

Public Accounts Committee

Oral evidence: BBC World Service, HC 298

Wednesday 29 June 2016

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Members present: Meg Hillier (Chair); Deidre Brock; Chris Evans; Mr Stewart Jackson; Nigel Mills; David Mowat; Stephen Phillips; Karin Smyth.

Sir Amyas Morse, Comptroller and Auditor General, Adrian Jenner, Director of Parliamentary Relations, National Audit Office, Peter Gray, Director, NAO, and Richard Brown, Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1-107

Witnesses

I: Fran Unsworth, Director, BBC World Service Group, Richard Dawkins, Chief Financial and Operating Officer, BBC News, Nicholas Prettejohn, Trustee and Chair of the BBC Trust Value for Money Committee, BBC Trust, and Hugh Elliott, Director of Communications, Foreign and Commonwealth Office.

Written evidence from witnesses:

Report by the Comptroller and Auditor General
BBC World Service

Examination of witnesses

Witnesses: Fran Unsworth, Richard Dawkins, Nicholas Prettejohn and Hugh Elliott.

Q1 **Chair:** Good afternoon and welcome to this afternoon's Public Accounts Committee on Wednesday 29 June 2016. We are here today taking evidence on the National Audit Office's Report on the BBC World Service. Our hashtag today is #WorldService, if anyone is following us on Twitter.

We are delighted to welcome as our witnesses today, from my left to right, Hugh Elliott, the director of communications at the Foreign and Commonwealth Office—welcome, Mr Elliott; Fran Unsworth, who is the director of the BBC World Service Group—welcome to you; Richard Dawkins, who is the chief finance and operating officer at the BBC; and Nicholas Prettejohn, a BBC Trustee, who Committee members will remember we last saw in Salford—welcome back, I suppose. Thank you for your hospitality and welcome to our gaff, as they say. Thank you very much indeed for coming.

There has been a big challenge for the World Service, as it has had to fund itself from the licence fee, and there have been huge changes in technology as well, so we are actually quite impressed at the BBC World Service's ability to adapt to that change and to increase audience size and satisfaction, though we are keen to probe some of the figures. One of the things we have got concerns about, which we hope to probe today, is how you report performance so that we, the Foreign Office and others—the public; the licence-fee payers—can see how that is working. Of course, one of the other things is the challenge you have been adapting to: the different types of media—digital and so on—that are coming though. We will expand on that and how you reach users. We are keen to talk to you about that.

Ms Unsworth, as I said, it has been pretty successful compared with many of the projects we see. Why do you think that is? What worked well?

Fran Unsworth: Well, I am very pleased that the NAO have said that we have achieved value for money and we have made our savings through increased efficiency. There is no doubt that it has been against a backdrop of quite a difficult operating climate, because there was a reduction in budget at the time we were going through a transformation process. Also, it was against the backdrop of the way that consumption habits around the world were moving so rapidly. So we were moving out of essentially a



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radio-based operation, delivered through shortwave and FM, to a much more digitally focused operation.

- Q2 **Chair:** I do not want to cut you off mid-flow, but what specifically do you think have been the reasons for the success? We recognise the pathway of transformation and we will go into that a bit more later on.

Fran Unsworth: I think it is about being agile and fleet of foot, and being able to adapt quickly to the changes in consumption habits. It is also a tribute to the staff, who recognise they are close to their audiences and know what they need. They were able to deliver what audiences needed.

- Q3 **Chair:** We have obviously looked at BBC critical projects and, although this did not quite fit that category, it is a major project that you had to go through for this transformation. What worked well—I will come to Mr Prettejohn as well—and what lessons could other bits of the BBC group learn from that?

Fran Unsworth: I think that what has worked well—this is a different kind of project from a big property or technology project—is having very clear research about what audiences are doing so that you can adapt your services quickly and flexibly to what it is that audiences require. So you look at how the markets are changing, how consumption habits are changing all over the world, what the local conditions are and what the growth is in smartphone technology, and then you adapt your services as quickly as you can in order to serve those markets.

Of course, the changing technology has enabled us to deliver efficiencies. Prior to this, we had shortwave radio, which is big transmitters and hardware, and of course the digital age is smartphones and digital services delivered over the internet. That has driven quite a significant amount of our transformation programme and enabled us to be efficient.

- Q4 **Chair:** Mr Prettejohn, from the Trust's point of view, what have you learned that has worked particularly well here and what more is there to do? We will go back to Ms Unsworth on that latter point.

Nicholas Prettejohn: There are a few things. I agree with what Fran just said, but, to add to that, I think having a clear imperative—a cost saving target—

Chair: No option, in other words.

Nicholas Prettejohn: I think the organisation has responded really well to that. Secondly, to go with it, there is relative certainty of funding. So I think those two together are really quite important. That has enabled the management to take a phased approach to it, which is a good thing and means that on the one hand, they have had clear targets for efficiencies from year to year, but they have also been able to respond to the changing marketplace, which is really important. If you put all those things together, that makes it stand out from other projects that are, by their nature, very different.

- Q5 **Chair:** Ms Unsworth, we have given you the plaudits. It does not quite



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work like that for the whole of a Public Accounts Committee sitting. I know my colleagues are primed to ask you some tougher questions. What do you think still needs to be done? What has not worked so well so far? Where are the challenges for you, as head of the World Service Group?

Fran Unsworth: The biggest challenge we have going forward is that we have been given—I am delighted to receive it—a tranche of new money for the World Service, which I think is a statement of confidence in us. We are getting £289 million to invest in new World Service services over the next four years. The challenges are around that and how we use that money as efficiently as we possibly can to drive audiences and really make an impact. There are massive challenges going forward. I think we learned lessons from how we did the last transformation to use going forward. Of course, one of the key lessons is that the world is changing rapidly, and we need to keep pace with that.

Q6 **Chair:** Picking up on Mr Prettejohn's point about certainty, I think I am right in saying that there is a couple of years' funding guaranteed, but no more than that. Is that correct?

Fran Unsworth: It is four years—the lifetime of the Parliament.

Q7 **Chair:** So that is a potential threat as you expand and do not know what is going to happen in four years' time.

Fran Unsworth: Yes.

Q8 **Chair:** It was interesting that the BBC staff survey revealed that of the World Service staff, only just over half—55%—thought the BBC got the best out of them. Having met BBC World Service staff who are incredibly committed and were very nervous about the changes, I find that surprising, given that the figure for the rest of the BBC was 64%. Does that worry you? What are you doing about it?

Fran Unsworth: It is difficult to know, with questions in a staff survey, exactly what is in people's minds when they answer them. I think this relates to the fact that part of our message when the World Service came into the licence fee was how we have to add value for the UK licence fee payer who is now paying for these services. We have to be able to say why people paying for a television licence in parts of the UK would want to support the World Service when it is in languages they cannot understand. There was a focus, therefore, on how we give value back to the licence payer.

We are seeing it in a number of ways. There is obviously a broader soft power argument about the value that the BBC's international operation gives back to Britain, but in terms of direct value to the licence payer, it must be around the expertise and journalistic skills that all the people we have around the world working in language services are able to offer. We see a lot of that—for instance, from our Turkish service in Turkey this morning, and BBC Mundo was regularly used in Orlando. But I think the staff feel we can do more of that.

Q9 **Chair:** What mechanisms are in place? If something happens, can they



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alert producers in the UK? Is there a central platform, if you are in Turkey and something happens?

Fran Unsworth: Yes, there is. There is a central news desk, on which language service news organisers sit. But there is probably more we can do going forward to think about how we make use of that and what structures are in place in New Broadcasting House to enable that to happen.

