸

In terms of the BBC's output, the BBC has confirmed that *BBC Breakfast*, *Countryfile* and the English language morning radio news programmes in Scotland, Wales and Northern Ireland will be subject to content reviews, assessing editorial standards including impartiality, freedom of expression, diversity of voices, accuracy, fairness and trust. This year, the BBC's Annual Report and Accounts highlighted some initiatives that demonstrate its commitment and approach to impartiality, including the BBC *Reality Check* fact-checking series on the BBC website, BBC Monitoring's ongoing work to track misinformation, and the *Ros Atkins On...* series on BBC iPlayer. Compared to previous years, the Annual Report and Accounts includes more information on how the BBC is safeguarding impartiality. We welcome this and expect to see this level of reporting continue.

³⁵ Ofcom BBC Performance Tracker 2021/22. In the quantitative survey we have sufficient sample to focus on views of those who identify as LGB based on a question about sexual orientation. 30% of LGB respondents gave a 'negative' rating (defined as a score of 1-4 out of 10 for providing news coverage that is impartial).

³⁶ In the qualitative research we refer to LGBTQ+ as we included any respondents who didn't identify as heterosexual, as well as trans respondents.

³⁷ BBC supplied data. In the chapter on editorial standards, we discuss in more details how due impartiality standards are enforced under the BBC First system.

³⁸ [BBC Annual Report and Accounts 2021/22](#), p.115.

Although the BBC has made progress against the Action Plan, the scale of the challenge it faces cannot be underestimated. [Our research](#) found that audiences have higher standards for the BBC than for other news providers. They see the BBC as more ‘accountable to the people’ than other brands because of its unique and privileged position, funded by the licence fee, and feel that this justifies holding it to higher standards. As discussed further in the [content standards chapter](#), we will be monitoring the steps that the BBC takes to implement its Action Plan to ensure that it does not lose momentum in this area.



The BBC plays an important role in helping audiences engage with local, regional, national and global issues

Under Public Purpose 1, the BBC must provide a range and depth of analysis and content not widely available from other UK news providers, in order to help audiences engage with local, regional, national and global issues, and participate in the democratic process. We have found that broadly, the BBC has delivered well against this element of Public Purpose 1. BBC news sources are used by more than 70% of adults in England, Scotland, Wales and Northern Ireland³⁹ and two-thirds of adults in each of the four nations are positive about the BBC delivering ‘news and information that helps people understand what is going on in the UK and the world’.⁴⁰

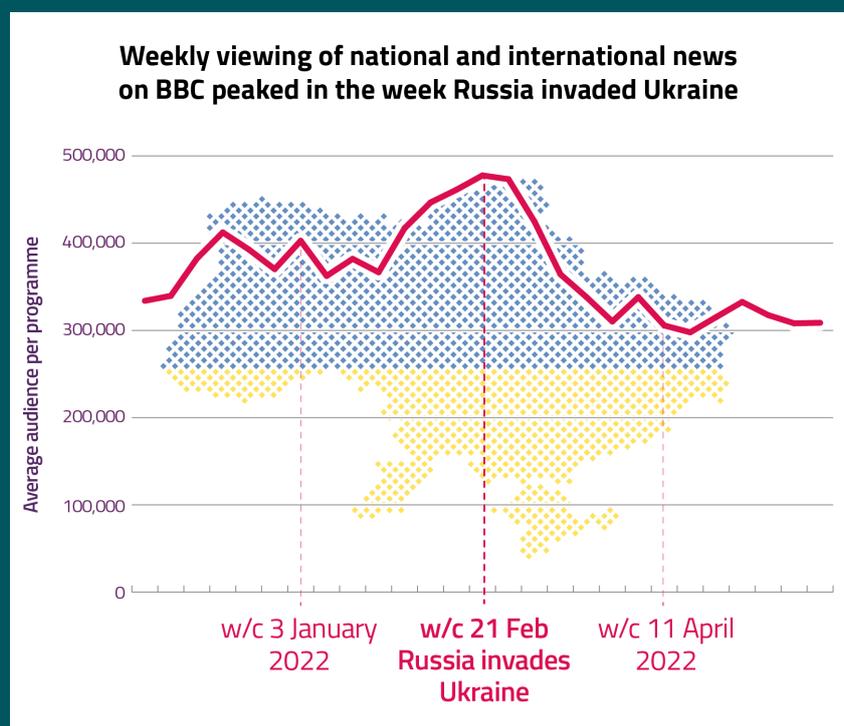
³⁹ Ofcom 2022 News Consumption Survey.

⁴⁰ Ofcom BBC Performance Tracker 2021/22.

The war in Ukraine

[Our research](#) found that audiences value the BBC's coverage of international stories and particularly rely on the BBC for trusted reporting when international stories break. About eight in ten (79%) regular viewers of BBC TV news and 73% of BBC radio regular news listeners rate it highly for delivering international news.⁴¹

The BBC News online audience for the week Russia invaded Ukraine was 39% of UK adults/ 20.9 million, the highest audience of any week during 2021/22⁴². In the run-up to the invasion many more people were tuning into BBC TV news, with a clear peak around the height of the crisis, and as with the Covid-19 crisis, the BBC remained an important source for information during a period of uncertainty.⁴³



The BBC also saw record use of its services in Ukraine and Russia, with Ukrainian and Russian language platforms reaching millions before services were blocked.⁴⁴

Our [research on perceptions of BBC impartiality](#) was conducted around the time of the invasion. The BBC became a go-to source for news even among some research participants who were less engaged with, or had previously been critical of, the BBC. As participants in the research turned to the BBC, the value of its due impartiality became clearer for them. They valued coverage of the context of the invasion and understood how, in this instance, the BBC preserved due impartiality and did not always present 'both sides' of the story by giving the Russian Government's narrative equal treatment.

⁴¹ Ofcom 2022 News Consumption Survey.

⁴² BBC research: Compass by Ipsos MORI, adults 16+. Includes website and app access to BBC news online.

⁴³ BARB; Chart shows the average number of individuals aged 4+ who watched national and international news on either BBC One or the BBC News channel at a time, by week. Other news events at the time may also have contributed to the peak.

⁴⁴ [BBC Annual Report and Accounts 2021/22](#), p.19.

The BBC's coverage of topics relating to the devolved nations of the UK on network news is an important way for it to ensure that audiences are kept informed about what is going on across the whole of the UK, and for audiences in the nations to understand what is going on in their nations. We find that distinguishing between UK-wide and nations-specific themes continues to be a challenge for broadcasters, but this has improved. Last year we commissioned the [Network News report](#) into the reporting of devolved issues on network news, which found that the UK network news providers had enhanced their coverage of these issues since 2015 and 2016. This became particularly important during the Covid-19 pandemic as governments in England, Scotland, Wales and Northern Ireland took differing approaches to handling the crisis.

The [report](#) found that the BBC generally reported more news about devolved issues, drawing on its network of journalists across the nations, larger than those of the other network news broadcasters, and featuring more journalists on location outside England than did other news bulletins. BBC online news signposted the relevance of devolved issues more explicitly than television news, and online BBC coverage was more likely than television news to include the voices of politicians from the devolved governments in Scotland, Wales and Northern Ireland. While the study found more coverage of devolved institutions than in previous research, it also identified missed opportunities to explain different government decisions across the nations. Given its expertise, resources and remit, we expect the BBC to continue to lead the way in the reporting of devolved issues.

The BBC set out its strategy for "*getting closer to audiences across the UK, its nations, regions and communities*" in its [Across the UK](#) plan. In our Annual Report last year, we said that Across the UK could help the BBC improve audience perceptions in the nations and in other areas of the UK. To help increase the impact of its journalism across the nations and regions, the BBC has told us that it is diversifying its news workforce, having moved 200 roles across the UK in the past year. It has also reported that more of its news teams are now located outside London, and more of its news and current affairs programmes are being broadcast from around the UK, including *Newsnight* on BBC Two and the *Today* programme on BBC Radio 4. In addition, the BBC has told us that it is renewing the [Local News Partnership](#), which enables data- and content-sharing between the BBC and local news providers. As of July 2022, 180 media organisations from across the UK were part of the partnership, supporting more than 1000 news titles and stories.

The BBC remains an important source of news and current affairs in the nations and regions of the UK

Adults in Northern Ireland, Scotland and Wales highlight BBC One and the BBC website as the sources they most commonly use for news about their nations, with BBC One the most-used news source in Wales for this, and the second most-used in Northern Ireland and Scotland.⁴⁵ Adults in England also highlight BBC One and the BBC website as the sources they most commonly use for news about their region.

In recent years the BBC has made changes to how news and current affairs content is delivered to audiences in Scotland and England.

The BBC Scotland channel launched in February 2019; its flagship programme is *The Nine*, an hour-long news and current affairs programme looking at national and international issues from a Scotland perspective. The programme aims to broaden the BBC's appeal to underserved audiences

⁴⁵ Ofcom 2022 News Consumption Survey.

in Scotland, including younger audiences. However, since its launch it has struggled to build a following; in 2021/22 it had an average audience of 15.6k adults aged 16+ per episode in Scotland.⁴⁶ The BBC needs to continue to find ways to engage with the underserved audiences it has identified in Scotland.

In England, the BBC's regional news programmes attract large audiences on television, with the 6:30pm weekday regional bulletins achieving a collective average audience of 3.9 million.⁴⁷ Our research shows that in England viewers of local/regional BBC news and current affairs programming are satisfied with the current quality of output.⁴⁸

The BBC is continuing to make changes to how it delivers regional news and current affairs in England. In August 2020, [we wrote to the BBC](#) to express concern about its provision of regional news and current affairs for England, after it announced significant cuts to its regional news teams, and later, its plans to cancel *Inside Out*, its main current affairs TV programme for the English regions at that time. In November 2020 the BBC [assured us](#) that it remained committed to providing programmes and content of a regional or national interest across TV, radio and online.

Last year the BBC commissioned a new current affairs series for BBC One, *We Are England*, as a replacement for *Inside Out*. Delays in production caused by the ongoing effects of the Covid-19 pandemic meant that the new programme was unable to launch in 2021,⁴⁹ and as a result, the hours of regional news and current affairs in England remained lower than pre-Covid levels.⁵⁰ *We are England* subsequently launched in early 2022. The hours of news and current affairs produced for Scotland, Wales and Northern Ireland remain broadly in line with 2020.

As the BBC makes changes to its news and current affairs output, it is important that it continues to deliver for all UK audiences

The BBC is in the process of modernising its delivery of news and current affairs through its Digital First strategy. Its overall aim is to make savings in broadcast news so that additional money and resources can be invested in its video and digital news. As part of this, the BBC plans to make changes to its rolling news coverage, and to its local news portfolio in the English regions.

As we [set out](#) in August 2022, we understand that the BBC is planning to bring the BBC News channel in the UK and BBC World News together into a single TV channel called BBC News. The BBC has said that this channel would deliver coverage of breaking news stories, including global and UK stories, and that there would be the option of a domestic-only stream for important UK news events which may not appeal to a global audience. We know that certain elements of current programming that are simulcast on BBC News, such as BBC Breakfast and the 1:00pm and 6:00pm bulletins, will be preserved, and the BBC tells us that it plans to 'visualise' BBC Radio 5 Live's *Nicky Campbell* show and broadcast this on both the BBC News channel and on BBC Two.

⁴⁶ BARB 28-day consolidated, TV sets only. This equates to a 0.8% share of all broadcast viewing in Scotland at the time *The Nine* is on. In the period 2019/20, its average audience was 15.6k adults; across 2020/21 this figure increased to 17.8k but has returned to 15.6k.

⁴⁷ BARB all individuals 4+, 28-day consolidated. Network news at 6:00pm got an average audience of 3.6 million for the period April 2021 – March 2022.

⁴⁸ Ofcom 2022 News Consumption Survey.

⁴⁹ See [Annex 1: Compliance with regulatory requirements](#).

⁵⁰ Ofcom analysis of BBC data.

The changes to BBC News and BBC World News are expected to take effect from April 2023, so the BBC is still in the process of developing its plans for the integration of the two services. It is important that the BBC continues to offer a broad range of domestic news for UK audiences who rely on broadcast services. This is a key part of the BBC's remit and we will engage with the BBC to understand its plans as they develop.

As part of its proposed changes to news and current affairs in the English regions, the BBC has announced plans to improve its local online news offering by increasing the number of separate localities it serves from 42 to 46 and by ensuring that a certain number of local interest stories are published in each locality every day. It has also [announced plans](#) to streamline its local radio and TV offering by encouraging greater programme-sharing across regional radio services, and by closing TV opt-out services⁵¹ in Cambridge and Oxford. *We are England* will not be renewed for a further series; instead, the BBC plans to take a more investigative approach, with teams of journalists around the country identifying potential stories and prioritising them on a case-by-case basis. The BBC has said that these investigative teams will deliver multi-platform content for online and radio, and some stories may feature as part of the regional news bulletins. There are also plans to develop 20-25 one-off current affairs programmes for delivery on TV and BBC iPlayer.

We recognise that in the context of the licence fee freeze, and in order to modernise its operations and output, the BBC must make difficult decisions. But in making these changes, it must continue to deliver content for all audiences in the UK, including UK and international news and current affairs for domestic TV and online audiences, and tailored news and current affairs content for those in the nations and regions, which make an important contribution to the delivery of the BBC's remit. It is important that the BBC does not leave audience groups behind.

We will continue to engage with the BBC as it develops its plans in these areas, to ensure that it continues to deliver for audiences. In respect of its plans to streamline its local radio offering, we believe it is important to monitor the stations between which the BBC shares its programming, as well as the specific programming being shared. We intend to do this going forward to ensure that the BBC continues to provide important local content such as local news. Should we have any concerns about the BBC's delivery of news and current affairs as a result of planned changes, we could amend the Operating Licence to enable us to hold it to account.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC's performance against the specific news requirements set out in the Operating Licence. Due to the impact of the death of Prince Philip, and separately, technical and production errors, the BBC did not meet two conditions related to Purpose 1 for this year. Both these conditions related to daytime weekday radio news output on BBC Radio 1 and BBC Radio 1Xtra. See [Annex 1](#) for a full assessment of the Operating Licence requirements.

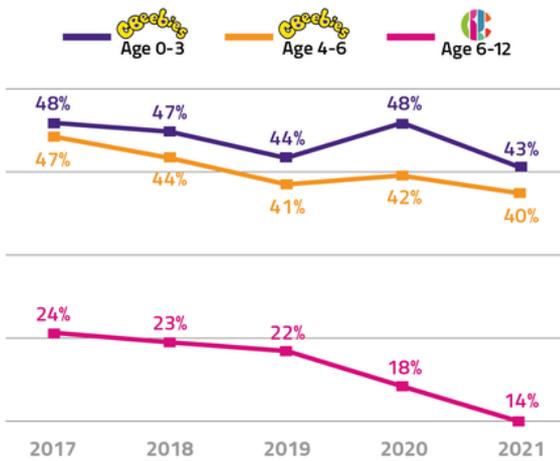
⁵¹ An opt-out service is the national or regional variation of a BBC channel (for example, BBC Two Wales).

Public Purpose 2: Learning

To support learning for people of all ages.



Weekly audience reach of CBeebies and CBBC



Average weekly browser reach of BBC Bitesize



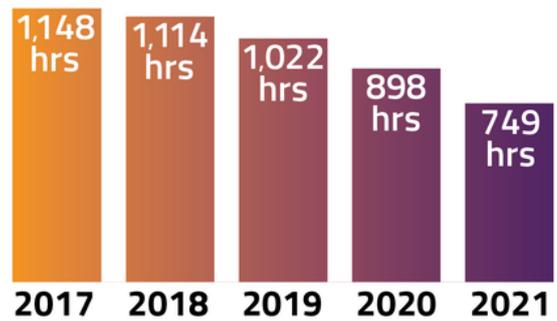
Positive ratings of the BBC's learning content among UK adults

62% 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

50% POSITIVE Inspires people to try new activities, hobbies or interests

First-run network hours of BBC informal learning



Total minutes viewing of informal learning content



71% of parents with children under 16 believe the BBC supports younger children with their learning

56% of parents with children under 16 believe the BBC supports teenagers with their learning

62% of 3-16s believe the BBC has programmes and content that help children to learn about new things

Sources used: Ofcom analysis of BBC data; BARB; BBC internal server data; Ofcom BBC Performance Tracker 2021/22; Ofcom BBC Children's Performance Tracker 2021/22.

Summary

- The BBC’s formal learning content for children, delivered mainly through BBC Bitesize, continues to be well-used and highly regarded by audiences. Children from lower socio-economic groups are less likely than average to use BBC Bitesize, and those who do use it are less likely than those in higher socio-economic groups to agree that they find it helpful for their schoolwork or homework.
- Viewing of CBBC and CBeebies broadcast channels has declined, and in general the use of BBC children’s apps and websites is not stemming the decline in use of TV services; however, CBeebies and CBBC are generally viewed positively by users and their parents.
- There has been a decline in viewing and overall provision of informal learning content for adults, although the BBC performs well in comparison to other public service broadcasting (PSB) providers for delivering this content.

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.

Formal learning

The BBC delivers support for children’s and teenagers’ formal learning online through BBC Bitesize. It also offers support for teachers through BBC Teach.

The BBC has expanded its formal learning offering, which continues to be viewed positively by parents, children, and teachers

According to our BBC Children’s Performance Tracker, around half (52%) of 4-16-year-olds say they use BBC Bitesize for their homework or schoolwork.⁵³ BBC internal data indicates that use of BBC Bitesize has now returned to pre-pandemic levels and patterns of use.⁵⁴ Our data shows that about nine in ten (87%) users aged 4-16 say they find BBC Bitesize helpful for their homework or schoolwork. However, children in DE households are less likely to use BBC Bitesize, and those who do are less likely than those in AB households to say they find it helpful. Children from a minority ethnic background are more likely than White children to use BBC Bitesize, and they are also more likely to say they would miss it if it was no longer available.⁵⁵

Use of BBC Teach has increased since 2018/19, indicating that it is now well-established as a tool for teachers, accessed by 1.5 million browsers on average per week in 2021/22.⁵⁶ It is probably benefiting from a boost in awareness and use as a result of the suspension of face-to-face teaching

⁵³ Ofcom BBC Children’s Performance Tracker 2021/22. Responses from parent/guardian of 4-7-year-olds and from children aged 8-16.

