



Department  
for Culture  
Media & Sport

# Summary of the BBC Mid-Term Review

January 2024

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## **Ministerial Foreword**



The BBC matters deeply to this country – as it does to people right across the world. At its best it is a peerless media institution that reflects our values, culture and identity. We saw with its coverage of the Coronation, its reporting on the conflict in Ukraine and the hosting of Eurovision, its incomparable capacity to inform, educate and entertain.

The role of public service broadcasting and a free press has never been more significant than it is today. We are all living in an era of fake news, where social media creates echo chambers of opinion, presents individual experience as established fact and mis and disinformation go unchallenged. The public expects, rightly, the BBC to be an exemplar of impartiality, accuracy and diversity of opinion. An organisation that trusts, respects and serves the entire nation. One that is held to the highest possible standards.

The unique place the BBC holds in our national life is crystallised in the Royal Charter. That Charter forms the constitutional basis for the BBC and is not only the framework for how the corporation is governed, it guarantees and safeguards its independence.

This Mid-Term Review is an unmissable opportunity to pause and examine the scale of the changes introduced at the last Charter Review in 2016. To take stock, at the Charter's half-way point, and evaluate the effectiveness of the BBC's governance and regulation. In answering that question, this review considers a range of issues from the performance of the BBC Board and the effectiveness of the regulation by Ofcom to whether the current system of governance and oversight is fit for the future.

The Review unpacks, in detail, the myriad challenges facing the corporation and the opportunities the BBC now has to grow and sustain public trust in decision-making, impartiality and its complaints handling processes. Our recommendations are unambiguous that there is scope for material improvements across a variety of areas.

A major challenge for the BBC continues to be impartiality. It strikes at the very core of the BBC's remit and the public expects the organisation to embody this value. But, as this review makes clear, audience perception that the BBC is not sufficiently impartial is an ongoing issue and, within a culture of continuous improvement, more can be done.

Today the way we access news and entertainment is unrecognisable from the one in which the Charter reforms were introduced in 2017. Trust in media organisations and in mainstream sources of news has eroded substantially during this period, and this has had a pernicious effect in public trust in the impartiality of the BBC. There is evidence to suggest trust levels in the BBC, overall, remain high relative to other international media organisations. But the corporation has a duty to evolve and maintain a gold standard for its journalism. By doing so, it will retain high levels of public trust in the organisation as it strives to deliver a vital universal service to audiences while setting an example which can drive standards across the media landscape.

This review is clear that only by increasing accountability and transparency about work undertaken to improve impartiality, will the corporation recapture and enhance its reputation for impartiality. Following direct, challenging and constructive dialogue with us in Government, the BBC will implement wholesale reforms that move the corporation in the right direction. This includes a new legally binding responsibility for the BBC Board to actively oversee the complaints process and the extending of Ofcom's existing regulatory responsibilities to include the BBC's online output.

As a Government, our aim will always be to ensure that a strong, distinctive, independent BBC can continue to thrive for years to come – and also to improve the BBC where we can. Our hope is that this staging post in the Charter will help us live up to that ambition and support the corporation as it flies the flag for Britain in all corners of the world.

Over its 100 year history, the BBC has proven to be one of the most adaptable, innovative and forward-thinking media organisations on the planet. I have every confidence that it will add to that track record, once again, by absorbing the findings of the Mid-Term Review and improving its structures and processes. We all rely on the BBC being the best it can be. This review is going to help ensure that is what the British public gets.

A handwritten signature in black ink that reads "Lucy Frazer". The signature is written in a cursive, flowing style.

The Rt Hon Lucy Frazer KC MP  
**Secretary of State for Culture, Media and Sport**