Q10 **Chair:** Is there any element of individual producers being nervous about taking a report from someone they do not personally know?

Fran Unsworth: I think there was an element of that, yes.

Q11 **Chair:** A lack of control from their point of view.

Fran Unsworth: It is not so much a lack of control, although I am sure that plays into it. It is the unknown. If you are an editor of a programme, reaching for a correspondent where you know exactly what they are going to deliver for you, and you know they understand your programme and its needs, is much easier than saying, "Well, we've got this person. English isn't actually their first language, but they do know what they're talking about." It is about how we increase the familiarisation around key staff we have overseas in order to provide the programmes in the UK.

Q12 **Deidre Brock:** On performance targets, figure 17 on page 32 shows performance targets for audience size that seem to have been exceeded fairly easily. I wonder if you would accept that the audience size targets for that 2016-17 period were rather unambitious to start with.

Fran Unsworth: No, I don't actually accept that. Hindsight is slightly being applied here. If you think about it, we were entering a period where the budgets were being cut, where we were reducing the number of language services we were in, where we were shifting out of radio into digital formats and television, and where we were dealing with an unknown world. Plus, the whole environment around us was pretty uncertain, too. We were dealing with big international players with deep pockets, such as Chinese Central Television, Russia Today and Al Jazeera. We were moving into unknown territory, and I think the targets were set on the basis of what we thought we could achieve.

I think we have been pleasantly surprised by our ability to achieve the targets, but can I explain how we reach people, because it takes a bit of explaining? When we were on shortwave, we were in control of how we reached audiences. We had transmitters, we put out programmes and the quality of our product determined whether people wanted to come to us. When we moved out of shortwave, because nobody wanted to listen to a crackly radio signal any more, our way of distribution became largely via partners.

We have 1,800 partners all over the world with whom we place our content: radio stations and television stations. We are very dependent on our partners for our reach, and if they do not want to carry our content, we will lose audiences. If they do want to carry our content, we can put on



substantial audiences. For instance, in Kyrgyzstan, we had only a few hundred thousand, and we recently found a very good partner to work with and we increased our reach by 3 million. We could not have predicted, however, that we would find that partner, and it is a question of also finding a partner with the right editorial values. We do not want to work with just any partner, because partners might support the Government or the Opposition. We need to find a partner as close to our editorial values as possible, and that determines quite a lot of our success in markets.

- Q13 **Deidre Brock:** I will probably ask for Mr Prettejohn and Mr Elliott's views on this, too, but bearing all that in mind, is it still not appropriate that you review your three-year targets, given that you seem to have managed to reach them so easily?

Fran Unsworth: We are very happy to review our targets, yes.

- Q14 **Deidre Brock:** How would you go about doing that?

Fran Unsworth: We would look at them and say, "Do we want to set new ones?". Sorry, but it is as simple as that. I have an annual round every year when we go through all the language services and look at all the figures, the budgets for those services, the cost per user and what the objectives are. That is the point at which you would review the targets, and informally they are reviewed. I do want to say something else about targets—

- Q15 **Chair:** Are you saying that you are reviewing them now? I was not quite clear. You said, "If we want to, we can."

Fran Unsworth: We look at the services annually.

- Q16 **Chair:** When is that going to happen?

Fran Unsworth: We just did a session back in February, and we do it at that time of year every year.

Just let me say something else about targets, because one needs to be a little bit cautious about targets. We are not a ratings-chasing organisation. We have an overarching target for the World Service, which is to reach 500 million users by 2022, because we feel that we would need to be of that scale to be a serious international news organisation. If you start to set individual language service heads a target that they have to reach, you do not want them to start distorting their editorial agenda to do that. That is not what we are about. That would possibly be in contravention of what our mission is all about. Targets are good—I am not saying they are not—but they are not by any stretch the whole story about what the World Service's success should be based on.

Chair: Various people are trying to chip in. Deidre, do you want to come back on that?

Deidre Brock: No.

- Q17 **David Mowat:** Very quickly, on the one hand, you have achieved or



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beaten the targets that you were set, such as cost reduction, and all the rest of it. That's all you can do. On the other hand, it might prompt the question about how you are able to benchmark yourselves against what you might be. I am interested to know whether you ever do any benchmarking against any similar external organisations. You mentioned earlier Russia Today or Al Jazeera. How do you compare yourselves with those in certain markets?

Fran Unsworth: We have benchmarked ourselves on a number of fronts. PwC came and did a financial benchmarking review for us, which looked at whether we were value for money compared with other international organisations, and we came out very well from that.

Q18 **David Mowat:** Is that something the NAO has looked at?

Fran Unsworth: Yes.

David Mowat: Because it is not in the Report as such, is it?

Peter Gray: We picked up on the element where the World Service is measuring trust etc., and they have made comparisons. That is at figure 18 of the Report.

Q19 **David Mowat:** What you are telling the Committee is that PwC has done some external benchmarking in terms of efficiency, efficacy and all the rest of it.

Fran Unsworth: That is one, but we also have other benchmarking that will take place around reach. We sort of know our reach—

Q20 **David Mowat:** And the result of all that was that you were good as well. So not only have you beaten all the targets you were set, but you have done external benchmarking and that was good too.

Fran Unsworth: I am not being complacent. We should be; we're big.

Q21 **David Mowat:** It doesn't always work that way in the world, but okay. So your evidence is that you have done and you do do benchmarking against similar organisations as best you can. The evidence from what you have been able to tell from that is positive; you were happy with it.

Fran Unsworth: Yes.

Chair: I am going to bring in Stephen Phillips briefly and then go back to Deidre Brock.

Q22 **Stephen Phillips:** I was almost going to ask the same question, but there was one other question that occurred to me. When you were talking about not having targets within specific language deliveries, I think you said that would be contrary to the mission of the Service. I am interested in what you think—pithily—the mission is of the World Service.

Fran Unsworth: The mission of the Service is laid out. Our No. 1 mission is to provide independent, accurate, impartial news. To reflect the UK is also one of our objectives. To provide programmes that people are interested in seeing is another one. Those are our key objectives.



Don't misunderstand me. I am not saying that targets are bad; I am saying that targets are good and that we do want to set targets for our services, but they are not the whole story. It is not targets at the expense of everything else. In the UK it is slightly different because, of course, it is a universal licence fee. If BBC News is not reaching a substantial number of the UK audiences, then we are not doing our job properly.

But of course you have to look at what is the purpose of the World Service in the markets that we are in. We are generally a secondary service. People are using their local media first and then coming to us for a global agenda, for a mix of local, regional and international news. If we were to shift that agenda and just do local news, for instance, we might push up our figures, but we don't think that would be fulfilling our objective to be a global, international news provider.

Q23 Stephen Phillips: Who sets the objectives for the World Service?

Fran Unsworth: The Trust.

Q24 Stephen Phillips: Mr Prettejohn, do you want to comment at all? Obviously you want the World Service to do well. We would all like it to have half a billion users by 2022—a remarkably round number, if I may say so. The Trust sets the objectives for the Service. Do you think the objectives are about right? Do they appropriately reflect value for money for licence fee payers?

Nicholas Prettejohn: I do, yes. The primary vehicle through which we set the purpose and objectives is the operating licence, which sets out the remit, the scope and the performance conditions. Unusually for an operating service licence, in this particular case there is also in the annex a series of targets that are agreed with the FCO. But typically a service licence doesn't set out targets; it sets out conditions, which is obviously a slightly different concept.

