



BRIEFING PAPER

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BBC Charter renewal

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Inside:

1. History
2. The timetable for Charter renewal
3. What were people saying about Charter renewal before the Election?
4. The 2015 funding settlement
5. The 2015 Green Paper
6. Parliamentary Committees, 2015-6
7. The Perry Review
8. The Clementi Review
9. The BBC's response
10. The 2016 White Paper
11. The new Charter
12. The "iPlayer loophole"
13. Scotland
14. Wales
15. Northern Ireland
16. What happened last time, 2003-6



Contents

Summary	3
1. History	6
2. The timetable for Charter renewal	7
3. What were people saying about Charter renewal before the Election?	9
4. The 2015 funding settlement	12
5. The 2015 Green Paper	14
6. Parliamentary Committees, 2015-6	16
6.1 The Commons Committee	16
6.2 The Lords Committee	17
7. The Perry Review	19
8. The Clementi Review	20
9. The BBC's response	22
9.1 The BBC's opening position	22
9.2 Responses to the Green Paper	24
9.3 BBC Studios	26
9.4 Market impact	28
10. The 2016 White Paper	29
10.1 Further committee work	33
11. The new Charter	34
11.1 A new role for Ofcom	36
12. The "iPlayer loophole"	38
13. Scotland	39
14. Wales	42
14.1 S4C and the BBC	43
15. Northern Ireland	45
16. What happened last time, 2003-6	46
16.1 The Charter review timetable	46
16.2 Charter review	46
16.3 The Green Paper	48
16.4 After the Green Paper	50

Summary

The BBC's constitution is set out in a [Royal Charter](#), while the rules under which it operates are set out in an [Agreement](#) between the BBC and the Secretary of State for Culture, Media and Sport. The first Charter Review was in 1927. Since then reviews have been carried out approximately every ten years.

The current Royal Charter was agreed on 19 September 2006 and came into full effect on 1 January 2007, following a lengthy review process. It runs until 31 December 2016.

Towards the end of the last Parliament it became clear that formal Charter renewal negotiations would not begin in earnest until after the 2015 general election.

Broadcasters, other stakeholders and politicians began positioning themselves in advance of negotiations, and certain themes rapidly emerged:

- Governance
- Changed viewing habits
- Viability of the licence fee

In July 2015 a funding deal was agreed between the Government and the BBC. The key element was that the BBC would take over funding of free TV licences for the over-75s in return for certain concessions. The Government agreed to close the "iPlayer loophole" (the cause of significant income loss for the BBC) and said that legislation to that effect would be brought before Parliament in the near future.

Also in July 2015 the Government published a [Green Paper](#) on Charter Review. The BBC subsequently published its proposals for creating an "open, more distinctive BBC". The BBC's formal response to the questions posed in the Green Paper appeared in October, with detailed money-saving proposals following in November and more to come in spring 2016. A summary of responses to the Green Paper appeared in March 2016, which showed widespread public support for the Corporation and for its independent status.

A [White Paper](#) containing the Government's specific proposals for the future of the BBC was published in May 2016. Among its key points are the following:

- The licence fee will continue for at least 11 years, and will increase in line with inflation until 2021-22.
- A new regularised process for setting the licence fee will be introduced, giving the BBC financial certainty by setting the licence fee every five years.
- Ofcom will become the external, independent regulator of the BBC.
- There will be a new "unitary board", replacing the existing BBC Trust and internal BBC Executive, with responsibility for ensuring

that the Corporation's strategy, activity and output are in the public interest. No more than half of the board members will be Government appointees.

- Editorial decisions will remain the ultimate responsibility of the Director-General.
- The BBC will be required to give greater focus to underserved audiences, in particular those from black, Asian and ethnic minority backgrounds and from the nations and regions which are currently less well served.
- A new mission statement for the BBC will place emphasis on distinctiveness of output and impartiality.
- The charter period will change from 10 to 11 years, to remove it from any political cycle. There will be a "health check" half way through the charter period.
- The BBC World Service's annual funding of £254m will be protected for five years and, as previously announced, the Service will receive an extra £289m of Government funding over the current Parliament.
- Programme making will be opened to greater competition. The possibility of production by independent companies will exist for all BBC programmes except news and some parts of current affairs.
- The Government will pilot a new fund for certain types of public-service programmes - including high-quality children's TV - that production companies can bid for and show on free-to-air TV channels other than the BBC.
- The National Audit Office will have a stronger role in scrutinising how the BBC spends its money.
- All employees and freelancers who earn more than £450,000 will be named.
- The "iPlayer loophole" will be closed.

Select committees in both Commons and Lords have run inquiries into Charter renewal. In its February 2016 report, the Commons Culture, Media and Sport Committee urged radical overhaul for the system of BBC governance. The Lords Communications Committee was especially critical of the "behind-closed-doors" manner in which the July 2015 funding deal was agreed.

The BBC Trust has conducted public consultations of its own and Sir David Clementi undertook an independent review into the governance and regulation of the BBC which recommended that regulatory oversight be passed wholly to Ofcom.

The new draft [Royal Charter and the accompanying Framework Agreement](#) were published on 15 September 2016. The Lords debated them on 12 October. A Commons debate followed on 18 October, on a motion to approve the draft Agreement. Some

changes have been made from the proposals in the White Paper, notably on the publication of employees' salaries – the threshold is now to be £150,000 – and the composition of the new unitary Board, the majority of whose members will now be appointed by the BBC. Following debates, the Government presented the finalised Charter to the Privy Council, to come into force on 1 January 2017. The [final Charter and Agreement](#) were laid before Parliament as Command Papers in December. There will be a short period of transition before the BBC Board and Ofcom take on their new governance and regulatory roles on 3 April 2017.

The so-called “iPlayer loophole” was closed from 1 September 2016. This means that people who use on-demand services provided by the BBC (currently through the BBC iPlayer) are now required to have a TV licence.

A committee of the Scottish Parliament has also engaged with the BBC's role in Scotland. Following the further devolution of powers, there is a new formalised role for Holyrood in Charter renewal. Likewise, the Welsh Government and National Assembly for Wales have a formal consultative role in the Charter Renewal process. The previous Assembly's Communities, Equality and Local Government Committee published a report into BBC Charter Review in March 2016. A similar Memorandum of Understanding guarantees a consultative role for the Northern Ireland Executive and Assembly in Charter renewal. Both the Northern Ireland Culture Minister and the relevant Assembly committee have fed their views into the UK-wide consultation process. Debates on the draft Charter and Agreement took place in all three devolved legislatures in September and October 2016.