## **Executive Summary**

1. The BBC is a unique cultural institution that has provided the model for public service broadcasting across the world and continues to sit at the heart of the UK's thriving media sector. It has been informing, educating and entertaining millions everyday, both in the UK and globally, for over one hundred years. Over that hundred years the BBC has consistently adapted to the changing world around it, and in several areas has actively driven change. But the rate of change across the media sector is posing new, and stretching, challenges for the BBC by fundamentally changing the context in which it has to operate, with evolving audience habits, changing technology and an increasingly globalised and competitive market.
2. Following the 2015/16 Charter Review<sup>1</sup>, new BBC governance and regulatory arrangements were established: the governance of the BBC would be conducted by a new unitary Board, and regulation would pass to Ofcom, the BBC's first independent, external regulator. Given the extent of these changes, the Charter<sup>2</sup> provided for the Government to conduct a Mid-Term Review (MTR). The MTR has therefore been an opportunity to examine the effectiveness of the governance of the BBC, and the regulatory framework designed to ensure the BBC delivers on its responsibilities, focusing on the issues which matter most to audiences and stakeholders. It has identified ways in which both the BBC and Ofcom need to make meaningful and effective change to the BBC's governance and regulation to ensure the organisation is delivering for licence fee payers: for example, strengthening the BBC's oversight of its complaints process to ensure audiences have trust that their complaints will be dealt with in a sufficiently independent way, and giving Ofcom new powers to regulate elements of the BBC's online public service content.
3. In the period since the current Charter was adopted, there have also been challenging moments for the BBC, such as Ofcom independently finding the BBC made significant editorial failings over its reporting of the anti-semitic attack on Jewish students travelling on a bus in London and a finding of a "culture of defensiveness" at the BBC by Sir Nicholas Serota<sup>3</sup>. Strong governance and regulatory arrangements are crucial to the BBC's success in retaining trust, maximising future opportunities, and dealing with future challenges. Over the remainder of this Charter period the BBC and Ofcom should also both consider how governance and regulation can continue to be enhanced in order to ensure the best outcomes are delivered for audiences.
4. The Terms of Reference for the MTR were published in May 2022<sup>4</sup> (included at Annex A), and set out the six themes of the MTR: editorial standards and impartiality; complaints; competition and market impact; commercial governance and regulation; diversity; and transparency. These themes were identified as being of fundamental

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<sup>1</sup> UK Government, [BBC Charter Review](#), 2015/16.

<sup>2</sup> UK Government, [Royal Charter for the continuance of the British Broadcasting Corporation](#), 2016.

<sup>3</sup> Sir Nicholas Serota, [The Serota Review: BBC Editorial Processes, Governance, and Culture](#), 2021.

<sup>4</sup> UK Government, [BBC Mid-Term Review: Terms of Reference](#), 2022.

concern to audiences and stakeholders, in addition to those that Ofcom identified as important in its review of how the BBC is regulated<sup>5</sup> and elsewhere in its regulatory activities during this first half of the Charter. We also looked at the governance of the BBC in the round, given the significance of the changes introduced by the current Charter. The Charter prevents the MTR from looking at the Mission of the BBC; the Public Purposes of the BBC; or the licence fee funding model of the BBC for the period of this Charter.

5. The MTR was conducted by DCMS on the basis of evidence received from a wide range of stakeholders across a number of key areas. The BBC and Ofcom also provided information to inform the MTR, and the Government is grateful for their collaboration. A summary of the MTR findings is as follows.
6. **Governance:** the new governance framework introduced by the current Charter introduced fundamental changes to the previous framework to address concerns that the previous model of the BBC Trust prevented clear responsibilities and lines of accountability, led to duplication of effort, and diverged from best practice by having both governance responsibilities for the BBC and regulatory responsibilities. The evidence received indicates the new framework has been effective in addressing those concerns, although as below a specific Board sub-committee will be given greater powers.
7. The report nevertheless sets out a series of recommendations for the BBC to take forward to enhance its governance over the remainder of the Charter. The first relates to the Board continuing to meet its important responsibilities to ensure it has the confidence of staff. The Board itself needs to be actively involved in monitoring the success of its internal communications work, and the BBC needs to explain publicly how its new editorial whistleblowing policy continues to deliver effectively. Secondly, we note that the BBC's governance is assessed regularly, but this important emphasis on continuous improvement needs to be publicly demonstrated more effectively. We will continue to look at how the BBC's governance has evolved, and how the BBC has evaluated its effectiveness, during Charter Review.
8. **Editorial standards and impartiality:** impartiality is core to the BBC's responsibilities under the Charter, particularly through providing impartial news and information to help people understand and engage with the world around them. The impartiality of the BBC, as a publicly funded broadcaster, goes to the heart of the contract between the Corporation and all the licence fee payers whom it serves. We recognise the concept of impartiality is complex. We conclude that there is clear evidence that adherence to impartiality and editorial standards is now at the heart of the BBC's priorities, but also that the BBC and Ofcom need to continue to strive to fulfil their responsibilities. There are contrasting views and evidence for changes in

