

**REPORT OF THE INDEPENDENT PANEL FOR THE
BBC TRUST ON IMPARTIALITY OF BBC
BUSINESS COVERAGE**

April 2007

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CHAIRMAN'S FOREWORD

When I was asked to undertake this review I thought that the task would be interesting but challenging. And so it has proved. The challenge arose from the fact that the previous impartiality reviews covered topics on which it was reasonably easy to define two sides. In the case of coverage of the Middle East much of the news reporting arose precisely out of the fact that there was a conflict. That was also true, though to a lesser extent, about the coverage of the European Union. In such cases the existence of long-running disputes made the need for impartial coverage very apparent. The same applies to the coverage of politics. But that is not really the case in business. If most people were asked whether they were for or against business they would be puzzled by the question. Business is part of all our lives, whether as customers, employees or shareholders (directly or indirectly). People might object to some of the things that businessmen (by which they usually mean the bosses) do and might believe that there are certain things that should be done by the public sector rather than by private businesses, but those are usually specific rather than general attitudes.

We were aware of a view, held passionately in some quarters, that the BBC is endemically anti-business (indeed that is one of the issues we address). That provided another reason why I thought that the task would be challenging. I assumed in advance that most of those who gave evidence would argue that the coverage was too hostile to business; not because that was necessarily the truth of the matter but because that would be the view of those who took the trouble to contact us. It was comforting to receive views on both sides.

As our work progressed we found that most of the time it was not particularly helpful to ask whether coverage was impartial between business and some other side or sides. Instead the question was whether stories were covered in a way that represented all the evidence fairly, particularly when there was a dispute between one party and another (for example, a firm and its customers). That was the task we set ourselves.

The task was interesting and enjoyable because I had the benefit of wise and thoughtful colleagues on the Panel. I am most grateful to them for their hard work and friendly co-operation. I would also like to give special thanks to Keith Bowers and Helen Nice who so brilliantly supported our work. We benefited greatly from their knowledge of broadcasting. They were tireless in providing all the material we needed, in contacting potential witnesses, in organising the interviews and in preparing the report. Finally I would like to thank all those who provided written evidence and/or found the time to come and be interviewed. We found their contributions extremely helpful.

We hope that this report, which combines praise with constructive criticism, will encourage the BBC to extend to all parts of its coverage of business the very high standards which mark the best of its output.

Alan Budd
Chairman, Independent Panel

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Our overall conclusion is that most of the BBC's business output meets the required standards of impartiality. However, we have seen a number of individual lapses and identified some trends which lead to repeated breaches of the BBC's standards.
- We are impressed by the BBC's publicly stated commitment to a high standard of impartiality and recognise that this is a considerable challenge for journalists working within constraints of time and space. However, while we can point to examples of good practice, we believe that these standards are not always met.
- From the evidence there is no doubt that the BBC takes business as a genre seriously - in terms of both the amount of coverage and the resources devoted to it.
- Our commissioned audience research suggests that the BBC's business coverage is widely trusted and is regarded as being pre-eminent in providing accurate and balanced information.
- The research also suggests that impartiality in the BBC's business reporting is not a major concern for listeners and viewers. It is not a salient issue for the audience because it is not perceived to be in jeopardy. What the audience does express is a desire for trustworthy reporting and thoroughness - as opposed to neutrality.
- We noted many instances of good practice in impartiality in our own monitoring of BBC output. Many witnesses across a wide spectrum who gave evidence to us also highlighted examples of good practice and in particular praised the quality and breadth of specialist coverage.
- We do not believe the BBC has a systematic bias against business though at times the BBC can be unconsciously partial and unbalanced in its business coverage. This arises mainly from a lack of awareness of the commercial world – many BBC journalists have never worked in business - and from a preoccupation with taking the consumer perspective.
- We believe that a lack of specialist knowledge and perhaps a lack of interest on the part of some mainstream programme editors can result in missed stories or angles.
- Some witnesses were concerned about the poor level of knowledge among some of the researchers who contact them. There was also concern about the range and quality of the experts used on many business stories.
- Focusing on the individual consumer angle can distort news values and important perspectives can be lost. The polarisation of views between business and consumer means that much of the ground in between is overlooked. This includes the role of business in society, the international context and the workplace. Audiences are well served in their identity as consumers but they are not that well served in their role as workers or indeed as direct or indirect shareholders.

- Some presenters, especially on Five Live, expressed their personal views and preferences about particular commercial products.
- We found examples of partiality in some interviews with business leaders on mainstream output. Some were sycophantic in tone, others too hostile and aggressive.
- Although many sections of the audience may not be particularly interested in business coverage the challenge for the BBC as a public service broadcaster is to deliver illuminating coverage that can appeal to a broad audience.
- It can apparently be difficult to persuade some business leaders to appear on BBC news output but we believe those who run businesses should do more to engage with the BBC and be prepared to explain their policies and activities to a wider public.

RECOMMENDATIONS

Addressing the lack of knowledge of business issues

- We believe the BBC needs to develop an extensive training programme to address business and workplace issues. The effectiveness of new and existing training schemes should be monitored and efforts should be made to ensure that they reach the right people, including output editors of daily news programmes.

Widening the range of editorial ideas and programming about business

- Systematic efforts should be made to treat the audience as workers and investors as well as consumers and the range of interviewees on business issues should be broadened. The coverage of the role of business in society - both in the UK and the rest of the world - should be expanded. There should be more thought about the relationship between business reporting on the web and on traditional broadcast outlets.

Ensuring compliance with standards of impartiality in business coverage

- Measures should be taken to strengthen the monitoring of impartiality issues in business and to ensure there is compliance with the BBC's high standards. In particular, measures should be introduced to address lapses which occur when covering commercial issues. Presenters should be regularly reminded of their obligation to be impartial.

CHAPTER 1

INTRODUCTION

This review is the latest in a series of impartiality studies commissioned by the BBC Board of Governors (now BBC Trust).

