

| "What you said about the BBC"  | What we say in the Green Paper, "A strong BBC, independent of government."   |
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| <b>The BBC Today</b>   | <b>The Role of the BBC</b>   |
| <p>"The public values the BBC across a wide range of areas. It has an overall satisfaction rating from quantitative research of 75%." (What you Said:8)</p>  | <p><i>As the Secretary of State has stated many times she wants this Charter review to result in a strong BBC which is in line with what the public want for the BBC of the future. The BBC's output will be strengthened through a number of measures including having defined public purposes.</i></p> <p>The Government recognises the enormous contribution that the BBC has made to British life and culture, both at home and abroad.(Green Paper:2)</p> <p>"Regardless of the arrival of new technology, the public expects the BBC to be a cornerstone of public service broadcasting, delivering high quality programmes that set a benchmark for its commercial rivals." (Green Paper: 4)</p>  |
| <p>"There was a marked, but not universal perception in focus groups and consultation responses that BBC programmes have declined in quality although it was balanced in opinion surveys by those who saw improvements." (What you Said:8)</p> | <p>"The BBC should provide a wide range of content, across every genre, trying to reach the greatest possible range of audiences. Where possible, it should make subjects accessible to new audiences. Its programmes should set standards, especially in news, for other broadcasters to aspire to.</p> <p>Programmes should aim to be excellent, distinctive and entertaining – that means, more specifically, that they should be:</p> <ul style="list-style-type: none"> <li>• of high quality</li> <li>• challenging</li> <li>• original</li> <li>• innovative</li> <li>• engaging</li> </ul> <p>All BBC services should strive to fulfil the full range of public purposes. Not every individual programme (or interactive service, or piece of internet content) will fulfil such a purpose – although the vast majority should. However every programme should display at least one of the above characteristics of excellence and distinctiveness." (Green Paper:9)</p> <p>"The BBC should aim to be distinctive from commercially-funded services; it should compete on the basis of quality, not aggressively for ratings. The vast majority of BBC programmes should contribute to its public purposes – those programmes that make no direct contribution must be able to justify themselves in terms of their excellence or distinctiveness. It should set standards for other broadcasters in terms of the quality and distinctiveness of its services and their contribution to UK programming and production." (Green Paper:20)</p> <p>The BBC should aim to complement what is available on commercial channels, rather than always competing directly against it. Its role should involve: setting high benchmarks, across all types of programming, that the rest of the industry has to live up to, avoiding derivative formats, for example, and being clear that it should compete on grounds of quality not just share; ensuring that all journalism is fair</p> |

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|  | <p>and precise and that all journalists are thoroughly trained; adopting a public service approach to scheduling not competing aggressively to take audiences away from PSB content on other terrestrial channels, but seeking to offer a complementary schedule that offers the widest possible choice for audiences. (Green Paper:29)</p>   |
| <p>"The public places value on the work that the BBC does to represent the nations, regions and communities of the UK for example, through its national and local services, programming tailored for the nations and regions, and programmes that reflect the needs of minority communities and communities of interest."(What you Said:8)</p>   | <p><i>In the Green Paper we recognise the important role that the BBC makes in representing the nations, regions and communities of the UK. It should continue the work it does in these areas :</i></p> <p><b>"Reflecting the UK, its Nations, regions and communities</b><br/>Reflecting and strengthening our cultural identity through original programming at UK, national and regional level, on occasion bringing audiences together for shared experiences</p> <p>Making us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities within the UK."(Green Paper: 8)</p> <p><i>There is more detail on this in the Green Paper pages 39-42.</i></p>  |
| <p><b>A Changing Landscape</b></p>   | <p><b>A Changing Landscape- building Digital Britain</b></p>  |
| <p>People think that the BBC should keep up with developments in technology (What You Said: 21)</p> <p>Organisations representing a broad range of interests believe that the BBC should use new technologies to bring benefits to society. (What You Said: 21)</p> <p>Some organisations recognise the BBC as a trusted guide, and believe it should introduce people to new technological experiences. (What You Said: 21)</p> | <p>"Digital technologies are revolutionising the way programmes are delivered and the way audiences watch and listen to them. We want to extend the benefits of this digital revolution to all UK households.</p> <p>The BBC's five core public purposes will remain constant in a digital world. But if it is to remain a public service of universal relevance to all citizens, the BBC will have to be fully involved in leading the digital revolution. Over the next decade, the BBC should have an additional public purpose- building digital Britain. That means helping to bring the benefits of digital services to all households and providing high quality content to drive take up of those services. In particular, it means the BBC taking a leading role in the process of digital switchover in television." (Green Paper:47)</p> |
| <p>There is a strong sense from some parts of the broadcasting sector that the BBC should not act as an 'aspiring monopolist' in new markets. (What You Said: 21)</p>  | <p><i>In the Green Paper we say that any new development that the BBC may want to make should be subject to a public value test by the BBC Trust. "Whenever a proposal is put together for a new service, or the extension of an existing one, it should be submitted to the Trust for a rigorous test of its public value. Part of the test should be a market impact assessment, to be conducted according to a standard formula agreed between Ofcom and the BBC Trust, and to be conducted by Ofcom itself in the case of a new service. Only if the public value added by the service outweighs any negative market impact should the proposal be given further consideration." (Green Paper: 76)</i></p>  |
| <p><b>Governance, Regulation and Constitution</b></p>  | <p><b>The BBC's Constitution</b></p>  |
| <p>And there is support for a new Royal Charter but there are calls for it to be written in a language that people can understand</p>  | <p><i>In the Green Paper we propose that the best way of giving the BBC independence and stability for the next 10 years is to renew its Royal Charter and that this is preferable to establishing the BBC through an Act of Parliament. "A new Charter would give the BBC: independence from Government; the necessary certainty to plan for the longer term; and the necessary flexibility to adapt to rapid change". (Green Paper:54)</i></p> <p>"The current Charter and Agreement will need to be rewritten, and we will try to set them out in clearer language</p>   |