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<sup>5</sup> Ofcom, [How Ofcom regulates the BBC](#), 2022.

trust, with some surveys showing a decline<sup>6</sup> and others a recent increase<sup>7</sup>. However, Ofcom has also concluded impartiality is still consistently rated lower than trust and accuracy by audiences for the BBC website, app and television<sup>8</sup> and that whilst people in the UK value the role the BBC plays in news provision, impartiality is one of the areas where the BBC is perceived less favourably compared to other aspects of news delivery, with perceptions of impartiality not changing over the past year<sup>9</sup>. It is therefore crucial that the BBC demonstrates clearly to audiences that it takes its responsibilities seriously and continues to focus on impartiality, within a culture of continuous improvement, to maintain audience trust.

9. We recommend that the BBC publishes more information about how it undertakes some of the key pillars of its work to improve impartiality, and the impact that work is having, to help build audience trust. Given impartiality is, more than anything, the quid pro quo of the licence fee, we will review how the BBC has responded to Ofcom's challenge that the BBC must continue to challenge and ask difficult questions of itself as it embeds its impartiality recommendations<sup>10</sup>. This work will include how the BBC's commitments are being embedded into wider organisational processes in the longer-term, beyond delivery of initial commitments in its 10-point action plan. In terms of regulation, a significant recommendation to enhance the impartiality of the BBC is that Ofcom's existing regulatory responsibilities relating to the BBC should be extended to key areas of the BBC's online public service material. This important policy change reflects that audiences increasingly consume the BBC's news (and other) content online, and this step will enable Ofcom to hold the BBC to account, including against its impartiality responsibilities, in a more robust way.
10. **Complaints:** the feedback of licence fee payers is invaluable in helping the BBC both to understand what its audiences care about and how to make its services better, and editorial complaints are an important form of feedback. The current Charter sought to simplify what was previously a dual complaints system, involving both the BBC and Ofcom with overlapping remits. The principle of 'BBC First' was therefore formally introduced in 2017, making the BBC unique among broadcasters in having the opportunity to resolve editorial complaints about its services first, before their consideration by Ofcom. Evidence gathered during the review shows that BBC First allows the licence fee payer to hold the BBC directly accountable, and ensures the BBC stays close to the issues concerning its audiences.
11. However, there remain concerns about the extent of the BBC's impartiality, reflected by an increase in the number of complaints made to Ofcom about the BBC's due

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<sup>6</sup> For example: Reuters research reported by Press Gazette, [Five-year decline in UK news media trust sees BBC, Times and Telegraph have biggest drops](#), 2023. Opinion poll reported by Guardian, [ITV news is more trusted than BBC after Lineker row and Sharp controversy](#), 2023.

<sup>7</sup> Reuters, [Reuters Digital News Report 2023](#), 2023.

<sup>8</sup> Ofcom, [2022 News Consumption Survey](#), 2022.

<sup>9</sup> Ofcom also noted that BBC TV has a much higher, and broader, reach than these channels and, overall, almost half of all of those who watch any TV news think the BBC is impartial. Ofcom, [Ofcom Annual Report on the BBC 2022-23](#), 2023.

<sup>10</sup> Ofcom, [Ofcom Annual Report on the BBC 2022-23](#), 2023.

impartiality this year.<sup>11</sup> It is crucial to have an effective complaints process as part of the BBC's toolkit to address these concerns, together with the right legally-binding responsibilities in the Framework Agreement<sup>12</sup>. Different sets of polling report a range of satisfaction with the experience of using BBC First.<sup>13</sup> We received significant feedback from a range of stakeholders that specific improvements need to be made to make the experiences of complainants better in a number of ways, such as clearer explanations of the process and the roles of both the BBC and Ofcom. We also note that data showing that a relatively small number of complaints are upheld by the BBC has given rise to concerns that complaints are not being dealt with sufficient independence. Although it is difficult to form a definitive conclusion about the independence of complaints handling from those data, those concerns do suggest the BBC can do more to ensure audiences feel their complaints will be fairly considered.