TERMS OF REFERENCE

The Terms of Reference were agreed by the then BBC Board of Governors in November 2006:

“To assess the impartiality of BBC news and factual coverage of business with particular regard to accuracy, context, independence and bias, actual or perceived; to assess whether the BBC portrays a fair and balanced picture of the world of business and of its impact on society more generally; to focus primarily on business coverage in mainstream output though specialist business programming should also be considered; and to make recommendations to the BBC Trust for improvements where necessary.”

THE PANEL

The composition of the Panel followed the principles established by the Governors in the previous impartiality review of the Israeli/Palestinian conflict. One of the principles was that there should be no interested or committed parties represented on the Panel. In this review this was interpreted as meaning that no member of the Panel should have a significant current link to a private sector company or trade union. However, all members of the Panel were able to draw on their own experiences in business of one type or another.

Another principle established last year was that the Panel should include someone with experience in broadcasting. This would help ensure that the Panel had a grasp of the realities of broadcasting and that any recommendations made by us would be realistic.

The Chairman of the Panel agreed these principles with the then Board of Governors in autumn 2006. The Panel was chosen in consultation with the Chairman and the lead Governor on the project, Richard Tait.

The Panel members are:

Sir Alan Budd (Chairman)

Provost of The Queen’s College, Oxford. Founder member of the Monetary Policy Committee of the Bank of England, and former chief economic adviser to HM Treasury. Sir Alan served as a member of the Davies Committee on the Future Funding of the BBC in 1999 and the Burns Panel on the Renewal of the Charter in 2004.

Stephen Jukes

Dean of Bournemouth University Media School and former global Head of News at Reuters News Agency.

Chris Bones

Principal of Henley Management College who has previously worked for Cadbury Schweppes, Diageo and Shell.

Barbara Stocking

Director of Oxfam. Former regional director for the NHS and director of the Modernisation Agency, the body charged with driving forward best practice in the NHS.

Professor John Naughton

Professor of the Public Understanding of Technology at the Open University. A Fellow of Wolfson College, Cambridge and the Internet columnist of the Observer.

Dame Tanni Grey-Thompson

Former paralympian champion now serving on several sporting bodies.

Full biographical details of the Panel can be found in Appendix G.

THE MEANING OF IMPARTIALITY

The Panel was able, fortunately, to avoid long philosophical discussions about the meaning of impartiality. This was partly because the BBC itself has published a great deal of material on the subject. The material includes the Neil Report written after the Hutton inquiry. The key section for us was this paragraph:

For the BBC impartiality is a legal requirement. BBC journalists will report the facts first, understand and explain their context, provide professional judgements where appropriate, but never promote their own personal opinions. Openness and independence of mind is at the heart of practising impartiality. We will strive to be fair and open minded by reflecting all significant strands of opinion, and by exploring the range and conflict of views. Testing a wide range of views with the evidence is essential if we are to give our audiences the greatest possible opportunity to decide for themselves on the issues of the day.

We also consulted the BBC's Editorial Guidelines, The Charter and The Agreement.

We were also struck by a definition outlined in a blog written on 24 October 2006 by Helen Boaden, the Director of BBC News:

When I first joined the BBC I asked a very experienced and subtle journalist what was meant by BBC impartiality. "It means we don't take sides," he said. "We don't take sides either explicitly or implicitly. We test all opinion toughly but fairly and we let the audience make up their own minds."
It's a simple but absolutely correct definition which audiences see, hear and read in our output every day. In the end, the personal views of our staff are not the point. The issue is that their views and opinions never stray on air.

It is worth noting that these are very high standards and we shall return a number of times to this fact. We were able to agree that it was an essential element of impartiality that when a matter was controversial the viewer or listener would be able to make a

judgement based on a fair assessment of all the relevant arguments and information. Relevant information should not be excluded nor should the presentation clearly favour one view over another. We recognised that this requirement had to meet the familiar point that it was not necessary to be impartial between sense and nonsense.

A difficult and familiar matter which we discuss later is the context within which impartiality should be judged. Does it mean a single news item, a programme or a series of programmes? The commonsense answer is to try to judge the question according to typical viewing or listening habits. For example, the emphasis in the terms of reference on “mainstream output” recognises that many people would only receive business news from main news programmes. It cannot be assumed they watch specialist business programmes.

We were also able to arrive at a broad consensus about what was meant by “business”. For the purposes of this review we defined it not only as issues relating to company performance and the boardroom but also those affecting the workforce, the workplace and the relationship between business and society as a whole.

THE BROADCASTING CONTEXT

Early in our discussions we recognised that we needed to be aware of aspects of the broadcasting environment which are affecting the nature of BBC output – including business coverage – and which are likely to affect it in future.

Technological background

This review comes at a time when the communications environment in which the BBC operates is in the process of rapid transformation: our media environment is changing under the pressure of technological developments and social changes, and the context in which the BBC has to operate in the next decade will differ significantly from the conditions under which it has functioned in the recent past.

The media ecosystem in which the current BBC was shaped was characterised by the overwhelming dominance of broadcast (few-to-many) television as the pre-eminent medium. It is now clear that that dominance is eroding under the pressure of technological and social change. Audiences are fragmenting, boundaries between hitherto-distinct media are blurring and technologies like the personal video recorder and video delivered over the internet are enabling audiences to exert greater control over how they ‘consume’ the outputs of media organisations. Allied to that are social and economic developments which increase competition for people’s attention, and the widespread dissemination of inexpensive hardware and software tools which enable audiences to create and publish their own ‘content’ in the form of blogs, digital imagery, music and movies.

The changes now under way do not mean that broadcast media will disappear – only that they are likely to be less dominant in the future. They will have to compete for attention in an environment which – by any metric one cares to choose – will be more complex than it was twenty years ago.

In the old ecosystem, broadcasters wielded great power – particularly in terms of their capacity to shape public perceptions; but power carries with it responsibilities, which is

why in the UK and elsewhere broadcasting organisations were for many decades heavily regulated. In the emerging ecosystem – where broadcasters are more *primus inter pares* and where viewers and listeners will have far more sources of news and information available to them – it is not clear what the appropriate level of regulation might be. But whatever the level, it is also clear that the BBC, as a body funded by the licence fee, will continue to have special responsibilities and may need to be judged by different standards. It will also mean that defining and applying the concept of impartiality will need to be constantly under review.