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|  | so that every licence fee payer can understand their significance." (Green Paper: 55)  |
| <b>Paying for the BBC</b>  | <b>Funding</b>   |
| The licence fee was widely considered to be the best – or the 'least worst' – way to pay for the BBC for the next Charter, although there is some support for other options, particularly in combination with the licence fee (What You Said:31) | "The licence fee should continue to fund the BBC throughout the next ten years. "(Green Paper: 58)<br><i>We have also suggested the idea of a review at some point during the next Charter to look at whether the licence fee is the best way to fund the BBC beyond 2016.</i>   |
| There is strong support for the BBC's independence from Government and from commercial pressures(What You Said:31)   | <i>By continuing to fund the BBC through the licence fee we will ensure the BBC's independence from Government and commercial pressures.</i> "Audiences want the BBC to remain a universal service. They also see that the value of the licence fee is that it should keep the BBC at arms length from Government but should bring it closer to the public who are footing the bill. " (Green Paper: 62)<br>The best way to give the BBC the independence and certainty it needs is through a new Royal Charter, lasting for another ten years. The next Charter will be written, as far as possible, in clear language that everyone can understand." (Green Paper:4) |
| The way the licence fee is set and collected raised issues about fairness (particularly for those on low incomes) and efficiency (using significant public money to chase evaders). (What You Said:31)   | "In the next phase of Charter Review, we want to look further at the operation of the licence fee including its level and the way it is collected and enforced."(Green Paper: 58)  |
| Proposals were put forward on different ways to distribute the licence fee to other broadcasters and production companies(What You Said:31)  | "To provide some flexibility we propose that, as well as the interim review of alternative post -2016 funding models, there should be a review of: <ul style="list-style-type: none"> <li>• The case for plurality;</li> <li>• Channel 4's longer-term future;</li> <li>• whether any public funding (including licence fee income) should be distributed more widely, beyond the BBC, in order to sustain plurality and competition in public service broadcasting (and, consequently, whether the level of the licence fee needs to change);</li> <li>• how any such distribution might take place ".(Green Paper:15)</li> </ul>                                     |
| <b>Governance, Regulation and Constitution</b>   | <b>Governance, Regulation and Accountability</b>   |
| There are calls from both the public and the industry for reform of the arrangements for the governance and regulation of the BBC. (What You Said: 43)   | "We will replace the Board of Governors with a new body that we have called a BBC Trust (a working title) that will be separate from BBC management. The Trust will have ultimate responsibility for the licence fee, and it will be structured so that it is directly accountable to licence fee payers. It will approve a specific licence for each BBC service – to hold the BBC to its public purposes. We will establish a formally constituted Executive Board, responsible for the delivery of the BBC's services within the framework set by the Trust, with a clear division of functions between the two." (Green Paper: 6)                                  |
| Particular concerns were also  | <i>In the Green Paper we list certain criteria that the members of</i>   |

raised over  
The appointment, make-up,  
skills and experience of the  
Governors, The precise remits of  
the BBC's services, and the  
regulation of the commercial  
services. (What You Said: 43)

*the Trust should meet. These are that they should* "be able to reflect the interests of a wide range of different UK communities (including members with the knowledge and expertise to understand and articulate the interests of individual devolved Nations) and they need to have a range of expertise in:

- broadcasting and media industries;
- the financial, legal and corporate aspects of overseeing a large and complex business that spends significant sums of public money;
- organising public opinion research and consultation;
- civil society."(Green Paper: 12)