Q25 Stephen Phillips: What is the attitude of the Trust to whether or not those targets are met? We have heard the World Service's attitude, which is that the targets must not distort editorial decisions.

Nicholas Prettejohn: Well, it is very important to the concept of an operating licence that it is looking at several different objectives. When you look at the remit for the World Service, value for money is indeed one of the criteria by which the Service is judged, but the ability to provide impartial, independent, global, international news to particular audiences around the world is also enormously important. Consequently, as the NAO Report quite rightly points out, you have to assess the balance between those different criteria. They are all very important. Value for money is clearly an overriding principle for the BBC in general, and it has to be for each service that is provided, but it is by no means the only target that the Service has to think about.

Q26 Deidre Brock: This is a slightly cheeky question on the FCO criteria. The BBC has a much-vaunted independence—of thought, editorial content and so on—as part of its mission statement, but the FCO has said that this



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extra £289 million that has been given “helps to strengthen democratic accountability and governance, and promote Britain and its values around the world”. How does the World Service avoid looking as if the Government have a finger in the pie through the FCO? That would threaten how it is perceived throughout the world.

Fran Unsworth: That is a really good question that both of us—well, I don’t want to speak for you.

Chair: For the record, Ms Unsworth means both her and Hugh Elliott.

Fran Unsworth: We are both wrestling with that question, because, as was said, the value of the World Service is really only in independence from Government; otherwise, it just becomes another state broadcaster and becomes propaganda. So we need to preserve an appropriate distance from Government. However, the new money is coming from Government and there is a need for accountability and to be able to demonstrate value for money for taxpayers, so it really is about finding the sweet spot that provides in the governance arrangements enough accountability but none the less leaves editorial decisions in the hands of the BBC.

Q27 **Deidre Brock:** Where are those discussions taking place? Is this against the background of the charter renewal, and would it be set out more clearly in the charter?

Hugh Elliott: I could offer a couple of observations on that. To answer the question directly, the questions are being discussed both in the context of renewing the operating licence under the new governance procedures, which will kick in at the beginning of 2017, and, for the £289 million of new funding, in a specific discussion about the terms, conditions, governance targets and processes of accountability for that spend. That is where the discussions are taking place.

I would also like to offer an observation on what Fran just said about the tension you have absolutely rightly highlighted, which we try to balance. I travel around the world a lot and I see and hear from media organisations globally that the BBC World Service is No. 1. It is No. 1 for trust and everybody wants to be like the BBC. That is the message. They want to have that level of trust. Well, not quite everybody—I can think of one or two cases who don’t aspire to be like the BBC—but generally that is the case. I am very clear, as are my Ministers, that that is the case because of the editorial and operational independence that Fran describes. That is at the very heart of the World Service’s value to the UK. It is not something we want to prejudice under any circumstances.

There are two sets of governance, which I think it is worth commenting on. The first are the targets that are set out in the operating licence and the annex to it. The way we try to strike the balance in those targets is to keep them fairly general and high level. The first target is “to rate higher than its international competitors for ‘helps to keep me informed’”. The second is “to rate higher than international competitors for ‘most trusted international news’”. That is absolutely essential. There are numerical targets that come after that. There are questions, which the Report rightly



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raises, about how we have discussions about the review of those targets, where I think we can improve. But they are relatively high level. That is the way we try to keep the balance.

The second way is in the discussions I have described, which we are going to be finalising in the next few weeks, on the processes for spending the £289 million.

- Q28 **Chair:** So it is about six months since you gave the money, although I don't know if it actually arrived at the BBC in November last year. Why is it taking so long to agree the terms of evaluation?

Hugh Elliott: Again, that is a perfectly fair question. I think it is precisely because striking that balance is quite tricky. We are almost there and once we have—

- Q29 **Chair:** Basically it was announced by the Prime Minister—was it the Prime Minister?—and you had to catch up. Is that why you haven't got there yet?

Hugh Elliott: I wouldn't characterise it quite like that. I would say that we have been trying to work through to make sure that these arrangements are balanced.

- Q30 **Chair:** I suppose my point is that they weren't in place as the funding was announced.

Hugh Elliott: No, they weren't in place at that stage.

- Q31 **Chair:** But these will be ones that may be applied to any future funding that may come from the FCO to the World Service.

Hugh Elliott: That's right, and they will be made public as soon as they are agreed.

- Q32 **Deidre Brock:** Jumping around a little bit, back to Ms Unsworth: given fairly generous levels of funding, is there any concern that the World Service will no longer have any real incentive to drive further efficiencies? I think you are proposing losing another 105 posts.

Fran Unsworth: Yes, that's part of the last set of efficiencies, which we are still going through. I think we will have to continue to look at efficiencies, particularly on the licence fee side, because we are going to have to absorb inflation. If we want to do anything new, it has got to come out of that pot of money. We will want to do things that are new. We have already planned for the new services with the new money, but there are still the former services, which are licence-fee funded. If we are going to free up investment in order to keep developing, we are going to have to make savings.

- Q33 **Deidre Brock:** Are there any tensions in regard to the two different funding streams that you have now? Do you foresee any difficulties in coping with those in the future?

Fran Unsworth: Well, it makes life more complicated—

Q34 Deidre Brock: These questions are always to Ms Unsworth. Maybe we should pass it to Mr Prettejohn or Mr Dawkins.

Fran Unsworth: I wonder whether my head of finance would like to take that on.

Richard Dawkins: From a financial perspective, we have had to deal with different funding streams before, so our mechanisms for doing that are well rehearsed. We are very confident that we will be able to retain transparency and the separation of the money as it flows into the BBC World Service, and report back on it.

More broadly, a lot of our services are centralised to drive efficiency. Our technology systems are shared either across news or more broadly across the BBC. There will therefore be an inherent efficiency as the new services come on stream, because they will essentially plug into and sit on top of platforms and services that we already have in place.

Q35 Deidre Brock: Given that you have had to make considerable savings over the last few years, regardless of the fact that you have had this extra money that seems to be geared towards quite specific products, how do you feel you have protected the quality of the product? Do you feel that you have managed to do that? Are there any areas that you have concerns about, given a cut of something like 25% of your staff and so on?

Fran Unsworth: There are always areas, yes. Always.

Q36 Deidre Brock: What are they?

Fran Unsworth: In every service you could probably say we could do better. If you take the Thai service, for instance, which we launched as a response to an emergency, it did pretty well, but there are only six journalists working for it. I took the view that what they were doing, they were doing as well as they could, given the fact that only six people worked for it. That is why, under the new arrangements, we have extra money to improve that. I can earmark a number of services that really struggle for funds.

There are also external reasons why we are not doing very well. In Vietnam we have quite a low audience, and the Chinese service is jammed. Yes, we could always do better. A lot of it is about the amount of resources that we have to dedicate to the service, but not always; sometimes there are external factors as well.

Q37 Deidre Brock: I am tempted to borrow a question that the Chair tends to ask. What is the one area in the World Service that keeps you awake at night, particularly in relation to the cuts that have been made in recent years?

Fran Unsworth: There are quite a few, to be honest, that have me waking up screaming at 4 in the morning. The biggest issue is probably staff safety. We are working around the world and our staff are in many difficult working environments. Last month one of our journalists working



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for the Burmese service was imprisoned for three months, ostensibly for knocking over a policeman—something that never would have received that kind of a sentence in the UK. Staff working in many parts of the world receive regular death threats about the content that they are putting on air—particularly in parts of the world such as Afghanistan or Pakistan. The biggest area of challenge for the World Service is how to keep its team safe against hostile forces. It is not always Governments; it is often organised crime in the area.