⁵⁴ BBC internal server data: 1.8 million average weekly browser reach to BBC Bitesize in 2021/22, compared to 2.7 million in 2020/21 (year includes lockdown learning), and 1.7 million in 2019/20.

⁵⁵ Ofcom BBC Children’s Performance Tracker 2021/22.

⁵⁶ BBC internal server data (Piano Analytics).

in many schools across the country during the Covid-19 pandemic. According to BBC data, three-quarters (74%) of primary-school teachers are aware of BBC Teach, with 43% having used it, or planning to use it this term. The figures are slightly lower for secondary-school teachers, with seven in ten (69%) aware of it and 36% using or planning to use it this term.⁵⁷

This year, the BBC produced more than 80 new hours of Bitesize Daily content for transmission on CBBC during the 2021 summer term, while 2021/22 was the first year of a three-year plan aimed at increasing BBC Bitesize's contribution to learner outcomes for 5-16-year-olds.⁵⁸ The BBC has also told us that it is improving the user interface of the BBC Bitesize website, and trialling greater personalisation.

Children's informal learning

The BBC's informal learning content for children is delivered through CBeebies and CBBC on TV, on the BBC website and children's apps, and on BBC iPlayer and BBC Sounds. CBeebies content has a target audience of 0-6-year-olds, while CBBC targets 6-12-year-olds.

CBeebies and CBBC reach continues to decline

There have been fundamental shifts in children's viewing habits in recent years. Our research shows that more children now watch video on demand than broadcast TV, and Netflix and YouTube continue to be the most-used services among 3-16-year-olds.⁵⁹ Again, this year, although CBeebies and CBBC remain the most-viewed UK children's TV channels among their target audiences, both have seen decreases in the numbers of children viewing, and the amount of time spent viewing.⁶⁰

This year, viewing time to the broadcast CBeebies channel among younger children has dropped to 13 minutes per day, having been relatively stable at about 16-17 minutes a day for the past three years.⁶¹ Despite this, there has not been a decrease in the amount of new content available on CBeebies, with first-run originated hours⁶² and spend returning almost to pre Covid-19 pandemic levels.⁶³

Viewing time to the CBBC broadcast channel has declined to only two minutes a day on average for its target audience, dropping by about a minute each year since 2018.⁶⁴ At a broad level, hours of output on CBBC have remained consistent with recent years, although formal education hours increased during 2021, resulting in a 4% decrease in informal children's programming on the channel.⁶⁵

⁵⁷ BBC research: DJS Research Student and Teacher Tracker (Summer 2021, Autumn 2021, Spring 2022).

⁵⁸ [BBC Annual Report and Accounts 2021/22](#) p.23.

⁵⁹ Ofcom BBC Children's Performance Tracker 2021/22.

⁶⁰ BARB, 28-day consolidated in each channel's broadcast hours. Reach criteria: 3+ consecutive minutes (average weekly). This excludes reach of CBBC and CBeebies on BBC iPlayer.

⁶¹ BARB, 28-day consolidated in CBeebies broadcast hours for housepersons with children aged 0-3. This audience is used a proxy for children under 4 years old. A houseperson is the one member of the household, male or female, who is solely or mainly responsible for the household duties.

⁶² 'First-run UK originations' are new original UK productions, commissioned for or by a BBC television service, which have not previously been shown in the UK.

⁶³ Ofcom analysis of BBC data.

⁶⁴ BARB, 28-day consolidated in CBBC broadcast hours for 6-12-year-olds.

⁶⁵ Ofcom analysis of BBC data. There were 4,966 hours broadcast on CBBC in 2021. This is slightly lower than the 4,984 hours in 2020, which was a leap year.

The BBC's children/education services reached seven in ten (72%) children aged 0-6 on average per week in 2021/22, lower than before the Covid-19 pandemic. The equivalent services for children aged 7-12 reached 46% of this age group in the average week in the same period, but average weekly reach for BBC iPlayer (children and education) has remained stable. As we highlighted in last year's report, there has again been an overall decline in reach for BBC children's/educational services, most notably to the 7-12 age group. The use of BBC apps and websites has not made up for the decline in use of children's TV services.⁶⁶



Despite the decline in reach, BBC children's content continues to be highly rated.

According to our research, among parents of children aged 3-11, CBeebies and CBBC compare favourably to CITV's and Channel 5's children's offering, with CBeebies the top-rated service of all four measured across both statements: 'a wide range of UK-made content for children' and 'high quality programmes for children'.⁶⁷ However, according to BBC data, 7-12-year-olds' perception of BBC iPlayer is lower than that of under-7s, and the brand score⁶⁸ for CBBC among 7-12-year-olds is still lower than for CBeebies among under-7s.⁶⁹

Our BBC Children's Performance Tracker shows that CBeebies and CBBC are broadly positively rated; nine in ten (87%) parents of CBeebies viewers aged 3-7 say they agree that 'there are lots of different types of CBeebies programmes' and 81% of 8-11-year-old viewers say the same about CBBC. A similar proportion of parents of CBeebies viewers aged 3-7 (86%) agree that 'CBeebies programmes teach them about the world', although this figure is slightly lower for 8-11-year-olds when asked about CBBC (74%). However, 37% of parents of 3-7-year-olds say 'CBeebies is sometimes boring', with a similar proportion (39%) of 8-11-year-olds saying the same for CBBC.⁷⁰

In order to stay relevant to its younger audiences, the BBC has been making changes in how it delivers children's content

In 2020, [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

⁶⁶ BBC research: Kids Cross-Media Insight by Ipsos MORI.

⁶⁷ Ofcom Public Service Media Tracker 2021

⁶⁸ A brand score is a metric that measures overall perception of a brand among those aware.

⁶⁹ BBC research: Chatterbox survey by Ipsos MORI.

⁷⁰ Ofcom BBC Children's Performance Tracker 2021/22.

its first-run UK originations quota.⁷¹ We also approved changes to the provision of news for children (see below).

More recently, the BBC has [said](#) that it seeks to better appeal to the 6-12 age group by showing more animation⁷² with new UK commissions in the pipeline and acquisitions filling the gap until these programmes make it to the screen. CBBC's output in recent years reflects this, with new acquisitions rising from 0.5% of hours in 2019 to 2% in 2021, and animation following a similar upward trend (from 11% of hours in 2019 to 27% in 2021).⁷³ In May this year, [we approved](#) a change to the Operating Licence to allow a modest reduction in the volume of original productions broadcast on CBBC, to help enable these changes.⁷⁴ The BBC has told us that some of its animation titles, particularly recent acquisitions, perform well among C2DE audiences.

The BBC has told us that it seeks to expand children's audiences to BBC iPlayer. It is trialling various strategies; for example, greater cross-promotion, making content readily available online through 'box-setting' on BBC iPlayer, and regularly adding content to its children's YouTube channels. The BBC has told us that it ran a multi-platform campaign in summer 2022 around the launch of new animated titles, which drove a greater share of live viewing to CBBC (compared to the same period last year) and also drove a large number of requests to BBC iPlayer.

Last year we said that although the BBC had expanded its children's offering, it would need to continue to evolve its provision in response to the competition for children's attention posed by other platforms and services. We recognise that the BBC is taking creative risks and we encourage it to continue innovating; we will monitor progress as it further develops its children's offering.

Update on changes to the BBC's Operating Licence regarding provision of children's news

Following a consultation process, in July 2020 we accepted the BBC's request for changes to the Operating Licence to allow it to reduce the amount of news broadcast on the CBBC channel so that it could expand *Newsround* online. The BBC considered that these changes would help it better engage with younger audiences, in the context of their increasing consumption of content online. We [allowed the BBC](#) to reduce its news content on CBBC to one daily edition of *Newsround* rather than showing news at intervals throughout the day. As a result of this change, [the BBC said](#) that it would cover more news stories in greater depth and analysis on the *Newsround* website. The BBC also launched a *Newsround* YouTube channel at the same time, bringing together content from the *Newsround* website and the daily bulletins.

In recent years, TV viewing of the *Newsround* daily morning bulletin has tended to fluctuate, with more viewing during school term-time and dips in viewing during school holidays. Since we allowed the BBC to make changes to delivery, this pattern has continued, although overall year-on-year

⁷¹ We also introduced new licence requirements to ensure that at least half of the first-run UK-originated children's content which the BBC is required to provide is shown on the CBeebies and CBBC broadcast channels, as a safeguard.

⁷² The BBC has identified animation as a key medium to reach and retain children aged 6-12. It has told us that animated titles form an important part of its informal learning content, and that it is incorporated into its formal learning content too.

⁷³ Ofcom analysis of BBC data.

⁷⁴ The BBC has told us that some commissioned animation titles have a lead time of approximately 3 years.

Newsround viewing has remained broadly consistent since 2018⁷⁵. The BBC tells us that it is increasingly positioning the morning bulletin as a tool for teachers, while also encouraging children to consume it independently.

The BBC has told us that it has expanded the range of content on the *Newsround* website as planned, providing around 20 new stories per day. Following peaks during the Covid-19 pandemic, over the past year, the *Newsround* website's average weekly browser reach declined to below pre-pandemic levels. More positively, since the changes were made, the average number of pages viewed weekly per visitor has increased.⁷⁶ According to BBC data, claimed use of the *Newsround* website has also increased for 6-9-year-olds over the past two years,⁷⁷ which may indicate that the website is now providing more content of interest to children of this age.



Despite fluctuations in viewing of the bulletin and engagement with the *Newsround* website, our BBC Children's Performance Tracker shows that three-quarters of children aged 8-16 who do engage with *Newsround* find it useful. However, those in DE households are less likely to agree with this, and those in AB households more likely to agree. Of those children aged 8-16 who do not watch *Newsround* or use the website, about half have heard of it. These non-users say they do not watch/use because they are not interested in it, find it boring, or it is too young for them.⁷⁸

Adults' informal learning

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

The BBC continues to provide more adults' informal learning content than other PSB channels

In 2021 there were 654 first-run UK-originated informal learning hours on BBC One and BBC Two, compared to a combined 520 hours across the main ITV, Channel 4 and Channel 5 channels. When including acquired and repeated content, this increases to 2,624 BBC hours versus 2,041 hours from

⁷⁵ BBC's analysis of BARB data.

⁷⁶ BBC internal server data (Piano Analytics).

⁷⁷ BBC Research: Kids Cross-Media Insight by Ipsos MORI.

⁷⁸ Ofcom BBC Children's Performance Tracker 2021/22.

commercial PSB channels – although, notably, the BBC provides a greater spread of sub-genres within this total.⁷⁹

However, the BBC's overall provision of informal learning content continued to decline in 2021, in addition to the long-term downward trend in the hours of new and original informal learning. Although Covid-19-related travel restrictions did continue to affect first-run originations in certain genres such as specialist factual content, there have been declines across the board for the majority of sub-genres. This was partially accounted for by fewer new hours on BBC Four, in line with strategic changes by the BBC.⁸⁰ Total spend on informal learning has declined since 2020, particularly driven by a 13% decline in first-run origination spend.⁸¹

Among adults aged 16+, total minutes of viewing of informal learning genres on broadcast TV continued to decrease in 2021, and at a higher pace than the decrease in the number of minutes transmitted. In addition, share of viewing to informal learning has decreased from 7.4% in 2019 to 4.8% in 2021. Although output and viewing of music increased year on year, the arts had the largest proportional decrease in viewing (-24%), but the larger genre of documentaries drove the overall decrease (-21%).⁸²

Despite a reduction in hours, spend and viewing, audiences rate the BBC's informal learning content positively

The BBC performs comparatively well to other PSB TV channels for delivering informal learning content. According to our research, almost three in five (58%) respondents say that BBC TV channels deliver well (rating 7-10 out of 10) for '*programmes about science, arts culture and religion*'. BBC iPlayer also compares favourably to other PSB video-on-demand ('VoD') services for this statement.⁸³ The BBC also provides a wide range of informal learning content via its website, and on radio and BBC Sounds.

About six in ten (62%) rate the BBC positively for '*programmes and content that help people to learn about new things*'. This is significantly higher than the UK average for those in AB households (68%), and significantly lower for those in DE households (54%). Opinion in DE households has declined year on year, from 61% to 54%. Respondents in DE households are also less likely than the UK average to rate the BBC highly for '*explores issues and ideas that people may not have come across before*' and '*inspires people to try new activities, hobbies or interests*.'⁸⁴

We said in last year's Annual Report that the BBC could do more to demonstrate and report on the impact of its informal learning content. The [BBC's 2021/22 Annual Report and Accounts](#) contains two new metrics which indicate that overall, audiences are satisfied with the BBC's informal learning content: the percentage of UK adults who think the BBC is '*effective at exploring subjects that they*

⁷⁹ Ofcom analysis of broadcaster data.

⁸⁰ Ofcom analysis of BBC data. Before 2020, BBC Four accounted for just over 20% of new informal learning hours. The BBC set out in its 2021/22 [Annual Plan](#) that it plans to show more archive content on BBC Four.

⁸¹ Ofcom analysis of BBC data.

⁸² BARB 28-day consolidated. Informal learning genre group consisting of arts, music, religious, and documentaries: history, modern history, natural history and nature, and science/medical.

⁸³ Ofcom PSM Tracker 2021.

⁸⁴ Ofcom BBC Performance Tracker 2021/22.

would know less about otherwise'⁸⁵; and the percentage of audiences rating 'BBC programmes vs non-BBC programmes for helping them learn something new' (for radio and TV).⁸⁶

We recognise that in the current challenging funding environment, the BBC must make difficult decisions about its output. However, given the BBC's role as a trusted provider of informal learning content for UK audiences, we would be concerned if first-run, UK-originated informal learning content were to play a significantly reduced role in its portfolio in the future. It is also vital that audiences can continue to access this content across the breadth of the BBC's platforms and services, including broadcast, online, BBC iPlayer and BBC Sounds.

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 participate in new activities. Despite a drop in the number of overall partnerships from 555 in 2020/21 to 494 this year⁸⁷, the BBC continues to participate in a wide range of partnerships across the whole of the UK, including in arts, sports, children's, news, research and development, radio and music, as well as in skills development.

For example, ahead of the COP26 climate change conference, held in Glasgow in November 2021, the BBC launched its BBC Bitesize Regenerators campaign, which aims to raise awareness of environmental sustainability and inspire children and young people to consider their impact on the planet. In order to create content for the Regenerators campaign, the BBC partnered with a wide range of partners including the Open University, the Royal Society for the Protection of Birds, the European Marine Energy Centre and the Royal Horticultural Society, among others.

We said in last year's Annual Report that the BBC may need to take a more ambitious approach to partnerships and that it should improve its measurement and demonstration of their impact. Over the past year, the BBC has been developing a new framework to assess the impact of partnerships. The framework is in the early stages of implementation and will be piloted with a number of key partners. This is a welcome first step and we continue to encourage the BBC to consider a comprehensive approach to measurement of the partnerships portfolio as the framework develops and beds in. We will continue to engage with the BBC as it develops its approach.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC's performance against the relevant Purpose 2 Operating Licence conditions. For this reporting period (2021/22) the BBC fully complied with the conditions under Public Purpose 2. See [Annex 1](#) for a full assessment of the Operating Licence requirements.

⁸⁵ [BBC Annual Report and Accounts 2021/22](#), p. 170. 62% of UK adults say the BBC is 'effective at exploring subjects that they would know less about otherwise' and 17% say the BBC is ineffective.

⁸⁶ [BBC Annual Report and Accounts 2021/22](#), p. 171. 72% of UK adults rate BBC TV programmes they have watched as 'helping them to learn something new' (for non-BBC TV programmes: 58%). 69% of UK adults rate BBC radio programmes they have listened to as 'helping them to learn something new' (for non-BBC radio programmes: 52%).

⁸⁷ [BBC Annual Report and Accounts 2021/22](#), p.74.

Public Purpose 3: Distinctiveness

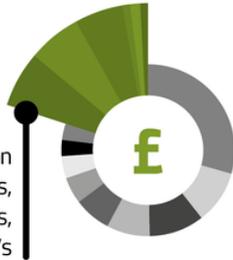
To show the most creative, highest quality and distinctive output and services.⁸⁸

Distinctiveness can be subjective to assess. Below we highlight a few key metrics to give insight into how the BBC is distinctive. This is an initial selection of metrics we will look to track over time as part of our work on a new Operating Licence. We'll also monitor markets and audience trends to identify any new data to support this.

