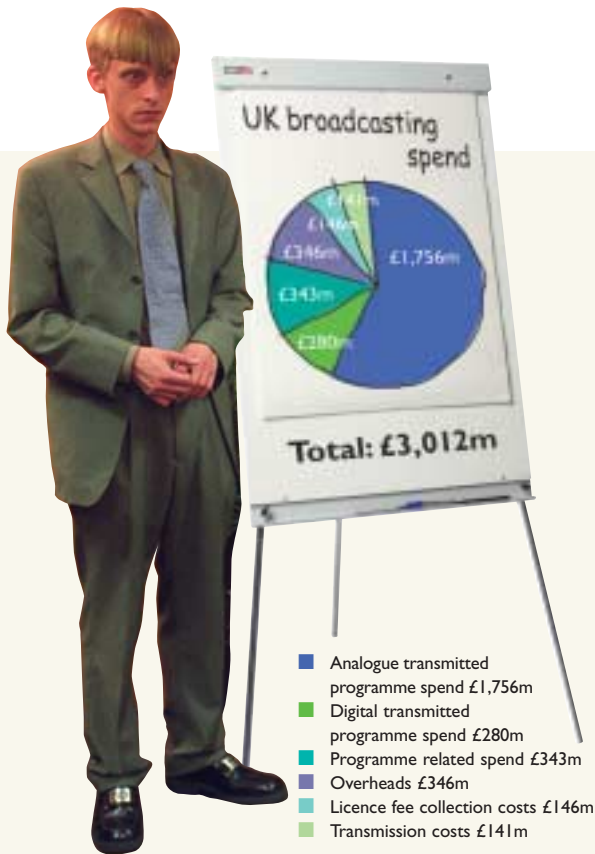


Summary of the year



These figures are explained in more detail on page 95

In 2002/2003 the BBC:

- Spent an additional £346million on UK programmes and services as a result of increased income and savings
- Improved licence fee collection and reduced evasion, increasing income by £54million
- Funded more public service programmes through a £124million cash return from its commercial subsidiaries, which also contributed to reductions in support costs
- Reduced overheads to 13% from 24% three years ago
- Spent 86% of transmitted programme spend on analogue services