- Q38 Chair:** So that is No. 1. We should put on the record as a Committee that we recognise the danger zones that a lot of very good journalists put themselves into. What else keeps you awake at night? There must be lots of things.

Fran Unsworth: The other thing keeping me awake at the moment, of course, is the new money. We have an enormous challenge here. We have a massive recruitment job to do in some parts of the world, where it is not going to be easy to recruit journalists at all, and then we have got to train them all in BBC editorial values. That is a big headache for us. There is a huge technology project around this. A lot of these jobs will be overseas, particularly in Africa and India, where we will be making substantial investment in infrastructure to deliver them in office space. Connectivity is the key thing here. We talk about broadband speed in this country, but in many parts of the world it is very slow. We are going to be reliant on delivering services that have to talk to London in order to deliver them. That is a massive challenge we are facing. Those are the key areas at the moment.

- Q39 Chris Evans:** If we can go to figure 3 on page 14, I am just looking at the targets. I am quite interested in how business comes up with a target. The first two are, "To rate higher than its international competitors for 'helps to keep me informed'", and, "To rate higher than its competitors for 'most trusted international news provider'". Those are very vague targets that are difficult to measure. How can you say you are doing better from one year to the next? It seems a very strange thing to be in an NAO Report, to be honest. We would rather be talking about hard figures. Do you agree with that? It is quite vague. I can't look at, touch or feel this, and I could if I had seen hard evidence.

Fran Unsworth: These are the kinds of targets that we apply to UK services as well. It is all about trust: "Do you trust us more than you do other news providers?" That is a pretty standard target.

- Q40 Chris Evans:** But isn't it a case of who you are asking the question to? It is not scientific. Can you see what I'm driving at? If I ask you, "Does the BBC help keep you informed? Is the BBC the most trusted international news provider?" all four of you will say, "Yes." But if you go around the room, other people might say, "No." Do you see what I mean? It is a very subjective target, and I don't think it really helps in this Report, if you see where I am coming from.

Fran Unsworth: It is benchmarked against other news providers.



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- Q41 **Chris Evans:** But who are the sample of people you have been asking? I remember Bob Worcester, who founded a polling company, saying once that there is more chance of being hit by lightning than being asked by a polling company what you think. Who are the sample of people you are asking? That is what I am driving at.

Fran Unsworth: Let me try to explain how we do audience figures around the world. Some of the places that we are broadcasting to are war-torn, so going out and conducting a scientific statistical survey in Iraq or—

- Q42 **Chris Evans:** Don't you think that could be the last thing on their mind—whether they trust the BBC or not?

Fran Unsworth: Even asking them at all presents its own challenges, to be quite honest. The NAO Report has made some helpful suggestions around transparency in how we do it, which are useful for us to take on board. The way we do it is by using the equivalent of BARB and RAJAR in every individual country, if there is one—of course in many parts of the world there is not—and then surveying countries. We survey a number of countries annually, but we do not survey them all every year because that would probably cost us an awful lot of money. If we cannot get in to survey these countries, we conduct telephone surveys. Of course, in the digital space, we have the analytics and we can see the page views. That gives us what we think is a reasonably robust audience measurement. We only ever count a user once, but in fact most people who use BBC services around the world are not using just one service. They might be looking at a website, they might be looking at a language service or they might see something on BBC World News, the international television channel in English. But that is screened out; they are only counted once if they have used more than one of the BBC services.

- Q43 **Chris Evans:** That leads me to my question, because the third target is to “reach an estimated weekly global audience of at least 200 million adults across all platforms, including its core radio service.” Why are we talking about estimated figures? You said that across all platforms, they are being measured once. That is 200 million individuals who are actually using your services. Why are they estimated? Is it because of what you said about the war-torn regions?

Fran Unsworth: Yes, for the reasons I said. It is difficult in many parts of the world to actually carry out detailed surveys in quite the way that we would in a western European country.

- Q44 **Chair:** Obviously, for the rest of the BBC you are looking at cost per user, but is that the reason that you do not assess cost per user for the World Service? Have you tried extrapolating it?

Fran Unsworth: We do have a measure for cost per user.

- Q45 **Chair:** It's not reported, though, is it?

Fran Unsworth: I think it's in the Report. The NAO looked at some services where there was a high cost per user.



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Peter Gray: The figures are cited in figure 16 on page 31. The point that we are making is that there were a number of criteria that the World Service used to decide whether a service should be provided. Those criteria are set out in paragraph 2.19. We could not find evidence that the cost-effectiveness criterion was being explicitly used.

Q46 **Chair:** Do you want to comment on that, Ms Unsworth, before I go back to Chris Evans?

Fran Unsworth: I would say that it is used in the sense that, yes, we are aware of it, but it is not the whole story. For instance, if you applied the cost-per-user criteria to whether you wanted to stay in a service, you would be shutting down things that I think we—

Q47 **Chair:** I think we would agree with you. I suppose the point is that it is a measure, even if there are imperfections. You are saying that you do use that measure in the mix.

Fran Unsworth: Yes, and that measure was used in order to decide what our strategy was back in 2010 about which services to close. It was only one of the measures, though.

Q48 **Chris Evans:** The way you are collecting data seems very haphazard to me. Paragraph 15 of the summary says: "The Service could report more fully on the level of uncertainty of its estimated audience figure". So you can't say with certainty that you are going to hit that figure anyway, or you can't say how many adults—it seems to me a strange target to have, when you have said that there are problems with the uncertainty of your estimated audience, so why is that target figure in there?

Fran Unsworth: Because it is our best guess.

Q49 **Chris Evans:** Are you putting your finger in the air? That is what it sounds like.

Fran Unsworth: It is our best guess, and we think it is fairly accurate. If you are saying, "Can you be absolutely sure that that figure is totally accurate?", the answer is no—you have to play in the reservations that I have already outlined about the number of surveys we do and the ability to do them in certain parts of the world.

The other aspect of it is how much you actually want to spend on this kind of thing. We could spend an awful lot more on surveying the audience, but we would have to take the money out of production in order to spend it on measurement. This is our best estimate, given the mechanism we apply to do it, the circumstances on the ground we are operating in, and what proportion of our budget we want to apply to this.

Q50 **Chris Evans:** But my argument is this: what is the point in having a target that you cannot be certain you will achieve? What is the point in even surveying anybody if all you can come up with is an estimated target or an estimated figure? I am not talking about employing a polling company to go out and survey everybody who uses it, but it seems quite pointless to have a system that—



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Hugh Elliott: Since these are targets that have been agreed with the Foreign and Commonwealth Office, can I give our perspective on that? I agree with you. You are quite right; these are imperfect, but in this business, you do not have perfect measurements. You do not have perfect metrics in broadcasting. It is not possible, in the broadcasting environment in which the World Service is operating, to have those. So when we are agreeing these targets, we are thinking, "What is the best you can do in this particular business?" The choice is therefore to have imperfect targets or not to have targets.

We want to have targets. Those targets are based on the best understanding of where the projections are likely to go. They are based on trends—how performance has been in the past and what is stretching in the future. As we have discussed—I would agree—what looked stretching three years ago may not look stretching now, because the business is changing so rapidly and so fundamentally due to the introduction of digital. It is a particularly difficult area at this time, but the choice at the end is either to have targets that are imperfect or not to have them.