Also we state that "each service needs to be defined by a licence that gives it a clear, distinctive form and remit."  
(Green Paper: 89)

"Regulation is more complex. The BBC's commercial services are regulated by Ofcom and the OFT under general competition law, like any other company. They are also subject to an additional fair trading regime, with aspirations that go beyond competition law, overseen by the Board of Governors. The Fair Trading Commitment has proved controversial it is expressed in fairly general terms and some have argued that the Governors have not upheld it rigorously enough. Some of its clauses replicate aspects of competition law that are anyway regulated by Ofcom, the EU or the OFT. Those that are not tend to relate to the ways in which the BBC aims to operate commercial services providing good value for money, keeping commercial and publicly funded services separate or limiting any damage to the BBC brand, for instance. Competitors have in some cases found it difficult to know which regulator is responsible for pursuing complaints. We would welcome views on whether the air Trading Commitment should continue in its current form, or whether it might be simpler to separate matters of internal BBC housekeeping from those of external regulation that could be left in their entirety to Ofcom. In that arrangement, one further option would be to require Ofcom to grant its approval to the terms of whatever internal rules remained as a form of 'ex ante' regulation". (Green Paper:103)

| Accountability   | Governance, Regulation and Accountability   |
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| <p>The public would like to see the BBC become more accountable to licence fee payers (What You Said: 43)</p>  | <p><i>In the Green Paper we propose that by establishing the BBC Trust and making its members more accountable to the public then the BBC as a whole will become more accountable to the public. "The BBC's Trust needs to be an effective representative for licence fee payers. It needs to face outwards towards the public and the rest of the media market. It will need to adopt new standards of openness and transparency. It should ground all key decisions in a careful assessment of viewer and listener opinion and needs. It should offer commercial interests a formal route of consultation and should engage Ofcom in making assessments of market impact."</i>(Green Paper: 64)</p>   |
| <p>A variety of proposals for greater public accountability were put forward– including some developing the concept of the licence fee payer as 'shareholder'(What You Said: 43)</p> | <p><i>In the Green Paper we put forward a number of specific proposals for how to make the BBC more accountable to the licence fee payer. "The BBC Trust should operate a new, rigorous system of performance measurement for every BBC service. That system should be clear and transparent, and it should ensure that the BBC takes account of the thoughts and opinions of those who pay for the BBC – in every household. The protocols that govern the behaviour of Trust members should include a requirement to maintain a 'contract' with licence fee payers, setting out the ways in which the Trust promises to measure and respond to public opinion. We have put forward some options for ensuring that it fulfils this expectation:</i></p> <ul style="list-style-type: none"> <li>• There should be a rolling programme of quantitative and qualitative research designed to track audience opinions about the BBC's performance, and to measure the impact of its programming.</li> <li>• Such research should be accompanied by open consultation of viewers and listeners through a number of different forums. One way of doing this would be to enlarge or reconstitute the existing regional Broadcasting Councils, which might be elected by local licence fee payers and given a role in formally advising the Trust. New e-forums and open meetings or AGMs could also be set up.</li> <li>• When key decisions have to be taken by the governing body, they should be informed by deliberative research among representative groups of viewers and listeners.</li> </ul> <p>To promote confidence in this system, the BBC Trust must be open and transparent in everything that it does. Some options would be:</p> <ul style="list-style-type: none"> <li>• for the Trust to meet in public;</li> <li>• to webcast its meetings and any open meetings or AGMs that it holds;</li> <li>• to publish the minutes of meetings and the results of every piece of research;</li> <li>• to publish the voting records of each member."<i>(Green Paper:12)</i></li> </ul> |
| <p>People thought that the BBC should be less accountable to the Government or to Parliament for what it delivers</p>  | <p><i>By continuing to establish the BBC through a Charter and by funding through the licence fee the BBC will remain independent of Parliament. We have also proposed that the BBC Trust should have the main</i></p>  |