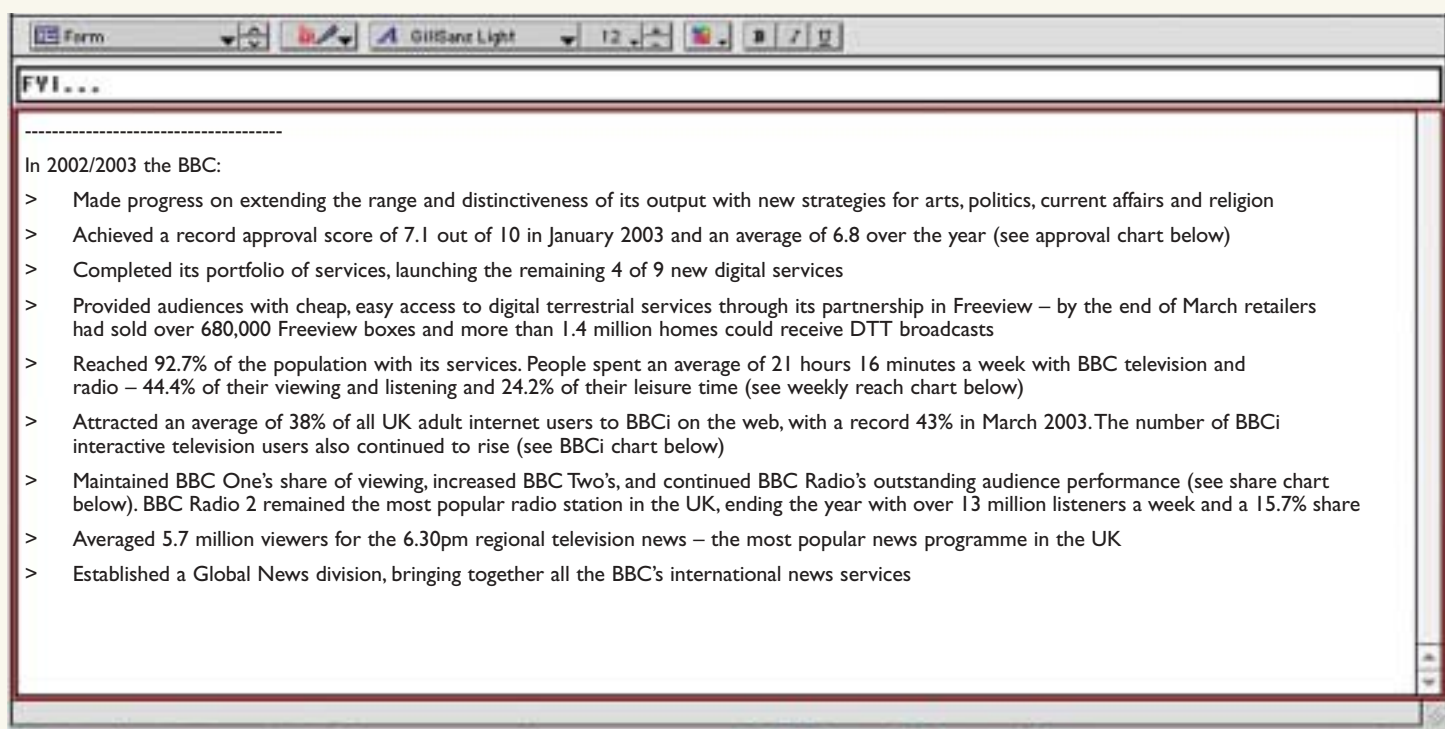
Programme spend by genre



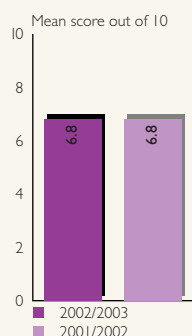
Spend on local television and radio in the Nations and English Regions

In addition to the local spend shown below, £325million was spent outside London on network television and radio





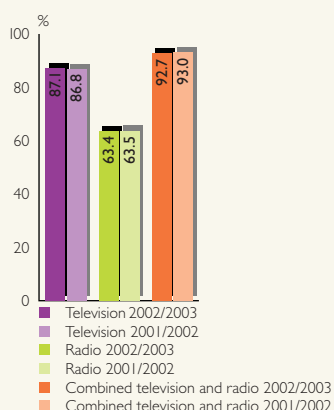
Audience approval of the BBC



Source: National broadcast survey

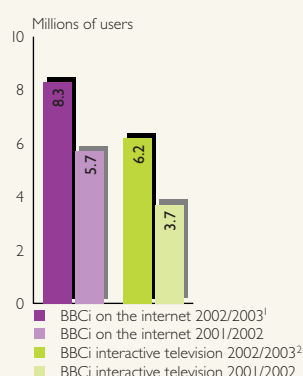
See glossary page 133 for an explanation of the measures used here

Weekly reach of BBC services



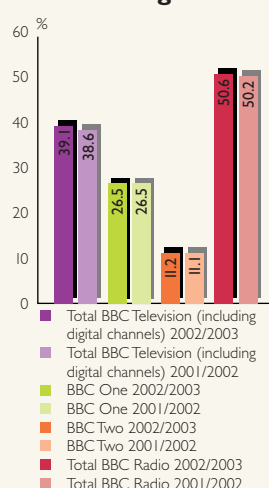
Source: BARB, TNS/Infosys, RAJAR, age 4+, average 15-minute weekly reach for the year

BBCi on the internet and interactive television use



Source: ¹BMRB Access (monthly reach)
²Interactive television tracking study (monthly reach)

BBC share of viewing and listening



Source: BARB, TNS/Infosys, RAJAR, age 4+, average share for the year



Governors' assessment of performance

As Governors, we are responsible for judging how effectively the BBC is fulfilling its public service remit. We monitor the delivery of key objectives which we set last year and assess the performance of every BBC service against a published Statement of Programme Policy. We are advised by a network of advisory bodies across the UK and are supported by a team of professionals, independent of BBC management. This is our assessment of a year of strong BBC performance.

Objective 1: Underpin the BBC's public service remit by extending the range and quality of its radio and television services, with a focus on broadcasting more high-impact, memorable programmes, particularly arts and current affairs.

This year has seen delivery of distinctive, high-impact and memorable programming across the extended range of BBC services on both radio and television. In response to our previous concerns, arts programming on television is showing strong signs of revitalisation. We are also pleased to see new initiatives in current affairs. The main challenges now lie in consistently achieving quality across all BBC content and in the development of a strong, integrated portfolio of services which complement each other.