- Q51 **Chris Evans:** If you come from a business background, you know that targets are best achieved when they are specific. My argument is that this is targets for targets' sake. This is the FCO trying to adopt a business ethos when it is difficult to measure how well the Service is doing at the moment. Would it not be better to have one specific target that could be achieved and measured, rather than targets that you have kind of made up? To be brutally honest, the first two are pointless because they are hard to measure.

Chair: I think we have gone round this a bit. We need to have a brief response from the witnesses and then move on.

Fran Unsworth: We would not be able to demonstrate value for money to the licence payer or to the taxpayer if we did not have any targets at all.

Chris Evans: But it would surely be easier to have one target than to have these amorphous targets that are quite vague.

Chair: I think we should let Ms Unsworth answer. You have made the point a couple of times.

Chris Evans: Sorry, Chair.

Fran Unsworth: Targets are a useful mechanism to drive ambition by editors and to say where we should be going. As I said earlier, they are not the be-all and end-all.

Chair: I think we got that message.

Hugh Elliott: In our view, this is not a business where there are absolutely specific better targets. If there were, we would be happy to look at them and to discuss them.

- Q52 **Chair:** There are issues around where you do not have services, Ms



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Unsworth. You have put in the Thai service. Are there other examples of where you have done that? Although it is not quite what Mr Evans was driving at, it is a specific outcome that can be shown when you have gone into an area where there is not a service, because of an emergency. We have picked up on the Thai service; is there anything else you want to highlight from recent years?

Fran Unsworth: We have not been in the business of launching new services, to be honest. We went down from 40 to 29.

Q53 **Chair:** Are there not-spots where you would like to be?

Fran Unsworth: We have earmarked areas, as part of our plans for the new money, where we think we have a role to play in serving audience need, and have an opportunity in terms of audiences we can reach. Africa has audiences of need, and the BBC has a very strong brand already in Africa. That has determined our rationale about our plans for the new money.

Q54 **Deidre Brock:** I am sorry for harping on about targets again, but this question is about the audience satisfaction targets. You now have targets to achieve higher ratings than your international competitors for “most trusted international news provider” and “helps to keep me informed”. That has changed. Formerly, your targets were rather more specific: the Service had to be rated more highly than its closest competitor for awareness, reach, objectivity, relevance, value and loyalty. Why was it reduced to that extent? Why did you take the decision to narrow your focus? Was there any one issue that caused you to do that?

Fran Unsworth: Which—

Deidre Brock: Forgive me—paragraph 3.4, in relation to figure 18.

Fran Unsworth: Which page are you on?

Deidre Brock: Page 33.

Chair: You were talking about this earlier, Ms Unsworth, so you don’t need to add a great deal. Figure 18 gives the international comparisons you make and the areas in which you make those comparisons.

Q55 **Deidre Brock:** They seem rather vaguer than your targets were previously. Paragraph 3.4 talks about the previous targets that the Service was rated by.

Richard Dawkins: This relates back to the way the operating licence was constructed. If you look within it, the actual objectives are to be the “most trusted” news provider in the world, and that is through independent, impartial reporting. The way the question is now phrased is to have a direct mapping back to the objective that the operating licence sets.

Q56 **Chair:** So that is down to the Trust?

Nicholas Prettejohn: It is down to the licence, which is a function of the Trust and the Executive, and the targets that come out of it are with the Foreign Office as well.

Q57 **Deidre Brock:** The Foreign Office?

Nicholas Prettejohn: Yes, so it is a tripartite discussion, in terms of the targets.

Q58 **Chair:** The question Ms Brock is driving at is: does that diminish your ability to measure what is going on? It is a change, so what is the effect of that change? Who would like to take that question?

Hugh Elliott: Simply from my perspective, I can completely understand, reading this, why it does seem on the face of it to be a bit vaguer. Beyond the fact that it was set to reflect the operating licence, I am not aware of the discussions that took place before that on this specific point, but I would be very happy to look into it and write to the Committee, if that's helpful.

Q59 **Deidre Brock:** Yes, that would be very helpful. Is it right that you surveyed 12 countries in the audience satisfaction survey?

Chair: Who are you addressing that to?

Deidre Brock: I am not sure—Ms Unsworth, perhaps.

Fran Unsworth: We survey a different number of countries every year.

Q60 **Deidre Brock:** I see, so it's a rolling thing.

Fran Unsworth: Yes, it's a rolling thing; we do a number of them every year. Some of the data in the audience surveys are some years older than others.

Q61 **Deidre Brock:** Some are up to 10 years older, aren't they?

Fran Unsworth: I think none of them are actually that much now, but I think that was one of the helpful suggestions that the NAO made—that that's too old.

Q62 **Chair:** Well, that's what struck us. So what would be your aim for how long it should be?

Fran Unsworth: It is a really good and interesting question. In a way, the world is moving so quickly that anything older than five years is really not going to be of great value, to be honest. The growth in smartphone usage is going up—

Q63 **Chair:** Do you have more granular data? As Ms Brock has highlighted, you have these data that go back a long way, across 12 countries on a rolling basis. You must know what that year's survey shows, as internal information. You don't publish that particular year's snapshot though, do you?



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Fran Unsworth: No, I don't think we do, but we do have that information.

Q64 **Chair:** So why don't you publish it? Is there any particular reason?

Fran Unsworth: No, I don't know, really.

Q65 **Chair:** It might be quite helpful, as licence fee payers are paying for this now, to know, "In year X in Thailand"—

Nicholas Prettejohn: In the normal course of events, every three years or so, the Trust would do a service licence review of each service. We would have been doing one of those probably next year. In that service licence review, one of the things that we would look at, among many others, would be measures of audience satisfaction and so on. So we would look at all forms of research, and those reports are published. Over a regular cycle, you would see a whole raft of different measures that would look at the performance of the World Service. How that will work in future remains to be seen.

Q66 **Chair:** To put it very simply, let's say that I am a taxpayer—a member of the public. I see the World Service is working in whatever country, and I would like to look up and see some data about who is using it. Could I do that?

Nicholas Prettejohn: You would not be able to do it on an annual basis for all countries.

Q67 **Chair:** Not on an annual basis, but if that year they had been surveyed, could you look up that year, if it was last year or two years ago, and say, "That was the figure or satisfaction rating for that country"?

Fran Unsworth: We could. I think it comes back to the point I was making earlier: we could go out and employ a lot more people to provide that kind of data. It is a question of how cost-effective it is to do that.

Q68 **Chair:** Forgive me, Ms Unsworth; I am not suggesting that you do more of it, but is what you do readily and easily available to the taxpayer who is funding the licence fee that is funding the World Service?

Fran Unsworth: No, because if you take a particular service, there may have been a survey done that year, but of course there will be other data into that as well.

Q69 **Chair:** Whatever data you have, if I wanted to find out what was happening, what satisfaction levels were, or any information about a service that the World Service is providing in a country, could I find that information relatively easily as a British taxpayer?

Fran Unsworth: Well, it is not published at the moment, no.

Q70 **Chair:** But is there any reason why you could not publish it?

Fran Unsworth: No, there isn't any reason why it shouldn't be published. The only reason that I would somewhat caution against it is that it does



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drive you down that path that I have already cautioned against, which is that it is not all about targets.

Q71 **Chair:** Sorry, it is more about the information than targets.

Fran Unsworth: But if you put it out there, then you can be judged on that. Take the new money that we have; if we were to say in a year's time what the targets are that we have met, it is a bit meaningless. We have only just got the services up and running.

Q72 **Chair:** You can always explain figures if they are there for people to see and understand.

