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Dear Tony,

## **Ofcom's Annual Report on the BBC and Review of BBC News and Current Affairs**

Today we publish our second Annual Report on the BBC, covering the year from April 2018 to March 2019. We also publish a report on the BBC's performance and our review of the BBC's news and current affairs output alongside this report.

Our annual report finds that the BBC continues broadly to deliver on its remit through the breadth and quality of its output across its many services. In particular, the BBC provides a significant volume of news and current affairs, a wide range of learning and educational content, and high-quality, distinctive and creative content for all audiences across its mainstream and specialist services.

In last year's report, we raised a number of concerns on behalf of audiences. Specifically, that the BBC should take significant further steps to engage young people; it should continue to improve how it represents and portrays the whole of UK society; it should embed transparency into its working practices; and maintain its commitment to new original UK programmes. The BBC has taken some steps to address these issues, for example through initiatives such as BBC Sounds and the changes to the iPlayer to help reach younger audiences.

In this year's report we are asking the BBC to set out a clearly articulated plan to address the concerns we have raised. We believe this will clarify for both Ofcom and the public how these initiatives fit together, particularly when their positive effects may take time to feed through to audiences. The plan will be important to allow audiences to judge how much progress is being made and whether these steps will be far-reaching enough to deliver substantive progress for audiences in these areas.

We expect that this plan will be set out by March and included as part of the BBC's annual plan for the financial year 2020/21, and that it will address the recurring themes of: engagement with young people; representation and portrayal; commitment to transparency; and commitment to new original UK programmes, as well as how it will engage with the recommendations of the review of news and current affairs. We believe this will help the BBC to identify progress in areas which matter to people, and enable audiences to see for themselves whether the BBC is taking appropriate steps. We are keen to engage

constructively with you and your team over the coming months as you draw together your plans to address these issues and while you work through your budgetary and business planning processes with the BBC Board.

During this process, we are asking the BBC to focus on:

***Taking significant further steps to engage young people***

The BBC acknowledges that it must take steps to engage with young people and has made changes to its services and its content. If young people don't consider the BBC as a core part of their viewing, then it may be hard to encourage them to pay the licence fee. This will be fundamental to the BBC's ability to deliver its Mission and Public Purposes in the future.

***Continuing to improve how it represents and portrays the whole of UK society***

We acknowledge that the BBC leads the way in collecting diversity workforce data and is taking steps to improve diversity both on- and off-screen. However, we have an overall concern with how the BBC is delivering against its requirements on diversity, and the transparency with which it reports to us, as set out in a number of areas in the report. Given that this is critical area for the BBC's success, it needs a robust plan in place to track how improvements are delivered. The merger of BBC Studios and BBC Worldwide has led to a reduction in visibility of diversity in production. We will be looking at how we can bring more clarity to this.

***Embedding transparency into its working practices***

There have been good examples of the BBC engaging with Ofcom in a more transparent way around some of its proposed service changes, specifically BritBox, and we welcome the improvements that it has made in its governance arrangements. However, we continue to find examples of the BBC not taking sufficient account of the need for external engagement to assess fully the implications of its proposals on the broadcasting sector. There is a lack of transparency in the way the BBC releases and explains its decisions on compliance with the Broadcasting Code. We are working on new requirements on the BBC to help build trust in its decision making in this area.

***Our review of BBC News and Current Affairs***

Across TV, radio and online, the BBC's news and current affairs output has huge strengths. BBC News remains the UK primary's news source with three quarters of UK adults watching, listening to, or reading its news and current affairs content. In uncertain political times, people told us that they continue to turn to the BBC because of its reputation for trusted, accurate news.

However, we also identified areas of concern. Some audiences questioned the relevance of BBC News to their lives, seeing it as representing a white, middle class and London-centric point of view. There were also concerns over aspects of the approach the BBC takes to due impartiality in its news and current affairs coverage. Some audiences perceived the BBC gave too much coverage to extreme voices. Others highlighted 'false equivalence' in reporting. In common with the rest of the BBC, BBC News faces a growing challenge in engaging younger audiences, particularly online, who are increasingly consuming news via social media and news aggregators. On the basis of these findings, our report sets out four key areas where we expect the BBC to act: accurate news provision must continue to be the main priority for the

BBC; BBC News should have greater confidence in its approach to due impartiality; BBC News should better represent the whole of the UK; and the BBC's online news content needs to do more to stand out and engage younger people.

I look forward to discussing the findings of our reports with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sharon White', written in a cursive style.

**Sharon White**