12. In response to significant concerns highlighted by this review, the Government has worked constructively with the BBC and, as a result of these discussions, the BBC will undertake a set of major reforms. These are particularly focused on enhancing the independent scrutiny of the BBC's complaints handling and improving how the BBC continues to respond to feedback. These reforms can help build the trust that is necessary between the BBC and its audiences to sustain the principle of BBC First for the remainder of this Charter period.
13. The Board, which includes a number of independent Non-Executive Members (NEMs), will be given a new, legally-binding, responsibility in the Framework Agreement to actively oversee the BBC Executive's handling of complaints. Structurally, pre-broadcast editorial policy and post-broadcast complaints resolution are being separated, with the role responsible for leading complaints handling now reporting directly to the Director General. The BBC Board sub-committee responsible for ensuring that the BBC complies with its complaints framework, the Editorial Guidelines and Standards Committee (EGSC), chaired by a non-executive director, will be given greater powers to scrutinise and challenge how the BBC Executive responds to complaints. Finally, Ofcom will be given a new legally binding regulatory function in the Framework Agreement to independently review more of the BBC's complaints decisions. The report also recommends specific ways the BBC and Ofcom can build on work that has already been undertaken to improve the experiences of complainants, to ensure they feel able to fully engage with the process and share their views. The review also recommends Ofcom improves the transparency of its decision-making when the BBC has found a breach of its own editorial standards. If the breach is within Ofcom's regulatory jurisdiction, Ofcom should publicly and clearly record this breach. If it decides not to open a formal investigation into the content against the Broadcasting Code, Ofcom should clearly explain its rationale in its online bulletin. At Charter Review, we will examine whether

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<sup>11</sup> 39% of all BBC complaints made to Ofcom in 2022/23 were about due impartiality, compared to 19% in the previous year. Ofcom, [Annual Report on the BBC 2022/23](#), 2023

<sup>12</sup> UK Government, [An Agreement Between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation](#), 2016.

<sup>13</sup> Ofcom, [Audience Perceptions of the BBC First Complaints System](#), 2022.



BBC First remains the right complaints model to enable the BBC to deliver against its responsibility to serve all audiences, using Ofcom's forthcoming review of BBC First.

14. **Competition and market impact:** the current Charter introduced major changes to how the BBC would be regulated in regard to its market impact to ensure the BBC was sufficiently held to account by Ofcom. In particular more independent oversight was introduced to the process with new powers given to Ofcom. This included moving the responsibility for deciding whether a change that is likely to have a significant adverse impact on competition should go ahead from the BBC Trust to Ofcom. The Charter does not preclude the BBC from having an adverse impact on the market if the BBC Board and Ofcom believe is necessary for the effective fulfilment of the BBC's Mission and Public Purposes.
15. It is for the BBC to rise to the challenge and strike the correct balance between its obligations to audiences and to the creative economy, and for Ofcom to robustly hold the BBC to account in meeting those obligations. A lack of effective engagement has the potential to risk the BBC, and Ofcom's, decision making process. We have therefore made recommendations aimed at driving higher standards for stakeholder engagement and transparency to support audiences and other businesses operating in the same markets as the BBC. Our recommendations will enable the BBC's competitors to more effectively engage the BBC and Ofcom on competition and market issues, and ensure the BBC is clearer in how it is fulfilling its obligation to work collaboratively and seek to enter partnerships with other organisations.
16. Finally, we encourage the BBC to consider how it meets its obligations on distinctiveness - a new focus of the current Charter - over the remainder of this Charter.
17. The BBC must clearly demonstrate how it effectively balances the needs of audiences, and the impact on competitors when making decisions on how its services and output are distinctive. Achieving the correct balance between the BBC's ability to deliver for audiences and support the creative economy will be an important question for the renewal of the BBC's Charter. We will examine the BBC's role in the wider market, including how the regulatory framework may need to evolve to reflect shifts in technology and consumer behaviour, as part of our work in the next Charter Review. Reflecting on the evidence we have received, the BBC's distinctiveness will be a key aspect of that work.
18. **Commercial governance and regulation:** the BBC carries out a range of commercial activities, which have grown since the beginning of this Charter period with the creation of BBC Studios as a commercial subsidiary and its merger with BBC Worldwide. The Charter requires the BBC Board to oversee and set a strategy for the BBC's commercial activities, as part of its duty to ensure that the BBC fulfils its Mission and promotes the Public Purposes. The BBC Commercial Board oversees the delivery of the Corporation's commercial ambitions. The Charter also requires the BBC and Ofcom to ensure that the BBC's commercial subsidiaries do not gain an unfair competitive advantage or distort the market as a result of their relationship with the BBC public service arm. In that context, the Government therefore wants to see

the BBC's commercial arm succeed and grow over the remainder of this Charter period. We have already supported this by increasing the BBC's commercial borrowing limit from £350m to £750m.