Nicholas Prettejohn: I guess that is back to the point I was making before about the service licence reviews, which would take precisely that kind of data and analyse it and then draw some conclusions from it, with the potential ranges of interpretation around it. You would not necessarily see the raw data presented in uninterpreted form, but our job currently as the BBC Trust, on behalf of the licence fee payer, is to look at that data and try to ask the sort of questions you have asked.

Q73 **Chair:** I am going to bring in Sir Amyas Morse in a moment, but I wondered if there are any commercial confidentiality issues mixed up in this. If you are providing that information, would that—

Hugh Elliott: No.

Chair: No, okay. Sir Amyas Morse.

Sir Amyas Morse: As far as these targets are concerned, I just want to understand. You said that you just reviewed them again, Ms Unsworth. Did you decide to adjust them at all? You said you have only just now been looking at your targets again—you told us that at the beginning. Have you adjusted them as a result of that?

Fran Unsworth: No, we haven't, actually.

Sir Amyas Morse: Okay. So that makes three years that you haven't adjusted your targets, even though you have had three years' experience in the meantime of actually operating in this new environment. I am not saying that you should have put them up or down, but it sounds a bit odd that you haven't adjusted them at all.

Fran Unsworth: Let me just finish the sentence. Of course, we have just got this new investment, so they have been adjusted where we are putting money into new services. As part of the new money, those targets have been set. Arabic is receiving a huge tranche of money and we have set new targets for Arabic about what we expect that new money to be delivering. We have set some targets and we have also looked informally—this is an issue about the difference between whether we have reported them internally and whether we reported them to the Trust or not. We have said, for instance, "Chinese—that's low, isn't it? We need to do something about that. What are we going to do about it?" and we have come up with a strategy that looks at what we might do about it.



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Sir Amyas Morse: All I am saying is that given that you have got targets set for you by the Trust and you have agreed them, they are not the only thing and we are not arguing that, but it does seem to me sensible, normal management practice to adjust them each year in the light of experience. That is really all—I don't regard it as the biggest thing in the world. It is just normal to do it, I would have thought.

Fran Unsworth: I would say that annually is not necessarily an appropriate timescale.

Sir Amyas Morse: Triennially? Does that make sense?

Fran Unsworth: As I said, we hold this budget round every year and look at what the services are doing. We say, "They're not doing well enough. They need to do something better."

Sir Amyas Morse: But then you don't revise the targets.

Fran Unsworth: It's a question of formally writing it down and setting objectives for each individual language service head, which we do.

Nicholas Prettejohn: And that certainly would have been happening at the end of this year as a reflection at the end of the three-year period under the existing governance structure. Quite how that would work under the new governance structure is envisaged by the White Paper. I am not entirely clear, but I would expect the new unitary board of the BBC in the first instance to take a strong interest and lead in setting those targets.

Q74 **Chair:** You mention the unitary board, Mr Prettejohn. Since we last met, I do not know whether there have been any further discussions about the make-up of that board. Will there be someone with the necessary experience of the World Service on it? There will be on the executive side, I suppose, but what about the non-exec side?

Nicholas Prettejohn: I do not know whether there will be or not.

Chair: It is still in flux.

Nicholas Prettejohn: Any unitary board is going to regard the World Service as an extraordinarily important part of the overall service that the BBC provides, so I cannot imagine that it will lack attention or interest.

Chair: I am sure that our sister Committee will be watching.

Fran Unsworth: May I just make another point about targets, which I do not think I have had the opportunity to make? Another aspect is out of our hands, and that is the regulatory structure of the countries in which we are broadcasting. Take a country like Nigeria, for instance. They decided that they did not want to allow foreign broadcasters to broadcast on FM. That was a few years ago. We lost 4 million of our audience overnight through nothing to do with anything that the World Service had done as part of its strategy. There was a "Panorama" programme on Rwanda. Another part of the BBC made a programme, put it out and we were



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thrown off the transmitters on FM in Rwanda. All those things play into what your audience is.

Chair: We are saying that the more sunlight that is shone on this and the more public information there is, people can make their own judgments. As a very capable leader of the organisation, I am sure you could explain that to people as you are explaining it to us. There is nothing to be frightened of. We believe very much in not creating burdens, but giving information so that the licence fee payer can see for themselves.

- Q75 **Chris Evans:** This is a question to Mr Prettejohn. I am sorry to keep banging on about targets, but are you happy when the Service is reporting that it has met all its targets, but the data does not specifically relate to the Service itself and is based on BBC News?

Nicholas Prettejohn: I think—and this applies to targets in general—that so long as one understands the deficiencies in the definition of the target and the tolerances around it, that is fine. If you are presented with a target where those drawbacks and uncertainties are not made clear, that is a different matter. We were well aware of the nature of estimation involved in the targets, so as far as we were concerned that was an acceptable situation.

- Q76 **Chris Evans:** The Report is pretty good, but if the service was failing in any way, it could be covered up by how well BBC News is doing. The Service could piggyback on BBC News, if it wanted to.

Fran Unsworth: I can pick up here. The audience does not experience the BBC in terms of the World Service. As far as the audience is concerned, it is all BBC News to them. In fact, the only thing that is called BBC World Service is the English language bit of it on radio. If you were to say to the Arabic world, "Have you heard of the World Service?", they would say no, but if you asked them, "Have you heard of BBC Arabic?" or, for the Latin American market, "Have you heard of BBC Mundo?", they would say yes. That is why stripping out the World Service as a metric will not actually tell you very much. That is not how the audience experience it.

- Q77 **Chris Evans:** But you just said in your answer that overseas audiences do not differentiate between the BBC's different overseas brands. That is in the Report at paragraph 3.16. The Report states that the BBC "considers BBC News to be a good proxy". The survey was of only 12 countries, and European countries dominated and were over-represented in that group. How do you know that you are doing well there if brand recognition is limited? What do you think the contribution is to overseas if you do not really know?

Richard Dawkins: It is probably worth saying that the European countries are not over-represented in the survey.

- Q78 **Chris Evans:** It says in the Report that they are over-represented.



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Richard Dawkins: It was two countries out of 12, and the World Service is available in those countries too. We have audiences in western Europe. I do not think we would agree about representation being the issue.

- Q79 **Chris Evans:** I suppose this question is for Mr Elliott. If they do not discriminate between the various BBC brands and they all think it is BBC News or the BBC, what value are you expecting from the BBC World Service? What value were they bringing just by being the World Service?

Hugh Elliott: From my perspective, it is what people will perceive under the BBC brand. In the jurisdictions in which it operates, the different channels and forms in which it broadcasts and is received by the audience are—for that audience under that service—what they would see as the BBC.

- Q80 **Chris Evans:** But specifically what are you expecting out of the BBC World Service if they are not differentiating between brands? They are not going, “We are not watching BBC News or BBC World. We want the BBC World Service.”

Chair: Particularly in relation to the money you are giving. You are giving quite a lot of money—

Hugh Elliott: It depends entirely on the product and the country, but what I would expect is a language service—often a foreign language service—that reaches people who will not be reached by, or do not listen to, the BBC in another language. What I am looking for, and what I think my organisation and Ministers would be looking for, is the reach of the BBC to places that it would not otherwise be able to get to through other services. That, in fact, is the core of its purpose in many respects.

- Q81 **Chair:** Can I just go back to the sampling? I do not know whether you are able to disaggregate the types of people you are sampling. My hunch would be, from a Foreign Office point of view, that half the extra money would be to reach, for example, the young man or woman who might be radicalised, but the survey could be reaching academics in a country who may have different perspectives. The prize of reaching a teenager with factual news, rather than propaganda from a state broadcaster, would be very high for the Foreign Office and possibly for the World Service. Do you know that granular detail about who you are actually gathering information from?