ORIGINALITY

2021 BBC network TV spend on at-risk programmes

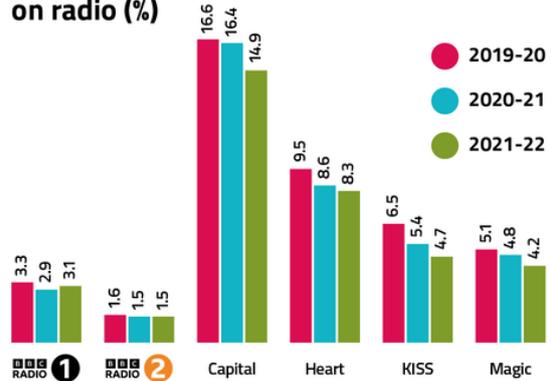
19% of spend was on at-risk genres: Religion & Ethics, Specialist Factual, Music, Arts, Comedy and Children's



First-run originated hours and spend



Repeat rate of music tracks on radio (%)



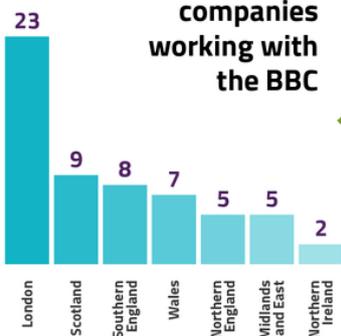
INNOVATION

Hours of BBC new and returning programmes



45 talent scheme, bursaries and targeted initiatives compared to 30 schemes in 2020

New production companies working with the BBC



AUDIENCE PERCEPTIONS

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



Positive ratings of BVOD for... providing a wide range of different types of programmes¹



providing programmes about science, arts, culture and religion²



Sources used: Ofcom analysis of BBC data; Radiomonitor; BBC TV Commissioning Supply Report; Ofcom BBC Performance Tracker 2021/22; Ofcom Public Service Media Tracker 2021 (ITV Hub and ITV Hub+ and All4 and All4+ are both included in the data). For new music, the chart shows the proportion of all music tracks classified as new music, and is based on data from three sample weeks across each financial year.

¹ a wide range of different types of programmes, such as drama, comedy, entertainment, or sport.

² covering some of the programme genres that are defined as 'at-risk.'

Summary

- The BBC continues to deliver distinctive services through the volume of its investment in new, high-quality UK content and the breadth of its output, but cannot lose sight of ‘at-risk’ genres and needs to continue to commission new content in these genres.
- Audiences still associate the BBC less with risk-taking and innovation. The BBC could do better to evaluate its initiatives and explain how it prioritises these features in its processes.
- The BBC will need to openly assess strategies it has put in place to reach a wide audience, including younger and DE audiences.

***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.*

Distinctiveness is not just a measure of how the BBC compares to other broadcasters, but of the unique value it offers to audiences. It sits at the heart of what we expect the BBC to do. Key drivers of distinctiveness include the breadth and quality of output, including programmes in genres underprovided elsewhere across public service media, the volume of new and original UK content, risk-taking and innovative output, and the range of audiences the BBC reaches and serves.⁸⁹ However, distinctiveness does not mean that every BBC programme needs to be different from what other broadcasters provide. As such, this is one of the more subjective of the Purposes to assess.

BBC spend on TV programming has recovered since 2020, and the vast majority of this continues to be invested in original UK content

The BBC’s total TV spend was the highest in five years, driven by the backlog of productions postponed during the Covid-19 pandemic, and the rollover of major sports events such as the Tokyo Olympics and the men’s Euro 2020 football championship. Of this overall spend, 93% was allocated to first-run UK originations – a similar proportion to previous years – with hours of first-run UK originations stable at 46% of total BBC TV hours. This covers the full range of the BBC’s channels, and as such is not directly comparable to the commercial PSB broadcasters with fewer designated PSB channels. Compared to each of the PSBs’ main channels, however, BBC One has a higher proportion of first-run UK originations, at 76% of hours compared to 62% for ITV, 32% for Channel 4, and 24% for Channel 5.⁹⁰ The BBC also offers much more new UK content compared to subscription video-on-demand (SVoD) services, whose new original UK content is a small fraction of their total hours.⁹¹

As set out earlier, the BBC is facing financial challenges that will increasingly impact on its spending power. As it implements strategic changes, it is important that the BBC prioritises distinctiveness and the range of content it offers audiences. We have said previously that acquisitions can play a part in this, by attracting audiences and freshening up the BBC’s content mix within such financial

⁸⁹ See also [BBC Framework Agreement](#), Schedule 2, paragraphs 1.(1) and (2).

⁹⁰ Ofcom analysis of broadcaster data. See the [interactive performance report](#) for more detail.

⁹¹ Ofcom analysis of broadcaster data and Ampere Analysis data. The proportion of new (less than one year old) UK-made programming in 2022 to date, for seven key SVoD services (Netflix, Amazon Prime Video, Britbox, NOW, Apple TV+, Discovery+, Disney+) was 1%.

constraints. However, we would be concerned if they played too large a role in the BBC's offering. Across 2021, acquired hours made up less than 2% of total broadcast hours, and spend on acquisitions was 3%, with both proportions unchanged since 2020.⁹² In addition, acquisitions represent a small proportion of BBC iPlayer hours (6.4% of available hours in 2021/22) and the BBC has said that acquisitions "will continue to make up a small proportion of the content available on BBC iPlayer."⁹³



It is important that the BBC demonstrates how acquisitions fit into its distinctive offering to audiences, and as part of our consultation on a new Operating Licence we have proposed a reporting requirement on this. We will continue to monitor the BBC's use of acquired content.

The BBC continues to deliver a distinctive mix of output compared to other providers

The BBC maintains a wide genre mix and a distinctive range of programming on TV, carrying a wider selection of genres than other PSBs.⁹⁴ BBC iPlayer has a larger proportion of drama and film content than the BBC broadcast channels, but alongside this carries a wider range of genres than other SVoD services or UK broadcasters' video-on-demand (BVOD) services.⁹⁵ In its [Annual Report and Accounts 2021/22](#), the BBC noted that it had modernised BBC iPlayer for internet-connected TVs, improving the interface and content categories.⁹⁶ In executing its BBC iPlayer strategy, it is important for the BBC to consider how it can promote the wide range of content available to audiences, and we encourage it to evaluate the success of any such changes. As part of our consultation on a new Operating Licence, we proposed requiring the BBC to set out how it will ensure that original UK content is easily discoverable to audiences on BBC iPlayer and BBC Sounds.

⁹² Ofcom analysis of BBC data.

⁹³ BBC, 19 October 2022, [BBC iPlayer II: Public Interest Test](#), section 4.3.3.

⁹⁴ Ofcom analysis of broadcaster data. The genre mix of BBC content versus other broadcasters can be seen in the [interactive performance report](#).

⁹⁵ Ofcom analysis of Ampere Analysis data. BBC iPlayer's genre mix is in the [interactive performance report](#).

⁹⁶ The BBC also notes that TV devices are the most popular way to use BBC iPlayer.

BBC TV continues to provide the largest amount of content in at-risk genres compared to other PSBs.⁹⁷ Likewise, BBC iPlayer performs well in the overall provision and range of at-risk programming hours compared to other video-on-demand providers.⁹⁸ However, hours of first-run programming in at-risk genres continue to decline every year and were down 9% in 2021 compared to 2020.⁹⁹ Overall consumption of at-risk content on BBC TV is also down; by 23% compared to 2020.¹⁰⁰

Yet, despite these declines in output and consumption, the BBC is rated highly for its range of programming. About two-thirds (65%) of viewers in the past six months rated BBC TV channels highly (7-10 out of 10) for providing ‘a wide range of different types of programmes, such as drama, comedy, entertainment or sport’ and 73% said the same for BBC iPlayer.¹⁰¹ Nearly three in five (58%) also rated BBC TV well for ‘programmes about science, arts, culture and religion’ – covering some of the genres that are defined as ‘at risk’ – and BBC iPlayer also compares favourably to other PSB VoD services on this.¹⁰² The provision of at-risk programming is a key driver of the BBC’s distinctiveness, and can help it reach audiences who may not get as much exposure to this type of content elsewhere. As such, this content needs to continue to play an important role in the BBC’s content mix, given its importance to audiences. As part of our consultation, [Modernising the BBC’s Operating Licence](#), we have proposed to seek annual commitments from the BBC on its provision of at-risk content.

The BBC also delivers a wide mix of output on radio. Looking at a sample month across all its stations,¹⁰³ we found that over half (56%) of BBC radio programmes were music. This covered a wide breadth of music genres, with pop and charts making up a quarter of the total, followed by hip-hop/R&B, Desi and dance/electronica, and a mix of classical, world and jazz/blues. Outside music, other BBC radio programmes included factual (22%) and dedicated news programmes (8%), with the rest a mix including drama, comedy, sport, religion and learning, with much of this on speech stations BBC Radio 4 and BBC 5 Live. BBC Radio 3 and BBC 6 Music also broadcast a notable proportion of factual speech radio.¹⁰⁴ To provide a distinctive offering for audiences it is important that the BBC continues to deliver a wide range of output on radio, including across genres such as drama, comedy, arts and radio documentaries.

The BBC reports that consumption of BBC Sounds is broadly balanced between live and on-demand listening, with speech content more popular than music.¹⁰⁵ It also notes that it has made improvements to the genre categories on BBC Sounds to better showcase the range. As with BBC iPlayer, it is important for the BBC to measure and report on its performance in promoting the breadth of its content. This might include measurement of time spent on BBC Sounds and across the

⁹⁷ ‘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 and include: arts, music, comedy, specialist factual, children’s and religion. Data comparing the availability of at-risk hours as proportions relative to total hours on the BBC and other broadcasters is available in the interactive report.

⁹⁸ Ofcom analysis of Ampere Analysis data.

⁹⁹ Ofcom analysis of BBC data.

¹⁰⁰ BARB adults 16+, 28-day consolidated viewing for all broadcast BBC TV channels.

¹⁰¹ Ofcom PSM Tracker 2021.

¹⁰² Ofcom PSM Tracker 2021.

¹⁰³ The sample month is March 2022. The data is for BBC Asian Network, Radios 1, 2, 3 and 4, 5 Live, 6 Music and 1Xtra.

¹⁰⁴ BBC supplied radio data 6 Oct 2022.

¹⁰⁵ [BBC Annual Report and Accounts 2021/22](#), p.33.

range of its offering, as well as the variety of audiences reached. We welcome the BBC's commitment in its Annual Report and Accounts this year to provide enhanced reporting on its online performance from next year onwards.¹⁰⁶

Audiences rate the BBC highly on its content quality overall, and for its provision of UK content

About six in ten UK adults rated the BBC positively for '*high quality and creative content*.'¹⁰⁷ [Separate qualitative research](#) also found that audiences praised BBC dramas in particular for their high quality. However, there are differences in perception across all audiences; in particular, those from DE households (52%) rate the BBC lower for '*high quality and creative content*' than the UK average (61%).¹⁰⁸ As part of its role to serve all UK audiences, it is important that the BBC considers perceptions from less satisfied audiences in its commissioning decisions, and delivers content which resonates with such audiences.

According to our research, BBC TV channels and BBC iPlayer rate highly among PSBs for providing '*programmes made for UK audiences*'.¹⁰⁹ But our BBC Performance Tracker shows that there has been a decrease in the proportion of UK adults giving the BBC a high rating for '*providing content made for UK audiences*' (from 68% last year to 64% this year), as well as an increase in those giving a lower rating (from 9% to 12%).¹¹⁰ This change in audience perceptions underlines how important it is for the BBC to focus on UK content and to carefully balance how non-UK acquisitions fit into its overall content mix.

Yet, audiences still rate the BBC low for risk-taking

Taking risks and innovating in how and what it commissions is key to how the BBC can set itself apart from competitors. Risk-taking can also help the BBC evolve its offering to stay relevant and appeal to a wide range of audiences, including those currently underserved.

But not all audiences associate the BBC with these characteristics: 46% of UK adults rated the BBC positively for '*provides content that is different from other providers*,' and this drops to 40% for those in DE households.¹¹¹ Similarly, only 46% of UK adults rated the BBC highly for '*provides content that dares to be different*', while 22% gave a negative rating and 25% a neutral rating. When asked how well BBC TV, BBC Radio and BBC websites/apps compare to other services for '*provides content that dares to be different*', only about a quarter said the BBC is '*better than others*' for each, while around half said the BBC is '*about the same as others*' or '*don't know*.'¹¹² It is worth noting that weekly users of specific BBC services tend to rate them more positively than the UK average; for example, weekly BBC Sounds users are more positive on the BBC '*provides content that dares to be*

¹⁰⁶ [BBC Annual Report and Accounts 2021/22](#), p.49.

¹⁰⁷ Ofcom BBC Performance Tracker 2021/22.

¹⁰⁸ Ofcom BBC Performance Tracker 2021/22.

¹⁰⁹ Ofcom Public Service Media Tracker 2021.

¹¹⁰ Ofcom BBC Performance Tracker 2021/22.

¹¹¹ Ofcom BBC Performance Tracker 2021/22.

¹¹² For TV and video service providers, 28% of people rated the BBC as worse than others on '*provides content that dares to be different*,' 16% of people stated the same for BBC radio compared to other radio stations, and 18% for the BBC websites/apps compared to other websites and apps. Ofcom BBC Performance Tracker 2021/22.

different'.¹¹³ [Separate qualitative research](#) also found that audiences generally do not associate the BBC with creative risk-taking.

The concepts of risk-taking and innovation, however, are complex and can mean different things to different people. As part of our assessment, we have looked at a range of metrics to understand how risk-taking and innovation feature in the BBC's work.

By several measures, the BBC is demonstrating an appetite for risk-taking

First, we look at innovation within the BBC's supplier base, and its efforts to move away from established centres of production in the South East. Although the overall number of new production companies working with the BBC declined from 66 in 2020 to 59 in 2021, those from the nations and regions rose from 32 in 2020 to 36 in 2021.¹¹⁴ We have spoken to independent producers across the UK this year, many of whom perceived the BBC as keen to take risks in what content it commissions and how it does so. However, this feedback varied; not every producer of every size agreed with this assessment.

The balance of new and returning series also sheds light on the BBC's level of risk-taking; both are important for audiences, the production sector and distinctiveness. While on the one hand, returning series offer sustained support to producers, particularly those based across the UK, and help build relationships with audiences, on the other hand, new series help refresh schedules. The number of new series aired by the BBC was down in 2021, showing a high reliance on returning series.¹¹⁵ The BBC can still innovate within returning series – for instance, series such as BBC One's *Masterchef* and BBC Radio 1's *Newsbeat* will move production to Birmingham, which aims to help support the local creative economy but may also refresh the format and content of the titles.¹¹⁶ However, the creative scope for experimentation may be wider in new series and can offer opportunities to reach new and underserved audiences, and involve new producers.



¹¹³ Ofcom BBC Performance Tracker 2021/22. 62% of weekly BBC Sounds user gave a positive rating compared to 46% for the UK average.

¹¹⁴ [BBC Commissioning Supply Report 2021/22.](#)

¹¹⁵ Ofcom analysis of BBC data.

¹¹⁶ [BBC Midlands moving to new broadcast centre in Birmingham, 3 Aug 2022.](#)

In radio, the proportion of new music played, and the volume of repeats on stations, can act as a measure of the BBC's risk-taking and innovation. In 2021/22, 26% of BBC Radio 2's music qualified as new, a number which has seen significant growth in five years and is higher than for comparable stations Heart (6%) and Magic (1%). For BBC Radio 1, 62% of music qualified as new, compared to 49% on Capital and 45% of new music on Kiss.¹¹⁷ BBC Radio 1 and BBC Radio 2 also had the lowest average music repeat rates compared to commercial stations Heart, Kiss, Capital and Magic.¹¹⁸ As part of our analysis this year, we observed an internal BBC Radio 1 playlist meeting, at which BBC producers, genre experts and social media analysts agree the compilation of [BBC Radio 1's official playlist](#). In its decision making, the BBC considers the British, BAME, independent production and gender representation of artists in its playlist. It also compares its playlist with the Official Top 40 to limit overlaps and its most played songs with the UK airplay charts. There is also a focus on supporting emerging and new artists through their career journeys. This process is a good example of how distinctiveness is embedded within the BBC's work.

We have also seen innovation from the BBC in the way it delivers its content to audiences. When broadcasting some of the past year's largest events and moments of national interest – for example Glastonbury Festival and the Commonwealth Games – we saw the BBC give audiences access to a range of streams on dedicated 'channels' on BBC iPlayer. These allowed audiences to customise their viewing experience on demand. In total, across the wide range of coverage of Glastonbury and the Commonwealth Games on BBC iPlayer, the BBC reached 6.9% of audiences and 8.1% of audiences respectively.¹¹⁹ The BBC is also innovating in how it releases content on BBC iPlayer; it told us that it experiments with different approaches such as releasing all episodes of a series at once or at weekly intervals.



¹¹⁷ Source: Radiomonitor. See also [interactive performance report](#).

¹¹⁸ RadioMonitor. BBC Radio 2 repeated at an average of only 1.5 plays per song and BBC Radio 1 at 3.1 plays per song, compared to 4.2 plays per song for Magic and 14.9 for Capital.

¹¹⁹ BARB. All individuals who watched at least 3 minutes of any Glastonbury programme or the Commonwealth games on BBC iPlayer, for the duration of each event and a seven-day period following it. Run on any programmes with 'Glastonbury' in the title. Date range used 24/06/22 – 03/07/22.

The BBC has other initiatives and schemes in place across its services to support and develop new talent, including [BBC Writersroom](#), [BBC Ignite](#) and BBC Radio 1's [Presenter Uploader](#) tool. The BBC celebrates major successes such as *The Responder*, whose screenwriter was part of the Northern Voices Writersroom scheme. It has also provided some insights in its [2021/22 Diversity Commissioning Code of Practice \('DCCoP'\) Progress Report](#) regarding the impact of its initiatives; for example, it reported that 92% of participants in BBC Radio 1's *Where it Begins* internship scheme since 2014 continue to work within the production sector today. However, the BBC could do more to explain the range of its initiatives and to systematically evaluate the impact on audiences of their success.