1. History

The British Broadcasting Company, as it was first known, was formed in 1922 and its membership consisted of manufacturers of wireless equipment, including the Marconi Company. John Reith was its first general manager. In 1926, the report of the Committee on Broadcasting under the Chairmanship of the Earl of Crawford and Balcarres was published.¹ The Committee found that the United States system of uncontrolled transmission and reception was unsuited to Britain and that broadcasting should remain a monopoly controlled by a single authority. On 14 July 1926, the Postmaster General announced that the main recommendations were accepted by the Government and that as from 31 December 1926 the service provided by the British Broadcasting Company would pass over to the British Broadcasting Corporation which would derive its authority from a Royal Charter. This is the position of the BBC today: its constitution is set out in a [Royal Charter](#), while the rules under which it operates are set out in an [Agreement](#) between the BBC and the Secretary of State for Culture, Media and Sport. The first Charter Review was in 1927. Since then reviews have been carried out approximately every ten years.

¹ Cm 2599

2. The timetable for Charter renewal

The current Royal Charter was agreed on 19 September 2006 and came into full effect on 1 January 2007, following a lengthy review process. It runs until 31 December 2016. The final section of this Paper provides a reminder of the sequence of events ten years ago.

Towards the end of the last Parliament it became clear that formal Charter renewal negotiations would not begin in earnest until after the 2015 general election. James Purnell, the BBC's Director of Strategy and Digital, said in February 2014:

"The secretary of state [then Maria Miller] made it clear this morning that charter renewal is not beginning at the moment and she implied that it won't happen until after the election or subject to the political calendar. We are not in active discussions with them about [charter renewal] now. We have a five year deal."²

The process for renewal is not tightly prescribed, but it was expected to follow a similar pattern to that seen ten years ago. However, it was already clear that the timescale would be shorter. On the last occasion, there was a lengthy public consultation process, beginning with the publication of a document inviting public response on the future of the Corporation. This consultation closed on 31 March 2004. In comparison with previous renewal rounds – although the mechanism remained broadly the same – in 2004-6 there was greater emphasis on public involvement and "transparency": perhaps a reflection of the fact that the BBC's position as a "public service" broadcaster funded by the licence fee was under scrutiny as never before.

On the previous occasion, the Government next issued a Green, followed by a White, Paper; the BBC responded with a number of consultation documents of its own, seeking both to engage with Government and with the public at large. There were inquiries by the Culture, Media and Sport Committee in the Commons and a dedicated Committee in the Lords.

The final settlement was a matter for negotiation between the BBC and the Government of the day. Drafts of the new Charter and Agreement were published. The Agreement between the Culture Secretary and the BBC, which was laid before Parliament as a Command paper, was subject to an approval motion in the Commons. The motion was passed after a long debate on 10 July 2006.³ It is not a statutory requirement for the Agreement to be approved by both Houses of Parliament, but it is convention for both the Commons and Lords to debate it (although, in 2006, the Commons debated on a substantive motion whilst the Lords did not). At the time of the last [amendments](#) to the Agreement in 2011, there was no debate or vote – it was simply laid before

² "BBC charter renewal talks set for 2015", *Broadcast Now*, 27 February 2014

³ [HC Deb 10 July 2006 cc1150-1221](#)

Parliament having been signed by both the Chairman of the Trust and Secretary of State.

In 2006 the Charter was sent for approval by Her Majesty in Council. Since the BBC will continue to be incorporated by royal charter, the same will happen in 2016. As was seen with the Charter for press regulation in 2013, royal charters are a matter for the Privy Council and do not require parliamentary approval.

In April 2016 Lord Fowler asked in the House of Lords: “when... the Government come to make their proposals in the White Paper, is it their intention that they will be put to the vote in the House of Commons and House of Lords?” The Minister, Baroness Neville Rolfe, replied that “the detail and nature of the parliamentary scrutiny of the charter is a matter being considered by the usual channels”.⁴

Following publication of the White Paper in May 2016 (see below, section 10), the Government said that it would “now listen to feedback from key groups including Parliament” and would publish a draft version of the Charter “in the coming months”.⁵ The draft Charter and Framework Agreement were published in September 2016 (see below, section 11) and revised versions, incorporating “minor and technical changes”, appeared in November. The final versions of both documents were published as Command Papers and laid before Parliament in December 2016.

⁴ [HL Deb 21 April 2016 c858](#)

⁵ DCMS press release, [Plans to overhaul governance and secure the BBC](#), 12 May 2016

3. What were people saying about Charter renewal before the Election?

Broadcasters, other stakeholders and political parties began positioning themselves in advance of negotiations, and certain themes rapidly emerged:

- Governance
- Changed viewing habits
- Viability of the licence fee

These were explored further in the chapter “Renewing the BBC Charter” in the Commons Library publication, [Key issues for the new Parliament](#).

In 2014 the then Culture Secretary, Sajid Javid, hinted that the licence fee would be overhauled during Charter renewal negotiations to reflect changing viewing habits. Mr Javid said that there had been “big technological” developments during the BBC’s current Charter period, with the rise of on-demand platforms including iPlayer and Netflix:

“When we have the review it needs to take all this into account... nothing should be ruled out and nothing should be ruled in.”⁶

In a speech given at the London School of Economics on 23 June 2014, Diane Coyle, then acting Chair of the BBC Trust, said:

“We welcome the fact that [the current Government] are doing everything they can to avoid politicising the Charter Review process, and the decision about future funding, by deferring that work until after the General Election.

Following the same logic, we think the Charter Review itself needs to be a proper, robust, open and consultative process – very different, in other words, from the last licence fee settlement. Then the BBC, under extremely heavy pressure, was required to take on the funding of a number of new obligations from Government. In some cases, like the World Service, these made some sense. In others – like local television and broadband roll-out – we find ourselves funding Government policy initiatives in a way that doesn’t feel independent. This principle of ‘top-slicing’ the licence fee must not be baked into the next licence fee settlement before the process even starts. (...)

Once the Charter Review process starts, the Trust will want to make sure that it includes a full, open public debate about the right level of funding for the BBC.

That means discussing the sort of BBC we all want, its role in our culture and the creative industries, its contribution to the growth of an increasingly globalised digital society and economy. (...)

The Trust will want to make an informed and public contribution to the process of settling the BBC’s funding.

⁶ In an interview on the Andrew Marr Show on BBC1, quoted in “[Culture secretary views BBC licence fee overhaul](#)”, *Broadcast*, 16 June 2014

So in advance of any Government decision, in the course of the next Charter and funding Review, the Trust will do some work of its own. We will consult the public and scrutinise the costs of the plans and proposals that the BBC Executive put forward.”⁷

Rona Fairhead used her first speech as chair of the BBC Trust to emphasise that licence fee payers should have their say on the BBC’s future:

“This will be a very real debate about the future, size and shape of the BBC... I took this job because I believe the Trust needs to be at the heart of that debate. And I believe it needs to be a proper public debate, not one conducted by a small elite.”⁸

In a report published in February 2015, the Commons Culture, Media and Sport (CMS) Committee called for major changes to the BBC’s governance and for reforms to its funding, in the context of a rapidly evolving media environment and following several years where the Corporation has been “at times beset by mistakes”.⁹ The Committee concluded:

In the short-term there is currently no better alternative to the licence fee but as a minimum the licence fee must be amended to cover catch-up television as soon as possible.