The competitive environment

BBC News and its business reporters operate in a fiercely competitive broadcast market where the fight for audience share is more acute than ever. The audience can now choose between many different news providers, and journalists are also under pressure to make their programmes more entertaining.

The need to attract and maintain an audience has led to some changes in the approach taken by business programmes towards a more popular style. In some quarters this is welcomed but in others it is viewed as “dumbing down.” We particularly noted this trend in *The Money Programme*. It is not for us to question presentational style as such but we are required to consider the effect that style may have on impartiality.

Broadcasters also face a number of pressures because of the changing nature of the values and power structures in society. They are aware that the concept of impartiality is harder to define in an increasingly diverse society where there is less common ground shared by audiences. Issues are no longer seen simply in black and white terms and often there are many perspectives which can be difficult to capture.

THE QUESTIONS

We agreed that our review required us to try to answer the following questions:

1. Is there systematic bias for or against business in the BBC’s coverage?
2. In the coverage of business stories do programmes and presenters consistently meet the BBC’s standards of impartiality?
3. Does the coverage of business adequately reflect all aspects of the activities of business and its role and importance in society?
4. Does the BBC fulfil its role as a public service broadcaster in its provision of business coverage?

We recognise that it could be argued that question 4 goes beyond our terms of reference. However, we believe that the coverage of business issues is one in which the BBC’s public service role is particularly relevant.

The following chapter describes the sources of evidence on which we drew. Chapter 3 lists our conclusions and Chapter 4 provides our recommendations.

CHAPTER 2

GATHERING THE EVIDENCE

We agreed to use the following sources of evidence in our deliberations.

1. VIEWING AND LISTENING TO SELECTED ITEMS FROM BBC OUTPUT

The BBC's Economics and Business Centre produces more than eleven hours of material every weekday across BBC specialist business slots on its domestic and international services. In addition, business stories are also covered on a wide range of daily news programmes, on regional news bulletins and in television and radio current affairs programmes. We were keen to sample as much of the BBC's output as possible. In order to do this the following strategies were adopted:

- **We identified and followed in detail a number of running stories.**
They included the collapse of the Farepak Christmas hamper company and the controversy over the Serious Fraud Office investigation into links between BAe Systems and Saudi Arabia.
- **We looked at a number of one-off stories which attracted wide coverage on the BBC and other channels.**
They included the Competition Commission inquiry into the grocery market, the threatened strike by British Airways cabin crew and a number of company results.
- **We chose one week in which we monitored all business stories in a selection of general news programmes on radio, television and online.**
The week concerned was 4 – 8 December 2006. We also looked at selected items from Sky, ITV News and Channel 4 News. The BBC's news and business websites were compared to some business pages on other websites including Bloomberg, The Daily Telegraph and The Times.
- **Specialist BBC business slots and segments were monitored on two separate days.**
These were 5 December 2006 and 11 January 2007.
- **We also monitored during January 2007 a sample of business stories which appeared on the *Ten O'Clock News* and in the main body of the *Today* programme.**
Stories included a report about the Las Vegas technology conference and items about Marks and Spencer pursuing carbon neutral policies.
- **We viewed and listened to a range of general television and radio current affairs programming featuring business issues.**
The programmes featured included four editions of *Panorama: Must have Own Teeth, Whose Water is it Anyway?, The High Price of Gas* and *Secrets of the Drugs Trials*. We also listened to *File on Four, How Green is BP?* and *Analysis, Workers of the West Retire*.

- **We also considered some specialist television and radio business current affairs programmes.**

Between us we watched 12 Friday editions of the *Money Programme* from 2006. In addition we watched a *Money Programme* special, *Bank Robbery!* from December 2006.

The Bottom Line, *In Business*, and several editions of *Weekend Business* between December 2006 and March 2007 were included. We also examined the web pages associated with these programmes.

Specific consumer-driven programmes such as *Watchdog*, *You and Yours* and *Money Box* were regarded as being on the edge of this review and so were not analysed in any detail.

- **We viewed a small selection of business stories from BBC Scotland, BBC Wales and three BBC regions.**

This was during the two week period 8 – 19 January 2007. The stories involved included a *Reporting Scotland* item on job losses in Dundee and a *Points West* item about complaints by local rail commuters.

The panel also listened to three editions of the *Wales@Work* radio programme.

- **BBC online business coverage**

We periodically looked at the BBC business website and, in particular, when business items migrated to the general news headlines page.

- **Other programmes**

We viewed editions of *Dragon's Den* and *The Apprentice*.

As individuals we routinely listen to and watch a variety of BBC programmes and alerted other members of the Panel to relevant business-related items.

A full list of our monitoring appears in Appendix C.

2. CONTENT ANALYSIS

We commissioned a content analysis report into the BBC's business output which helped us to assess its impartiality. The contract tender asked for a number of issues to be investigated. These included:

- frequency of stories
- the location of stories e.g. London/regional spread
- type of stories covered e.g. economic, business/city, industry, workplace, personal finance/consumer
- analysis of interviewees/sources
- context e.g. business conditions, economic background
- use of language and terminology
- accessibility/clarity

The contract was awarded to the Institute of Communication Studies at Leeds University. A copy of the Leeds University report, including the specific programmes analysed, can be found in Appendix B.

3. AUDIENCE RESEARCH

Evidence was also considered from specially-commissioned audience research.

The research was designed to enable views to be heard from England, Scotland, Wales and Northern Ireland. It was also constructed to hear from people with different attitudes to the BBC and with a range of attitudes and knowledge of the business world.

The samples were demographically and attitudinally representative of the population.

The audience research process was put out to tender and the successful company was The Blinc Partnership.

