



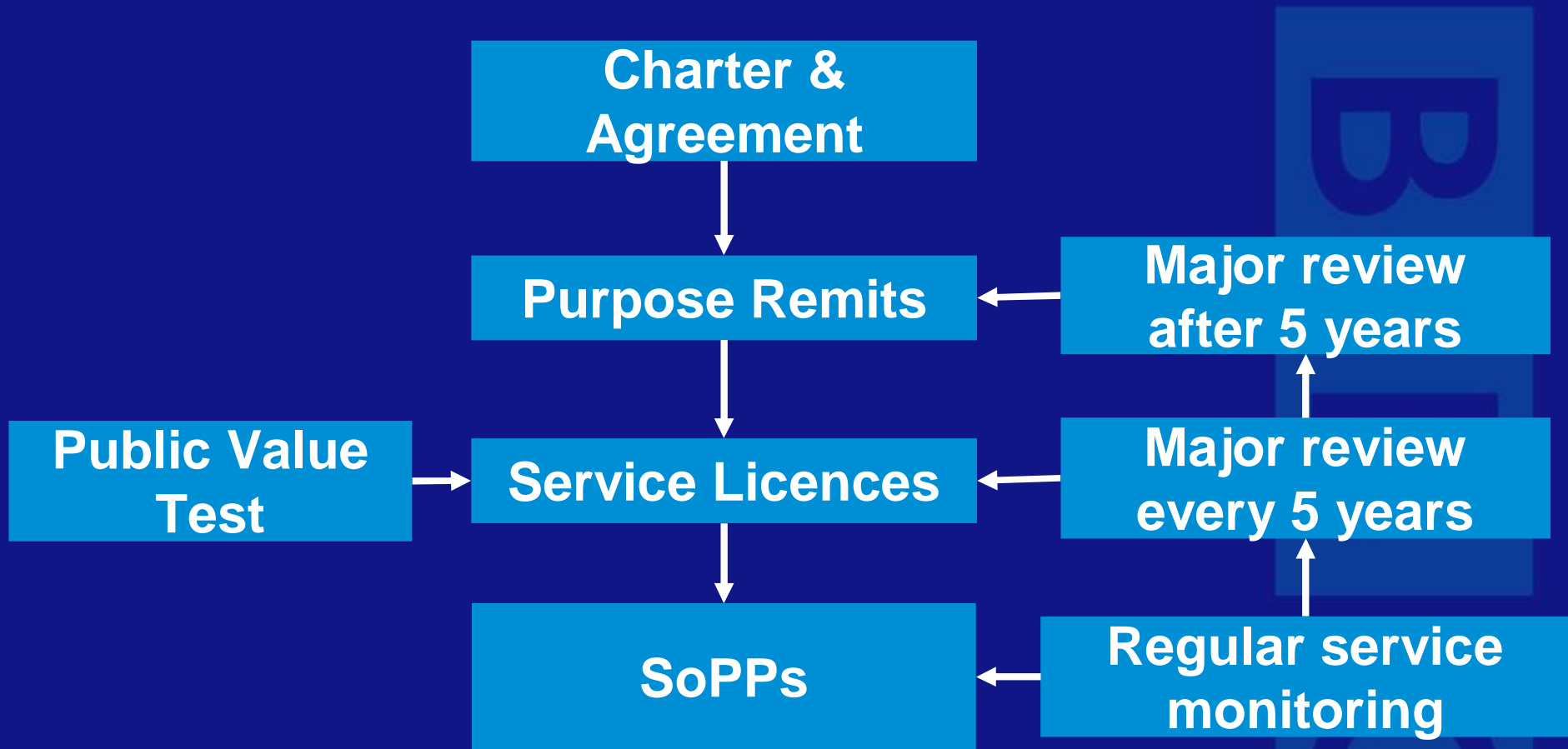
The Public Value Test

Christopher Woolard
Head of Compliance and VFM