Criminal penalties and enforcement for non-payment of the licence is anachronistic and out of proportion with responses to non-payment for other services. However, decriminalisation needs to be accompanied by measures to prevent increased evasion.

A broadcasting levy on all households is the preferred alternative but a degree of subscription for BBC services could be a possibility in the future.

The BBC has tried for too long to provide “something for everyone”: it should reduce provision in areas where others are better placed to deliver excellence and better value for money, and make bigger, braver decisions on its strategy.

The BBC should seek to do more in partnership with others. It should also support local media through extending the indie quota to include local news.

The BBC must demonstrate transparency to eliminate suspicions of cross-subsidy of its commercial work if it is to produce content for others.

The BBC Trust should be abolished and new arrangements made for the governance, regulation and oversight of the BBC.

The BBC should have a unitary board with a non-executive Chair, who would be known as the BBC Chairman.

A new rigorous and independent Public Service Broadcasting Commission (PSBC) should be established with the role of scrutinising the BBC’s strategic plan, assessing the BBC’s overall performance, and determining the level of public funding allocated to the BBC and others. A small amount of public

⁷ “[A 21st century BBC](#)”, Text of speech on BBC Trust website

⁸ “[BBC Trust boss: public must have say in charter renewal](#)”, *Daily Telegraph*, 3 February 2015

⁹ Culture, Media and Sport Committee, [Future of the BBC](#), 26 February 2015, HC 315 2014-15

11 BBC Charter renewal

funding should be made available for other public service content priorities.

The National Audit Office (NAO) must now be given unrestricted access to the BBC to provide assurance that the Corporation is spending money wisely.¹⁰

Support for at least one of the Committee's proposals came from the BBC itself. Lord Hall, BBC Director-General, indicated the Corporation's backing for a broadcasting levy that would apply to every household, regardless of whether they have a television. Such a change would allow the BBC to collect funds from the estimated 500,000 households which claim not to have a television or only watch programmes on-demand through platforms like the BBC iPlayer. It would also dispense with the need to detect and prosecute licence fee evaders. Lord Hall told staff:

"We've always said that the licence fee should be updated to reflect changing times. I welcome the committee's endorsement of our proposal to make people pay the licence fee even if they only watch catch-up television. The committee has suggested another route to modernising the licence fee – a universal household levy.

"Both proposals have the same goal in mind: adapting the licence fee for the internet age. I believe we need and we will need what the licence fee – in whatever form – makes happen more than ever."¹¹

John Whittingdale, Chairman of the CMS Committee in the last Parliament, later Culture Secretary, described the licence fee as "worse than a poll tax" and "unsustainable" in the long term. Speaking at a BAFTA-sponsored event in October 2014, he said that he believed the licence fee would continue under the next BBC charter, albeit with some "tweaking":

"When I say it's unsustainable I am talking about over 20-50 years. (...) It is a poll tax. It's actually worse than a poll tax because under the poll tax, if you were on a very low income you would get a considerable subsidy. The BBC licence fee, there is no means-tested element whatsoever; it doesn't matter how poor you are, you pay £145.50 and go to prison if you don't pay it."¹²

¹⁰ CMS Committee news, [Committee publish future of the BBC report](#), 26 February 2015

¹¹ "[End of the licence fee: BBC to back radical overhaul of how it is funded](#)", *Independent*, 2 March 2015

¹² Quoted in: "[BBC licence fee 'worse than poll tax', says John Whittingdale](#)", *Daily Telegraph*, 28 October 2014

4. The 2015 funding settlement

In July 2015, a few days before the first Budget of the newly elected Parliament, reports appeared in the press suggesting that a funding deal for the BBC had been agreed “behind closed doors”.¹³ In response to an Urgent Question from Chris Bryant, then Shadow Culture Secretary, the then Culture Secretary, John Whittingdale, made a Statement to the Commons confirming details of the agreement reached between Government and the BBC.¹⁴ These are the main elements:

- At present, free TV licences for the over-75s are funded by the Department for Work and Pensions. In future, the BBC will take on the cost and policy responsibility for this concession in a phased switchover. The BBC will shoulder £200m of the annual cost from 2018-19 and assume the full bill (currently estimated at £745m) p.a. from 2020-21.
- The Government has provisionally agreed to tie the BBC’s funding to the consumer price index over the next Charter period. This is “subject to the conclusions of the charter review on the purposes and scope of the BBC, and the BBC demonstrating that it is undertaking efficiency savings at least equivalent to those in other parts of the public sector”.
- The Government will bring forward legislation to ensure that people watching catch-up content on public service video-on-demand services such as iPlayer are covered by the licence fee.¹⁵
- The BBC’s contributions to the rollout of superfast broadband will be phased out from its current level of £150m to zero in 2020-21.

In his response, Chris Bryant suggested that the due process of Charter renewal was being shortcut (an implication that Mr Whittingdale rejected):

If there is a means of protecting the public finances while securing the BBC's future, we will wholeheartedly support it, but if this is just a smash-and-grab raid on the BBC and if it ends up undermining it, we will oppose the Secretary of State every step of the way.¹⁶

For its part, the BBC claimed that the overall deal would be “cash-neutral”, but some commentators estimated that it could result in a 10-20% real-terms cut in the Corporation’s income.¹⁷

The BBC forecasts that licence fee income in 2016/17 will be £150m less than it was expected to be in 2011. This is because, as more people

¹³ E.g. “Axe poised as BBC takes hit from free licences”, *Financial Times*, 6 July 2015

¹⁴ [HC Deb 6 July 2015 cc25-34](#)

¹⁵ This could happen as early as summer 2016 if the necessary legislation can be enacted. So the Culture Secretary told a conference in March 2016 (“£100m bill for licence fee dodgers after BBC closes loophole”, *Times*, 3 March 2016).