19. The review finds that the governance and regulation of the BBC's commercial activities is working effectively. The BBC's March 2022 refresh of its commercial governance<sup>14</sup> is encouraging and should support the BBC's plans to grow its commercial arm, and we recommend the BBC should monitor the effectiveness of the new Commercial Board as these new arrangements bed in.
20. **Diversity:** a BBC that accurately reflects, represents and serves the diverse communities of the UK is a requirement of the Charter, and is vital to the BBC delivering its duties to licence fee payers across the country. The current Charter introduced specific diversity duties on the BBC, such as the requirement for the organisation to ensure it is reflecting underrepresented communities in its output and services, and to engage with audiences to ensure their views are taken onboard and factored into decision-making. As set out in the Framework Agreement, the BBC Board also has a specific responsibility to oversee and report annually on the BBC's plans to reflect and represent the UK more effectively. The MTR assessed whether the BBC's governance and regulation frameworks enable the BBC to effectively meet these new responsibilities, and its duties on diversity in general.
21. Whilst the BBC has stated that it understands the importance of improving the diversity of the organisation, both on and off screen, and progress has been made, there are areas for further improvement. A BBC which accurately reflects the diversity of viewpoints that exists across the UK is vital for ensuring audiences feel represented. The BBC Board needs to consider how diversity of thought and opinion could be better reflected in decision-making, given it has been highlighted as an important area for improvement by the BBC itself and by a range of third parties. We will examine whether the BBC is reflecting sufficient diversity of thought and opinion in its decisions at Charter Review. We have also identified that some audience groups feel underserved by the BBC, and that effective audience engagement is important for ensuring the BBC understands the specific needs of communities across the UK. We therefore recommend that the BBC keeps its engagement with underrepresented groups under review to ensure this engagement is sufficient. To better enable the BBC to demonstrate how it is fulfilling its diversity objectives, and to ensure others are able to hold the BBC accountable for its performance, we also recommend that the BBC considers publishing more detailed information on the the engagement its (Board) Members for Nations are carrying out with audiences.
22. **Transparency:** we received evidence about the BBC's transparency when looking at most of the themes above. One of the ambitions of the current Charter was to enhance the BBC's transparency. Transparency therefore lies at the heart of the BBC's responsibilities, with clear expectations that it observes high standards of openness and seeks to maximise transparency and accountability.

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<sup>14</sup> BBC, [BBC bolsters commercial ambition with new-look BBC Commercial Board](#), 2022.

23. We recognise that the BBC's transparency has improved during this Charter, with the BBC continuing to make efforts to further improve. But straightforward and open communication with licence fee payers remains crucial, and the evidence received as part of the MTR shows that the BBC has not always communicated changes that have an impact on audiences and stakeholders effectively with them. The BBC needs to demonstrate it is serious about effective communication. We also recognise that licence fee payers need the opportunity to say what information they want to see in order to hold the BBC to account. So the BBC needs to undertake further work to understand whether audiences are getting the information they need, and publish the results of that work as well as how it intends to respond. Ofcom also has significant responsibilities in its role ensuring the BBC is delivering for audiences, in particular through helping audiences understand why and how it holds the BBC to account. We therefore expect Ofcom to continue to demonstrate high levels of transparency as it conducts its role as independent regulator.
24. The majority of recommendations are for the BBC and Ofcom to take forward and the Government expects their timely implementation. A number of specific recommendations require changes to the Framework Agreement on which we are already working with the BBC and Ofcom, and these will be published as soon as possible. Looking further ahead, while the MTR has recommended necessary reform now, it will also enable the Government, BBC and Ofcom to better prepare for Charter Review. It has helped to define the focus of Charter Review including through re-visiting issues where we have set out clear expectations of progress from the BBC in the MTR, as well as issues that were out of scope of the MTR's Terms of Reference but where stakeholders had concerns about the calibration of the BBC's Mission and Public Purposes, and updating our assessment on issues where, at the point of the MTR, it was too early to fully assess them.