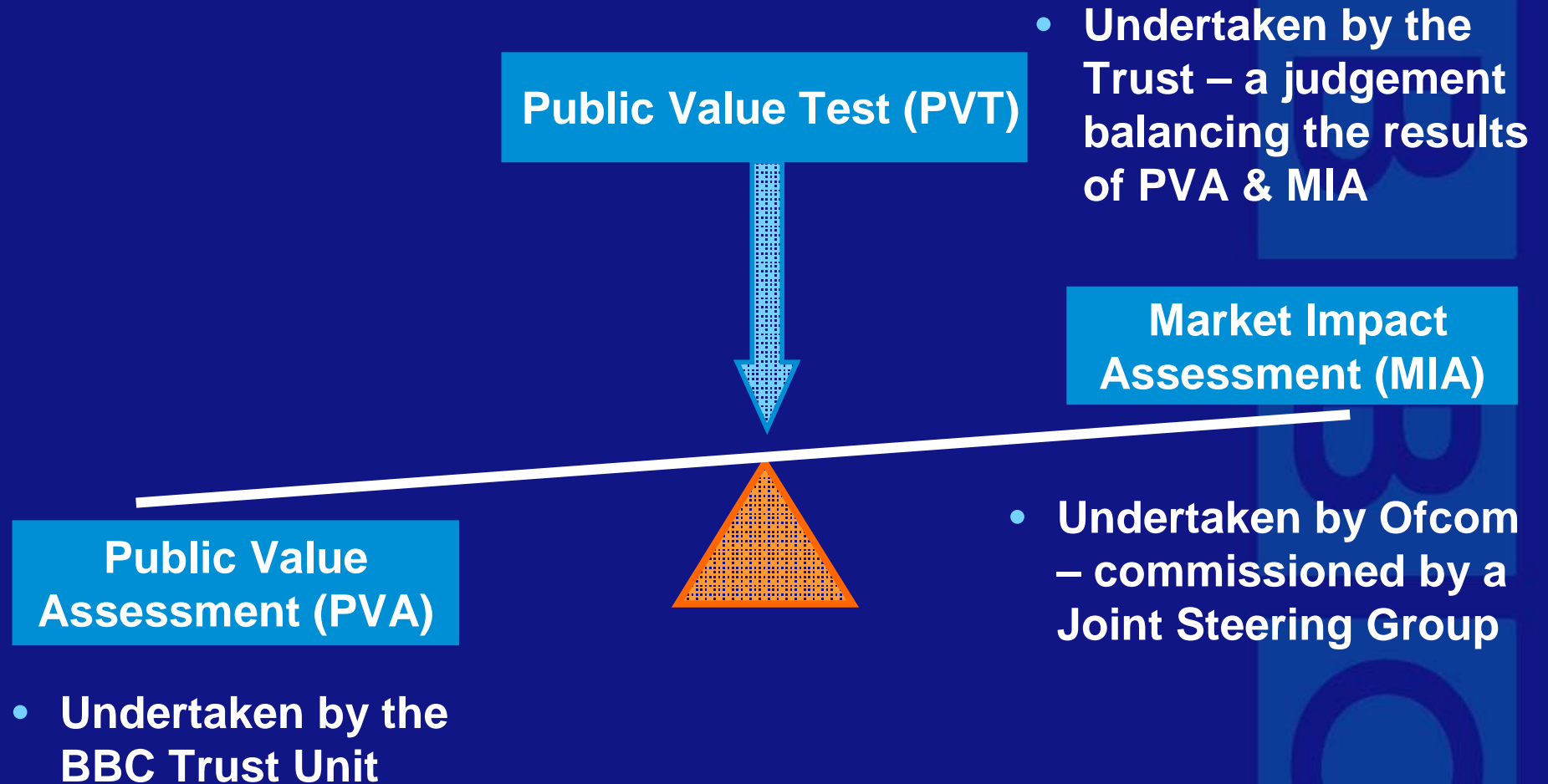
September 2006



The Trust will govern BBC services using a new regulatory and performance framework