¹⁶ [HC Deb 6 July 2015 c26](#)

¹⁷ “Shock deal sparks cuts fears”, *Broadcast*, 10 July 2015, p3

rely on BBC iPlayer, mobiles and online catch-up, the percentage of households owning televisions is falling faster than predicted. This means that they do not always pay the TV licence fee.¹⁸

According to some press reports, the BBC, following informal discussions with Government, is operating on the assumption that the licence fee will be allowed to rise in line with inflation from 2017. If true, this could forestall the need for further drastic cuts in BBC expenditure.¹⁹ However, Mr Whittingdale stressed that the July deal was not a “licence fee settlement” but rather a “decision about Government spending. The licence fee settlement is part of charter review”.²⁰

This funding settlement, and the way it was arrived at, has proved controversial. Subsequently, the BBC Trust commissioned research from the Policy Institute at King’s College London. Their findings suggested that over time there have been successive risks to the independence of the BBC or to the perception of its independence, most recently in the process by which the July 2015 funding agreement was made. The report suggested practical ideas to protect independence in the future.²¹ The Trust’s view was that “a proper process” for setting the BBC’s funding should be built into the new Charter for the first time. To protect the BBC’s independence, the Trust argued, the process needs to be “fairer, more transparent, and more accountable, and give the public a formal say in setting the BBC’s funding in future”.²²

¹⁸ BBC Media Centre, [BBC sets out plans to deliver £150 million savings](#), 18 November 2015

¹⁹ “Licence fee to rise as No 10 strikes unofficial bargain”, *Times*, 13 November 2015

²⁰ BBC Radio 4 interview, quoted in “[BBC charter debate hots up](#)”, *Broadcast*, 29 October 2015

²¹ Martin Moore, [Better protecting BBC financial independence: an exploratory report for the BBC Trust](#), King’s College London, January 2016.

²² BBC Trust press release, [Protecting BBC independence: Trust calls for proper process of setting BBC funding to be written into the Charter](#), 19 January 2016. The Trust also commissioned and published reports from two academics, who looked at “the role that independent regulators play in determining funding requirements in other sectors and if there is any possible read-across to the BBC”.

5. The 2015 Green Paper

On 16 July 2015, the Government published a consultation (or “green”) paper as the first formal step in the Charter review process.²³ The consultation was open for twelve weeks from 16 July to 8 October 2015. Publication was accompanied by a Statement in the Commons by the then Culture Secretary.²⁴

The consultation sets out four broad issues for public discussion:²⁵

BBC’s mission, purpose and values

The BBC currently has six public purposes that were set out at the last Charter Review in 2006:

- Sustaining citizenship and civil society
- Promoting education and learning
- Stimulating creativity and cultural excellence
- Representing the UK, its nations, regions and communities
- Bringing the UK to the world and the world to the UK
- Delivering to the public the benefit of emerging communications technologies and services.

All of the BBC’s activity should be working towards one or more of these. The consultation paper looks at whether these purposes are still relevant, and in the context of recent challenges the organisation has faced, if there should be more direction set about how the BBC works by defining its values in the next Charter.

Scale and scope of the BBC’s services and operations

Twenty years ago the BBC had two television channels and five national radio stations. It is now the largest public service broadcaster in the world, with nine television channels, ten national radio stations, and a major online presence. The consultation paper looks at whether this particular range of services best serves licence fee payers and the impact it has on the commercial sector given the current and future media environment.

The way in which the BBC is funded

The BBC is currently funded via the TV licence fee, which has proven to be a very resilient form of funding – bringing in £3.7 billion last year. However it is not without its challenges - for example it is regressive, set at a flat rate and is not adjusted for different household incomes. It is also true that more people - especially younger people - now access television exclusively online and without a licence. This is perfectly legal, as the existing legislation was drawn up when the iPlayer did not even exist. The Government has already committed to dealing with this problem and the Charter Review will allow us to look at how to modernise the current system.

²³ [BBC Charter review: public consultation](#), Cm 9116, July 2015. “Green paper” is the generic term for Government consultation documents of this sort.

²⁴ [HC Deb 16 July 2015 cc1120-37](#)

²⁵ Summary taken from Gov.uk press release, [Government begins debate on future of the BBC](#), 16 July 2015

BBC's governance and accountability

The BBC Trust – established by the current Charter - exists to represent licence fee payers and hold the BBC to account. At times the BBC has fallen well short of the standards that the public expect of it, such as the Digital Media Initiative, the failed £100m technology project which exposed governance issues at the BBC. There are three broad alternative options - to reform the Trust model, create a unitary board and a new standalone oversight body or move external regulation wholesale to Ofcom. The Government is seeking views on these models and the wider issues of how the BBC's transparency and accountability can be improved.

To support the Charter Review, the then Culture Secretary announced the appointment of a group of experts from across a range of industries and backgrounds. Its remit will be to provide expertise, challenge and advice during the Charter Review process. Members have been appointed in a voluntary capacity and on the basis of their personal experience, not as representatives of their respective organisations. They will meet up to six times a year, with additional members co-opted as and when required by the Culture Secretary.²⁶

By the time the consultation closed in October 2015, the Department for Culture, Media and Sport (DCMS) had received in excess of 190,000 responses to the Green Paper. A summary of responses appeared in March 2016.²⁷ It showed that:

- The most important issue for respondents was content, with 150,744 (81%) indicating that the BBC is serving its audiences "well or very well".
- Only 15% of responses had a view on how the Corporation should be overseen, with 5% preferring a standalone regulator and 4% the communications regulator Ofcom.
- Almost three quarters – 134,778 – believed that the Corporation should "remain independent from one or more of Government, Parliament and Ofcom".
- In answer to the questions, "How should we pay for the BBC and how should the licence fee be modernised?" the majority of responses – 60% (110,863) – replied saying: "No change needed". Just 15% (27,951) argued for reform and 4% (7,144) for a universal household levy.

A White Paper was expected to follow in 2016 setting out the Government's formal vision for the BBC's future.²⁸ Given the high number of responses to be evaluated first, it was understood that the Government's specific proposals for the future of the BBC were unlikely to appear until May 2016 at the earliest.²⁹

²⁶ For a list of the current membership, see Gov.uk press release, [Industry experts to advise Government on BBC Charter review](#), 12 July 2015

²⁷ DCMS, [BBC Charter Review public consultation: summary of responses](#), March 2016; "[Public support BBC and its independence from government](#)", *Guardian*, 1 March 2016

²⁸ "[BBC charter debate heats up](#)", *Broadcast*, 29 October 2015

²⁹ Culture, Media and Sport Committee, [BBC Charter Review](#), HC 398, 11 February 2016, para 14

6. Parliamentary Committees, 2015-6

6.1 The Commons Committee

The Commons Culture, Media and Sport Committee has held an inquiry into the BBC Charter Review. It built upon and extended the work of the February 2015 report on the *Future of the BBC* and took account of the Government's Green Paper and the BBC Executive's and Trust's own position papers. There was a public call for evidence with a deadline for written submissions of 30 September 2015. The inquiry's terms of reference are on the [Committee's website](#). The Committee focused on what it called "six key areas of concern":

- Governance and regulation;
- The BBC's international presence;
- Production;
- Local journalism;
- Technology and innovation; and
- Reshaping the culture of the BBC.³⁰