The questions that the company was asked to pursue included:

- To what extent is BBC coverage partial or impartial?
- How accessible is the BBC's coverage to a wide audience?
- How does the output differ across news and current affairs/factual programmes?
- How does the output differ across television, radio and online?
- Is the coverage fair to all groups? E.g. to business leaders, consumers, trade unions
- Does the BBC include a wide range of interviewees?
- Is there enough context in reports?
- Does the BBC explain and analyse key business issues clearly?

A copy of The Blinc Partnership research can be found in Appendix A.

Other audience responses

We also had access to a BBC report analysing comments in the corporation's daily audience logs about its business coverage. This was a qualitative analysis based on a keyword search.

We also placed an invitation on the BBC website inviting comments from the general public about BBC business coverage. This generated a very small response.

4. WRITTEN EVIDENCE

We invited more than 50 individuals and organisations to submit their views in writing on any impartiality issues. A full list of the organisations contacted can be found in Appendix D. We wanted to hear a wide range of perspectives from people who were likely to have an informed opinion about the BBC's business coverage. The list therefore included individual companies, business lobby groups, and workplace and union organisations. It also included a range of special interest groups representing different sections of the workforce.

The written evidence is published in Appendix E.

The BBC also sent us a comprehensive submission which is published in Appendix F.

5. ORAL EVIDENCE

In conjunction with the written evidence we held a number of oral evidence sessions in London on 7 and 8 February 2007. A wide range of well-informed individuals and organisations was invited. A number of BBC editors and managers also attended.

The oral evidence sessions were off-the-record. A full list of those invited to give oral evidence and those who accepted the invitation can be found in Appendix D.

We also held a number of off-line conversations with individual senior figures from a range of companies, and with the Director of the BBC's College of Journalism.

CHAPTER 3

CONCLUSIONS

We said in the Introduction that we needed to answer four questions. Our answers to those questions follow later in this Chapter.

Our overall conclusion is that most of the BBC's business output meets the required standards of impartiality. However, we have seen a number of individual lapses and identified some trends which lead to repeated breaches of the BBC's impartiality standards. This can also lead to perceptions of bias in some quarters.

From the evidence there is no doubt that the BBC takes business as a genre seriously - in terms of both the amount of coverage and the resources devoted to it. The Leeds University content analysis report carried out for this review shows that the BBC has far more coverage of business issues than its major competitors. This is particularly the case on mainstream bulletins. For example, according to the report, in comparison to the BBC's *Six O'Clock News*, the *ITV Evening News* has just over half the amount of airtime devoted to business news. The content analysis also shows that nearly eleven per cent of airtime on the *Ten O'Clock News* is devoted to business news. The average number of business related items is 1.35 per programme.

On many occasions we were struck by the high quality of the BBC's business journalism and the expertise of some of its specialist correspondents.

Our commissioned audience research from The Blinc Partnership suggests that the BBC's business coverage is widely trusted and is regarded as being pre-eminent in providing accurate and balanced information. Many witnesses across a wide spectrum who gave evidence to us pointed to examples of good practice and in particular praised the quality and breadth of specialist coverage.

In a substantial portion of the output we monitored there were signs that strong efforts were made to bring in different perspectives, independent voices, detailed analysis and the right to reply.

There were also a few outstanding pieces in terms of fairness, accuracy, context and balance. In particular, we would mention the edition of *Weekend Business* devoted to the collapse of the Farepak Christmas hamper company (Five Live, 12 November 2006) and the coverage on the *World at One* (Radio 4, 15 December 2006) when the Serious Fraud Office dropped its investigation into a defence deal between BAe Systems and Saudi Arabia.

We would also commend *File on Four, How Green is BP?* (Radio 4, 24 October 2006), *The Bottom Line* (Radio 4) especially the edition dealing with business failure, and the *Wales@Work* radio programme produced in Cardiff which provides well-informed analysis of key business issues with an accessible tone.

The Birmingham Chamber of Commerce and Industry in its submission on business coverage in the West Midlands said that the BBC goes out of its way to be impartial on ethnicity. It praised in particular the BBC's *Asian Network* for being steadfastly impartial.

The T and G (Transport and General Workers' Union) in its evidence said that the BBC business news website was generally very informative, accurate and balanced when covering business issues.

However, as we mentioned above, there are inconsistencies and lapses in some coverage. We also note that some who supplied written evidence point to what they see as specific examples of unfair coverage. We consider these inconsistencies within the answers to our four questions.

1. Is there systematic bias for or against business in the BBC's coverage?

- 1.1 We are aware of criticism made by some of our witnesses from the business community that the BBC has an institutional bias towards a centre-left political viewpoint. It is claimed that such a political stance leads to a partial and hostile approach to business. We note that this was not a view shared by everyone within the world of business nor was it widely held by other interested groups - nor supported by the Blinc Partnership audience research.
- 1.2 It is difficult to know how to deal with a claim of this sort and we believe that the only helpful response is to seek to discover whether, regardless of the personal views of those involved, there is evidence of systematic bias in the programmes. In the end, having considered all the evidence, we do not believe that there is.
- 1.3 However, we believe that the BBC is at times unconsciously partial and unbalanced in its coverage of business issues. This unconscious partiality may stem in part from a lack of awareness of the business world. Many BBC journalists have never worked in business and do not seem to have a full grasp of how it operates. In its evidence the BBC says many, perhaps most, news editors and producers would regard business as a weaker area than politics, international affairs, health or the environment.
- 1.4 This unconscious partiality may also come in part from a preoccupation with taking the consumer perspective. We explore this in question 2.

The audience and impartiality

- 1.5 We were struck by a number of findings from the audience research we commissioned from The Blinc Partnership. It suggests that impartiality in the BBC's business reporting is not a major concern for listeners and viewers. It is not a salient issue because it is not perceived to be in jeopardy.
- 1.6 The Blinc research says that what the audience does express is a desire for trustworthy reporting and thoroughness - as opposed to neutrality. There is also a tacit understanding that some programmes or presenters may be more partial than others because the audience believes it to be their remit. For example, uncovering the truth behind a story or fighting the consumer's corner.