The BBC needs to evaluate its strategies to reach a wide audience, including younger and DE audiences who have persistently felt underserved by the BBC

The BBC continues its efforts to reach younger audiences, having implemented several strategies in recent years including re-launching the BBC Three broadcast TV channel in early February 2022, building a better presence on TikTok, and bringing YouTube stars in to host radio programmes. [Our research](#) shows that younger people now spend longer each day on social media than on TV viewing. The BBC told us that it has implemented a social media strategy and that its primary objective is to engage 13-34-year-old UK audiences, both to drive daily habitual on-platform use and to encourage them to stay with the BBC. It reflected its top accounts on Facebook and YouTube are some of the platforms' largest for UK 13-34-year-old video reach.¹²⁰

For both TV and radio, reaching younger audiences has had mixed success. Although the reach of its broadcast TV channels continued to decline, the BBC's own data suggests that increasing numbers of 16-34-year-olds are using BBC iPlayer, up 19% to 3.8 million accounts accessing it weekly in 2021/22.¹²¹ In radio and audio, BBC Radio 1, 1Xtra and Asian Network, all stations targeted at young people, either have a majority or a near-majority of listeners under 34. The rest of the BBC radio portfolio skews substantially older, with a majority listenership over 45.¹²² Weekly average use of BBC Sounds among 16-34-year-olds is flat at 570k signed-in accounts (below the BBC's target of 600k), and this is against a background of overall growth (8.6% up on 2020/21).¹²³ BBC data also indicates that around one in six of the accounts using BBC Sounds on average per week belong to people aged under 35.¹²⁴

¹²⁰ Source: Tubular Labs. Analysis done with BBC Content's top portfolio account vs. Facebook/YouTube's largest brand accounts by UK 13-34-year-old unique video viewer reach.

¹²¹ [BBC Annual Report and Accounts 2021/22](#), p.173.

¹²² RAJAR, Q1 2022. BBC Asian Network has 46% of listeners aged 15-34, while BBC Radio 1 has 51% and BBC Radio 1Xtra has 61%.

¹²³ [BBC Annual Report and Accounts 2021/22](#), p.49.

¹²⁴ BBC internal data. This relates to the accounts where age details have been provided to the BBC.

BBC Three

On 1 February 2022, following the [final Determinations](#) in our competition assessment of the BBC's proposals, the BBC re-launched BBC Three as a broadcast television channel. The BBC had proposed this change to help it better meet the needs of 16-34-year-old audiences who are lighter users of the BBC. It considered that these tended to be viewers in C2DE socio-economic groups, living outside London and the South East, and with less access to on-demand services. The BBC also believed that the broadcast channel would give it a new lever to "build awareness and change perceptions of what BBC iPlayer (and the BBC more generally) has to offer."¹²⁵ We are monitoring the performance of the broadcast channel, which has been operating for less than a year.

The average share of viewing to the channel between February and August 2022 was 0.6% of all audiences and 1.1% of 16-34-year-olds.¹²⁶ This is substantially lower than commercial PSB portfolio channels targeting similar audiences, such as ITV2, which had a share of viewing over the same time period of 10.1% of 16-34-year-olds, and E4, whose share was 4.7% of this group. In respect of 16-34-year-olds from C2DE households, a key target audience for BBC Three, the average share of viewing was 0.9%, compared to 9.1% for ITV2 and 4.5% for E4. The average time that 16-34-year-olds spend watching BBC Three is also lower than for ITV2 and E4.¹²⁷

However, the mix of output on BBC Three is greater than on ITV2 or E4, covering a wider range of genres and in particular focusing more on factual content such as documentaries and factual programming about subjects like cars and gaming, as well as music, a nightly news bulletin and sports coverage. BBC Three's top-performing programme among 16-34-year-olds to date is *RuPaul's Drag Race UK vs. the World*, which was watched by an average audience of 425,000. This meant that of all the 16-34-year-olds watching broadcast TV at the time, 19.6% of them were watching that programme. Other high-performing programmes included BBC Three original productions *Conversations with Friends*, which reached an average audience of 195,000 16-34-year-olds (17.5% of all 16-34-year-olds watching TV at the time), and *Glow Up: Britain's Next Make-Up Star* which reached an average of 178,000 16-34-year-olds (9% share of 16-34-year-olds).¹²⁸

We recognise that the channel is still bedding in and consider it too early to assess whether the re-launch has delivered on the ambitions the BBC set out. We will look at BBC Three's performance in greater detail in next year's Annual Report on the BBC, but in the meantime, it is important that the BBC sets out in detail in its next Annual Plan how it intends BBC Three to contribute to the Mission and Public Purposes and reports against that.

¹²⁵ BBC, 24 June 2021, [A new BBC Three channel: Public Interest Test](#).

¹²⁶ BARB, 28-day consolidated.

¹²⁷ BARB, 28-day consolidated.

¹²⁸ BARB, 28-day consolidated, 16-34-year-olds.

Our research also shows that audiences in lower socio-economic groups continue to rate the BBC low on aspects related to Public Purpose 3. These audiences were less likely to give a positive rating for statements such as the BBC *'provides content made for UK audiences,'* and *'provides a broad mix of content'* than compared to the UK average. In addition, in a survey of parents of children aged 3-7 and children aged 8-16, those in lower socio-economic groups were less likely than the UK average to agree with the statement that *'the BBC has high quality shows I enjoy'*.¹²⁹ The BBC has said it is commissioning more TV content aimed at C2DE audiences, particularly lighter drama, crime drama and comedy drama, as well as factual entertainment competition formats and sports documentaries. In radio and audio, the BBC has told us that it seeks to focus on sports via BBC Radio 5 Live and BBC Sounds to reach these groups, alongside some targeted speech and music output on BBC Sounds.



Overall, strategies to reach audiences – whether to address underserved audiences' needs or evolve to meet changing audience habits – can take time to embed and deliver results. Crucially, the BBC needs to meaningfully assess and evaluate the strategies it is implementing and be flexible enough to change course when strategies do not deliver on expectations. These strategies also need to be balanced with other priorities and it is important we look at competing priorities in the round. For example, the BBC's Digital First strategy offers it an opportunity to ensure that its digital offering is serving a wide range of audiences whose habits are changing. In implementing this, alongside its strategic focus on high-impact content, the BBC will have to continue to champion distinctiveness and provide a broad range of content genres and programme types to be able to resonate with all audiences. It will also need to deliver this content in ways that audiences want it, whether through traditional broadcast services or online. We will continue to monitor the BBC's changes and their impact on the audiences it serves.

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 continued impact of Covid-19, the BBC missed one licence condition related to this purpose: the number of new sessions (live or recorded) on BBC Radio 1. See [Annex 1](#) for a full assessment of the Operating Licence requirements.

¹²⁹ Ofcom BBC Performance tracker 2021/22 and Ofcom BBC Children's Performance Tracker 2021/22.

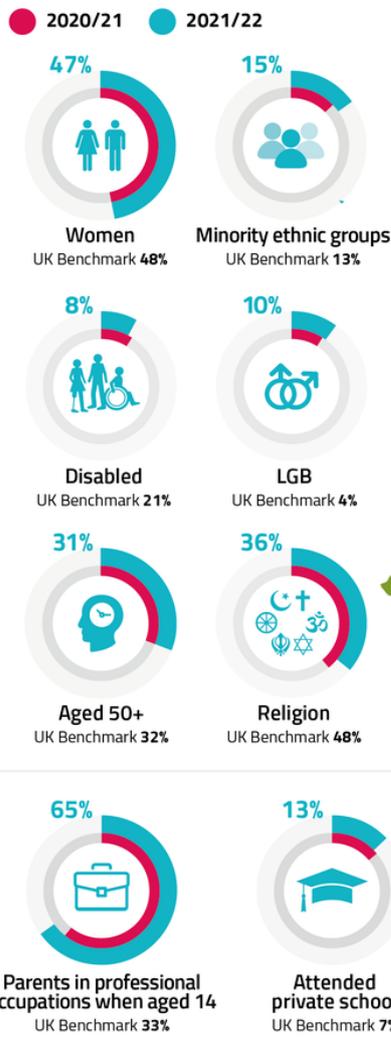
Public Purpose 4: Nations and regions, and diversity

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.

Positive ratings of the BBC's delivery of Public Purpose 4



Workforce diversity - BBC UK public service staff

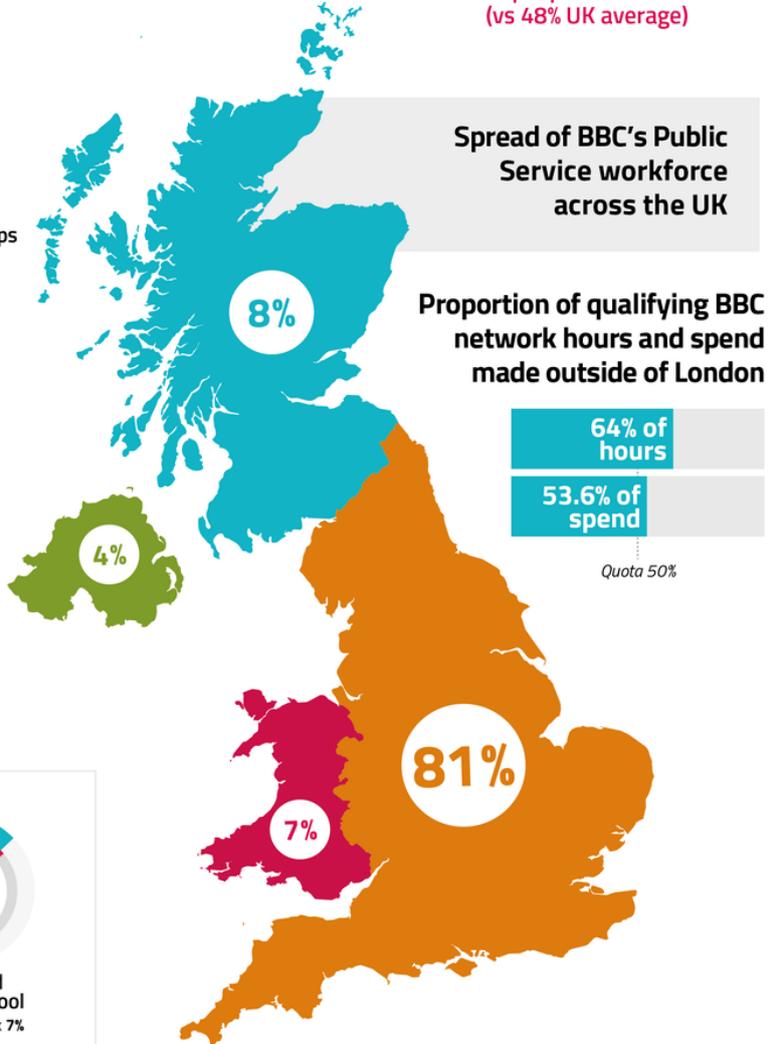


Less satisfied audiences

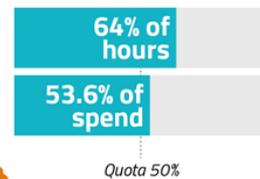
51% of audiences with a disability gave a positive rating for the BBC including people like them (vs 57% of those with no disability)

DE 43% of those in the DE socio-economic group gave a positive rating for the BBC reflecting the lives of people like them (vs 48% UK average)

Spread of BBC's Public Service workforce across the UK



Proportion of qualifying BBC network hours and spend made outside of London



Sources used: Ofcom analysis of BBC data; BBC internal server data; Ofcom BBC Performance Tracker 2021/22 UK adults 16+. See Updating Quantitative Data Collection Tools for information on the use of the acronym 'LGB' (lesbian, gay, bisexual) in our workforce data collection. Although there is no official UK benchmark for individuals that have attended private school, a Sutton Trust report (Leading People 2016, published 24 February 2016) suggested the UK average was around 7%.

Summary

- The BBC has made progress against its Across the UK strategy and is supporting the creative industries in the nations and regions through new partnerships, using a greater proportion of producers in these areas, and having more commissioners based outside London.
- However, Public Purpose 4 is the BBC's lowest-rated purpose, particularly among audiences in lower socio-economic groups, and disabled audiences. To improve perceptions, the BBC is implementing a range of initiatives including to enhance representation on- and off-screen.
- While it has made progress, the BBC has further to go to better represent disabled people and those from lower socio-economic backgrounds in its workforce.
- The BBC has increased reporting on some initiatives and has provided greater transparency on the diversity of its workforce by becoming the first UK broadcaster to supply this data by nation.

***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.*

The BBC has an important responsibility to reflect, represent and serve the diverse communities of the UK's nations and regions, and in doing so, to support the creative economy across the UK. This must be central to how the BBC approaches production and programming, and the content of its output. It also has a unique opportunity to drive more diverse representation on-screen and on-air, in its workforce and in the wider UK creative economy, in turn helping it tell the stories of the UK's communities accurately and authentically. The below assessment first considers the BBC's performance in the nations and regions including audience satisfaction; progress towards its Across the UK strategy, and how it has supported the creative economy. We then consider the BBC's work to promote greater diversity including efforts to enhance the representation and portrayal of diverse communities on-screen; improve the diversity of talent on- and off-screen, and its reporting on initiatives to deliver this.

Nations and regions

To deliver for the nations and regions, the BBC provides content aimed at everyone across the UK on its network services, as well as specific national or regional content on its opt-out services,¹³¹ including news and current affairs. As part of the BBC Operating Licence, we have set quotas to ensure that the BBC distributes its network production resources across the UK and provides

¹³¹ An opt-out service is the national or regional variation of a BBC channel (for example, BBC Two Wales).

programming which serves, and is of interest to, audiences in the nations and regions on its opt-out services.

Over the past year, the BBC has continued to invest in programmes and productions across the nations and regions. It has achieved, or overdelivered, on most of the quotas we have set in this respect. For instance, it continues to overdeliver on hours of network production made outside London, at 64% of qualifying hours in 2021 against our 50% quota.

The BBC has also historically overdelivered on the nation-specific programming quotas we set which specify amounts of news and current affairs, and non-news hours to be broadcast on the opt-out services in Northern Ireland, Scotland and Wales. However, there have been some exceptions to the BBC's delivery of this output over the past two years due to challenges relating to the Covid-19 pandemic, particularly relating to non-news content provided in peak viewing times.¹³² Further, as noted in [Public Purpose 1](#), hours of regional news and current affairs in England have remained lower than pre-Covid levels due to delays in the production of *We are England*, a current affairs series for BBC One, and the BBC has announced plans to decommission this title at the end of this year.



Audiences in the nations and regions continue to engage with the BBC and its content, as evidenced by BBC One attracting the largest audience share of any individual PSB channel in each nation. However, the size of these shares varied slightly by nation; the highest was in Wales (23.2%) and the lowest in Northern Ireland (20.4%).¹³³ The BBC's online services also continue to be popular; BBC iPlayer was the most-used PSB video-on-demand service across the nations.¹³⁴ In Scotland, the BBC launched its dedicated BBC Scotland channel in 2019. The channel's share of broadcast viewing in Scotland continues to be within the predicted range at 2.4% in 2021¹³⁵ and BBC internal data shows that requests to view BBC Scotland produced content and co-commissioned content on BBC iPlayer was in line with the previous year at 72 million streams between April 2021 to March 2022.¹³⁶

¹³² See Compliance Annex for [20/21](#) and [21/22](#).

¹³³ BARB. BBC areas, all individuals (4+).

¹³⁴ Ofcom VoD Survey 2022.

¹³⁵ BARB: Share of all viewing between 7:00pm-midnight in Scotland.

¹³⁶ Compared to 71.6 million streams from April 2020 to March 2021.

Further, the ways in which listeners use radio services in the nations differs by nation, with BBC radio stations accounting for a greater share of listening in Wales compared to the UK as a whole (59% vs 49%).¹³⁷ We note that BBC Radio Cymru 2, which provides alternative programming to the Welsh language radio station BBC Radio Cymru, has extended its hours in the morning to include additional live presenter-led programming.¹³⁸ The BBC has also announced plans to increase programme sharing between local radio stations in England, which we set out in more detail in the [Public Purpose 1 chapter](#) above.

The BBC has made some progress towards its Across the UK commitments

Since our 2021 report on the BBC's performance, the BBC has started to implement the plans it set out in its Across the UK strategy. We consider that this strategy demonstrates the BBC's recognition of the importance of its success across the nations and regions, and in its mission to reach all audiences. The BBC's plans focus mainly on how and where it conducts various parts of its operations, as well as its commitments to improve portrayal of the UK's nations and regions. Looking at content production specifically, the strategy includes a commitment to increase the BBC's out-of-London spend for both network TV (from 50% to 60%) and radio and music (from under 40% to 50%), as well as to double the number of network and nations co-commissions appearing on UK-wide channels. The BBC has reported that it achieved the latter in its first year of delivery.¹³⁹

The BBC also set a target to commission 100 programmes portraying communities from around the UK and specifically 20 in the nations, by 2024. The BBC reported that it commissioned 31 programmes portraying life in a diverse range of locations around the UK, 14 of which were in the devolved nations, within the first year.¹⁴⁰ It also reported on progress against some of its radio and online commitments; for example, BBC Radio 1 now broadcasts parts of its schedule every day from Salford. The BBC is also making progress on relocating or partially relocating key brands such as BBC Radio 3 and BBC Radio 4. With regard to its online commitments, the BBC has told us that recruitment for a new tech hub in Newcastle is in the pipeline, and as we note above in relation to [Public Purpose 1](#), work to improve personalisation and localisation of the BBC News app and BBC Sounds is progressing.¹⁴¹

We are seeing some shifts in audience perceptions in the nations

According to Ofcom's research, the overall impression of the BBC among people in Scotland has improved since last year (from 49% rating it positively in 2020/21 to 58% in 2021/22) and for Northern Ireland (55% vs 62%).¹⁴² As with last year, audiences in Scotland who watch the BBC Scotland channel are more likely to have an overall positive perception of the BBC.¹⁴³

Our data also shows that perceptions around representation and portrayal among audiences in all the nations are in line with the UK average this year.¹⁴⁴ Last year, audiences in Scotland rated the

¹³⁷ RAJAR Q1 2022.

¹³⁸ [BBC press release](#). To note, any further extension of the hours of this service will require a materiality assessment.