## **Annex A: List of the MTR's conclusions and recommendations**

### **Governance**

1.1 We conclude that the unitary board model has been effectively implemented and is working well. Issues raised during the course of the MTR can be addressed within the current governance framework.

1.2 We recommend that the Board keeps the information it receives under regular review so that it continues to maximise its ability to make decisions on the right balance of information.

1.3 We conclude that the sub-committee structure adds value, with clear delegated powers from the Board, and the vast majority of the committees are delivering effectively.

1.4 We conclude that the Board is fulfilling its reporting responsibilities effectively.

1.5 We welcome the positive feedback received about the induction process for new NEMs.

1.6 We recommend that the BBC Board, including the NEMs, play an active role in monitoring the impact of work to ensure the Board is sufficiently visible to staff in the rest of the organisation.

1.7 We recommend that the BBC publishes information to explain how it ensures the editorial whistleblowing policy and process continues to deliver effectively.

1.8 We recommend that the BBC's Annual Report and Accounts continues to summarise the conclusions of future external Board effectiveness reviews, and summarises the conclusions of future internal Board effectiveness reviews, and confirms how recommendations are to be taken forward.

1.9 We will look again at how the BBC's governance has evolved, and how the BBC has evaluated the effectiveness of that governance, during the next Charter Review. We expect the BBC to provide us with sufficient information to do that in due course, including internal documentation.

### **Editorial Standards & Impartiality**

2.1 The impartiality of the BBC, as a publicly funded broadcaster, goes to the heart of the contract between the Corporation and all the licence fee payers whom it serves.

2.2 We recognise that the concept of impartiality is complex. We conclude that there is clear evidence that adherence to impartiality and editorial standards is now at the heart of the BBC's priorities, but also that the BBC and Ofcom need to continue to strive to fulfil their responsibilities.

2.3 We recommend that the Board ensures detailed, timely reporting of progress against the 10-point action plan's commitments, with clear deadlines and milestones, impact, and more detail on how it intends to respond to Ofcom's challenge that the BBC needs to maintain its focus on impartiality to maintain audience trust, and how commitments are being embedded in long-term plans. We intend to assess progress during the next Charter Review.

2.4 We also recommend that the effectiveness of the EGSC external Editorial Advisers is kept under review by the BBC to ensure they continue to have the right powers to fulfil their responsibilities, and that this is reported on regularly as part of the BBC's wider work to provide updates on its impartiality efforts.

2.5 We recommend that the BBC continues to ensure it has the right governance structures to drive its work on implementation of the 10 point action plan and long-term continuous improvement. We will assess whether this has been the case as part of Charter Review.

2.6 It is right that the BBC commits to undertaking internal content reviews. We recommend the BBC publishes more information about the methodology used to undertake its internal content reviews.

2.7 We recommend that the BBC publishes a summary of the key themes emerging from a set of internal content reviews, on an annual basis, including how the BBC is taking action as a result.

2.8 We recommend that the BBC continues to set out in the public domain the methodology for its external thematic reviews.

2.9 We recommend that Ofcom continues to be consulted by the BBC on potential topics for future external thematic reviews.

2.10 We recommend that the BBC publishes information about what its *Safeguarding Impartiality* training includes, how it is conducted and intended outcomes.

2.11 We agree that Ofcom should have early notification from the BBC of potential serious editorial breaches, and note that a protocol has been developed between the BBC and Ofcom to underpin this change. We recommend that the BBC considers how best to make this commitment clear to audiences.

2.12 We recommend that EGSC members continue to meet Ofcom at a working level every six months.

2.13 We also recommend that the Chair of the EGSC and the two independent expert advisers attend a meeting of the Ofcom Content Board annually, and a summary of the discussions at that annual meeting is published.

2.14 We will extend Ofcom's regulatory responsibilities to elements of the BBC's online public service material, and make changes to the Framework Agreement in order to implement this policy.