- 1.7 The overall perspective from the Blinc research is that in what is perceived as a cynical age no single business news provider is assumed to be wholly impartial, although the most impartial reporting is attributed to the BBC.
- 1.8 It could be argued that one of the reasons for such a positive outlook towards the BBC is because of its overall reputation and track record. Because there appears to be no widespread scepticism among the audience about business news there is an added responsibility on the BBC to ensure impartial and fair coverage.

Audience segmentation

- 1.9 Taking an overall editorial view of output, across all the channels, there is a mainly broad and balanced perspective. However, channels and networks seem to be segmented in the way they approach business. Radio 4 appears to be investor/professional focused, particularly in the early morning. Five Live seems to be focused on the consumer's interests; TV news bulletins try to explain business stories in the simplest terms. This segmentation gives a distinctive appeal and breeds brand loyalty. But it can restrict the breadth of views represented on each channel. General audiences cannot be expected to form their opinions from several different programmes or channels.
- 1.10 We recognise that it is not easy to be prescriptive about whether impartiality should be measured over a piece, a programme or a channel. We take the view that the requirement should be that someone who gets all his or her business information from one source – be it programme or channel – should have informed and impartial business coverage.
- 1.11 We are also aware that the Blinc research suggests that audiences have a sophisticated understanding of the various aspects of impartiality and have little difficulty in deciding what approach is appropriate in each strand of output.

2. Do business programmes and presenters consistently meet the BBC's standards of impartiality?

- 2.1 We are impressed by the BBC's publicly stated commitment to a high standard of impartiality and recognise that this is a considerable challenge for journalists working within constraints of time and space. However, while we can point to examples of good practice, we believe that these standards are not always met.

Consumer perspective

- 2.2 We note that many of the BBC's business stories are framed through the perspective of the consumer. We believe the BBC's intention in adopting the consumer's viewpoint is to try to engage its audiences by approaching issues in a way that it thinks affects them and about which they care. We note from the Blinc research that some sections of the audience seek information on how business stories might affect them – what the consumer emphasis is rather than the national or global cause and effect. However, such an approach can create a prism through

which much business coverage is seen as a battle between “unscrupulous” company bosses and their “exploited” customers.

- 2.3 Although there are times when emphasising the consumer viewpoint is appropriate, a preoccupation with the individual consumer angle can distort news values and important perspectives can be lost. The BBC in its written evidence recognises that BBC journalists need to be clear that the consumer perspective is not the only one and that other views and interests need to be represented. The BBC’s Business Editor, Robert Peston, says the language of choice is that of the consumer, the Tesco shopper, the motorist, the bank customer.
- 2.4 We believe that the polarisation of views between business and consumer means that much of the ground in between is overlooked. This includes the role of business in society, the international context and the workplace. (see question 3)
- 2.5 As an example, we point to the coverage of the threatened strike action by British Airways cabin crew (January 2007). Too much emphasis was placed on how much flights were likely to be disrupted and insufficient attention was given to examining the claims of staff in a full and fair way.
- 2.6 During the coverage of the Farepak story (October – December 2006) several television reports told the story primarily through the eyes of the aggrieved customers who had lost money through the collapse of the scheme. While recognizing the consumer angle was key to the story, the reasons for the collapse were not always fully explained. As the Leeds University content analysis suggests, some of the complexities of the business aspects of the story were lost.
- 2.7 This default position of seeing issues from the consumer perspective can lead to imbalance in covering stories dealing with company profits. For example, the entry point for the mainstream television reports about the £7 billion profits announced by Barclays (20 February 2007) was the row over the level of bank charges when customers’ accounts are overdrawn without permission. This was despite the fact that most of the bank’s profits were not made from UK accounts held by individuals and small businesses.
- 2.8 If a company achieves large profits the story is more likely to focus on at whose expense the profits have been made rather than examining the benefits to staff and society of a British company doing well. A number of organisations in their written evidence including the CBI, the British Retail Consortium and Henderson Global Investors, criticise the way the BBC covers profits.
- 2.9 One way of relating business stories to the wider audience is through stressing the fact that most people’s pension funds are linked to the performance of British companies. The Business Editor is making attempts to educate BBC journalists about the importance of recognising this context when reporting large company profits. But in some non-specialist output this angle can still be lost amid a covert or sometimes overt critical tone about the level of profits made.
- 2.10 In some cases the preoccupation with the consumer angle leads to some items of no real consequence. For example, a series of pieces on *Breakfast* (BBC One, 17 January 2007) amounted to the promotion of a £19 suit from Asda.

- 2.11 An even stronger consumer standpoint comes out in some of the current affairs programmes. For example, *Panorama's Whose Water is it Anyway?* (BBC One, 6 August 2006) took a consumer champion position and seemed to relish publicly humiliating RWE, the German owners of Thames Water. We understand the need to ask tough questions of important and influential companies. But *Panorama's* decision to hire its own water tanker and address RWE management through a megaphone did not create an impression of balance and fairness.
- 2.12 Sometimes the preoccupation with the individual consumer angle can cause the mainstream bulletins to miss business stories that are important in their own right and have a major impact on the UK economy. For example, the various problems faced by Britain's biggest company BP over the last year or so, including the departure of its Chief Executive Lord Browne, went largely unreported.

Campaigning

- 2.13 As we said in the Introduction, we do not expect the BBC to be impartial between sense and nonsense. Nor would we wish to limit in any way its role in identifying what it believes is bad practice in any sphere of activity. The BBC has a fine tradition as a campaigning service and the targets of these campaigns have at times rightly been businesses whose conduct deserves to be attacked. We also accept that it is not our job to question the BBC's artistic approach even if it is not to our taste. However, the BBC has set standards for impartiality which are high and mainly unambiguous. These standards apply to business as much as to any other topic.
- 2.14 We note that several BBC programmes where viewers and listeners might expect an even-handed approach did take on a wider campaigning role which went beyond reporting on issues from a consumer perspective.
- 2.15 *Bank Robbery!* (12 December 2006) made by the *Money Programme* examined an important issue of great public interest – the level of charges incurred by bank customers who were overdrawn without permission. However, in our view this programme crossed the line when it actively intervened in the campaign on which it was reporting. For example, the programme arranged for an activist from one part of the country to address a meeting elsewhere. The programme's website also appeared not just to report on events but actively sought to influence them by providing a sample letter of complaint to send to the banks. We believe the BBC should take great care when covering such controversial commercial issues in order not to jeopardise its credentials as an impartial broadcaster.