Network radio has had an excellent year. BBC Radio 4 was voted Sony Station of the Year and for the first time its audience reach exceeded 10 million. It has also been a particularly good year for BBC Radio Five Live with the football World Cup and the Commonwealth Games in Manchester. Overall, BBC Radio ended the year with a weekly audience reach of 67.9% and achieved an average approval score of 7.8 out of ten across all of its services.

Three years ago, we approved a large increase in investment in BBC Television in direct support of this objective and the schedules during this year have reflected the impact of that increase. Real improvements have been achieved on BBC One and BBC Two schedules with strong performances across genres. Highlights include *Great Britons*, *Moses*, *The Fall of Milosevic*, Stephen Poliakoff's *The Lost Prince*, *The Gathering Storm* and *The Office*, as well as outstanding coverage of live events like the Jubilee celebrations.

We approved a new arts strategy for television to build on some high-impact output this year including programmes on Turner, Jane Austen, George Eliot and Vivaldi as well as *Rolf on Art* and Peter Ackroyd's *Dickens*. This year will see further onscreen results, including a new arts strand, *Imagine*, on BBC One.

Current affairs programming has witnessed a revival during the year with significant successes both in long-running strands like *Panorama* and experimentation in new formats like *Real Story*. Event days running across the BBC's services focused on crime and Iraq and reached a total of more than 20 million people. A new peaktime current affairs series will launch later this year on BBC Two. Radio too has had notable successes with *File on Four: Mothers of Dead Babies*, *The Cuban Missile Crisis*, *With Us or Against Us* and *The Making of Saddam*.

The recommendations from the politics review conducted last year are now being implemented and, although it is too soon to judge their overall success, we are satisfied with the ambition of the new programming to engage a wider audience in politics. Some of the early signs are positive with the *Politics Show* recording a 25% increase in audience compared with its predecessor, *On the Record*.

Over the next year, we expect BBC One and BBC Two to work more closely together on scheduling to avoid both channels showing programmes of the same genre at the same time. In addition, we welcome the fact that BBC Two will change its peaktime mix to make its offer more distinctive, mainly by reducing lifestyle programming.

Objective 2: Strengthen the BBC's digital services, to ensure that the overall portfolio has something of value for everyone, provides a wide range of interactive learning opportunities and helps to drive digital take-up.

Following the strengthening of the BBC's digital services, which we believe will help to drive digital take-up on both radio and television, attention now needs to focus on making the portfolio work effectively for audiences, and on further developing the range of interactive learning opportunities on television.



Far left: Niclas Fasth lining up a putt at the 34th Ryder Cup at The Belfry.

Left: Rolf Harris portrayed himself as Toulouse-Lautrec in his second series of *Rolf on Art*.

Right: Allan Little in Havana where he explored the Soviet and Cuban sides to the story of the missile crisis on its 40th anniversary for BBC Radio 4.



2002/2003 has been a landmark year with the launch of the final elements of the digital portfolio developed by the BBC in 2000 and subsequently approved by the Secretary of State. We commend the significant effort made to launch BBC Three and three digital radio networks to complete the BBC's digital offering of eight television and ten radio networks.

There have been some notable successes. The BBC's digital-only television services now reach 35% of digital households compared to 23% last year; and the digital radio networks are already listened to by a larger audience than anticipated with listeners tuning in via digital television and the internet. CBeebies, which launched in February 2002, has established itself as the leading children's channel in the UK. While other services have taken longer to establish themselves, these channels are being launched into a competitive market and will need several years to build audiences. We will monitor their cost and performance closely as they develop further.

A highlight of the past year has been the BBC's commitment to the future of digital terrestrial television through the launch of Freeview. Over 680,000 digital terrestrial boxes were sold by retailers between Freeview's launch in October and the end of March, bringing the total number of homes capable of receiving digital terrestrial television to 1.4 million.

Encouraging progress has been made in the development of interactive learning services. 37 new interactive services were launched around television output such as *The Life of Mammals*, compared with five the previous year. The BBC's broadband television trial in Hull has successfully demonstrated how locally-focused television services can be delivered in a digital environment. The Digital Curriculum, the BBC's online curriculum service, which was approved by the Government in January, will bring our digital learning ambitions to fruition.