The report, published in February 2016, concluded that:

- The BBC Trust has lost confidence and credibility and should be abolished. However, the problem that the Trust was intended to solve remains
- The BBC's Board needs to be reformed as a unitary board and strengthened, with the addition of an independent Chair
- It awaits the results of the Clementi review, but in its judgement wider accountability should be the task of a separate section of Ofcom
- A new complaints procedure would see all complaints handled initially by the BBC itself, with both industry and editorial issues subsequently escalated to Ofcom
- The redefined BBC Board should re-examine the business case for BBC Worldwide and, if it decides to retain the wholly-owned subsidiary model, it should be subjected to greater transparency and accountability and kept under review by Ofcom
- There remain concerns about the BBC Studios proposals on four fronts: State Aid rules, transparency and accountability over pay, the relationship between BBC Studios and BBC Commissioners, and the BBC's regional presence
- The lack of transparency around salaries, and concerns over levels of pay for executives and talent alike, must be addressed

³⁰ Culture, Media and Sport Committee, [BBC Charter Review](#), HC 398, 11 February 2016, para 3

The Committee was of the view that, “at least for the present, the BBC should continue to be governed by Royal Charter” (para 13). In relation to the Charter review itself, the Committee said that

- The process of Charter renewal should be separated from general elections, to avoid undue political pressures, delay and uncertainty
- It does not believe there is merit in a short Charter of five years or so
- If the White Paper is delayed as expected, there may well be a case for extending the present Charter for a further period³¹

The then Culture Secretary appeared before the Committee in September 2015 to answer on his Department’s work in general. In response to questions on the Charter he repeated his enthusiasm for a German-style household levy as an alternative to the licence fee. He said that if the system was linked to the council tax, which is based on house size, it could be levied in a progressive way rather than as a one-size-fits-all rate:

There are a number of different options. The simplest is that the licence fee, instead of your having to pay it separately through the TV Licensing Authority, could be paid at the same time as another bill, such as the Council Tax bill, which would make it easier to collect and it would also address part of the concern about evasion.

However, he stressed that no decision had been taken at this point in the review process.³²

6.2 The Lords Committee

The Lords Select Committee on Communications conducted an inquiry of its own. The Lords Committee recognised that its Commons counterpart had already laid out the “key issues and conflicting perspectives” in the *Future of the BBC* report. The intention of the Lords inquiry was therefore not to cover the same ground as that report but to look in detail at two specific areas of the BBC: what should the public purposes of the BBC be, and who should set the level of the licence fee?³³

The Lords Committee report appeared in February 2016.³⁴ The Committee found no need for fundamental changes to the BBC’s core mission – to “inform, educate and entertain” – which was set out by the BBC’s founder Director-General, Lord Reith. Nor did it receive compelling evidence for a reduction in the BBC’s scale and scope. Rather, the Committee saw merit in the universality of the BBC,

³¹ Summary drawn from: Culture, Media and Sport Committee News, [BBC governance needs radical overhaul, Committee report finds](#), 11 February 2016

³² Culture, Media and Sport Committee, [Oral evidence: Priorities of the Secretary of State for Culture, Media and Sport](#), HC 358, 9 September 2015, Q63; “[BBC licence fee replacement gets backing from Culture Secretary](#)”, *Guardian*, 9 September 2015

³³ Select Committee on Communications [HL], [BBC Charter Renewal: public purposes and licence fee inquiry webpage](#)

³⁴ Select Committee on Communications [HL], [BBC Charter Review: Reith not revolution](#), HL 96 2015/16, 24 February 2016

underlining its special role of reflecting and bringing together the nations, regions and communities of the UK.

However, while not advocating radical change to the BBC, the Committee saw benefit in its independent regulator, whoever that may be, holding the BBC to account through a clearer, simplified framework. The regulator should also take a lead in recommending the level of the licence fee to the Culture Secretary, and the Committee called for a new, more open and transparent process replacing the “behind-closed-doors” practice that had previously surrounded the licence fee settlement.

The Lords Committee agreed with the Commons Culture Committee's recommendations for new governance structures. The Lords inquiry found evidence for the BBC's next Charter to be for a longer term, in order to decouple it from the General Election cycle.

Among the other conclusions and recommendations were the following:

- The BBC's regulator should conduct a root and branch review of its accountability framework, with a view to clarifying and simplifying it
- The Committee has higher expectations of the BBC than of other public broadcasters, and expects it to set the gold standard amongst other Public Service Broadcasters
- The Committee's proposed process for setting the licence fee should take the following form: the level should be initially suggested by the BBC's independent regulator to the Secretary of State for Culture, Media and Sport. If the Culture Secretary were to disagree with the proposed figure, a full list of objections should be published to create an open and transparent process that has been lacking in the Charter Renewals to date

7. The Perry Review

Another report appeared on the same day as the Green Paper and was expected to feed into the Charter renewal process. The Review into TV Licence Enforcement was announced in September 2014 and was led by Independent Reviewer, David Perry QC. The Review was established (under the *Deregulation Act 2015*) to consider whether the sanctions currently in place for failure to hold a TV licence are appropriate and fair, and whether the current regime represents value for money for licence fee payers and taxpayers.³⁵ The key recommendation of the Review panel, after considering the evidence received during the consultation, was that “while the current licence fee collection system is in operation, the current system of criminal deterrence and prosecution should be maintained”.³⁶ This gave heart to the BBC, who had warned that decriminalisation would have an adverse effect on funding for its services by encouraging evasion and could cost it up to £200m in lost revenue. It was less encouraging for those parliamentarians who had argued during the passage of the *Deregulation Bill 2014-15* that civil penalties were a preferable option.³⁷

In his statement to the House on in July 2015, the then Culture Secretary said:

The Government will consider carefully the case for decriminalisation in the light of the Perry report and the need for the BBC to be funded appropriately. No decision will be taken in advance of charter renewal.³⁸

³⁵ Dept for Culture, Media and Sport, [TV Licence Fee Enforcement Review: consultation](#), 12 February 2015

³⁶ Dept for Culture, Media & Sport, [TV Licence Fee Enforcement Review](#), July 2015, p8

³⁷ House of Commons Briefing Paper SN6860, [TV licence fee non-payment: decriminalising the offence](#)

³⁸ [HC Deb 6 July 2015 c25](#)

8. The Clementi Review

Currently there are three key groups that make up the system of governance and regulation of the BBC: the BBC Trust, the BBC Executive and Ofcom. The regulatory interplay between these is explored in another Commons Library Paper: [BBC governance and financial accountability](#).