The Public Value Test process comprises three parts



Joint Steering Group

Ofcom and the BBC Governance Unit

Kip Meek, Chief Policy Partner

Tim Suter, Partner Content and Standards

Peter Culham, Chief Economist

Richard Tait, BBC Governor

Nicholas Kroll, Director of Governance

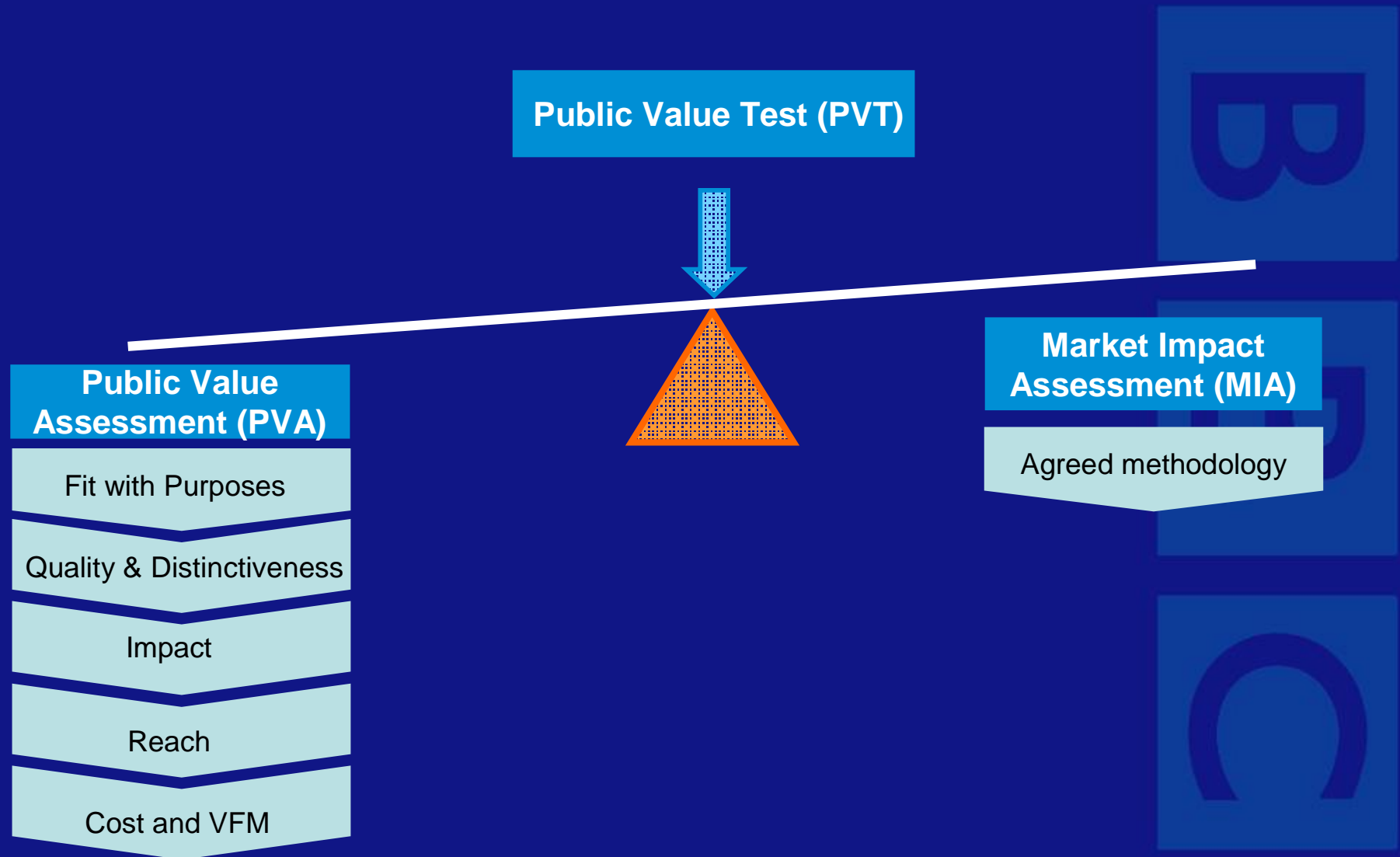
Christopher Woolard, Head of
Compliance and Value for Money

The JSG:

- Sets the terms of reference for the MIA
- Agrees the potential relevant markets for the assessment after considering advice from Ofcom.
- Ensures the MIA is conducted in a manner appropriate to the nature of the Public Value Test and to a suitable schedule