We look forward to the Government's review of the purpose and role of the BBC's online services in the light of their success to date.

Improving awareness and audiences for the new digital channels is a priority, and for this reason we have included an extra element in this objective for the year ahead. Objective 2 (2003/2004): Strengthen the BBC's digital services, with the aim of providing something of value for all digital audiences.



Above right: Ross Boatman as JMW Turner in a dramatized biography of Britain's greatest landscape painter.

Right: Tamzin Outhwaite and Danny Young in the drama *Out of Control*, part of the *Cracking Crime* day.

Left: *The Life of Mammals* website attracted 300,000 page impressions a week.

Governors' assessment of performance

In particular provide a wide range of interactive learning opportunities and help to drive digital take-up by extending the availability of the services and focusing on cross-channel commissioning and scheduling.

Objective 3: Bring younger audiences to BBC services by developing bold and innovative programmes and content with a particular focus on making the BBC's news and current affairs more relevant and engaging for this group without diminishing the BBC's commitment to parliamentary reporting.

New services and programming have been launched for younger viewers and we will be monitoring closely the progress of these initiatives over the coming year.

Significant effort has been made over the last year to try to reverse the long-term fall in consumption of the BBC's services amongst under 35s by launching two new targeted services, BBC Three and iXtra. The early signs are promising. BBC Three, which has substantial public service commitments, is already reaching a wider audience than BBC Choice which it replaced in February 2003. We are committed to giving this new channel time to experiment with content and formats and build audiences.

Work has begun to engage younger audiences with news and current affairs as part of the BBC's public service remit. The genre features at the heart of all services targeted at this audience, differentiating them from commercial alternatives. The BBC is experimenting with innovative formats for BBC Three's *The News Show* and iXtra's *TX* using experience gained from BBC Radio 1's *Newsbeat*. That said, people in public workshops we held across the country often say that they are more concerned about the relevance of the content than formats. Over the next year we will be able to determine whether these views are borne out by behaviour.

BBC News online is now a vital part of the BBC's news and current affairs portfolio and is particularly successful at reaching younger people. As younger audiences turn away from traditional media, the BBC has a responsibility to exploit the potential of new technologies to engage them via new media.

It is too soon to judge whether the BBC is managing to bring younger audiences to political programming. Following our approval of a new politics strategy in September 2002, we look forward to new programming which is being targeted at under 35s in 2003/2004. We recognise the scale of the challenge the BBC faces in common with the rest of the media world in trying to connect younger people with politics but the BBC has a public service duty to persevere.

New and existing output, such as *The Daily Politics* and *This Week*, has enabled the BBC to maintain its commitment to parliamentary reporting.

Looking ahead, we will be closely monitoring the development of the new services, output and initiatives developed to try to achieve this objective. The programming needs to be relevant and engaging for this audience while upholding the BBC's editorial standards.

Objective 4: Continue to seek new ways of attracting audiences from the UK's ethnic minorities, through both mainstream and targeted services.

New services and initiatives are being put in place, but it will take time and increased marketing effort to realise the benefits.

The BBC has launched two nationwide radio services aimed at ethnic minorities, a segment of the audience that the BBC finds harder to reach via some of its established radio networks. Six months after its launch as a nationwide digital service, BBC Asian Network has almost tripled its weekly reach to 433,000. While audiences to iXtra cannot be measured accurately yet, evidence suggests that the network is already attracting a wide-ranging audience of young fans of black music via the internet and digital television. One of BBC Radio's biggest ongoing challenges is to serve ethnic minority listeners in London, an area where 46% of the UK's ethnic minorities live.

Eight Race in the Media awards and seven EMMA awards over the last year reflect the BBC's efforts to cater for ethnic minority interests in targeted programming as well as in an increasing range of more mainstream programming, such as *Babyfather* and the *Jamaica 40* season. Extensive efforts have

Right: *Jamaica 40* season celebrated on BBC television and radio.

Far right: BBC Radio 1 live, loud and crowded.



been made by the BBC this year to understand ethnic minority audiences better and we look forward to more output that serves cross-cultural interests, recognising its value in promoting understanding between segments of society. But we also recognise the challenge of getting the right balance of programming to cater for the full range of ethnic minority audiences.