¹³⁹ [BBC Commissioning Supply Report 21/22](#).

¹⁴⁰ [BBC Commissioning Supply Report 21/22](#).

¹⁴¹ Information provided by the BBC.

¹⁴² Ofcom BBC Performance Tracker 2020/21 and 2021/22. Rating based on statement: "Thinking about everything the BBC does across TV, radio and online, what is your overall impression of the BBC?"

¹⁴³ Ofcom BBC Performance Tracker 2020/21 and 2021/22.

¹⁴⁴ Ofcom BBC Performance Tracker 2021/22.

BBC below the UK average for *'content that reflects the life and culture of communities throughout the UK'* and those in Northern Ireland rated the BBC below average for *'features the nation where I live'* and *'provides content that is relevant to me.'* We have also found that all representation and portrayal metrics for Wales have continued to remain in line with the UK averages.

Looking at audience perceptions for the regions in England, while last year audience perceptions in the West Midlands were below the UK average, this year this region is now in line with the UK average. Audiences in London continue to have high levels of satisfaction with the BBC.

This year's figures are encouraging but it will be important to see whether the shifts we have noted represent longer-term improvements. We will keep audience perceptions under review for all nations. We also note that the BBC's data this year indicates that perceptions among audiences in Scotland and Wales have remained lower than other audience groups, and we will monitor this further.¹⁴⁵

It is important that the BBC continues to deliver for audiences in the nations and regions, given its unique remit and funding. A key part of this is ensuring that the BBC delivers a breadth of distinctive, new, locally-relevant output to audiences across the UK. Currently, news programming makes up the large majority of local first-run UK-originated TV content for the nations and regions, with current affairs, sports and factual programming making up the bulk of non-news content.¹⁴⁶ The BBC's focus on high-impact delivery, the shift of resources towards online, its increased focus on co-commissions and the need to find savings across all its services, are all creating an increasing challenge for the BBC to sustain this breadth. The BBC needs to balance any changes with its duty to deliver locally relevant programming that is of particular interest to audiences in the nations or regions.



In addition to monitoring the impact of the BBC's changes on audiences in the nations and regions, we will monitor the breadth of the BBC's offering to these audience groups. Simultaneously, the BBC will need to measure the impact of its plans – Digital First, but also Across the UK – on audiences and the creative economy. Monitoring and reporting are also key features in our proposals for a

¹⁴⁵ BBC assessment of audience satisfaction 2021/22.

¹⁴⁶ Ofcom analysis of BBC data. News originations made up around 79% of this programming in 2021.

modernised Operating Licence, helping us hold the BBC to account across services and for all audiences.

The BBC continues to support the creative industries across the nations and regions

It is important for the BBC and other broadcasters to develop a broad network and footprint of commissioners, producers and working partnerships in the nations and regions, to ensure that those programmes showcasing specific parts of the UK, authentically reflect the stories, people and places included. At the same time, this activity supports the creative industries across the nations and regions.

The BBC has reported that a higher proportion of the producers it worked with in 2021 were based outside London (61%, compared to 57% in 2020). Of these producers, 36 were new suppliers from the nations and regions (up from 32 the previous year).¹⁴⁷ The BBC has also reported that 24 of its network commissioners are now based outside London, up from 18 last year, with 16 in the English regions, six in Scotland, one in Northern Ireland and one in Wales.¹⁴⁸ It has also appointed four new assistant drama commissioners across the UK and two new commissioning editors in the regions, and recently [announced](#) plans to appoint five more assistant commissioners in the nations and regions. We will continue to engage with the BBC to understand the impact of these roles and how it will continue to develop this representation in the nations.

The BBC's contribution to the creative economy in the nations and regions is also measured by the quotas we impose on its production spend on network programming, which we set at both a UK-wide and a nation-specific level. The BBC exceeded its overall made outside London production spend quota in 2021, at 54% of qualifying network spend, and exceeded its individual production spend quotas for each nation.¹⁴⁹ This was in part due to the backlog of productions disrupted by Covid-19, reflected particularly by delayed sporting events (for which production spend was attributed to Northern England). Drama titles which aired in 2021 also contributed to spend levels, for example *Vigil* and *Line of Duty* made in Scotland and Northern Ireland respectively. The proportion of qualifying network spend allocated to Wales decreased from 8% to 7% in 2021, although this did not represent a decline in absolute spend on network programming made in Wales, which remained flat.¹⁵⁰

In addition to the quotas we set, the BBC announced plans to increase spend out of London on network TV and audio programming in its 2021 Across the UK plan. In May 2022, the Government embedded these targets into the BBC Agreement,¹⁵¹ requiring the BBC to deliver plans to ensure that 60% of network TV spend (including spend on BBC iPlayer) and 50% expenditure on network radio and BBC Sounds programmes and music is made out of London by the end of 2027. The BBC said that only a small proportion of its TV content is BBC iPlayer only, and so its reporting on out-of-London network TV spend already provides a good proxy for its delivery against its TV commitment.

¹⁴⁷ [BBC Commissioning Supply Report 2021/22](#).

¹⁴⁸ Information provided by the BBC.

¹⁴⁹ Ofcom analysis of BBC data. The BBC's overall out of London spend quota is set at 50%. The individual spend quotas set for each nation are: England 30%, Northern Ireland 3%, Scotland 8% and Wales 5%. See [interactive performance report](#) for performance against these.

¹⁵⁰ Ofcom analysis of BBC data. The BBC's performance against its out-of-London quotas can be found in our [PSB Annual Compliance Report](#).

¹⁵¹ The Government made [changes to the BBC Agreement](#) in May 2022.

In relation to its new network radio spend commitment, the BBC said it will need to establish a methodology to measure progress towards this so that it captures spend on BBC Sounds-only and music production.

We also track the BBC's spend on non-network programming made for its opt-out services. This has increased year on year from £170m in 2020 (affected by the Covid-19 pandemic) to £178m in 2021 (led by non-network spend in Scotland).¹⁵² However, this was short of pre-pandemic levels; between 2015 and 2019, non-network programming spend for the nations and regions was stable at around £200m. This flatter trend since 2020 is primarily due to the cancellation of *Inside Out* in England and delays to its replacement title *We are England*.

Despite the general recovery in programming investment, the UK's production sector continued to experience the knock-on effects of the Covid-19 pandemic during 2021, such as the additional cost of Covid-19 safety measures and some continuing travel restrictions. Last year, we said we would monitor the BBC's activity to ensure it was taking steps to help the recovery of the production sector. We note that the BBC has said it has supported companies in the nations with budgets to provide Covid-19 contingencies, and provided editorial and business support.¹⁵³



Further, speaking to producers in the nations and regions, we know they have experienced the value of online briefings, which remove barriers to access to the BBC. This year the BBC held 32 briefings and masterclasses (both in-person and online), as well as 11 targeted briefings for nations' and regions' producers.¹⁵⁴ It is encouraging the BBC has continued with online briefings, and it should continue to ensure that producers across the UK benefit from fair and transparent access to commissioners.

The BBC has maintained and built on partnerships across the nations and regions to further support the creative economies

Partnerships with local agencies, as well as funds and development schemes, continue to be an important way for the BBC to increase its impact with audiences and to support the creative economies in the nations and regions. The BBC reported assisting 50 companies through its [Small](#)

¹⁵² Ofcom analysis of BBC data. See interactive performance report.

¹⁵³ [BBC Commissioning Supply Report 2021/22.](#)

¹⁵⁴ [BBC Commissioning Supply Report 2021/22.](#)

[Indie Fund](#), which supports the growth of small independent production companies, with a total investment of £1m for the year. Seventy-four per cent of those companies were based in the nations and regions. The previous year the BBC doubled its investment in the Small Indie Fund from £1m to £2m to support companies during the Covid-19 pandemic.¹⁵⁵

The Across the UK strategy committed the BBC to renewing a number of its partnerships as well as creating new ones. The BBC announced a new partnership with North-East Screen Industries Partnership and committed to investing at least £25m of network TV spend in the region over the next five years. In the nations, the BBC has renewed its partnerships with Screen Scotland and Northern Ireland Screen and launched a new partnership with Creative Wales. The BBC has also forged new network partnerships between the network and nations' services. For example, BBC Northern Ireland has partnered with BBC Two on factual programmes and has expanded its partnership with BBC Three.¹⁵⁶

These partnerships have led to programmes commissioned to better serve audiences across the UK. For example, the BBC has commissioned the first feature-length drama in the Irish language, *Doineann*, in partnership with Northern Ireland Screen's Irish Language Broadcast Fund; delivered six documentaries over two years in partnership with the Scottish Documentary Institute; commissioned several programmes in partnership with Creative Wales; and in England it has co-commissioned programmes with new or smaller indies.¹⁵⁷ And as noted in [Public Purpose 2](#), the BBC also has a range of partnerships with local cultural, sporting and educational institutions across the UK. We welcome the BBC's public reporting on the achievements of its partnerships over the past year, and we encourage it to measure the impact of these on audiences and the creative economy.

The BBC has also fulfilled its statutory duty of providing ten hours of programming per week to S4C,¹⁵⁸ and both broadcasters continue to collaborate on a range of projects to promote Welsh-language provision, such as using BBC iPlayer to distribute S4C's content. We also note that S4C has co-located with the BBC in its Welsh headquarters at Central Square in Cardiff and has transferred its broadcast and digital distribution functions to the BBC.¹⁵⁹ Further, the BBC has begun the process of renewing its Collaboration Agreement with MG ALBA, and the Terms of Reference and timeline for this process have been agreed by both boards. The Director of Group Partnerships at the BBC has agreed to chair the renewal process, with the MG ALBA Chief Executive and the Director of BBC Scotland as the executive sponsors.

Looking at the BBC's own structure and governance, we note that there is still no board member for Northern Ireland. We recognise that the delays to this process have been outside the BBC's control and recruitment has now resumed.

¹⁵⁵ [BBC Commissioning Supply Report 2021/22.](#)

¹⁵⁶ [BBC Commissioning Supply Report 2021/22.](#)

¹⁵⁷ [BBC Commissioning Supply Report 2021/22.](#)

¹⁵⁸ [BBC Annual Report and Accounts 2021/22](#), p.185 – 188.

¹⁵⁹ BBC, [BBC/S4C strategic agreement.](#)

Diversity

The BBC's Public Purpose 4 duties extend beyond serving the nations and regions and include broader obligations to accurately represent and authentically portray the diverse communities of the UK. From the [20% Diverse Talent Target](#) to the [£112m Creative Diversity Fund](#), the BBC has put in place a number of plans to try to better connect with a range of distinct and overlapping audience groups. Initiatives have focused on broadening representation, delivering more authentic portrayal, and making the BBC's own workforce, and those producing its content, more representative of the UK population.

Audience perceptions

Audience perceptions of representation and portrayal remain low relative to other aspects of BBC performance, particularly among DE and disabled audiences

Accurate and authentic representation and portrayal of the UK in all its diversity is critical to the BBC's ability to resonate with, and remain relevant to, a wide range of audiences. Just over half (54%) of all UK adults gave a positive rating on how the BBC represents and portrays people and places, which is the lowest positive rating of all the purposes.¹⁶⁰ One in five (22%) rated the BBC negatively for *'includes people like me'* and a quarter (24%) rated the BBC negatively for whether it *'reflects the lives of people like me'*.¹⁶¹

As in previous years, perceptions of representation and portrayal among people in DE households remain below the UK average for *'includes people like me'* (47% vs 53% UK average), *'reflects the lives of people like me'* (43% vs 48% UK average) and *'provides content that is relevant to me'* (47% vs 53% UK average). Similarly, disabled audiences remain less likely than those without a disability to give a positive rating for the BBC providing content that *'includes people like me'* (51% vs 57%) and *'provides content that is relevant to me'* (52% vs 57%). As with all demographic characteristics, these are not discrete groups and there is some overlap. Our thematic review next year will look to better understand these audiences, their habits, and how the BBC is delivering for them.

The BBC continues to pursue a range of measures designed to improve representation and portrayal, with specific actions to address less satisfied audiences

The BBC has told us about steps it is taking to improve perceptions among audiences in lower socio-economic groups and disabled audiences, such as commissioning more content aimed at C2DE audiences (as noted in [Public Purpose 3](#)) and running its £112m Creative Diversity Fund. Actions include providing more authentic representation of regions, backgrounds and characters in scripted content and using more prominent disabled talent to front new programmes in entertainment and factual entertainment.¹⁶² The BBC also highlighted examples of programmes specifically targeted at C2DE and disabled audience groups, which are performing well with these audiences. As yet, however, audiences' reaction to individual programmes is not translating into higher levels of satisfaction overall.

¹⁶⁰ Ofcom BBC Performance Tracker 2021/22. Rating based on statement: *'Content that reflects the life and culture of communities throughout the UK'*.

¹⁶¹ Ofcom BBC Performance Tracker 2021/22.

¹⁶² Information provided by the BBC.

Additionally, the BBC has recently expanded the scope of its on-screen and on-air representation [50:50 project](#) to include disability. This is in addition to its on-screen and on-air representation target set in 2016 to increase disability representation to at least 8% by 2020.¹⁶³ The BBC has not yet set new on-screen and on-air targets, opting to wait for the latest census data to be published before making changes. The BBC recorded disabled on-screen representation at 8.9% in 2021/22.¹⁶⁴

We recognise the BBC's desire to take account of the latest population statistics before setting itself new on-screen and -air targets. However, given that the data currently available shows that on-screen representation for disability is much lower than the representation of disabled people in both the UK workforce (15%) and UK society as a whole aged 16-64 (21%),¹⁶⁵ we urge the BBC to act quickly to set itself a stretching new headline target for disability representation on-screen. We also encourage the BBC to expand its range of disability targets to mirror its existing on-screen gender and ethnicity targets, so that they cover all genres and lead roles.

We also suggest that the BBC sets out more clearly in its public reporting how it is developing its overall strategy for improving perceptions among specific groups, including how it is drawing on audience research. As explained in our [Modernising the BBC's Operating Licence](#) consultation, stakeholders have called for additional transparency on how the BBC is delivering for less-satisfied groups, and we have proposed to modify the relevant licence condition so that the BBC will be required to report on its representation and portrayal obligations publicly.

We recognise that it can take time for actions to have an impact on audience perceptions overall. However, as many of the changes made to date have not yet delivered a visible increase in satisfaction levels, we would welcome greater visibility of the timeframes over which the BBC expects to see improvements. We will also explore with the BBC how else it might be possible to track progress.



¹⁶³ [Diversity and Inclusion Strategy 2016-20](#).

¹⁶⁴ [BBC Annual Report and Accounts 2021/22](#), p.43.

¹⁶⁵ Benchmark: ONS Labour market statistics A08: Labour market status of disabled people - Proportion of UK population aged 16-64 who are 'Harmonised Standard Definition Disabled' (Apr 21-Mar 22).

The BBC also needs to ensure that it can measure on-air representation

While the BBC has met its on-screen representation targets at a headline level,¹⁶⁶ it is still unable to report on progress towards its on-air radio targets for gender, disability and ethnicity.¹⁶⁷ The BBC has again provided us with some data from its 50:50 project as a partial proxy, but as we have previously said, this limited data is not a substitute for the BBC measuring progress towards all of its on-air targets. The BBC has told us that it is actively developing a system to enable it to measure on-air representation and expects to be able to fully report against this target in 2023/24. We will explore with the BBC how it plans to approach reporting for 2022/23 and will keep progress in this area under close review.

Commissioning

The BBC is beginning to track delivery of key diversity initiatives

Several of the BBC's key initiatives to ensure that representation and portrayal considerations are at the heart of the commissioning process are now in full swing. For example, the BBC is about half-way through the second year of its three-year £112m Creative Diversity Fund, and its Diversity Commissioning Code of Practice ('DCCoP') has been in place since 2018.

We have consistently called for the BBC to clearly set out how it tracks progress against its diversity initiatives and are pleased that it has provided more detail in some areas this year, demonstrating greater accountability. For example, it has [reported](#) publicly on spend in the first year of its Creative Diversity Fund, investing £44m in diverse content for TV and £4m for radio.¹⁶⁸ While it is not clear how much the BBC was investing annually in diverse content before this commitment, this data provides a benchmark for monitoring future funding. The BBC has also reported publicly on the number of programmes that met each of the criteria for accessing the fund,¹⁶⁹ and provided Ofcom with audience data on how some programmes commissioned through the fund performed with diverse audiences. As the Creative Diversity Fund also seeks to promote diversity off-screen, we would like to see the BBC report on the fund's impact on workforce representation.

The BBC has introduced new measurement tools which should boost its ability to report effectively on the impact of key diversity commitments

The BBC's DCCoP sets out 46 commitments, which focus on embedding diversity considerations into the BBC's commissioning process and the production practices of the companies it works with. In last year's Annual Report, we stated that the BBC had agreed to supply us with a detailed bespoke report for 2021/22. This report has provided specific evidence on the BBC's progress towards delivering each of its DCCoP commitments, including more detail on the new measurement tools it has introduced this year to track compliance. These include the Company Leadership Questionnaire to verify the diversity of its suppliers, and the End of Production Report process. Both of which will enable the BBC to consistently identify whether TV productions have met the criteria for diverse production funding. The End of Production Report will also record how a production delivered both against the diversity requirements agreed at the beginning of that production, and against the BBC's own targets, including its 20% diverse talent commitment. Given our previous calls for the BBC to

¹⁶⁶ [BBC Annual Report and Accounts 2021/22](#), p.43.

¹⁶⁷ Information provided by the BBC.

¹⁶⁸ The BBC's target is to deliver £100m funding for TV and £12m for radio by 2024.

¹⁶⁹ A programme must meet two of the criteria for it to count towards the funding commitment, such as diverse stories and portrayal on-screen; diverse production leadership, or diverse company leadership.

better track and evidence how producers are meeting the DCCoP commitments, these are welcome developments.