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| (What You Said: 43)   | <p><i>role in proposing changes to the BBC services. "The BBC Trust should be responsible for carrying out these public value tests – although Ofcom should carry out the necessary market impact assessments for new service proposals and should agree the methodology of the assessment for any change to an existing service. The Trust should publish all the relevant analysis. In the case of proposals for new services, the Trust would then make a public recommendation to the Government, which the Secretary of State for Culture, Media and Sport would only be able to veto on the grounds that the process of assessment had been flawed in some way."</i>(Green Paper:14)</p> <p><i>"Since licence fee money is not at stake, the Secretary of State's approval should no longer be required for the launch of new commercial businesses or the closure of existing ones".</i>(Green Paper:101)</p>   |
| <p>There are calls for greater financial accountability and transparency(What You Said: 43)</p>   | <p><i>In the Green Paper we propose that the establishment of the BBC Trust will lead to a greater financial transparency.</i></p> <p><i>"Ultimately, increased powers of access could be passed to the NAO. We will consider such options further in the course of Charter Review, once it is clearer how well the current arrangement is working. However we are mindful that the public do not want to see Parliament given any increased power over the BBC".</i> (Green Paper:79)</p>   |
| <p><b>Organisation and Infrastructure</b></p>   | <p><b>Organisation and Infrastructure</b></p>  |
| <p>How the BBC is run is a mystery to most of the public 85% know either nothing at all, or not very much</p>   | <p><i>"If a combination of these options for increased accountability can de-mystify the processes and decisions of the BBC's governing body, then its members might also be made subject to greater public influence."</i> (Green Paper:12)</p>   |
| <p>The BBC' s contribution to research and development of broadcasting technology is valued highly particularly by industry respondents as is its role in training the broadcasting and film industries</p> | <p><i>In the Green Paper we acknowledge the important role that the BBC play in developing new technology and training the industry.</i></p> <p><i>"The BBC should continue to provide training on a significant scale. Its training function should not be seen only as a by product of its role as a large employer. In preparing and maintaining a highly skilled media workforce, the BBC's training programmes make a significant contribution to its public purpose of stimulating creativity. We also welcome The contribution the BBC makes to the development of training across the industry more widely in particular through Skillset, the sector skills council for the audiovisual industries.</i></p> <p><i>The BBC has already played a crucial role in the development of digital broadcasting in Europe. It now needs to retain sufficient research capacity to play a full role in the development of new digital platforms and a leading role in the highly technical process of digital switchover. It needs enough freedom and enough resources to function as a centre of excellence for the whole broadcasting industry. It should be able to influence the standards making process at international level, and to support and inform policy and infrastructure development at national level, including delivery of the World Service. Additional funding could also be generated by more deliberately exploiting the commercial value of any new technology it develops. The BBC should consider the Select Committee's recommendation that it examines further the work done by the not for profit Media Lab</i></p> |

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|   | Europe, in Dublin, before its closure earlier this year. We would welcome views on the direction that the BBC's research and development function should take." (Green Paper: 83)   |
| The balance between independent and in-house production is seen as an important issue by industry respondents– with the BBC's failure to meet quotas for independent television production the subject of much criticism  | "We are interested in the BBC's proposal to introduce more competition in the way programmes are commissioned in a new 'window' that would account for 25% of production. But we would like there to be a wider debate about how this might work in detail, and we will also consider the case for increasing the existing 25% guaranteed quota for independent producers. For radio, we welcome the BBC's proposal to extend the 10% voluntary quota for independent production to new areas of programming but would like to hear views on whether this is sufficient".(Green Paper:82) |
| Rights management is also seen as an important concern  | "We agree with the Select Committee that the BBC should balance the interests of rights holders with those of the wider public in developing new proposals for the distribution of archived material. Any proposal should be subjected to a full public value test, including a market impact assessment, to assess whether it is the best use of the BBC's archive before any decision is taken to approve it." (Green Paper:89)   |
| <b>Publicly funded services and functions</b>   | <b>The Scope of the BBC's publicly – funded services</b>  |
| 75% of those surveyed said they were generally satisfied with the BBC' services but the public holds a wide range of criticisms.  | "Three out of four people support the current range of BBC services and there are no plans to require the BBC to shut down or privatise any of them. But the size and shape of the BBC must be allowed to change over the next ten years as the market, technology, public opinion and consumer behaviour change around it. (Green Paper: 6)<br>"The current range of BBC services has broad public acceptance and should be maintained. However, each service needs to be defined by a licence that gives it a clear, distinctive form and remit." (Green Paper: 89)                     |
| <b>Commercial Services</b>  | <b>The Scope and Regulation of Commercial Services</b>  |
| There is widespread support for the idea that the BBC should make money on behalf of the licence fee payer out of assets paid for by the licence fee payer. 90% of people surveyed agreed that the BBC should raise as much money as it can from selling its programmes and other products.   | "The BBC should be encouraged, as it is now, to generate as much income as it can through commercial activity, including the sale of programme rights."(Green Paper:99)   |
| But concerns were raised in a number of areas, including: whether or not the current arrangements deliver the best value for money, whether or not the BBC' s commercial activities should be more closely aligned to its publicly funded services, fairness and transparency and how the money should be used whether it should just be spent on better programmes | "However, each commercial activity must be tested to make sure it adds sufficient value and is in some way related to core purposes.<br>Commercial services should also be kept entirely separate from publicly-funded activity –there should be no cross-subsidy of the former by the latter, no on-air trailing of commercial services, and fair trading commitments must be rigorously and transparently regulated." (Green Paper:99)  |

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| (50% of participants), only used to reduce the licence fee (30%) or both (20%) |  |
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