Further progress has been made in increasing ethnic minority portrayal in mainstream programming on television and radio. A significant proportion of the cast of *Holby City* are from minority ethnic groups, as are presenters on all services aimed at younger audiences, reflecting the relatively younger profile of the ethnic minority population. BBC Three is committed by its remit to bringing a diverse range of presenters and talent to screen.

It is disappointing that, despite these efforts, there is little evidence so far that the BBC is attracting more people from ethnic minorities to its output. The reach and share of both BBC Radio and BBC Television amongst ethnic minorities has decreased slightly. Radio's reach fell from 46.9% to 45.2% and television's from 78.6% to 78.3%. Awareness of both BBC mainstream and targeted programming amongst ethnic minorities remains low. Moreover, the BBC also faces intense competition for this audience from the huge range of niche commercial services. We recognise that it will take time to turn around perceptions of the BBC and its output amongst ethnic minorities. Marketing campaigns this year have demonstrated that awareness can be improved with clearer signposting to programming of potential interest.

Objective 5: Ensure that the BBC is meeting the needs of audiences in all nations and regions of the UK.

Following consultation with the Broadcasting Councils for Scotland, Wales and Northern Ireland and the English National Forum, we conclude that the strategy agreed with them in autumn 2000 is enabling the BBC to deliver considerably improved programming and services to audiences across the UK.

Audience approval of the BBC has risen in Scotland, Wales and Northern Ireland, and across the English regions, with

improvements particularly pronounced in Wales and Northern Ireland. Our independent advisory bodies made it clear that they judged the improvement in approval to be a direct consequence of the deployment of increased spending on targeted programming and services over the last two years. The appeal of BBC One has been strengthened in Wales, Northern Ireland and Scotland through increased investment in non-news programmes, including drama and comedy reflecting local culture. A branded zone on the digital version of BBC Two in Wales and Northern Ireland (BBC 2W and BBC Two NI respectively) has provided a venue for creativity and experimentation.

Inside Out, a new regional current affairs programme for BBC One, was launched in all 11 English Regions in September 2002 and has substantially boosted the audience for regional current affairs. The BBC's commitment to well-funded regional television news programming continues to meet audience needs. BBC local news programmes outperformed local competition in all but three areas of the UK. Regional and national audiences' political interests are also being served by the 20-minute opt-out during the *Politics Show*, the BBC One replacement for *On the Record*.

Local and national radio have continued to perform strongly, with audience weekly reach hitting 11.1 million during the year, its best ever reach figure. BBC Radio Wales and BBC Radio Scotland performed particularly strongly, with BBC Radio Wales achieving its highest weekly audience ever. BBC Radio Ulster/Foyle still reaches relatively more radio listeners than any of the BBC's national radio services.

Connecting with local communities via new media has been a focus of the year and a key part of the BBC's public service remit. Last year saw the number of *Where I Live* sites rise to 55 providing the BBC with a local web presence in all areas of the UK and improving the BBC's connection with local communities, particularly the younger segments. Four new Open Centres and eight new BBC buses offering internet training and other learning opportunities are also helping local communities to connect with the BBC.



Left: *Reporting Scotland*, with (l to r) Sally Magnusson, Jackie Bird and David Robertson, is Scotland's most popular television news programme.

Right: *Fame Academy* winner David Sneddon and runner-up Sinead Quinn celebrate with a duet.



Governors' assessment of performance

The BBC recognises and is committed to its public service role to provide indigenous language programming. BBC Radio Cymru has seen a small growth in its reach and share over the last year in line with the increase in the Welsh-speaking population identified by the 2001 Census.

The BBC still faces a number of challenges in trying to serve all audiences across the UK. We note that efforts to develop local drama in Scotland and Wales have yet to attract consistently high audiences but we recognise that it takes time for these initiatives to deliver results. While the BBC's national and regional news output is performing strongly, compared to other news sources, the general decline in early evening news audiences will be a growing challenge and we look forward to other initiatives to try to address this.

Objective 6: Make the BBC feel a more creative, collaborative and exciting organisation, in which all staff fully understand its purpose and values.

The main vehicle for delivering this objective has been the *Making it Happen* initiative launched in early 2002, with the aim of bringing about fundamental cultural change within the organisation over a number of years. Despite the difficulty of assessing cultural change, we are satisfied that a huge challenge has already been met in generating interest and involvement in this project, and in increasing staff understanding of the BBC's purpose and values. We agree with the Executive that it will be vital to maintain momentum over the year ahead to deliver tangible results both for BBC staff and for our audiences with even better programmes.