Next year, we will look in detail at the BBC's new data on the extent to which producers have met both the code commitments and the 20% target. As the system's effectiveness in tracking compliance by producers remains to be seen, we will monitor progress closely. To ensure that the BBC delivers improved DCCoP reporting on an ongoing basis, we have also proposed modifications to the relevant licence conditions in our [Modernising the BBC's Operating Licence](#) consultation, including to require the BBC to report on the number of commissions for which production teams did not meet the DCCoP commitments.

Although we are pleased to see the BBC's recent progress in developing tools to track its diversity initiatives, the pace of implementation has been slow. As the BBC devises any replacement for the £112m Creative Diversity Fund or future diversity initiatives, it needs to ensure that it also develops and implements metrics and processes to clearly track delivery from the start. This will enable it to see quickly how the schemes are performing and adjust the approach over the schemes' lifecycles to maximise their impact.

Workforce

The BBC has made progress in achieving greater representation within some groups in its workforce

The representation of people from a minority ethnic background has increased by two percentage points since last year across the BBC UK public service workforce, to 15% in 2021/22.¹⁷⁰ This exceeds the proportion of people from minority ethnic backgrounds in the wider working age population in the UK as a whole (13%), but remains lower than representation in workforces in major cities where the BBC has a strong presence (e.g. London at 37% and Manchester at 28%).¹⁷¹ Representation of people from minority ethnic backgrounds at senior management level has increased each year since 2019/20 to 12%,¹⁷² but remains lower than representation at an all-staff level.

While female representation across all the BBC's public service staff has remained stable at 47%,¹⁷³ the proportion of women in senior management positions has increased each year since 2019/20 to 46% in 2021/22.¹⁷⁴



¹⁷⁰ See [interactive performance report](#).

¹⁷¹ Benchmark: ONS Annual Population Survey – NomisWeb. Table T05 Economic activity by ethnic group and nationality. All in employment, aged 16-64 (Apr 21-Mar 22).

¹⁷² See [interactive performance report](#). Ethnic minority representation across BBC public service senior management: 12%, 21/22; 9%, 20/21; 8%, 19/20.

¹⁷³ The benchmark for the female UK working age population is 48% - ONS Labour market statistics A09: Labour market status by ethnic group. Aged 16+, Apr 21-Mar 22.

¹⁷⁴ See [interactive performance report](#). Female representation across BBC public service senior management: 46%, 21/22; 44%, 20/21; 43%, 19/20.

However, the BBC has further to go to improve the representation of some groups of workers, in particular people from lower socio-economic backgrounds and disabled people

It is notable that the two audience groups who are least satisfied with how they are represented and portrayed by the BBC are also under-represented within the BBC's workforce, and in the industry more broadly.¹⁷⁵

Socio-economic diversity

The BBC is taking action to achieve more balanced socio-economic representation in its workforce. It made commitments this year, included in the Agreement, for 25% of its staff to be from lower socio-economic backgrounds by 31 December 2027¹⁷⁶ and to provide places on its apprentice training scheme for 1000 apprentices by March 2025, including 30% from lower socio-economic groups.¹⁷⁷ The BBC reported to us in August 2022 that it had provided 496 placements to date.¹⁷⁸ These new commitments are welcome and we will continue to monitor progress in this area.

Similar to previous years, in 2021/22 BBC UK public service staff were again around twice as likely as the wider UK workforce to have had parents in professional occupations when they were 14 (65% vs 33%), and to have attended private schools (13% vs 7%).¹⁷⁹

Disability

The BBC set a target in 2021 to ensure that disabled staff account for at least 12% of the BBC's workforce by 2026. However, representation in the BBC's UK public services has declined by one percentage point each year since 2019/20¹⁸⁰ to 8% in 2021/22.

The BBC has reported on initiatives it has introduced to help improve the representation and inclusion of disabled staff within its workforce. This includes planning targeted interventions for disabled colleagues relating to their career development, and taking action to improve inclusion for existing colleagues by relaunching its disability passport scheme and launching its 'inclusion toolkit'.¹⁸¹ The BBC has also participated in broader initiatives to improve disability representation, including playing a key role in the August 2022 launch of the pan-industry [TV Access Project](#), which focuses on improving accessibility in productions, studios and facilities. It has also recently [announced](#) plans to appoint two assistant commissioners to "*broaden the pipeline from deaf, disabled and/or neurodivergent TV talent.*"

We are pleased to see the BBC's interventions around retention and progression; however, the decline in the proportion of disabled staff within the UK public services remains a concern. We will continue to monitor closely the BBC's efforts to deliver the improvements necessary to reverse the

¹⁷⁵ See our [Equity, diversity and inclusion in television and radio report](#) for comparisons with workforce diversity in the wider industry.

¹⁷⁶ The BBC plans to measure this target by reference to the proportion of staff who, when they were aged 14, their parents were in lower socio-economic occupations.

¹⁷⁷ See Government's [changes to the BBC Agreement](#).

¹⁷⁸ Information provided by the BBC.

¹⁷⁹ See [interactive performance report](#). For the benchmark, see [Sutton Trust report - Leading People 2016](#), published 24 February 2016. Estimated proportion attending private school.

¹⁸⁰ See [interactive performance report](#). Disability representation across all BBC public service staff: 10%, 19/20; 9%, 20/21; 8%, 21/22.

¹⁸¹ Information provided by the BBC.

fall in disability representation and get back on track for meeting the 12% target. As highlighted in our [Five-year Diversity in Broadcasting review](#), we consider that setting workforce retention targets could help retain staff and create a more inclusive workplace, and we encourage the BBC to consider this.

The BBC is the first broadcaster to report on the diversity of its workforce in each of the nations

This year the BBC has supplied workforce diversity data for England, Northern Ireland, Scotland and Wales.¹⁸² It is the first broadcaster to provide Ofcom with diversity data split by geographic area.¹⁸³ This is a very positive step by the BBC and we have encouraged other broadcasters to follow suit.

The data shows that in 2021/22 the representation of women and people from minority ethnic backgrounds in the BBC's workforce generally reflected the make-up of the workforce in each nation¹⁸⁴, with some exceptions: in Northern Ireland, women were less well represented at the BBC than in the local working population (43% vs 49%); in England, representation of minority ethnic groups at the BBC was higher than for the workforce in England as a whole (19% vs 16%). The representation of people aged 50+ employed at all levels across the BBC in England, Scotland and Wales broadly reflected the working-age population in those nations. In Northern Ireland, BBC staff aged over 50 accounted for 5% more of the BBC workforce than the local workforce as a whole. Disabled workers at the BBC were significantly under-represented across the UK, accounting for between 8% and 9% of the workforce in each nation. There is currently no local benchmark data available for socio-economic background, but the BBC's data shows that people from working-class backgrounds are most represented in Northern Ireland (26%) and least represented in England (20%).

Publishing further data broken down by seniority and by region in future may provide further clarity, including on whether the BBC's major employment hubs are also representative of local populations. Once updated figures from the recent national censuses¹⁸⁵ become available, we should be able to draw further comparisons, as well as conclusions from the BBC's data on religion, sexual orientation and socio-economic background.

Operating Licence conditions

Alongside our broader performance assessment, we consider the BBC's delivery against the relevant Purpose 4 Operating Licence conditions. As described above, the BBC's lack of reporting on its on-air (radio) representation targets means that the BBC has not fully complied with condition 2.43 of the Operating Licence. In addition, Covid-19 continued to impact production for the BBC, which resulted in the BBC not meeting one condition related to Purpose 4 – its quota for regional non-news programming on BBC One and BBC Two in peak viewing time. This was discussed briefly in the [Public Purpose 1 chapter](#) above, and more information can also be found in [Annex 1](#) to this report.

¹⁸² In 2021/22 81% of the BBC's UK public services workforce was based in England, with 8% in Scotland, 7% in Wales and 4% in Northern Ireland.

¹⁸³ The data is published our latest [Equity, diversity and inclusion in television and radio report](#).

¹⁸⁴ See NomisWeb: ONS Annual Population survey. T04 Economic activity by ethnic group and country of birth (Apr 2021-Mar 2022).

¹⁸⁵ This refers to the 2021 England and Wales Census and the 2022 Scotland Census.

The BBC's impact on competition

Summary

- We have not identified any major concerns related to the BBC public services over the most recent reporting period. We assessed the competition impact of a number of changes the BBC has made, including responding to two public interest tests.
- As part of our review of BBC Studios we raised some concerns about the BBC's compliance with our commercial rules. We are publishing the BBC's response and our proposed next steps alongside this document.
- We recommended the Government amend the Agreement to make the process for assessing changes more flexible and efficient. Alongside this document, we are publishing proposals to update our guidance for changes to public services, including to encourage more positive engagement between the BBC and stakeholders.

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. To deliver on this role, we have put in place rules for both the public service and the BBC's commercial activities, and we review the changes that the BBC makes to these activities. As part of our [June review](#), we reflected on our regulation of the BBC, including its impact on competition. We set out recommendations to Government to amend the Framework Agreement to give Ofcom more flexibility to determine how and when to undertake competition assessments and said we would consult on proposals to update our regulation.

Building on this, we have today published a [consultation](#) that proposes to update our guidance on how changes to the BBC's public services are assessed. This includes proposals to include new guidance to support more effective engagement between the BBC and stakeholders, particularly during the materiality assessment stage. This is because we continue to consider that the BBC's engagement with stakeholders about changes to its services could be improved. The consultation also includes proposals to update our guidance to provide clarity on our approach on public value, how our regulatory processes work, and to provide more flexibility about consulting on materiality. We also set out our current view of the BBC's position in the audiovisual and audio sectors.

Alongside our June review, we also published our [BBC Studios Review](#) which raised some concerns about the BBC's compliance with our Trading and Separation requirements. The BBC has written to us setting out the changes it is planning to make to address our concerns. We welcome the changes the BBC is planning to make and are proposing some small changes to our rules in our competition consultation published alongside this document to provide greater clarity and ensure the BBC embeds the changes it is making to respond to our review.

Our work in 2021/22 to protect fair and effective competition

Public service activities

Our regulatory duties in relation to the BBC's public service activities cover four broad areas, as set out in the table below.

Figure 1: 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.

Below we outline the work we have undertaken under each of these areas over the course of the past 12-18 months.

Changes to public service activities

BBC materiality assessments

When the BBC plans to make changes to its public service activities, it is required to consider whether this represents a 'material' change. This is a change that may have a significant adverse impact on fair and effective competition or the launch of a new public service.

During 2021/22 we have reviewed the BBC's materiality assessments of the following proposed changes to its public service activities:

- [The addition of the BBC Radio 1 Relax stream to BBC Sounds](#) (which we reported on in last year's Annual Report).
- The [BBC Sounds trials](#).

In December 2021 the BBC proposed trialling some changes on BBC Sounds. These changes included podcast windowing¹⁸⁶ for a small range of titles, the acquisition of podcasts that target underserved audiences, providing more short-form content (under 10 minutes) in a range of genres, playable curations, and BBC Sounds-only radio programmes. We concluded that the trials were not material, and we did not direct the BBC to carry out a public interest test. We have continued to engage with the BBC about the progress of the trials. The BBC has said it will carry out a further materiality assessment if it proposes to proceed with any part of the changes.

The BBC has recently provided us with a materiality assessment of its planned changes to online local news, including having more local news stories and adding four more local areas to the online index. We are currently considering the BBC's assessment.

¹⁸⁶ This meant episodes of selected podcasts being available on BBC Sounds for a 28-day period after release.

BBC public interest tests

The BBC announced plans to relaunch BBC Three as a broadcast channel in March 2021 and published its public interest test ('PIT') in June 2021. As required under the BBC Charter and Agreement, we considered the BBC's proposals through a BCA and in November 2021 we published our final determination that BBC Three could return as a broadcast channel. In this determination we set out our conclusions that the proposal could deliver additional public value to a key underserved audience, and that we would hold the BBC to account for delivering the benefits to audiences, for example through changes to the Operating Licence and enhanced monitoring and reporting.

In June 2022 the BBC announced proposals to expand the amount of content on BBC iPlayer by making available any title (including returning series as box-sets), in line with its agreements with producers and underlying rights-holders. The BBC published its PIT in October 2022, in which it concluded, following consultation, that the proposals satisfied the PIT and that they were not a material change.

Alongside this report, we have published a [statement](#) in which we have concluded, following consultation, that the BBC iPlayer proposals are not material. The BBC may therefore proceed with implementing the changes to BBC iPlayer without further assessment by Ofcom.

In reaching our decision, we recognise that stakeholders have raised concerns about the impact of BBC acquisitions on competition. The BBC set out in its PIT statement that it is not proposing any changes to the availability of acquired programmes or films on BBC iPlayer. On that basis, we have not considered acquired content on BBC iPlayer as part of the proposals. However, we reiterate that were the BBC to consider making changes to its approach to acquisitions on BBC iPlayer in the future, it would need to consider whether they are material under the regulatory framework, being mindful of the risk of a negative impact on fair and effective competition. In addition, as part of our review of the Operating Licence, we have consulted on new requirements for the BBC to report on the role acquisitions play in its plans to deliver distinctive output, and on BBC iPlayer more widely, which will enable us – and stakeholders – to monitor changes the BBC makes in this area.

Non-service activities

The BBC is involved in some activities that are not UK public services, but which still directly or indirectly fulfil the Mission and Public Purposes. Non-service activities include services such as Freeview. Where the BBC makes changes to a non-service activity it will need to consider whether the change is a 'material' change in the same way that it must consider changes to its UK public service activities.

We have not considered any changes to non-service activities in the reporting year.

Ongoing public service activities

Consideration of the market position of BBC Sounds

Alongside last year's Annual Report we published a [statement](#) on the market position of BBC Sounds. This followed our [call for evidence](#) in October 2020 which sought information in relation to the market position and impact of BBC Sounds, and a subsequent [consultation](#) published in May 2021. In our final statement, we concluded that we did not have reasonable grounds to believe that BBC Sounds was having a significant adverse impact on fair and effective competition, and we would not be launching a BCR in this area.

Competition in commissioning and distribution

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.

Figure 2: BBC progress this year towards commissioning targets

	Contested to date 18/19	Contested to date 19/20	Contested to date 20/21	Contested to date 21/22	Target	When target must be met
TV ¹⁸⁷	56%	62%	64%	62%	100%	31 Dec 2027
Network Radio ¹⁸⁸	35%	48%	53%	55%	60%	31 Dec 2022
Online ¹⁸⁹	44% ¹⁹⁰	62%	59%	72%	100%	31 Dec 2027

The BBC has made some progress towards meeting these targets in 21/22; for example, the amount of online commissioning contested has risen. Although the proportion contested for TV commissioning has dropped, the BBC's [Annual Report and Accounts 2021/22](#) states that this is "due to major sporting events moving from 2020 to 2021 (e.g. the Olympics and Euros which are not contested). This meant last year's figures were greater because of their absence and balanced through to this year's figures."¹⁹¹ We will continue to monitor the BBC's progress on contestability in TV commissioning over the years leading up to the target.

¹⁸⁷ 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.

¹⁸⁸ 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.

¹⁸⁹ 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.

¹⁹⁰ 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.

¹⁹¹ [BBC Annual Report and Accounts 2021/22](#), p.164.

The BBC is required to meet the target for radio commissioning by the end of 2022, and it has informed us that it believes it is on track to achieve this target. We plan to formally report on compliance with this target in next year's report. This target does not continue beyond 2022, however we recognise its importance to the audio production sector and we expect the BBC to continue to monitor and annually report on the percentage of relevant radio programming contested. We would be concerned by undue reductions from its December 2022 target level.

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 monitor the BBC's commissioning process, including against its FRNDT requirements.

As part of our ongoing stakeholder engagement, we have engaged with several production companies about the BBC's commissioning process. We reflect on those conversations below and will continue this engagement in the coming year.

Views were largely positive, and producers did not express any significant concerns about the fairness of the BBC's process. There were some observations on the BBC's commissioning process:

- Many producers indicated the continuation of virtual meetings post-Covid has been helpful, making it easier for producers based away from the BBC's commissioning hubs to attend briefings with commissioners.
- Some commented that they want more transparency on the BBC's commissioning strategy, including what programme slots are being offered and how much budget is available.
- A few producers also mentioned that there could be more clarity about the timelines for the commissioning process.

There were some specific issues raised about the commissioning process in the nations, and we are currently considering these.

Ofcom has put in place requirements regarding the way the BBC distributes its public services. We can also consider complaints about distribution of the BBC's public services where the complainant has not been able to resolve the issue through the BBC's complaints process. We received a complaint about the BBC's distribution activities, but we decided it would not be appropriate to open an investigation.¹⁹²

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 the licence fee income. These activities must be able to adapt to the changing environment and respond to opportunities as they arise. Our role is to ensure that the relationship between the public service and the commercial activities does not distort the market or create an unfair competitive advantage. We have therefore set Trading and Separation requirements about how the BBC operates and trades across the boundary between its commercial and public service activities.

¹⁹² See [Annex 1: Compliance with regulatory requirements](#).

Figure 3: A brief summary of the Trading and Separation requirements

Operational separation	Supply and pricing of goods and services	Commercial rate of return
<ul style="list-style-type: none"> • The BBC is required to ensure that the governance of the commercial subsidiaries is distinct and separate from the public service. • It is also required to restrict the commercial subsidiaries' access to information regarding the public service's strategy, priorities and activities that is not available to third parties 	<ul style="list-style-type: none"> • 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 by this requirement. 	<ul style="list-style-type: none"> • 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.
<p>Monitoring, reporting and transparency requirements across all three areas</p>		

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.¹⁹³

We also carry out ongoing monitoring of the BBC's performance in relation to its commercial activities, including assessing the annual reporting information provided by the BBC under our rules.