2.15 We recommend that Ofcom continues to discuss research methodology relating to impartiality (particularly audience perceptions) widely ahead of future research to maximise consensus.

## **Complaints**

3.1 We will review the complaints process at Charter Review and consult on alternative models to BBC First. We will invite the cooperation of both the BBC and Ofcom in this process.

3.2 We will amend the Framework Agreement in line with the BBC's proposal to give the BBC Board explicit responsibility for overseeing the Executive's handling of complaints.

3.3 Following the Government's request to the BBC that it considers moving the reporting line from the ECU, the BBC has created a direct reporting line between the Director of Editorial Complaints and Reviews and the Director General.

3.4 Following the Government's request to the BBC that it considers giving the EGSC a more enhanced, active role, the BBC has committed to both giving the EGSC greater oversight of the complaints process (including the processes of the ECU), and the ability to commission research to improve the EGSC's access to information.

3.5 We recommend that Ofcom conducts regular reviews of a representative sample of the ECU's complaints decisions and makes public a summary of its findings. This new regulatory function will be made a formal requirement through an amendment to the Framework Agreement.

3.6 We conclude that Ofcom has a role to play in raising awareness of BBC First, and recommend Ofcom collaborates with the BBC on relevant initiatives to improve awareness. We recommend that Ofcom's future research into BBC First should seek to better understand which specific audience groups have lower awareness of BBC First, and that Ofcom and the BBC should work together on strategies to better enfranchise relevant groups within the complaints process.

3.7 It is right that the BBC has produced video content explaining how the BBC handles complaints. We recommend that the BBC continues to find creative means to communicate what the complaints process delivers - both for the Corporation and for audiences - to increase confidence in, and audience engagement with, BBC First.

3.8 It is right that the BBC has committed to consistently and clearly flagging to a complainant what their next step might be in its response to complaints at each stage.

3.9 We recommend that Ofcom and the BBC work together to better communicate to complainants their respective roles in the complaints process. We encourage creative approaches to ensure the information is digestible for complainants.

3.10 We conclude the BBC's approach to Stage 1A is proportionate, and recommend that

the BBC continues to make clear to complainants what kind of response they can expect at each stage of BBC First. The BBC must continue to make appropriate use of its procedures to fast-track editorial complaints on a case-by-case basis.

3.11 It is right that the BBC has committed to improving the quality of responses at Stage 1B, and removing tones of defensiveness. We recommend that the BBC continues to address the wider defensive culture highlighted by the Serota Review, and reflect this in its guidance for editorial teams to ensure Stage 1B replies reflect an openness to learning from complaints.

3.12 We note that Ofcom has recently increased the BBC's complaints reporting requirements. It is right that these changes are made to increase the transparency of the BBC's complaints decision-making.

3.13 We recommend that the BBC makes public information about how the ECU makes fair decisions that are both independent from programme-makers, and independent from the organisation's reputational interests, in order to increase licence fee payer's confidence in both Stage 2 and BBC First more broadly.

3.14 We note that, following the Banatvala report, the BBC has sought to increase the diversity of the ECU. The Corporation's ongoing commitment to further increase diversity in complaints handling is sensible.

3.15 It is helpful that Ofcom has committed to review BBC First again before Charter renewal. We recommend Ofcom engages with stakeholders on the approach and scope of any quantitative research that will form part of that review.

3.16 It is helpful that Ofcom has committed to conducting further mystery shopper research on BBC First. We recommend this continues on a regular basis, and the results feed into any future review of BBC First.

3.17 It is helpful that Ofcom has begun to think about what kind of communication about BBC First audiences would value. We recommend that Ofcom continues to work with audiences in its efforts to improve the transparency of its complaints decision-making at Stage 3.

3.18 We recommend that, when the BBC has identified a breach in its own editorial standards and therefore upheld or partly upheld a complaint regarding its broadcast or on demand content, the breach should be publicly and transparently recorded by Ofcom, which has the choice whether or not to launch its own investigation under its Broadcasting Code. Should Ofcom decide not to launch an investigation into an upheld BBC complaint, the regulator should clearly state its rationale for taking no further action in its online bulletin.

3.19 We conclude that the current complaints framework, which limits Ofcom's standards enforcement role to complaints about single broadcast items or editorially-linked content, is proportionate. We encourage Ofcom to continue to make use of its other regulatory tools to hold the BBC to account.