The year saw the beginning of *Making it Happen* in practice. One early success was establishing *Upfront*, an innovative four-day induction course for all new staff aimed at understanding the BBC's purpose and values. By the end of March 2003 more than 2,250 people had attended. In addition, through a series of consultation sessions, 10,000 staff participated in shaping a vision of the future of the BBC. Six core values emerged during this process which not only emphasise collaboration, respect and creativity, but also put audiences at the heart of what the BBC does and strive for quality and value for money, and trustworthiness. We fully endorse the implementation of these values as a means of

bringing benefit to the people we serve. The values are set out in full on the inside front cover of this report.

Independent research by MORI shows that understanding among BBC staff of the BBC's purpose and values has increased year on year. This same survey showed that corporate level communications from the BBC's top team also scored highly, putting the BBC among the top ten companies in four out of six measures. However, other measures in the MORI research, such as how valued the staff feel, and how collaborative the organisation is, while improving, show there is still much to achieve. For real change to take root, there will need to be more tangible results from the *Making it Happen* initiative in the coming year.

For the year ahead, the BBC has in place a major change plan to implement the new values across the BBC. With this in mind, we have changed the emphasis of this objective to focus directly on *Making it Happen*. Objective 6 (2003/2004): Implement the recommendations of *Making it Happen*, particularly around values and leadership, in order to make the BBC a more creative, collaborative and exciting organisation in which all staff fully understand its purpose and shared values.

Objective 7: Ensure that the BBC is more representative of the audiences it serves.

In particular:

- **accelerate progress towards the BBC's target of 10% of its total workforce and 4% of senior management coming from ethnic minorities by December 2003**
- **increase the proportion of people with disabilities working for the BBC**

The BBC is on track to achieve the targets for ethnic minorities but further effort is needed to improve the representation of people with disabilities.

The BBC hit its 4% target for ethnic minorities in senior management a year early in December 2002, reaching 4.3%



Left: Getting close to local communities – *Digital Storytelling* in Wales.

Right: Hugh Dancy, Romola Garai and Hugh Bonneville in the classic period drama *Daniel Deronda*.



by March 2003, and we are optimistic that this progress can be maintained. The proportion of staff from ethnic minorities at senior management feeder grades is even higher, standing at 6.4% in March 2003.

The proportion of ethnic minority staff across the organisation as a whole has increased to 9.5%, from 8.9% at the beginning of the year, and it is hoped that the BBC will achieve the target of 10% by December 2003. Significant efforts have been made to attract ethnic minorities to the organisation through a wide range of recruitment campaigns and outreach initiatives. Over the last year *The Writers' Room* has run writing masterclasses, competitions and development projects with budding writers from a diverse range of backgrounds across the country. Overall 14% of applications to the third year of BBC Talent came from ethnic minorities and we hope it will bear fruit in future years.

The proportion of staff declaring a disability has fallen slightly over the year from 1.8% to 1.6% by March 2003. Unofficially the actual figure may be higher than this since there is a widely acknowledged unwillingness of some staff who are disabled under the Government's new definition to declare their disability. While we still look to management to improve the representation of disabled people, there are encouraging indications of progress. The BBC has an access strategy in place and is seeking to improve recruitment of people with disabilities through targeted advertising in the disability press. It was also named Diversity in Employment Champion at the British Diversity Awards last November for its *Extend* disability work placement scheme.

We recognise that only if the BBC's programme making, commissioning, scheduling and marketing divisions are representative of the audience they serve, can the BBC hope to connect with its entire audience. The *What's Your Problem?* season of disability dramas and documentaries on BBC Two demonstrated how complex subjects could be tackled on screen and provided a showcase for disabled actors.

Objective 8: Continue to increase the amount of money available to spend on the BBC's public services with a particular focus on:

- **increasing the cash flow to the BBC from improved licence fee collection**

- **increasing the contribution of the BBC's commercial subsidiaries to its public services**
- **further reducing overheads**
- **improving efficiency in programme production whilst maintaining quality of output**

We are satisfied that large steps have been taken to progress this objective. Over the next year, programme production costs need to be benchmarked to determine if further efficiencies are achievable. We have also agreed with the Executive to look for ways to conduct a thorough review of effectiveness-based, value for money measures of BBC performance.