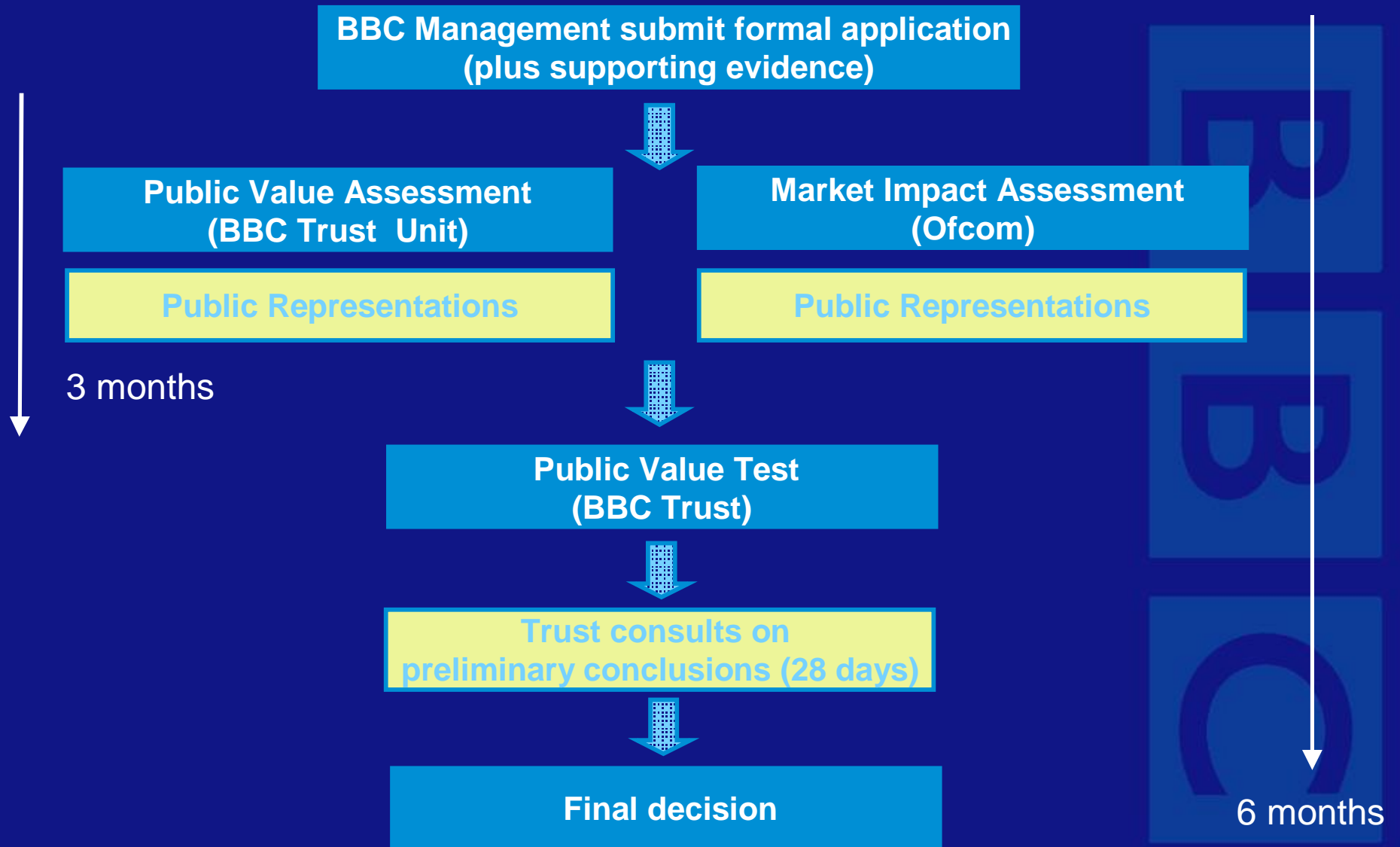
BBC Management proposals are considered against the key drivers of public value and market impact



The PVA and MIA

- The PVA and MIA components of the Public Value Test must be:
 - a) **Comparable** – the costs and benefits they estimate must be considered together in the final balancing act of public value and market impact
 - b) **Comprehensive** – all relevant costs and benefits should be considered, either in the PVA or MIA
 - c) **Coherent** – they must be based on the same data and assumptions (having regard to any overriding confidentiality obligations) and they must not “double count” the same costs or benefits

The Trust balances the likely public value created against market impact before reaching its decision



What next?

- Invitation to make representations
- More details at bbcgovernors.co.uk
- Questions?