On 16 September 2015, the then Culture Secretary announced a further step in the Charter review process: an independent review into the governance and regulation of the BBC. It was led by Sir David Clementi, a former Chairman of Virgin Money and Prudential, and previously a Deputy Governor of the Bank of England. Sir David was asked to make proposals, taking account of the responses to the BBC Charter Review consultation, in relation to:

- the model of governance and regulation of the BBC;
- the specific mechanisms of governance and regulation; and
- the way in which the BBC and the bodies that govern and regulate it engage with licence fee payers and industry.³⁹

The Review was published in March 2016.⁴⁰ These are the high-level recommendations:

- regulatory oversight of the BBC should pass wholly to Ofcom;
- the BBC should have a unitary Board, with a majority of Non-Executive Directors;
- the primary responsibility for the interests of the Licence Fee payers should lie with the BBC Board;
- Ofcom should issue the BBC an Operating Framework, consistent with the revised Charter and Agreement, setting out the obligations placed on the BBC;
- the Operating Framework should include Operating Licences in respect of the BBC's broadcasting content and distribution obligations; and should include Operating Licences in respect of services for the Devolved Nations;
- the Charter should place on the BBC a duty to consult with the public both as consumers and as Licence Fee payers; and
- the BBC should have a 'Broadcaster First' system of complaints; appeal above the BBC on editorial issues would be to Ofcom.

Rona Fairhead, Chair of the BBC Trust, responded:

³⁹ Gov.uk press release, [Independent review into how the BBC is governed and regulated](#), 16 September 2015

⁴⁰ [A Review of the Governance and Regulation of the BBC](#), Cm 9209, March 2016

Sir David Clementi proposes a strong BBC board and a strong external regulator – a change we have argued for. It will be important to get the details right, and we now want to work with the Government to ensure roles are clear, the structure is effective and the BBC's independence protected.⁴¹

When Sharon White, the incoming Chief Executive of Ofcom, appeared before the Culture Committee in July 2015, she was asked about the possibility of Ofcom taking over all of the BBC Trust's responsibilities. She said that she could not envisage the regulator performing the "core job" of the BBC Trust, which involves auditing the BBC and measuring how it was performing against its targets and budgets:

I would put a line in the sand between [regulation] and the core responsibilities of a governance function, whether that sits within the BBC or without it, which is about: has the BBC effectively discharged the responsibilities in the new Charter? That is not a responsibility that I think we have the competence to discharge.⁴²

Ms White is reportedly more enthusiastic about taking on the regulatory role. However, as media commentator Roy Greenslade observes, "she will surely demand a larger Government subvention because Ofcom, despite its size, does not have sufficient staff to deal with the 250,000 complaints received by the BBC each year".⁴³

⁴¹ BBC Trust News, [BBC Trust statement following the publication of Sir David Clementi's review into the governance and regulation of the BBC](#), 1 March 2016

⁴² Culture, Media and Sport Committee, [Oral evidence: Priorities for new Chief Executive of Ofcom](#), HC 343, 21 July 2015, Q19

⁴³ "A fine job on change at BBC – but what about protecting informers?" *Evening Standard*, 2 March 2016

9. The BBC's response

9.1 The BBC's opening position

In September 2015, BBC Director-General Tony Hall used a [speech](#) at the Science Museum to launch a paper setting out the BBC's proposals for creating what he called "an open, more distinctive BBC".⁴⁴ These are the main proposals in the document:⁴⁵

A commitment to original, high-quality British drama to enrich content for UK viewers and boost the creative industries. This will be the backbone of a more distinctive approach across all of the BBC's services, from BBC One to online.

A partnership to create an Ideas Service providing the public with the best of British ideas and culture.

A new children's service – iPlay – creating a single front-door for children to the wealth of the whole BBC and our trusted partners beyond – giving more content to children that matures with them, across more platforms, in a safe and trusted way.

Finding digital ways to support music discovery to help audiences find new music and the best from the archive. This is backed by the UK music industry and focused on promoting the best of new British talent.

Responsive radio to give audiences a personalised schedule of programmes.

Significant investment in the World Service to parts of the world where there is a democratic deficit in impartial news. This is about upholding Britain's place in the world and the promotion of British values.

The offering of a new partnership with local newspapers on local reporting, shaped in partnership with the industry. This content would be shared, jointly created, and backed by licence fee funding, thereby helping to secure the future of local newspapers and democratic reporting.

Opening up BBC iPlayer to showcase content from others.

A review of the BBC's website to ensure that it is distinctive with a stronger focus on online broadcast content.

A transition from rolling news to streaming news, with BBC Newstream, bringing the expertise of our journalism into the palm of your hand.

New versions of the BBC's education, news and entertainment services in the Nations, as the start of a consultation about how to reflect deepening devolution.

The BBC will also set out its ambition to find close to 20 per cent of its cost base in savings. As much of that as possible will come from efficiency and commercial growth, but it will also require service reductions or closures. The BBC will seek to go further

⁴⁴ BBC, [British, bold, creative: the BBC's programmes and services in the next Charter](#), September 2015 (the references are in a separate [Appendix](#)); "Tony Hall: 'inevitable' that services will have to be closed or cut", *Guardian*, 7 September 2015

⁴⁵ Summary taken from: BBC Media Centre news, [An open, more distinctive BBC](#), 7 September 2015

than required by the recent Budget agreement in order to invest in the above proposals.

The BBC wants to invest around £150m (or 6% of direct spending on existing content and services) in these new ideas. Financial pressures mean that the Corporation will need to reduce spending on existing services to fund the innovations.

The paper confirmed that the BBC was sympathetic to the medium-term funding option canvassed in the Green Paper of modernising the licence fee by levying it on all households. The idea “merits consideration”; the BBC believes it would generate additional revenues and also “safeguard investment in the creative economy for the long-term”. However, in general, “the principle of the licence fee remains right”, even if “the current mechanism needs to be updated to reflect changing technologies and audience behaviour”.⁴⁶

This document, we were told, was the first in a series of four “key moments”. The second paper, to be published at the Royal Television Society conference in late September 2015, would set out the BBC’s proposals on the future of BBC production and Worldwide. The third, due for publication in early October, would be the BBC’s direct response to the nineteen policy questions set out in the Green Paper. The fourth “moment”, later in 2015, would detail the BBC’s money-saving proposals.⁴⁷

It seemed therefore that clarity about what services the Corporation proposed to cut back or close in order to save money would not emerge until the end of the year. The BBC document published in September commented:

It is too early to be specific about the service changes that we will need to make and we will now undertake a review process to consider the options. However, as the BBC3 proposals demonstrate, there will inevitably be a move from linear to on-demand services” (p98).