Considerable effort has been made over the past year to increase the amount of money available for programme making. Progress has been made in improving the efficiency of licence fee collection through lower collection costs and reducing evasion to 7.2%. During the financial year, gross licence fee income has increased by £126million of which £54million was raised through improved licence fee collection. In April 2000, a target of 15% was set for overheads as a proportion of output spending. This was met in March 2002. This year the BBC has reduced the cost of overheads still further. They now account for 13% of output spend compared to 24% in 1999.

The BBC's commercial subsidiaries contributed £147million back to the BBC in 2002/2003, up from £142million in the previous year, of which £124million was in cash and £23million was generated by savings in support costs. Only BBC World, the BBC's global television news service, has yet to generate a positive cash flow. It is targeted to break even by 2006.

This report documents how the BBC's licence fee income has been distributed – by genre and by channel. The level of funding of the services is scheduled to stay broadly the same until 2007. It is timely now to conduct a thorough benchmarking exercise to ensure that the BBC's programme costs are justified in relation to the value and quality of its programmes, as compared with other broadcasters.

We will endeavour, over the next year, to go beyond the measurement of unit cost, developing valid and readily comprehensible ways of measuring the value of BBC programmes and services to the licence payer, both as



Left: Don't give up – *The Writers' Room* talent scheme helped 5,000 people.

Right: Christopher Eccleston and Peter Kirby in *Flesh and Blood*, part of BBC Two's *What's Your Problem?* disability season.

Far right: *Sinners*, a powerful drama from Northern Ireland.



Governors' assessment of performance

consumer and as citizen, with particular reference to the BBC's public service remit. For this reason, we have changed the emphasis of this objective to include effectiveness as well as efficiency. Objective 8 (2003/2004): Continue to increase the amount of money available to spend on the BBC's public services by enhancing the efficiency and effectiveness of the way the BBC operates.

Objective 9: Earn greater appreciation from UK audiences for the BBC as an open, creative and trusted public service organisation.

There has been an improvement in the BBC's standing with its audiences, driven by appreciation of the BBC's values and brand. The BBC is consistently the most trusted broadcaster in public surveys. Although much work has been done to gain credit for increased openness, there still remains some scepticism, particularly among opinion formers, as to whether the BBC has done enough.

2002/2003 has seen a continuation of the upward trend in the BBC's approval rating from all parts of the UK. On a scale of one to ten, the BBC averaged 6.8 throughout the year, peaking at 7.1 in January, the highest score since the measure started. In addition, independent industry research by the ITC/BSC demonstrated that the BBC is the most trusted news provider. In answer to the questions "Who do you trust to tell the truth?" and "Are news providers impartial?", the BBC scored more highly than all other broadcasters.

Substantial success has been achieved over the past year in making the BBC more accessible to the communities it serves. There has been improved dialogue with audiences through a series of public accountability seminars and events which have focused on taste and decency, news and current affairs, and on BBCi. The number of contacts made by the public to the BBC rose to almost 2.5 million and 90% of those rated the BBC's customer service as excellent or very good. There is still room for improvement in the way feedback and complaints from audiences are handled within programme departments and a review of this process is now under way.

The BBC's system of governance and accountability has been modernised over the past year to ensure we are able to fulfil our regulatory functions. An independent team now supports us in monitoring the delivery of the BBC's public interest remit. Last year's *Annual Report* was subject to Parliamentary Select Committee scrutiny on the day of publication, making the BBC the only public body to enter into such open public consultation.

We are aware that research among MPs reveals that the BBC does not command equal confidence across the political spectrum. We receive regular reports providing reassurance that the BBC is impartial. Enhanced quarterly reports on the BBC's impartiality will in future enable us to assess this issue even more rigorously (see page 80).

The BBC attaches great importance to its role as a corporate citizen. 2002/2003 saw the launch of the BBC's Corporate Social Responsibility Centre with the function of coordinating all CSR initiatives across the BBC. These include large-scale charity events such as *BBC Children in Need* and *Sport Relief* as well as a range of community and voluntary work undertaken by BBC staff across the country. For more details on the activities of the Corporate Social Responsibility Centre see pages 64 to 66.