Role of presenters and reporters

- 2.16 We listened to a large amount of material on Five Live and noted that occasionally some presenters and reporters gave their personal views and preferences about particular commercial products. We have learnt among other things that one is a fan of Majestic Wine, another is an enthusiastic subscriber to Sky and one likes shopping at JJB Sports. We understand this may happen because presenters are encouraged to express themselves as rounded individuals

who have a life outside the studio and can identify with their audience's everyday lives. However, this would seem to be a departure from both the BBC's Editorial Guidelines and the definition of impartiality as outlined by the Director of News in her blog. We understand that having presenters with strong and engaging personalities is an essential part of Five Live's success but believe that there is a challenge to the BBC in combining this style with its requirement to be impartial.

- 2.17 Another challenge concerns the launch of new products. In its evidence the BBC acknowledges that there is a risk of appearing to endorse a company or product particularly when covering product launches. Our view is that these can be newsworthy events but presenters should avoid being promoters. For example, on *Breakfast* (BBC One, 8 December 2006) the two presenters played enthusiastically and uncritically with the Wii console.
- 2.18 We also note that the Business Editor made a scathing attack in his blog on the newly launched Microsoft Vista operating system. This appeared to be against the BBC's guidelines which state that blogs are subject to the same level of editorial care as other content.
- 2.19 Presenters and reporters need to be on their guard when interviewing what one witness referred to as the doyens of industry. We appreciate that it is not always easy to secure interviews with leading business people and commend the BBC's efforts to increase the number of such voices. However, we agreed with some correspondents to the *BBC Newswatch* programme (3 February 2007) that an interview with Bill Gates (*Ten O'Clock News*, 30 January 2007) was at times sycophantic in tone. We also agreed with witnesses that a number of BBC interviews with Stuart Rose, Chief Executive of Marks and Spencer, in January 2007 were too uncritical.
- 2.20 *Weekend Business* on Five Live has an important role in opening up the inner workings of business to the wider public and gives a rare opportunity for listeners to email their questions to a variety of business leaders. However, the interview with James Murdoch (3 December 2006) also appeared sycophantic when the presenter congratulated Mr. Murdoch's pronouncements about the future of his company as the best sales pitch he had heard.
- 2.21 In contrast, a variety of witnesses told us that some business representatives had been treated unfairly by some presenters who take a hostile and aggressive approach more associated with the interviewing of politicians. We listened to one such example – a live interview with Angela Knight of the British Bankers' Association (*Today*, 15 December 2006) on banks and interest rate rises.
- 2.22 This confrontational approach can also emerge when presenters appear to be too much on the side of consumers. A Five Live interview with the then Managing Director of British Gas about price increases (27 July 2006) which began "You're taking the mickey...." does not appear to be impartial. Editorial pressures can lead to an emphasis on conflict in order to make the story interesting, which may be at the expense of treating stories impartially.
- 2.23 Presenters should also take care when reading out emails and texts from viewers and listeners. We recognise the BBC is keen to involve the audience and

has some structures in place to ensure a representative sample is aired. However, the risk is that the critical and antagonistic can take precedence over more reasoned responses. This is particularly the case when some listeners may have grievances as consumers and so create an over-hostile atmosphere in some interviews with business leaders.

2.24 One BBC witness told us how interaction with the audience via the internet and mobile phones can change both the way stories are covered and how much weight is given to them online and on traditional programmes. He also said that although there is more sharing of information now between BBC news outlets, joining up these different media was the biggest challenge faced by the BBC. He said that a 360 degree strategy was needed. In its written submission the BBC said that one development being considered by the Nations and Regions was to explore ways in which the reorganisation of BBC internet content could join up network and local coverage more effectively.

2.25 The Leeds content analysis research studied the BBC's business web pages. It concluded that there is the potential for a much more user-friendly design, possibly requiring a much broader basic classification of stories/information sources/links and a dedicated and more complex search facility. It also believed that the business section of the website does not really do justice to the resources, expertise and materials which the BBC possesses.

3. Does the coverage of business adequately reflect all aspects of its activities and its role and importance in society?

Employee and workplace perspective

3.1 Around 29 million people work for a living in the UK and spend a large proportion of their waking hours in the workplace. However, little of this important part of UK life is reflected in the BBC's business coverage. As noted above, the audiences are served in their identity as consumers. But they are not that well served in their role as workers.

3.2 Unions in Britain represent around 6.5 million people and deal with a wide range of issues affecting the rights of workers. Yet union witnesses told us that the union perspective is often narrowly defined by the BBC and is only raised in the case of employment disputes. The T and G pointed out in its written evidence that it believes there is a lack of engagement in labour affairs issues.

3.3 Some of our oral and written evidence also suggested that regional news can focus too heavily on industrial disputes. For example, Scottish Enterprise said that disputes and company closures figured prominently as part of what they described as the politicisation of business coverage in Scotland. The Leeds University content analysis report examined regional coverage from BBC North (Leeds). It showed that around a quarter of its business coverage is devoted to the theme '*industrial relations, workplace regulation and strikes*', although this may partly reflect its catchment area which is highly industrialised in places.

- 3.4 Unions believe that there are relatively few stories about important issues such as equal pay, workplace safety/occupational health and equal opportunity. They believe that their views are not sought on wider employment issues and the role of workers in society. They note that there are programmes on consumers' rights but not the equivalent on workers' rights. In short, their view is that the world of work does not really feature on the BBC – and even when it does it is without the workers.
- 3.5 From our own viewing and listening there are times when the union and employee perspective is missing. One reason may be because the importance of these issues in a modern society may not be widely recognised by BBC journalists. We believe this stems in part from what witnesses describe as a lack of knowledge and interest.
- 3.6 We note that the BBC currently only has one labour affairs correspondent and although very experienced and knowledgeable he rarely appears on television. This lack of resources in the area of labour relations was exposed during the reporting of the run-up to the threatened strike by BA cabin crew as mentioned above.
- 3.7 We have learned that the BBC is intending to introduce a new reporting role with a workplace brief and this is a step in the right direction.