We set out our main areas of work in 2021/22 below.

BBC Studios review

In June this year we published a report setting out the findings of our review into BBC Studios, which looked in depth at the processes and procedures that the BBC has put in place to meet our rules on Trading and Separation.¹⁹⁴ Through this review, we aimed to give stakeholders additional transparency. We found that in some areas, such as in relation to operational separation, the BBC has appropriate processes and measures in place. We did identify some areas of concern:

- Where BBC Studios is distributing content for which the public service owns the intellectual property, co-production arrangements are in place whereby BBC Studios is

¹⁹³ 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.

¹⁹⁴ [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.

- entitled to the entirety of the profit related to the distribution of the associated secondary content rights. We did not consider the BBC had fully reviewed and updated this practice in the light of our rules.
- We looked at a small sample of transactions to better understand how goods and services were traded between the public service and BBC Studios and found some issues with the administrative processes in place.

We said the BBC Board needed to look more broadly at the issues raised and take action to update its approach and satisfy itself that its processes and arrangements are in accordance with our rules. We set out more detail on these findings in our [Review of BBC Studios](#).

The BBC's Fair Trading Committee has recently written to Ofcom [setting out its response to our findings](#). The BBC noted that it took very seriously the concerns raised by Ofcom and set out a number of changes that it intends to make to address these concerns. Specifically, the BBC is planning to put in place a formal process for assessing deals when BBC Studios is investing in programmes where the public service owns the IP. This will be undertaken on a case-by-case basis when the programmes are re-commissioned or there is a re-investment decision. In relation to the transfer pricing regime, the BBC has undertaken an audit and is implementing recommendations. It has also made improvements to its project management and assurance processes and undertaken further staff training to reduce the likelihood of transfer pricing issues in the future.

We welcome the changes the BBC is making to its processes and in principle they should address the issues raised on a forward-looking basis. However, it will be important to monitor their implementation to ensure the new processes address the issues we have identified. In our [competition consultation](#) we are also proposing minor changes to the Trading and Separation rules to provide greater clarity about the activities our rules apply to and to ensure that the BBC embeds the changes it is making to respond to our review.

Assessments of changes to commercial activities

This reporting year we have considered the transfer of BBC children's in-house production staff to BBC Studios. The BBC decided in November 2021 that this was not a material change and we agreed with this assessment. We will continue to monitor the impact of this move to ensure that there continues to be fair and effective competition in the commissioning of children's content. This is one of the most important areas of public service broadcasting, and the BBC is the largest commissioner of children's content in the UK.¹⁹⁵



¹⁹⁵ PSBs account for the largest proportion of first-run UK originated children's programming. The BBC is the largest commissioner of children's content among PSBs. *Media Nations* report 2022.

Content standards

Summary

- Complaint volumes remain high, although we have seen a slight decrease in complaints to the BBC and Ofcom, consistent with complaint numbers across the sector falling following the Covid-19 pandemic.
- We have taken steps to ensure that the BBC is more transparent in relation to due impartiality and due accuracy.
- The BBC has told us it is committed to making changes to its complaints-handling processes and it has said that it will be introducing various improvements. We will continue to engage with the BBC to understand the detail of its proposed changes and will be monitoring the implementation of them closely to see whether they address audience concerns.
- The BBC has made progress since the Serota Review and against its Editorial Standards Action Plan, and Ofcom will continue to press the BBC to maintain momentum in this area.

Enforcing the BBC's content standards in 2021/22

Ofcom has responsibility for regulating all areas of the BBC's content standards¹⁹⁶, including the due accuracy of news and the due impartiality of news and current affairs. We do this through our Broadcasting Code ('the Code'), which sets out the standards we require all broadcasters (including the BBC) to meet. The BBC also has its own [Editorial Guidelines](#), which incorporate the requirements of the Code, but which differ and go further in some areas.

Complaints about the BBC's content and programming must normally be made to the BBC first¹⁹⁷ as per the BBC First complaints system set out by Parliament in the [BBC Charter and Agreement](#). Our [Operating Framework](#) for the BBC (and [previous Annual Reports on the BBC](#)) further sets out our role in regulating the BBC's content standards. We also set [procedures](#) to handle and resolve complaints referred to us about the BBC's TV, radio and on-demand programmes.

In 2021/22, we consider that the BBC has broadly met the standards we expect of broadcasters. However, we recorded one breach of our Broadcasting Code by the BBC in the reporting period.¹⁹⁸ Within this report, we also reflect on more recent breaches of our Broadcasting Code by the BBC which are outside the reporting period of 2021/22.

At a more strategic level, our recent [June review](#) considered the way in which the BBC handles complaints from audiences, as well as audiences' perceptions about the BBC's due impartiality. We concluded that several changes needed to be made to ensure that the BBC's complaints process works well for audiences, and to ensure greater transparency of the BBC in relation to due impartiality and due accuracy.

¹⁹⁶ This remit is set out in the BBC's Charter and Agreement. Ofcom's remit applies to the BBC's relevant UK public services but does not extend to other BBC content, for example on the BBC World Service. Our Annual Report on the BBC therefore only refers to content standards insofar as they relate to content on the BBC's relevant UK public services.

¹⁹⁷ This does not apply for Fairness and Privacy complaints, which can be made directly to Ofcom.

¹⁹⁸ An edition of BBC News broadcast on 26 February 2022 investigated for due accuracy (found in breach of Rules 5.1 and 5.2), relating to Sarah Smith claiming that Alex Salmond had said the First Minister, Nicola Sturgeon, had "*broken the ministerial code*" and that he thought she should resign.

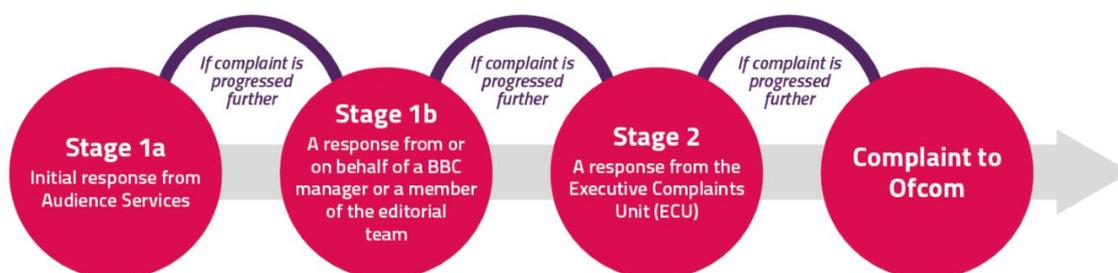
In this section we discuss:

- the BBC First system in action in 2021/22; and
- Ofcom’s strategic oversight of the BBC’s enforcement of content standards (including due impartiality) and complaints handling, and the progress the BBC has made to meet the challenges identified in the June review.

The BBC First system in action in 2021/22

The BBC First complaints system was put in place to allow the BBC to stay close to its audiences and their concerns. Figure 4 below shows the two stages of the process. Only after these stages have been completed with the BBC can a complainant normally submit their complaint to Ofcom.

Figure 4: The process for audiences who have complained about the BBC



The BBC’s own complaints statistics for 2021/22 show that it received around 28,000 fewer complaints than in the previous year, but still considerably more than the BBC’s long-term annual average.¹⁹⁹ The response time for answering Stage 1 complaints within the KPI targets set by Ofcom has further improved, see Figure 5 below.

Figure 5: Stage 1 complaints to the BBC

	2020/21	2021/22
BBC Stage 1 complaints²⁰⁰	462,255	433,572
Complaints answered within the prescribed timeframe of ten working days (target set by Ofcom 93%)	93%	95%

A key part of the BBC First system is the investigations carried out at Stage 2 of the BBC’s complaints process. The outcomes of these investigations normally constitute the BBC’s final response to complaints and they are undertaken by the BBC Executive Complaints Unit (‘ECU’). The ECU is tasked with considering complaints impartially, and independently of the interests of the BBC’s programme-makers and content providers. The ECU aims to complete 80% of its investigations within its target response times of 20 working days for standard Stage 2 complaints and 35 working days for more

¹⁹⁹ The BBC’s [Editorial Guidelines and Standards Committee Report](#). p.129

²⁰⁰ The BBC’s [Editorial Guidelines and Standards Committee Report](#). p.129

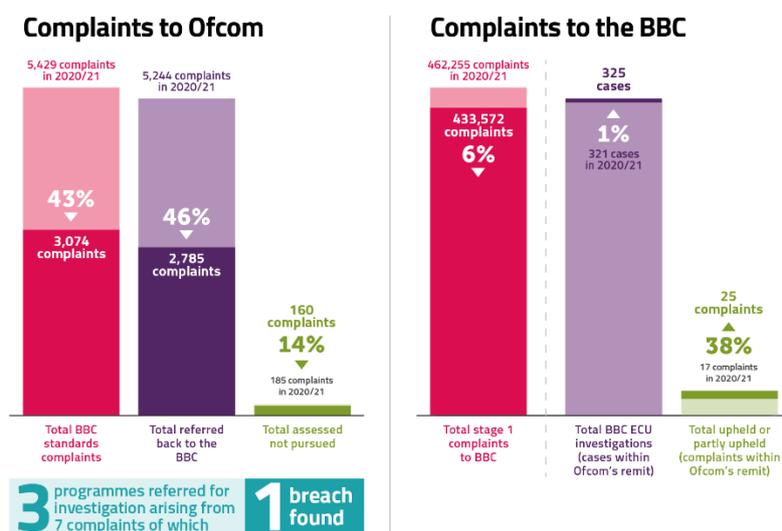
complex Stage 2 complaints. In 2021/22, the BBC reported that 87% of complaints were concluded at this stage within these targets.²⁰¹

Of the investigations it undertook within the reporting period, the BBC reported that the ECU found 41 breaches of editorial standards, where its Editorial Guidelines had not been met.²⁰²

If a complainant remains dissatisfied with the BBC’s final decision, they can refer the matter to Ofcom.²⁰³ Between 1 April 2021 and 31 March 2022 we received 3,074 complaints about BBC content. Of these, 160 had completed the BBC’s complaints process first (we referred the remainder back to the BBC).

As we stated in last year’s Annual Report on the BBC, the low rate of escalation of complaints to Ofcom may not simply be an indication that the BBC First process is working well; it may also be due in part to other factors. For example, the BBC First [audience research](#) and mystery shopping exercise we conducted as part of our June Review suggested that it may be a result of frustration with how the BBC has dealt with audience concerns. As part of this research, we found issues around the timeliness, tone and clarity of Stage 1b. As outlined further below, the BBC has therefore committed to making changes to the BBC Complaints Framework.

Figure 6: Overview of complaints dealt with under the BBC First system in 2021/22



²⁰¹ The BBC’s [Editorial Guidelines and Standards Committee Report](#), p.129. Ofcom’s compliance target in this area is 80%.

²⁰² The BBC’s [Editorial Guidelines and Standards Committee Report](#), p.130. This includes cases that would have been outside Ofcom’s regulatory remit. The BBC also identified two serious editorial breaches which were investigated outside the normal complaint process (neither of which were within Ofcom’s regulatory remit).

²⁰³ Complainants can also come to Ofcom if they consider, following the resolution of a complaint by the BBC, that the imposition of a sanction may be appropriate, or if the BBC has failed to resolve a complaint within the time period set out in its procedures.

Of the three standards investigations launched in 2021/22 one related to an edition of *BBC News* broadcast on 26 February 2021 (one complaint).²⁰⁴ This led to the one breach we recorded in 2021/22 and concerned our due accuracy rules (we found the BBC in breach of Rules 5.1 and 5.2 of the Code). In this case, a BBC journalist had claimed that Alex Salmond had said the Scottish First Minister, Nicola Sturgeon, had broken the ministerial code; and then said “*which he* [i.e. Mr Salmond] *thinks means she* [i.e. Ms Sturgeon] *should resign*” (when in fact Mr Salmond had not said this). In our published decision, we said that the BBC should amend its Editorial Guidelines to make clearer that in all news programmes in particular, significant mistakes should normally be acknowledged and corrected on air quickly and corrections should be appropriately scheduled, as required by Rule 5.2 of the Code. We also expressed concerns about aspects of the BBC’s handling of the complaint in this case, which we expect the BBC to address.

Securing the due impartiality of the BBC’s programmes

The BBC’s own [Editorial Guidelines](#) outline that its commitment to due impartiality is “*fundamental to our reputation, our values and the trust of audiences*” and the Director-General has reiterated that impartiality remains a priority for the BBC. Consistent with the general trend, complaints to Ofcom about the BBC’s due impartiality have decreased over the past year. Ofcom received 594 complaints in 2021/22 about the due impartiality of BBC content (19% of all BBC complaints to Ofcom) compared to 1,530 the previous year (28%). Of the 594 complaints received in 2021/22, 55 were not pursued/not accepted as we did not consider they raised issues warranting investigation, two were referred for investigation and the remaining 537 were referred back to the BBC to complete the BBC’s complaints process.

As we made clear in our last Annual Report on the BBC, investigation by Ofcom is only one of the ways, under the BBC First system, in which due impartiality standards on BBC services are enforced. During 2021/22, of the 14 cases that the BBC’s ECU upheld or partly upheld, three related to due impartiality, the same number as in 2020/21.²⁰⁵ Since the start of the Charter period in 2017, the BBC ECU upheld or partially upheld cases in 25 instances (out of a total of 125) where it found that the appropriate standard of due impartiality had not been applied.²⁰⁶ One case, involving an edition of *World at One* (see box below), was the first time since we took over regulation of the BBC in 2017 that we found the BBC in breach of our due impartiality rules.

²⁰⁴ The other two standards investigations launched in 2021/22 related to an edition of [The World at One, BBC Radio 4, 24 February 2021](#) (see case study below); and an edition of [BBC London News broadcast on 2 December 2021](#) (see case study below). Both decisions were published outside the reporting period of 2021/22.

²⁰⁵ These figures do not include cases outside Ofcom’s remit.

²⁰⁶ These figures do not include cases outside Ofcom’s remit.

World at One, BBC Radio 4, 24 February 2021, 13:00

This edition of *World at One* dealt with matters related to the dispute which was ongoing at the time between the Scottish Government, including current First Minister Nicola Sturgeon, and former First Minister Alex Salmond, over the Scottish Government's handling of harassment complaints against Alex Salmond and the consequent [Holyrood inquiry](#).

Ofcom received a complaint, which had completed the BBC First process, about a lack of due impartiality in the programme and the choice of Baroness Ruth Davidson as the only interviewee. The BBC's ECU did not uphold the complaint.

Ofcom decided that Section Five of the Code (due accuracy and due impartiality) applied in this case and, in particular, that the allegations of possible corruption within Scottish Government institutions and the alleged corrupt behaviour of the SNP-led Scottish Government contained in the programme constituted a "*matter of major political or industrial controversy and major matter relating to current public policy*". Ofcom considered that this unfolding story, and the allegations being made, were highly controversial and of national importance, both in Scotland and the rest of the UK. This was particularly so because the programme was broadcast during the lead-up to elections in Scotland. Ofcom therefore assessed whether due impartiality was preserved in this news programme under Section Five of the Code.

The pre-recorded interview with Ruth Davidson included highly critical comments and raised significant allegations about the SNP, the Scottish Government, the Lord Advocate and Nicola Sturgeon. This included the fact that questions had been raised about "*corruption*" in relation to the Scottish Government, officials and the structure of democracy and that there were questions over whether the Scottish First Minister had "*misled Parliament*." Ofcom considered that the BBC failed to present an appropriate range of views and give them due weight in the programme itself, or in clearly linked programmes.

Ofcom's decision was that the BBC failed to preserve due impartiality in its coverage of the relevant matters of major political controversy and major matters relating to current public policy dealt with in this programme and was therefore in breach of Rules 5.1, 5.11 and 5.12 of the Code.²⁰⁷

²⁰⁷ Although Ofcom launched its investigation into this case during 2021/22, we published our decision following the end of the performance year in issue [455](#) of our *Broadcast and On-Demand Bulletin* on 25 July 2022.

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.²⁰⁸ These are known as fairness and privacy complaints. Between 1 April 2021 and 31 March 2022, we dealt with 39 complaints against BBC programmes about alleged unjust or unfair treatment, or about an unwarranted infringement of privacy, compared to 48 the year before. Of these, one complaint was referred for investigation to decide whether a breach of the Code had occurred, compared to five the year before.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. This does not extend to the BBC's social media content. This year we received 429 complaints about the BBC's online material, compared to 599 last year. Of these complaints, 368 were referred back to the BBC under BBC First and 46 were closed as 'not accepted' following assessment by Ofcom, meaning we did not consider that the complaint raised potential issues under the BBC's Editorial Guidelines and so did not warrant further investigation by Ofcom. We accepted two complaints for the purposes of providing an Ofcom Opinion, including the case study below, which falls outside of the reporting period but is important to highlight.

BBC News Online and BBC London News 2 December 2021 (published online) and 2 December 2021, 18:30 (broadcast)

On 29 November 2021, a group of Jewish students were subjected to an antisemitic attack while travelling on a bus in London. The BBC reported this incident in a BBC News Online article and in a news report broadcast on BBC One London (the broadcast was also made available on BBC iPlayer for 24 hours after broadcast). Ofcom was alerted to this content by a number of complaints that the online article and news broadcast were not duly accurate or duly impartial. These issues arose as a result of the BBC's claim in both pieces of content that an audio recording made during the attack included anti-Muslim slurs – later amended in the online article to the singular “*slur*” – which came from inside the bus.

Ofcom issued an Opinion on the Online Article that the BBC failed to observe its Editorial Guidelines on due impartiality and due accuracy. Ofcom's Opinion was that the BBC failed to acknowledge promptly that there was a dispute about its interpretation of the audio, after it received evidence to support an alternative explanation that the words it had heard were in fact a Hebrew phrase, meaning “Call someone, it's urgent”. Ofcom considered the BBC's failure to reflect this dispute for almost eight weeks was a significant and concerning omission.