This caution did not stop speculation, some of it inspired by hints dropped in the September publication itself; BBC Four, rolling news and children’s TV channels such as CBBC were cited as possible targets.⁴⁸ Other press stories referred to showing more repeats on BBC1 and BBC2, selling studios and offices worth £100m and reducing coverage of expensive sporting events. The BBC feared – reportedly – that its Charter might be renewed for only five years, to January 2022, instead of the normal 10-year term.⁴⁹

In November 2015 we learned more of how the BBC proposed to close the £150m “iPlayer loophole” by 2017. (This was the fourth “key moment” promised by the Director-General.) The BBC would save £35m on sports rights, £12m from both television and online, £5m from

⁴⁶ BBC, *British, bold, creative: the BBC’s programmes and services in the next Charter*, September 2015, pp22, 98

⁴⁷ BBC Media Centre news, *An open, more distinctive BBC*, 7 September 2015

⁴⁸ “Tony Hall: ‘inevitable’ that services will have to be closed or cut”, *Guardian*, 7 September 2015

⁴⁹ “More repeats as BBC axes jobs”, *Sunday Times*, 30 August 2015, p5

news and a further £36m from other areas, including long-term contracts and phasing out the Red Button.⁵⁰ The £150m savings form part of the £700m overall savings which the BBC says it must find “due to the flat licence fee agreed in the summer and the need to fund the transformation the BBC must undertake for the future”. A further announcement in spring 2016 will detail how the remaining £550m of savings are to be achieved by 2021/22. These are likely to include “broad service and major structural changes to how the BBC works and fulfils its mission to inform, educate, and entertain”.⁵¹

The BBC Trust launched a consultation on the proposals in the September paper (closing date 5 November 2015).⁵² In addition to this new consultation, the BBC Trust had already started a more general [consultation](#) about the BBC’s scale, remit and funding, which ran until 18 September 2015.

In a speech to Cardiff Business Club in November 2015, the Director-General urged changes to the way the BBC is regulated. Echoing calls from Rona Fairhead, Chair of the Trust, he said that the Trust’s current roles should be split, with involvement from an external regulator. He called for licence-fee payers to have a greater say in the BBC’s future than politicians. He also argued for the Charter period to be extended to 11 years, which would take it out of the electoral cycle, and suggested that any changes to the system should only be changed in Parliament with a two-thirds majority and a vote by licence fee payers.⁵³

9.2 Responses to the Green Paper

BBC Trust

The BBC Trust’s initial response to the questions posed in the Green Paper appeared in October 2015:

In its Green Paper response, the Trust argues that the BBC should remain a universal public service broadcaster, with only 8 per cent of the public in our audience research disagreeing with the idea that the BBC should provide something for everyone who pays the licence fee.

Today’s response also recommends that the next Charter sets a clear requirement for distinctiveness, and proposes that specific distinctiveness requirements are included in each BBC service licence in future to ensure the BBC is more clearly accountable for its performance.

The Trust further argues that the licence fee, modernised to take account of iPlayer, remains the most sensible way of funding the BBC, a view supported by our research. Nearly 60 per cent of the audience favoured a universal-style fee, either a modernised version of the current licence fee or a licence fee for every household.

⁵⁰ “BBC cuts a taste of the future”, *Broadcast*, 20 November 2015, p1

⁵¹ BBC Media Centre, [BBC sets out plans to deliver £150 million savings](#), 18 November 2015

⁵² BBC Trust, [“Tomorrow’s BBC – creating an open, more distinctive BBC”](#), September 2015

⁵³ BBC News, [“BBC independence ‘eroded’, says director general”](#), 23 November 2015

On the future governance of the BBC, the Trust welcomes the Government's appointment of Sir David Clementi to lead an independent review, repeats its call for intelligent reform and sets out its view that any future governance system must ensure the BBC remains independent; that there is proper external scrutiny of its activities; and that the public themselves have a say. The Trust's previous research also shows that the public also has a clear expectation that the BBC to be held to higher editorial standards than others.

The Trust also believes that the processes of Charter Review and BBC funding settlements need to be kept at a distance from fixed-term general elections, through a one-off 11-year Charter instead of the current ten years, and that changes to both the licence fee agreement and the Charter need to have some form of parliamentary scrutiny and public consultation.

Other key points in the Trust's formal response included:

Opposition to any sale or privatisation of BBC Worldwide, an option raised in the Government's Green Paper;

Simplification of the current regulatory process for changes to BBC services, with greater transparency provided to the rest of the market;

Opposition to any future 'top-slicing' of the licence fee, for example to pay for digital radio switchover; and

A proposed new set of public purposes for the BBC, including specific commitments on distinctiveness and entertainment, which audiences see as a core BBC function.⁵⁴

Alongside the Green Paper response, the Trust published "[technical annexes](#)" detailing their own public consultation and research findings on issues such as funding, market impact, and governance and independence.

BBC

The BBC published its own response to the Green Paper questions in October 2015.⁵⁵ The document argued that there should be no changes to the purposes or scope of the BBC that might undermine the BBC's ability to serve everyone with public service content. Far from having a negative impact on competition, the submission claimed, the BBC is in fact an "engine for growth" by attracting investment and raising standards. There were proposals for more partnerships and collaborative working in areas ranging from the arts to local news provision.

The submission also called for the Budget funding agreement for the next Charter to be implemented, with no return to "top-slicing" the licence fee or introducing contestable funding for other Government policy projects. Also included were proposals to protect the BBC's independence and a call for an 11-year Charter, which would provide

⁵⁴ BBC Trust press release, [Trust publishes response to Government Green Paper on BBC Charter Review](#), 8 October 2015.

⁵⁵ [British, bold, creative: The BBC's submission to the Department for Culture, Media and Sport's Charter Review public consultation](#), October 2015 – the third "key moment" promised by the Director-General. Alongside this submission, the BBC published other [documentation](#) including an analysis by accountants PwC of the impact of a change in the BBC's licence fee revenue.

long-term security and decouple decisions about the BBC's future from the electoral cycle. For its part, the Corporation would undertake a "radical programme of reform" involving efficiency savings, reduction in overheads and increasing overall commercial returns.⁵⁶

Other broadcasters

Other broadcasters have, of course, made submissions of their own to the Green Paper consultation. On occasion, the BBC has responded in turn. For example, ITV's submission argued that during the last Charter renewal period in 2005, the Corporation had pledged to deliver distinctiveness but had in fact produced derivative programming in a bid to compete with ITV and other broadcasters for viewers.⁵⁷ The BBC rejected this claim, saying that, far from copying ITV, the BBC offers a different mix of shows during peak-time schedules and runs far less acquired programming than it did 30 years ago.⁵⁸

Sky was also anxious to see the survival of a diverse "broadcasting ecology":

...the BBC can best deliver value to licence fee payers by ensuring that its output remains recognisably unique. The potential for the BBC's activities to crowd out alternative provision is significant, and it must be mindful of the need to minimise any negative competitive impacts of its activities on the wider market.