Fran Unsworth: I think we can break it down by age group. I know that the average age of the audience for the World Service is 32.

Chair: The same as my constituency.

Fran Unsworth: The detail of the demographics I am not quite sure about, and it will obviously vary from service to service. In North America, for instance, it is a completely demographic from what it is in Africa. We have a focus on trying to reach younger audiences and placing our content on services where we are hopeful that we will reach those audiences. We developed a product last year called “BBC Minute”. It is a minute’s worth of news, which we are placing on music stations throughout Africa—it



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could go out throughout the world—with a specific purpose of reaching youth audiences who do not fit the academic profile, which is the group we suspect are consuming the BBC in many parts of the world.

Q82 **Chair:** I am not saying that they are not valuable; it is just important.

Fran Unsworth: I take your point.

Q83 **Chair:** You just mentioned North America. I think a lot of people watching this might be surprised to learn that North American radio stations can take World Service-produced content for free. Can you just explain the rationale behind that, first of all?

Fran Unsworth: Well, it is not for free.

Chair: Good. Correct me.

Fran Unsworth: It is actually our biggest revenue-raising area. We have a deal with a public radio provider who takes “Newshour” and several other programmes on a daily basis.

Q84 **Chair:** Who else pays around the world for the content they take?

Fran Unsworth: It is quite limited, to be honest. We take a limited amount of advertising on our websites and I think we take advertising in Berlin. So the World Service English goes out on Berlin FM relay, and we take advertising there and that raises some revenue. It is quite marginal.

It is a bit of mix how we get our distribution. In some cases we are charging, such as in North America. In other places, we are paying for carriage, because that is the only way we are going to reach audiences. It is quite interesting working in some parts of the world. This is where we often come up against the bigger competitors. In Kenya, for instance, where we were paying for carriage, CCTV came in and paid more.

Q85 **Chair:** Could you explain in layperson’s terms what paying for carriage means?

Fran Unsworth: It means that we pay a local provider for carrying our content.

Q86 **Chair:** If you could turn to page 19 in part two, figure 6 rather highlights some of the issues around commercial income. It is broken into three parts. There is the top part, then the six-year plan part, which is the bit with commercial income—it comes just before total funding, if people want to find that. Commercial income has really gone up very slowly. You acknowledge that it is not a significant amount. Why has it gone up at that slow pace? Do you have any plans to increase it? Perhaps Mr Dawkins could pick this up.

Richard Dawkins: We have obviously doubled it.

Q87 **Chair:** From a low base. That’s a very positive view.

Richard Dawkins: From a low base, I acknowledge that. Fran’s point is absolutely right. Our main mechanisms for generating revenue are



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essentially other providers paying us for our content on their services. In many of the markets that we operate, there is simply not an appetite for news to be paid for. Other providers want music content. News does not inherently have a high commercial value, particularly in the parts of the world that we are looking at.

From our perspective, the market is not really there. As Fran suggested, we are exploring limited forms of revenue-raising on our own platforms. Pilots are being undertaken on Arabic, Russian and Spanish websites. They are still relatively early days. We launched those trials only about two years ago and we wouldn't expect those to—

Q88 Chair: Have you got a projection for where this column will go in years to come?

Richard Dawkins: We hope it will increase. This is a deliberate attempt not to encourage our Service editors to change the nature of the editorial proposition to drive commercial revenue, because they would move into other—

Chair: It is an interesting dilemma for the BBC. Of course, it does not do it for commercial revenue in the UK. It's just that, as you have got it there, it is important to know what the plan is. So you are saying editorial independence trumps commercial at every stage. Okay, that's useful to know about. Perhaps David Mowat can probe this further.

Richard Dawkins: *indicated assent.*

Q89 David Mowat: Three million pounds a year is not nothing, though. Is there anybody in your organisation who is responsible for building that number?

Fran Unsworth: Yes.

Q90 David Mowat: Do you have a direct report whose job it is to get that to, say, £5 million?

Fran Unsworth: I have a head of business development, yes.

Q91 David Mowat: And he or she has got some kind of budget, notwithstanding the editorial point just made, and is accountable for driving that £3 million to £4 million, £5 million, in the next few years.

Fran Unsworth: Yes.

Q92 David Mowat: Accountable to you?

Fran Unsworth: Yes. There are a number of things we are exploring at the moment about increasing that revenue, around increased commercialisation.

Q93 Karin Smyth: I am fascinated by the average age of 32. I am a little bit beyond that, but I guess like many people I have spent many a long hour into the night listening to the Service, keeping those with lots of children—



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Chair: Especially at the moment—

Karin Smyth: Yes and now. Thank you for that. I very much enjoy that. I want to come back to something you said about recruitment, which you said is one of the things that keeps you awake at night on the list. I appreciate that you work in some very difficult areas. Is that about the skills in those areas? Is it about branding? Is it about competition? Is that something that you are trying to do something about?

Fran Unsworth: It is about all of those things. It varies from place to place. If you take our Persian service, everybody who came to work for the Persian service cannot return to Iran and, what is more, their families are regularly brought in for questioning by the authorities. If you want to work for the BBC's Persian service, you need to think very carefully about what that is going to mean for you and your family. That applies in parts of the world.

If you take the Arab world, there is quite a lot of media and they have quite deep pockets. We are up against other providers who pay quite substantial sums of money, so there is a recruitment issue there for us as well.

Then there is whether some parts of the world have a journalistic tradition in quite the way that we apply it in the BBC, so there is a training issue to that too. I was listening to an item on the World Service about Cambodia, where we were doing a discussion programme. The programme was interestingly saying that in Cambodia there is not a tradition of challenge; it is considered quite rude to challenge leaders and people in authority. Yet that is what we consider part of the role of the World Service output should be about. It is about how we instil those kinds of values in our journalists.

Q94 **Karin Smyth:** Thank you. I appreciate that you wouldn't want to get into the controversy, but does the withdrawal from the European Union and the movement of people and work have any impact on your ability to recruit?

Fran Unsworth: Well, most of them aren't from the EU. They are from outside the EU. It is too early to say, but I don't anticipate that.

Q95 **Chair:** For your Persian staff and others who would be persecuted or have problems once they have worked for the BBC, do they get sympathetic treatment from the Home Office if they need to permanently reside in the UK because they have worked for you?

Fran Unsworth: I am engaged in an exchange at the moment with the Home Office about looking favourably on visa applications for their families to come and visit. I think that is the kind of issue where we would like to get a bit more engagement.

Chair: That is interesting. I am sure that some of us will have them in our constituencies, and I am sure we will be keen to help.



Q96 Deidre Brock: Quickly, Mr Prettejohn and Mr Elliott, apart from discussing setting targets and very occasionally approving the opening of a new language service, what else does your oversight of the World Service consist of?

Nicholas Prettejohn: As I said earlier, had the Trust continued to exist, we would have been doing a full service review during probably the first part of next year. That would have been an in-depth look at whether the World Service was fulfilling the terms of its licence. That would have formed the central part of our review.

As part of our natural performance monitoring, we get a quarterly performance report that looks in some detail at the whole of the BBC. We also get the opportunity on a monthly basis to raise issues with the director-general and other senior members of the team. One way or another, there is plenty of opportunity and plenty of discussion of all the services, and that would include the World Service. We ask questions about the World Service pretty regularly.

Hugh Elliott: From our perspective, there are three things. First, the process of overseeing those objectives, priorities and targets, as the Report rightly flags, is the core of our oversight.