International perspective

- 3.8 While we recognise that the BBC is a global broadcaster and has a commitment to covering some individual international business stories, we are not convinced that global business trends receive the attention they should on the main news bulletins. The modern reality of British businesses operating in a global market has not been fully understood and explained. This appears to be supported by the Leeds University content analysis exercise. For example, there is only a small proportion of BBC business stories under the category '*external factors with business and economic impacts on the UK*' both in terms of the number of items and share of airtime.
- 3.9 We know that explaining such complex issues is not easy and Evan Davis, the BBC Economics Editor, says in his written evidence that the BBC can always do better in explaining the broad economic agenda to the audience. He says, for example, that while we have given prominence to the issue of out-sourcing, and while we have got well beyond the line that "more jobs are being lost to foreigners", he still does not feel that the audience has a real understanding of how this country's economy adapts as jobs move off-shore. We also reviewed several BBC stories involving Tesco but its position as the world's third largest retailer and how this affects its domestic strategy was hardly mentioned.
- 3.10 The storms which hit Britain in January 2007 received substantial news coverage, including an assessment of the estimated financial loss and impact on the UK insurance industry. The impact in continental Europe, for example in Germany, was in fact far greater. Although we understand the domestic services of the BBC are primarily focused on the concerns of the UK audience, there may be occasions when stories could be set in a wider context.

- 3.11 The issue of the relationship between big business and the concern over climate change and global warming is already an important story for the BBC. It is essential that international and domestic perspectives are interwoven. We note from the Leeds University content analysis that there is considerable variation in the emphasis placed on green issues across BBC news programmes. For example, the *1800 News* (Radio 4) has relatively little coverage of these issues compared to *Today* (Radio 4) and the *Six and Ten O'Clock News* (BBC One).
- 3.12 Our commissioned content analysis report indicates that the overall BBC output on business and the environment does not give the full picture. It says that the impression gained is of pressure for change coming from all directions, often beyond any one individual's control, yet having direct consequences on everyday life. It says there is not much guidance from news sources as to what is likely to become reality for the average viewer or listener, and what is not, and what can be done at the micro as well as the macro level.

Standards of research and knowledge

- 3.13 Witnesses from a range of organisations mentioned the poor level of knowledge of some of the BBC's researchers who contacted them. They said they had often found themselves explaining basic facts which were key to a story. In their view researchers often failed to ask the right questions which meant that presenters were poorly briefed. This hindered their ability to challenge interviewees properly and achieve accuracy.
- 3.14 This lack of understanding can cause frustration among a variety of stakeholders – business leaders feel under attack, the unions say they cannot get traction on key issues such as skills for life or other workplace issues yet these affect everyone employed in the private and public sector alike, and pressure groups say they cannot get the BBC to see the linkages across issues.
- 3.15 Some witnesses said that in contrast to newspaper practice relatively few BBC journalists are proactive in seeking briefings and developing relationships with key opinion formers across the business spectrum. Witnesses believe that the recruitment of experienced business journalists like Jeff Randall and Robert Peston has helped the BBC to be better informed. This has helped the BBC to address one of its traditional weaknesses –the inability to break its own stories on a regular basis. The current Business Editor spends considerable time briefing colleagues about the complexities of business issues. However, we believe too much reliance is placed on him, and his time and expertise are spread thinly. One BBC witness said that the BBC prides itself on specialisation but sometimes relies too heavily on individuals.
- 3.16 We were interested in discovering how business stories migrated to the mainstream output. In the BBC individual programme editors have considerable power in deciding what goes into the mainstream bulletins on any given day. We understand many factors have to be considered when compiling a daily news programme, and business correspondents have to make a convincing case for particular stories to be included. We note that the number of business stories especially on the *Ten O'Clock News* is high, but many of them are framed, as we have said, in the consumer perspective. We believe that a lack of specialist knowledge and perhaps a lack of interest on the part of some programme editors

can result in missed stories or angles. One BBC witness said that there is sometimes a tension between a specialist who knows a lot about a subject and the ability to tell a story. The BBC will sometimes err on the side of the better storyteller.

- 3.17 There is concern about the range and quality of the experts used on many business stories. Some witnesses thought the range of expertise is too narrow and some are over-used. Others were worried about the use of commentators in items linked to the markets where contributors may have a vested interest.
- 3.18 We understand the difficulty of having to find informed contributors at short notice. We attempted to discover whether there was any strategic thinking behind the selection of these experts and what quality controls were in place. But it appears that contributor lists have largely grown up by custom and practice.
- 3.19 We recognise that there are already some measures to increase the knowledge of senior editors. This includes the business secondment scheme which places senior programme makers at the heart of a large company for 2 or 3 weeks.
- 3.20 The BBC College of Journalism is starting to introduce a range of initiatives to raise the level of knowledge of business issues among a wider range of journalists. These include master-classes on interviewing business leaders and online training modules featuring, among other things, business for non-business reporters and how to avoid pitfalls and stereotyping. The College also holds briefings for senior editors on big stories and emerging trends but it is not clear to what extent the knowledge gained is passed down through the organisation. One BBC witness said that the BBC Regions sometimes lack business reporting expertise and training.

4. Does the BBC fulfil its role as a public service broadcaster in its provision of business coverage?

- 4.1 The Charter requires the BBC to produce programmes of a type that would not be broadcast by its commercial competitors. This can be a matter of both content and style. It is a constant challenge for the BBC to engage a wider audience in a genre which has limited appeal. The Blic audience research shows that even though its findings are primarily drawn from those who have some pre-disposition towards business news in general, a significant proportion has a limited interest in actual business coverage.
- 4.2 For a market-driven organisation this would provide a rationale for ignoring or down-playing business coverage for a mainstream audience but the same rationale cannot be used by a public service broadcaster with a mission to educate and inform as well as entertain. However, we recognise that coverage of business has to compete for airtime with all other types of programme and with other news items, and we cannot expect the BBC to produce programmes that will have no or little audience.
- 4.3 Many witnesses referred to this public service remit in the context of business news. Some said that what is lacking in the BBC's mainstream coverage is the kind of business insight the audience would get from a quality daily newspaper. They

said it is a challenge for the BBC to deliver illuminating coverage that would appeal to a broad audience.