For the coming year, the BBC faces some key challenges, particularly in terms of perceptions of its openness. It must ensure the BBC's governance arrangements work well with the new regulator Ofcom; enhance the BBC's accountability to Parliament; increase accessibility, and demonstrate even more actively our commitment to corporate citizenship.

Objective 10: Build on the impact made by the BBC's global news services in the past year through a coordinated global news strategy across radio, television and new media.

2002/2003 saw the formation of a new division, BBC World Service & Global News, bringing together under one



Left: DJs Rampage in the new digital studios of IXtra.

Right: Meera Syal with Jimi Mistry in *The Kumars at No.42*.



management all the BBC's international news offering on radio, on television and online. In addition, we approved a coordinated global news strategy as central to the BBC's reputation and brand abroad. BBC coverage of the war in Iraq demonstrated the heightened impact of that strategy. All international services responded outstandingly, resulting in large increases in audiences for BBC World, and a huge rise in use of the BBC's international website.

BBC World Service celebrated its 70th anniversary in December with 14 hours of live broadcasting culminating in a special birthday lecture given by the United Nations' Secretary General, Kofi Annan. His personal testimony reflected BBC World Service's reputation as the international broadcaster most recognised for trust and objectivity. In an increasingly competitive radio market, BBC World Service has maintained its 150 million weekly listeners but, as short-wave listening declines, it faces the continuing challenge of building ever more partnerships with FM rebroadcasters across the world.

The commercial television service, BBC World, has seen a 25% increase in distribution in the past year. It is now available in 255 million homes in more than 200 countries and territories, of which over 100 million homes have 24-hour availability. A new business plan for the channel, approved by the Governors and Fair Trading Compliance Committee, aims for the channel to break even in 2006. This year the channel was on budget with a £15million loss. During the war in Iraq, BBC World dramatically increased its distribution and built its reputation, particularly in the United States, but, at the same time, it lost revenue as a result of reduced advertising during the conflict.

BBCi launched an international-facing news site last July, which enables international online users to access stories more easily. Online traffic has increased by over 200% in the past year with 227.7 million page impressions recorded in March 2003 for the combined international-facing site in English and BBC World Service's language sites. Much of that growth is attributable to the war in Iraq, so the challenge for the year ahead will be both to maintain that growth and to build awareness of the BBC's new media offer.

Joint editorial initiatives such as *Talking Point*, aired across all three platforms, have engaged international figures such as Hamid Karzai, Aung San Suu Kyi and Tony Blair in global

interactive debates with audiences. One of the aims for the year ahead will be to develop such joint initiatives further to the benefit of all BBC services. We look forward to the full implementation of the global news strategy which will strengthen further the BBC's impact and reputation abroad.

Performance against the BBC Statements of Programme Policy 2002/2003

In July 2002 the BBC published its first set of *Statements of Programme Policy*, explaining how it planned to deliver its public service remit in 2002/2003. The Statements were based on the objectives we set for the year.

Performance against the Statements includes the quality, range and distinctiveness of programmes and content. The Review of services in this *Annual Report* (on pages 20 to 49) describes what each service has delivered.

In addition, The *BBC Statements of Programme Policy 2002/2003* included a number of measurable commitments in key areas. A report on performance against these is included on page 122. The vast majority of the measurable commitments has been achieved.

We consider that overall the BBC's contribution to public service broadcasting in 2002/2003 delivered the ambitions set out in the Statements.

The BBC published *Statements of Programme Policy 2003/2004* in April this year. Next year's *Annual Report and Accounts* will report on performance against them and on further progress on the BBC's objectives.

Upholding editorial standards

The Governors ensure that the BBC maintains high editorial standards, monitoring its compliance with the *BBC Producers' Guidelines* and with the Code on Impartiality and Accuracy included in them. Overall, we were satisfied that in 2002/2003 the BBC had met the standards expected of it (see page 80).

Our oversight of impartiality included introducing quarterly, rather than half-yearly, reporting and the introduction of assessment by independent external experts. Over the next year, we will undertake more work to satisfy ourselves that BBC output continues to meet the highest standards of impartiality.



Far left: Nick Woolley in southern Iraq in March 2003.

Left: David Dimbleby leads the BBC One debate, *Iraq – Britain Decides*.

Right: *Inside Out* Midlands presenter Ashley Blake.