Secondly, we have gone in the period we are looking at from a position where the World Service was funded through the Foreign and Commonwealth Office, then through the licence fee, and now we are into, as we have discussed, a hybrid situation, where there is additional funding through the Foreign Office. So the second area is the governance processes around the new funding. We are establishing those now and my team and Fran's team are working through the detail of that. That will involve looking at what the right targets and the right processes for oversight should be, and what the right reporting and transparency should be. That touches on some of the things we have been talking about for that funding.

The third, which isn't really oversight but is important to mention, is that there is also collaboration around the world. The Foreign and Commonwealth Office has an extensive network and the BBC World Service has an extensive network. It is in both our interests and the interests of the United Kingdom that we collaborate where we can.

Q97 Deidre Brock: Is the British Council involved in the relationships that you have?

Fran Unsworth: No, not formally. We have relationships with the British Council because they operate in many of the parts of the world that we do too, but we don't have a formal relationship with them.

Q98 Chris Evans: Mr Prettejohn, one of the final paragraphs of the Report, paragraph 3.17, says: "The BBC commissioned consultants in 2013 to examine retrospectively the indirect economic impact of its international output, covering both its commercial and public services." How much did that cost, and what did they report?



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Nicholas Prettejohn: I don't know the answer to that question, but I can come back to you.

Q99 **Chris Evans:** Okay. If you don't know anything about that, that's fine.

Nicholas Prettejohn: I don't know the specific answer to that question.

Q100 **Chair:** Fran Unsworth, you talked about Rwanda earlier. When I visited Rwanda, there was a bit of an issue with the BBC, but the European Union was providing training to journalists. As you say, there is not a tradition in Rwanda, as there is in some other places. Does the World Service provide training to journalists in countries? Which particular areas are you working in, if you are doing that?

Fran Unsworth: Yes, we do. Actually, we take a sort of in-kind approach with our partners around the world. In some cases, we give them money for carrying the World Service, in some cases they give us money, and in some cases we train their journalists. That is the kind of training—

Q101 **Chair:** And it is with the partners you have vetted as meeting the values of the BBC World Service?

Fran Unsworth: Yes. And then, of course, there is also BBC Media Action, which trains journalists, too.

Q102 **Chair:** Going back to the issue of the separate sources of funding, obviously you have got this large amount of Foreign Office funding coming. As you rightly highlighted, it is a challenge. I am sure we will have you back in two or three years' time to see how that is going. You are going to have funding coming in from two different funding streams. That might create all sorts of management challenges and tensions between services, if one needs money but you have got money for another. How are you going to manage that process over the next four years of this Parliament?

Fran Unsworth: Managerially, rather than in an accounting sense?

Chair: Yes.

Fran Unsworth: There is an issue about attention being on the new things in the World Service. In fact, every service benefits to some extent from the new money, because it is being earmarked for digital and video transformation. All of the services will have some investment in how they produce more video for their websites, for social media and for what they are doing. Everybody gets a little bit of something out of the new money in that respect. Yes, there is a focus in New Broadcasting House on some services where there are lots of things going on, and others feel, "What about us?".

Q103 **Chair:** Finally, may I ask not Mr Dawkins but the other three of you what you would see as the successful outcomes for the World Service by the end of this Parliament? You have got your targets—we have talked about that—but, Mr Elliott, what would you like to see the extra money and investment achieve? Mr Prettejohn, what would the Trust like to have



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seen? Then we will come to Ms Unsworth.

Hugh Elliott: With the extra money, and with the World Service more broadly, I would like to see those audiences being reached and new audiences being developed. I would like to see, through the BBC, the UK and our values being projected into parts of the world that are really difficult to reach, many of which are deprived of independent, impartial and high-quality journalism at the moment. I would like to see the UK better known for the right reasons in those parts of the world. We have got an ambitious growth agenda there. I think it is excellent that we've got that; it is entirely right that we have got that. I would like, I suppose, by the end of that period to see us looking ambitiously at further areas where we can go.

Chair: So that might be further money, Ms Unsworth. You heard it here first. I don't think Mr Elliott has that power; it might be No. 11.

Nicholas Prettejohn: I would endorse those thoughts entirely. The overarching thing I would add is that I would like the reputation and rating of the BBC for those audiences around the world to be at least as strong, if not stronger, in the future than it is at the moment. That is obviously highly desirable when in current and likely future circumstances, it will be all the more important. That is no mean challenge, given all the tensions that there are in the world, on the one hand, and the technology changes on the other, which don't always make it easy for that reputation for impartiality and authoritativeness to be maintained. That is a significant challenge for a media organisation that is operating across those different platforms. It is really important. It is such an important and valuable part of what the BBC does.

Fran Unsworth: I second all that, and I would like to see the money really being used to make a difference in terms of our reach and all the metrics and quality. I would also like it to be used to provide journalism that is noticed, that makes waves, that is challenging, that makes a difference to civic society—because I think that is a key part of what the World Service needs to be doing—and that helps people make decisions about their leaders. Producing journalism that really makes a difference—that is the only thing that I would add.

Q104 **Chair:** That's great. They are hard to measure and will be discussed a lot. What about the commercial side and raising money? You have got this direct report, which Mr Mowat highlighted.

Fran Unsworth: Yes, I would like to take further opportunities as far as possible to exploit as much as we can in the commercial space, in order to reduce as far as possible any future burdens on licence payers, as long as there is the proviso that I have already explained: that it does not affect our editorial mission. If you are producing a commercial news service, and part of the World Service Group does produce a commercial news service, you have a different editorial proposition from the one that the World Service is up to.

Q105 **Chair:** We absolutely appreciate what you say. Going back to this issue of



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the second tranche of money from the Foreign Office, which is short term, you have talked quite a bit about the challenges of that. As much as Mr Elliott has a desire in his mind to see it continue, you never know. We don't know where we will be in four years' time. You could find that it stops abruptly. You have explained how it is going to be focused on digital. Can you tell us anything about what that money will be spent on that will be for long-term gain, beyond the end of the funding, and what might just have to halt if the funding went?

Fran Unsworth: I was going to say that we might have to pull out of the language services we are going into—that is 11 new language services. Of course, that is not quite clear cut because we might decide that it is more valuable to stay in those than in others.

Q106 **Chair:** You might lose some journalists on the ground, basically.

Fran Unsworth: Yes. At this stage, although we have a plan for how we would scale down if the money were not there, in the light of changing market circumstances, we might well want to adapt that when we get there.

Q107 **Chair:** To me, the timing of when any decision is made on whether or not any funding continues to come from the Foreign Office is quite important, because if you are recruiting and training people in very specific languages and then they go, you are not always going to get them back, and you have to start all over again. What is the optimum time that you would need a decision to be made by the Government and the Foreign Office on continuing to fund you? I suppose, potentially, that could come from the BBC licence fee.

Fran Unsworth: Truthfully, we think it is in about 18 months' time.

Chair: So, quite soon. Okay, that is very helpful for us to know. Thank you very much indeed. Do any other members have any final questions or points? No.

Thank you very much indeed for your candid evidence. We are not sure when our report will be ready. There is a lot going on in Parliament at the moment. It may not be until September, just to warn you, but our uncorrected transcript of this hearing will be up on the website and you will be sent a copy in the next couple of days. If you have any corrections, please let us know. We look forward to seeing you again at some point, maybe in 18 months' time. It might be an interesting time to come.

Fran Unsworth: I shall look forward to it.

Chair: We will relay that particular bit of news to our sister Committee, the Committee on Culture, Media and Sport. Thank you very much indeed.