²⁰⁸ The BBC First system does not apply to fairness and privacy complaints, and unlike complaints about BBC content standards, these can be made to Ofcom in the first instance.

²⁰⁹ This investigation concerned an edition of *Inside Out West*, broadcast on 9 March 2020. The complaint was not upheld.

In our investigation of the BBC One news broadcast, we took into account the information reasonably available to the BBC at the time of broadcast, as well as the fact that the report's focus was on the antisemitic attack. Ofcom concluded that at the time it was broadcast and for the 24-hour period it was available on the BBC iPlayer, the programme did not breach the Code. However, in Ofcom's view, the BBC made a serious editorial misjudgement by not reporting on air, at any point, that the claim it had made about anti-Muslim slurs was disputed once new evidence emerged. This was particularly the case given that the BBC was aware that its news broadcast and online article were causing significant distress and anxiety to the victims of the attack, and to the wider Jewish community. In Ofcom's view, if the BBC had reported on the dispute on air and amended the online article sooner than it did once new evidence emerged, this could have gone some way to help resolve the issues raised by complainants and would have enabled the focus of attention to be on the antisemitic incident itself, and not the BBC's reporting.

Ofcom will review how the BBC has addressed the complaints handling and transparency issues raised by this case, including what changes it has made to manage cases that involve it needing to make corrections and clarifications to content.

Holding the BBC to account to make BBC First work better for audiences

Ofcom continually monitors the operation of the BBC First system to ensure that it is working in the best interests of licence-fee payers. In the box below we discuss two issues that we have flagged to the BBC since our last Annual Report on the BBC (separate to the June review) as matters of concern that we consider may hamper the smooth operation of the BBC First system.

BBC Delayed Complaints

In accordance with Ofcom's [procedures for investigating breaches of content standards on BBC broadcasting services](#) and BBC on-demand programme services, complainants who have experienced a delay in progressing their complaint through the BBC's complaints process are able to refer the complaint to Ofcom. These are known as 'BBC Delayed Complaints.' Consistent with the principle of BBC First, our preference is that the BBC is given a final opportunity to provide us with its final view on a case before we assess it under our rules. When we receive a delayed complaint, we ask the BBC for updates on the delayed case and pass this information back to the complainant where appropriate. We also consider whether intervention is warranted for any other reason.

Although we saw only a handful of delayed complaints in the early part of the Charter period, we have seen a significant increase in the numbers of such complaints made to Ofcom in recent years, particularly during the 2019 election period and throughout the Covid-19 pandemic. The slow speed at which the BBC has provided updates to Ofcom about these cases to date has impeded our ability to resolve a number of these BBC delayed complaints in a timely manner.

We expressed our concerns to the BBC, and it has since acted to clear the backlog of outstanding delayed cases.

Recording requests

In order for us to assess Content Standards and Fairness and Privacy complaints about BBC content we need to assess recordings of that content. Therefore, under Schedule 3: Paragraph 10 of the BBC Agreement (“Retention and production of recordings”) the BBC is required to retain a recording of every programme and to comply with any request to produce such recordings to Ofcom for examination or reproduction.

For a period of months this year, we identified a number of instances where there had either been long delays in the provision of recordings, or when incorrect recordings had been initially provided to us. This affected our ability to promptly assess content about which complaints have been made.

There has been a recent improvement by the BBC in this area. However, consistent with our recent [Note to broadcasters on retention and production of recordings](#), we will not hesitate to take further regulatory action against the BBC should the need arise.

Ofcom’s strategic oversight of the BBC’s enforcement of content standards (including due impartiality) and complaints handling

In our [June review](#), which was our first opportunity since taking over regulation of the BBC in 2017, we considered at a strategic level the BBC’s compliance with the Code and how it handles complaints about its content, and the operation of the BBC First system more widely. Due to the importance of due impartiality to the BBC’s Mission and Public Purposes, we also used this review to gauge audience perceptions of the BBC’s due impartiality.

We concluded that in order to ensure that the BBC First complaints process worked well for audiences, and was easy to navigate and more transparent, several changes needed to be made. We therefore took a series of steps as part of our June review:

- We revised our Complaints Handling Determinations²¹⁰, including requiring the BBC to publish its reasoning for all due impartiality and due accuracy complaints that reach the final stage of its complaints process. In our last Annual Report on the BBC we said that the BBC had not published any of its ‘not upheld’ findings at Stage 2 since the publication of our Complaints Determinations in July 2020 (in which the requirements to publish certain Stage 2 findings were set out). However, following our latest revision of the Complaints Determinations, in the period 4 July to 21 November 2022, the BBC published 67 ‘not upheld’ complaints (out of a total of 86) which met the revised requirements in our Determinations. All but one were published because they related to due impartiality or due accuracy (the other one had received more than 100 complaints at Stage 1).
- We requested that Ofcom is alerted by the BBC at an early stage about potential serious editorial breaches across its content. This will allow us to better scrutinise how the BBC’s complaints process is working in practice, and if necessary, intervene early to protect audiences. Ofcom has not been alerted to any potential serious editorial breaches since the publication of our June statement. However, the BBC has reiterated its commitment to notify us of potential serious editorial breaches as soon as reasonable after it becomes aware of them and we will be working to ensure that this commitment is put into practice.

²¹⁰ Our Complaints Handling Determinations set out the information we require the BBC to publish and to provide to us about the functioning of the BBC First system.

The BBC has also agreed to provide regular updates about ongoing potential serious and significant election-related editorial complaints during election and referendum periods.

- We have pressed the BBC to improve public confidence in its approach to due impartiality. This underlines our commitment to monitor implementation of the Serota Review findings and the Impartiality and Editorial Standards Action Plan, and to develop closer links between Ofcom and the BBC's Editorial Standards and Guidelines Committee.
- We published our research on audience perceptions of BBC First and due impartiality. We announced plans to conduct a further review of the BBC First system before the end of the current Charter to assess the impact of the changes we had made (see above) and any changes made by the BBC in response to our review. We also committed to updating our research on audience perceptions of the BBC's complaints process and the BBC's due impartiality in the next two to three years.

The progress the BBC has made to meet the challenges around complaints handling and due impartiality

As discussed above, our research on audience perceptions of BBC First showed that significant improvements were needed to the BBC First complaints system, to ensure that it meets audience needs. The BBC has told us that it is committed to making changes to its complaints-handling processes, and has said that it will be introducing improvements to: renew efforts to centralise complaints handling so that all complainants are treated consistently; improve the timeliness of response to complaints at Stage 1b; and increase the transparency of the complaints process by making clear at each stage what the next steps are in the complaints process. It is important that the BBC continues to make significant progress in this area. We will be engaging with the BBC to understand more of the detail underpinning its proposed changes, and will be monitoring the implementation of them closely to see whether they address audience concerns.

The Serota Review called for "*less defensiveness and more transparency in how the BBC reacts to the outside world.*" It made specific recommendations on complaints-handling – including that the BBC should publish, with adequate reasoning, findings of any investigations into serious breaches of the BBC's Editorial Guidelines. The BBC's subsequent [Impartiality and Editorial Standards Action Plan](#), published in October 2021, set out "*detailed actions to ensure the highest editorial standards, including impartiality, across all BBC output.*"

The BBC stated in a [progress update](#) in July 2022, and has since told Ofcom, that all of the actions in its Editorial Standards and Impartiality Action Plan have now been completed or are in progress. The BBC has informed Ofcom that the following actions have been taken:

- In terms of oversight, the BBC's Editorial Policy team has been strengthened and given increased responsibility to support content makers. The BBC now has a system for internal content reviews to assess the extent to which content meets editorial standards.²¹¹ The first three reviews (of *BBC Breakfast*, *Countryfile* and the English-language morning radio news programmes in Scotland, Wales and Northern Ireland) are ongoing and will be completed in late 2022.
- The role of the Director-General in the BBC's complaints process will be made clear in the Complaints Framework.

²¹¹ Unlike thematic reviews, these internal reviews are not for publication.

- The BBC’s [Whistleblowing policy](#) was enhanced to include editorial issues and to implement Serota Review recommendations and has been in place since 1 July 2022. This policy has been publicised to BBC staff and resources are being created to further explain the policy.
- A simple set of procedures for self-initiated editorial investigations and for how the BBC handles fast-tracked editorial complaints about broadcast or published content was published in July 2022.
- The results of the first [thematic review](#) of content – covering UK taxation, public spending, narrowing and debt – are expected later in 2022. This will be the first of an ongoing cycle of reviews testing the due impartiality of the BBC’s content in key areas of public debate.
- Improved governance as the BBC’s Editorial Guidelines and Standards Committee has changed its terms of reference in accordance with the Serota Review recommendations.
- In terms of transparency, a range of commitments have been made to publish more information on editorial investigations and complaints.

In terms of due impartiality:

- The BBC Board is **monitoring impartiality metrics** including editorial complaints, training, audience perception and demographic data, and is tracking actions from the Action Plan.
- Ninety-three per cent of staff have completed **bespoke impartiality training** since January 2021. A new editorial standards learning hub has also been launched which will provide continuous learning in the form of guides, articles, videos and link to formal content.
- A new **approach drawing together previous audience research** is being rolled out to provide insight to staff and decision-makers on the full range of audiences’ views. This is to be developed further with **new research on impartiality**, which the BBC will share with Ofcom.

Although it is a matter for the BBC Board to ensure that these changes are implemented, we intend to monitor these actions over the remainder of the Charter period to ensure that the BBC does not lose momentum in this important area. We expect the BBC to keep us regularly updated on implementation of all relevant aspects of the Serota Review and the Action Plan.



Next steps and key priorities

Over the next year and beyond, we will continue to hold the BBC to account for the delivery of its Mission and Public Purposes, to protect fair and effective competition, and secure editorial standards in BBC programming.

We will continue to press the BBC to improve its complaints process and tackle perceptions about its impartiality

As set out in the previous chapter, the BBC has committed to making changes to its complaints-handling processes to improve the timeliness of responses and make the process clearer for audiences to navigate, and has made progress in addressing our concerns about the transparency of its complaints decisions. We will monitor the implementation of these changes closely to see whether they address audience concerns and will be engaging with the BBC to understand more of the detail underpinning its proposed changes. We will also work to ensure the BBC fulfils its commitment to alert us to serious editorial breaches at an early stage.

We have started holding regular meetings with the BBC on progress against its Impartiality and Editorial Standards Action Plan and the Serota Review, and will continue this engagement. We will review evidence of the BBC's actions in the way it handles editorial standards cases, particularly those involving the BBC making corrections and clarifications. We are also due to meet with the Editorial Guidelines and Standards Committee early next year.

We will track audience perceptions of the BBC's due impartiality and Complaints Framework through our own and the BBC's research. We will also repeat the [mystery shopping exercise](#) conducted for our June review to understand audience perception of the BBC's complaints system.

We are consulting on changes to our competition guidance

Today we have published a [consultation](#) on some proposed changes to update and streamline our processes for regulating the BBC's impact on competition under the current Charter and Agreement. We have also proposed further guidance on how we expect the BBC and stakeholders to engage on planned changes, particularly during the materiality assessment process. It is important that the BBC listens to stakeholder concerns, and where appropriate, adjusts its plans accordingly. In addition, we will set out our view of current competitive conditions in the audiovisual and audio sectors of the market, and the level of risk to competition from changes to BBC services in these areas. Our consultation closes on 6 February 2023, and we expect to issue a statement by April 2023.

We will deliver a modernised Operating Licence for the BBC

We are in the process of updating the BBC's Operating Licence to ensure we are able to hold the BBC to account for the delivery of its Mission and Public Purposes across all its services, including online, and to give the BBC more scope to determine how best to meet audience needs. As it makes changes to its services, it is important that the BBC continues to deliver a broad range of news and other content which appeals to, and is relevant to, audiences in all parts of the UK, regardless of how they want to watch or listen to content. In exchange for this greater flexibility for the BBC, we are proposing to require more transparency about the BBC's plans and how it delivers against them. We welcome the commitment the BBC made in its Annual Report and Accounts 2021/22, to provide

enhanced reporting on its online performance from next year onwards, and we are engaging with the BBC to seek greater detail on what this will include.

We are reflecting on the consultation responses received from stakeholders on our proposals to modernise the Licence, and we continue to engage with stakeholders on this matter. We will confirm a new, modernised BBC Operating Licence next year, to take effect from 1 April 2023. Alongside this, we expect to set out more detail on how we plan to measure future BBC performance, and what we will require it to report on in its Annual Plan and Annual Report and Accounts.

We will continue to engage in ongoing Government processes

We will continue to engage and input as the Government progresses its Mid-Term Charter Review to examine whether the BBC governance and regulatory arrangements in the current Charter and Framework Agreement are effective. We will also continue to engage with Government on the detail of new broadcasting legislation in the proposed Media Bill.

We will develop our detailed understanding of the BBC's Digital First plans

We understand the challenges faced by the BBC but will continue to urge it to explain how it will deliver a broad range of high-quality UK content to all UK audiences, including those who watch and listen to content on the BBC's broadcast services. This will be particularly important as it seeks to implement its strategic plans to deliver a digital-first BBC.

We recognise that this means the BBC will have to do more with less; this will be a challenge that it will need to meet if it is to achieve its Mission. We will closely monitor and continue our ongoing conversations with the BBC to better understand its strategic plans. This includes engagement on its plans to bring the BBC News channel and BBC News together as a new channel, and the changes it plans to make to local services and programming in England.

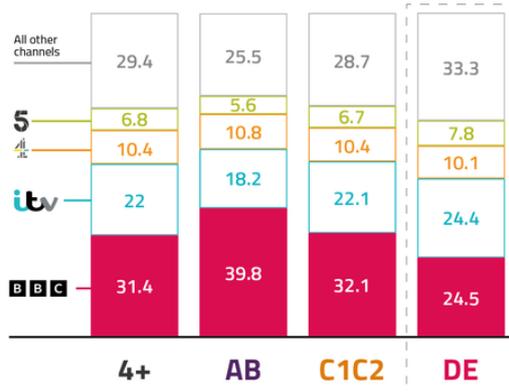
We will launch a thematic review on how the BBC connects with audiences in lower socio-economic groups

The BBC's mission is to serve all audiences. Yet we have consistently found that some audience groups are less engaged and less satisfied with the BBC. In particular we have found that audiences in lower socio-economic groups, and disabled audiences, are less satisfied. Those classified as falling within lower socio-economic groups represent almost a quarter of the UK population and are more likely to be older, unemployed, retired on a state pension or disabled. The infographic illustrates how their behaviours and attitudes compare to audiences in other socio-economic groups. For example, they have fundamentally different media consumption habits and a greater reliance on traditional broadcast services. Some BBC content is popular with these groups, but overall, they use BBC services less than other audiences.

In announcing the Digital First strategy, Tim Davie highlighted a vision to keep the BBC relevant and offer value to all audiences. The BBC has also told us that it recognises the gap in satisfaction among audiences in lower socio-economic groups and is commissioning content specifically focused on attracting these audiences. It can take time for audience perceptions to shift, but we have not yet seen any improvements in perceptions in this area. As such, next year we will undertake a thematic review looking at how the BBC is serving audiences from lower socio-economic groups.

THE BBC AND LOWER SOCIO-ECONOMIC GROUPS

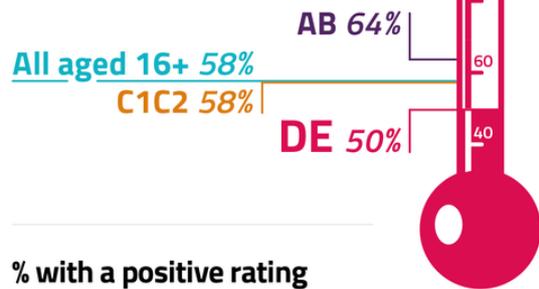
Broadcaster share of daily TV viewing time



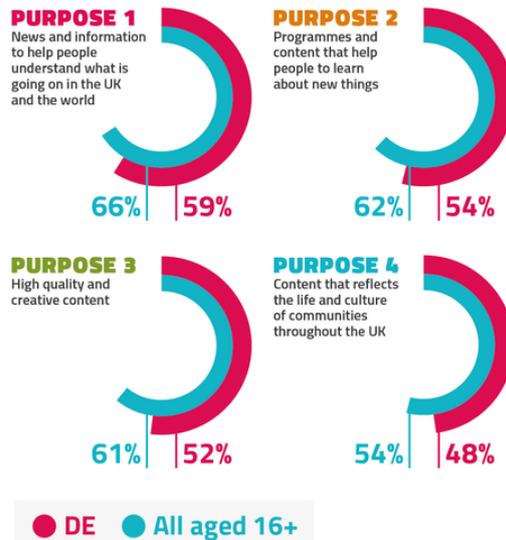
Average weekly reach by group

	AB	C1C2	DE
BBC TV	71%	69%	68%
BBC iPlayer	46%	39%	32%
BBC websites/apps	62%	52%	31%
BBC Radio	71%	61%	50%
BBC Sounds	17%	12%	4%

% with a positive overall rating of the BBC



% with a positive rating for each public purpose



“ It provides a great range of services across many platforms, all of genuinely high quality, advertisement free and for all age ranges ”

Man, 44,
Yorkshire & Lincolnshire, DE

“ This service has nothing that appeals to me and I begrudge the licence fee. ”

Man, 51,
London, DE

“ They don't have anything I want to watch or read. No suitable content for 18-30 year old. ”

Woman, 24,
Scotland, DE

“ Repeat after repeat. Biased reporting. Not value for money. ”

Man, 69,
North West DE

Sources used: Ofcom BBC Performance Tracker 2021/22; BARB; RAJAR Q1 2022 (six-month weight).