



The BBC is part of the fabric of our everyday life in this country. Practically everyone is touched by it – a huge achievement in a multi-platform, multi-channel digital age.

But it needs to respond to an audience that is more diverse than ever in terms of background, interests and identity, and who are accessing media in different ways.

How the BBC serves and reflects such a kaleidoscopic UK is a priority for the Trust and has been an important theme of our work during the past year.

People expect the BBC to be relevant to their lives. Our work has underlined how important this is to the BBC's continuing role as a vital cultural and civic institution.

We have set the Director-General a priority for the coming year of making measurable progress in reflecting the diversity of the UK in the BBC's workforce, including increasing the number of women on air.

The BBC needs to keep pace with rapid changes in technology. The Trust has reviewed BBC network news and current affairs and we found that, although it retains unrivalled audience trust thanks to consistently high standards, it needs to innovate in order to draw in a younger audience. Similarly, our review of children's services found that CBBC and CBeebies are held in very high regard, but must adapt to children's rapidly changing ways of engaging with media.

Audiences must be able to rely on the BBC to offer programmes not found in the commercial sector. So the Trust has continued to push for more distinctive programmes; and our review of the four main television channels has put a particular emphasis on this aspect of their performance. Our impartiality review on rural affairs concluded that the BBC needs to ensure a broader range of rural voices is heard on network news.

The BBC has had some notable successes during the year. Everybody will have their own highlights, but mine have included shows like *Rev*, *Hinterland* and *Call The Midwife*, the iWonder pages on World War I online, waking up to *Farming Today* each morning, and, of course, *Strictly*.

There have also been some high-profile failures. The BBC's Digital Media Initiative project was closed, at a cost of nearly £100million. And there was the controversy surrounding past severance payments above contractual entitlements to some senior staff. Both of these episodes involved significant sums of public money and saw the BBC falling well short of what licence fee payers expect.

“The BBC needs to respond to an audience that is more diverse than ever.”

Over the past year we have been working with the Director-General to overhaul how the BBC is run and how we work together to ensure we are clear about our roles and responsibilities and to prevent such issues recurring. We are determined to ensure the BBC is spending money effectively. We have set ambitious efficiency targets each year – which the Executive has been achieving. As part of expecting the Executive to demonstrate good value for money we have also asked for the number of senior managers to be reduced and want to ensure the BBC has firm control of its headcount.

Under the strong leadership of the Director-General Tony Hall and his senior team, the BBC has made progress on many of the areas highlighted above.

Finally I should say that I myself didn't expect to be writing this introduction. The former Trust Chairman, Lord Patten, stood down from the role on health grounds at the start of May 2014. I would like to pay tribute to his commitment to the BBC and its audiences during often very difficult times.

I consider it a huge honour to be performing this role. With my other colleagues on the Trust, I will be doing everything I can to make sure the BBC is as good as it can be, for all of us.

A handwritten signature in black ink that reads "Diane Coyle".

Diane Coyle
Acting Chairman
19 June 2014