- 4.4 One witness described the BBC as a potent element in our democratic society which has a right to oppose, challenge and hold all sectors of society, including business, to account. It is therefore crucial that the BBC should use this power and responsibility more effectively to help the broader public understand the role of business in society - including the positive as well as the negative.
- 4.5 We know that programmes such as *Dragon's Den* and *The Apprentice* are primarily designed to entertain and are popular. However some witnesses were concerned that these programmes present an unrealistic and over-aggressive view of the world of business. Our view is that these strands might suggest there is an appetite for programmes about business. Although they do not provide a complete picture of the complexities of business life they might provide a lead to programmes which do.

The role of business

- 4.6 BBC witnesses told us that it can sometimes be difficult to persuade business leaders to appear on news and current affairs output. It is possible that such hesitancy is the result of a general lack of trust between the media and business. Business leaders are sometimes worried about being questioned publicly about their activities, especially by presenters who they believe may be uninformed, cynical or unnecessarily aggressive. The BBC's written evidence acknowledges that the relationship is delicate but says that there has been some success in convincing business leaders to appear.
- 4.7 One witness emphasised that many citizens have a financial stake – directly or indirectly – in businesses. He believes this not only provides an interest in the success of businesses but also a shared responsibility for their conduct. This suggests that business leaders should do more to engage with BBC audiences and be prepared to explain their policies and activities to a wider public.

CHAPTER FOUR

RECOMMENDATIONS

Our recommendations fall into three main areas.

1. Addressing the lack of knowledge of business issues
2. Widening the range of editorial ideas and programming about business
3. Ensuring compliance in business coverage with standards of impartiality

1. ADDRESSING THE LACK OF KNOWLEDGE OF BUSINESS ISSUES

Developing new initiatives to improve the level of business knowledge

We believe that BBC journalists need to be better informed, not just about how big companies work, but also about a wide range of issues including small businesses, modern unions and workplace organisations. This should mainly apply to general journalists and programme makers but could also be applicable to parts of the Economics and Business Centre itself. We welcome the College of Journalism's efforts in introducing some business modules. However, it needs to develop an extensive business and workplace programme.

Ensuring the College of Journalism's programme on business training is effective

We believe that there should be a system in place to monitor the effectiveness of new and existing training schemes. It is crucial to monitor the take-up of material and ensure it reaches the right people including output editors of daily news programmes. It is also important that the knowledge gained from briefings about business is passed down through the organisation, including the Nations and Regions.

2. WIDENING THE RANGE OF EDITORIAL IDEAS AND PROGRAMMING ABOUT BUSINESS

Making systematic efforts to reflect more of the ways in which audiences interact with the world of business.

BBC correspondents and editors should be encouraged to pursue innovative ways of treating the audience as employees, citizens and investors (direct and indirect) as well as consumers.

One important issue is whether the BBC has enough specialist correspondents who have a detailed knowledge of union and workplace issues. The plan to have a new correspondent with a workplace brief is to be welcomed but we believe it is especially important that correspondents in this field should appear regularly on television bulletins.

The business agenda on the mainstream output should be regularly monitored and analysed to ensure there is a more balanced view of business and work.

Expanding the coverage of the role of business in society

It is important for the BBC to foster and encourage debate about the role of business in British life and in the rest of the world. We believe the BBC should find ways of tackling this issue imaginatively and in a high-profile way.

Broadening the range of interviewees/commentators on business issues

From the BBC's responses to us there appear to be no systematic criteria for the selection, retention or assessment of the performance of experts. A wider variety of analysts should be used and more efforts made to identify clearly on air the organisations they represent. Researchers and other staff should be encouraged to put more effort into building up their own contacts.

The Economics and Business Centre should be encouraged to increase its efforts to get more senior business leaders on air and also search for new generation of interviewees among the unions and other workplace representatives, including more female voices.

Improving online business news

We support the view within BBC news management that there should be more thought about the relationship between business reporting on the web and business reporting on traditional broadcast outlets. This should be a priority and progress should be monitored.

We believe that special care should be taken over blogs written about business issues and that all staff who write them should be clearly reminded that the same principles of impartiality apply to them as to broadcast output.

3. ENSURING COMPLIANCE IN BUSINESS COVERAGE WITH STANDARDS OF IMPARTIALTY

Improving awareness of impartiality issues in business coverage among journalists at all levels

Senior BBC managers need to ensure that all journalists understand how BBC impartiality standards apply to business coverage and that they are aware of the issues identified in this report. They should improve the way that business output is analysed and assessed. Monitoring the impartiality of business coverage on mainstream output should be a priority.

Increasing the number of business specialists at a senior level

We believe there is a case for more people with specialist business backgrounds to be involved in editorial and managerial roles as well as on-air roles. They could support the Business and Economics Editors who are currently torn between broadcasting and fulfilling an educative role in the Economics and Business Centre and the wider BBC. Such senior specialists could share the role of briefing other BBC journalists about upcoming business stories as well as maintaining quality control over business output, especially on mainstream bulletins.

Addressing on-air breaches of impartiality

We have indicated that there are some inconsistent standards of impartiality among presenters, especially those on Five Live. It is important for senior editorial managers to

monitor this situation carefully. They should regularly remind presenters of their obligations and bring issues to their attention if there are any lapses.

Presenters should be encouraged to be self-critical and careful. They need to take care to avoid any ad-lib comments which may either endorse or criticise commercial products. They should also be careful not to adopt an on-air position which could be interpreted as championing a specific consumer cause.

Extra care needs to be taken with programmes which report on controversial commercial issues and which may be seen to take a campaigning line.