## **Competition & Market Impact**

4.1 We agree with Ofcom's recommendation to change the Framework Agreement so that Ofcom has discretion over whether or not to conduct a BCA or a shorter assessment following a BBC PIT.

4.2 We agree with Ofcom's recommendation to change the Framework Agreement so that Ofcom has the power to use a shorter assessment to approve a BBC change with conditions.

4.3 We agree with Ofcom's recommendation to change the Framework Agreement so that new BBC services are not automatically considered material changes.

4.4 Publication of Ofcom's high-level view on the BBC's position within the audiovisual and audio sectors is helpful, as is Ofcom's commitment to use its Annual Report on the BBC to confirm its current view, or update that view based on any market changes that have taken place.

4.5 We recommend that Ofcom should annually publish its view on the BBC's position in the local news sectors, and set out its approach to considering the competition impact of changes to BBC local news services. Ofcom should do this for the first time by November 2024, and subsequently use its Annual Report on the BBC to update this view alongside its views on the audio and audiovisual sectors.

4.6 We recommend that the BBC does more to demonstrably and transparently take account of its obligation to undertake partnerships, including with its competitors in the creative economy. The BBC should publish a partnerships strategy, and the objectives of that strategy should clearly align with its obligation to support the creative economy, and demonstrate how it plans to meet that obligation.

4.7 We recommend that the BBC provides clear entry routes for organisations who wish to partner with the BBC.

4.8 Over the remainder of this Charter the BBC must clearly demonstrate how it is delivering on its requirement to provide distinctive output and services.

## **Commercial Governance & Regulation**

5.1 We recommend that the BBC monitor the effectiveness of the BBC Commercial Board as the new governance arrangements bed in.

5.2 We consider the regulation of the BBC's commercial activities to be working effectively.

## **Diversity**

6.1 The BBC says it understands the importance of reflecting, representing and serving all communities and has set out a clear commitment to improving the diversity of the



organisation, both on and off screen. We acknowledge the BBC's evidence that it has made good progress towards meeting its diversity commitments although note concerns we have heard that the BBC is not accurately reflecting diversity of thought and opinion across the organisation, set out below.

6.2 We expect the BBC to follow the advice set out in Ofcom's Annual Report on the BBC for 2021/22 to improve workforce representation of disabled people and people from lower socio-economic backgrounds.

6.3 We expect the BBC Board to continue overseeing the organisation's plans to increase diversity, and to consider how diversity of thought and opinion could be better reflected in decision-making.

6.4 We expect the BBC to continue conducting appropriate engagement to understand the needs of specific audience groups, particularly groups who feel underserved. The BBC Board should keep this under review to ensure engagement is sufficient, and the BBC should set out how it plans to respond if it identifies that more is needed.

6.5 We recommend that the BBC's Nations Members publish more detailed retrospective information about the engagement they have carried out with diverse communities within the nations, as well as priorities for future engagement. Ideally this information would include information on engagement with audience members, representative organisations and industry experts. Doing so will allow audiences to continue to understand what engagement has taken place.

6.6 We conclude that Ofcom does not need any additional powers to regulate the BBC's obligations with regards to diversity, such as giving Ofcom the ability to sanction the BBC in the event it does not meet targets and commitments it has set for itself.

## **Transparency**

7.1 We recommend that the BBC continues to learn from recent experiences where announcements about service changes have led to criticism about the BBC's approach to transparency.

7.2 We also recommend that the BBC publishes details of its strategy for communicating with audiences which explains improvements to its communications approach already made, but also how it identifies any changes needed so that audiences and staff can be confident that future service changes and their impact will be explained clearly.

7.3 We recommend that the BBC looks at what information audience members find valuable to hold the BBC to account, including through audience engagement. We recommend the BBC publishes information about what it has heard in these sessions and how it intends to respond, to show it takes the principle of audience members holding the BBC to account seriously. We will assess the BBC's transparency in the information it provides for audiences as part of Charter Review.

7.4 We recommend that Ofcom continues to maintain a high level of transparency in how it scrutinises the BBC, making clear at the outset when explaining how it intends to examine a specific issue, what that will look like in practice e.g. the regulatory mechanisms and processes it will use, and anticipated timescales for completion.