While the current Charter seeks to achieve this, in Sky's experience the BBC has not been rigorous enough in ensuring that its output is sufficiently distinct from that of commercial broadcasters.⁵⁹

9.3 BBC Studios

Another BBC Trust consultation concerned the future of BBC in-house production (closing date: 20 November 2015).⁶⁰ As part of its planning for the next Charter period, the BBC's stated ambition is to transform the majority of its in-house production arm into "BBC Studios", a wholly-owned subsidiary of the BBC Group:

BBC Studios will operate in the market, producing programmes for the BBC and other broadcasters in the UK and internationally, and returning all profits to the BBC Group. It will be committed to supporting the BBC's public service mission and values, and will keep programme-making at the heart of the BBC, producing much loved titles such as Doctor Who, Strictly Come Dancing, EastEnders and Big Blue Live.

As part of these plans, the BBC is also proposing to remove its overall in-house guarantee of 50%, meaning that external producers would be able to compete for a much greater proportion of BBC network commissioning spend. The BBC

⁵⁶ Summary drawn from: BBC Media Centre, [Distinctive, independent and universal – an open BBC](#), 8 October 2015

⁵⁷ ITV, [BBC Charter Review public consultation: response from ITV plc](#), p3

⁵⁸ ["BBC accuses ITV of misrepresenting facts to influence next royal charter"](#), *Guardian*, 8 December 2015

⁵⁹ Sky, [Sky's response to the BBC Charter Review public consultation](#), paras 1.13-1.14

⁶⁰ BBC Trust press release, [Trust to consult on proposals for BBC studios and the future of the BBC's production arrangements](#), 17 September 2015. This is presumably the second of the "key moments" promised earlier.

believes this proposal is the best way to keep delivering fantastic creative programmes for audiences and long-term value for licence fee payers.⁶¹

These proposals raised concerns about the impact on commercial rivals and the production sector in general. Jesse Norman, then chair of the Commons Culture Committee, voiced these concerns in a letter to BBC Director-General, Lord Hall:

Among other things, these relate to the proposed remit and commercial basis for BBC Studios; its governance and regulation; the possibility of conflicts of interest arising for the BBC as between its commissioners and BBC Studios as a production house; cost allocation and transfer pricing; the automatic renewal of existing commissions; compliance with State Aid rules; fair competition with independent producers and redress if and when things go wrong.⁶²

The BBC said that the Corporation welcomed Mr Norman's questions.⁶³

On 16 September 2015, the then Secretary of State further announced that Ofcom would undertake a separate review of the terms of trade, the codes of practice negotiated between UK broadcasters and the trade association for UK independent production companies (PACT) setting out the licensing of rights between broadcasters and producers within primary and subsequent windows.⁶⁴ The *Communications Act 2003* requires the parties to come to such agreement and Ofcom oversees this process. The BBC Trust said that it would consider Ofcom's findings in this area as it develops its own submission to Government.⁶⁵

The BBC and PACT reached an agreement on BBC Studios in December 2015.⁶⁶ The key commitments, subject to approval for Studios from DCMS, include:

1. Enshrining governing principles and regulatory oversight for BBC Studios in the Charter and Agreement to provide assurance that it will operate in a fair and transparent way
2. The BBC will ensure that a minimum 40% of hours that are currently guaranteed to in-house production will be made available to competition from all parties within two years of securing approval for the proposal
3. Reducing the In House Guarantee for Children's and Current Affairs to 40% and ring-fencing 40% of the slate for qualifying independents

⁶¹ BBC, [BBC Studios: strengthening the BBC's role in the creative industries](#), 17 September 2015

⁶² [Letter dated 16 November 2015](#), posted on the CMS Committee website

⁶³ "[BBC Studios plan sparks concern from culture committee chair](#)", *Guardian*, 16 November 2015

⁶⁴ "[Whittingdale orders shock terms of trade review](#)", *Broadcast*, 16 September 2015

⁶⁵ BBC Trust, [Public consultation on the future of the BBC's supply arrangements for the production of the BBC's television content, radio content and online content and services](#), 17 September 2015

⁶⁶ BBC Media Centre, [BBC Studios proposal: BBC & Pact joint statement](#), December 2015

4. Ensuring oversight of the relationship between BBC Studios and BBC Worldwide by the BBC's Board, and committing to more transparent reporting by BBC Worldwide. BBC Worldwide will, in future, report results by areas of business activity as well as by regional split.

Also in December 2015, Ofcom published its analysis of the options for BBC content production, including their initial analysis of the BBC Studios proposal.⁶⁷ The analysis concluded that

- While impacts in the short term appear limited, longer term impacts could be significant but are more difficult to quantify
- Potential negative market impacts could be exacerbated if BBC Studios is not properly separated from the rest of BBC Group

In December 2016 the BBC Trust approved plans to turn BBC Studios into a commercial subsidiary, with a series of recommendations to strengthen its future regulation and governance. The decision followed a [consultation](#) in autumn 2016 on the BBC Executive's proposals and a regulatory assessment to test whether they meet the criteria for BBC commercial services set under the BBC's Charter – including their fit with the BBC's public purposes, commercial efficiency, any risks posed to the BBC's reputation and brand, and compliance with fair trading guidelines.⁶⁸

9.4 Market impact

As part of Charter review, DCMS commissioned a further piece of work from Oliver & Ohlbaum Associates, supported by Oxera Consulting LLP, to look at the market impact of the BBC. This appeared in February 2016.⁶⁹ Speaking at the Oxford Media Convention, the Culture Secretary drew this conclusion, among others, from the report:

The report... shows that in some areas the BBC has become less distinctive in recent years – particularly on BBC 1. It also flags up that Radio 1 and Radio 2 are less distinctive than the BBC claim and that the soft news element of the BBC's online services is of limited public value.⁷⁰

The BBC's head of policy, James Heath, disputed the claims, saying the Corporation's most popular channel, BBC1, had become more distinctive. He claimed it offered a broader range of genres in peak time, including almost half on news and current affairs compared with 30% on ITV1, and ITV1 dedicated 45% of its peak hours to entertainment, compared with 25% on the BBC.⁷¹

⁶⁷ Ofcom, [BBC content production options: Ofcom's advice to the Secretary of State for Culture, Media and Sport](#), 23 December 2015

⁶⁸ BBC Trust news, [Trust approves BBC Studios proposals](#), 20 December 2016

⁶⁹ Oliver & Ohlbaum/Oxera, [BBC television, radio and online services: an assessment of market impact and distinctiveness](#), February 2016

⁷⁰ DCMS, [Culture Secretary keynote to Oxford Media Convention 2016](#), 2 March 2016

⁷¹ ["BBC defends 'distinctive' programmes against government criticism"](#), *Guardian*, 2 March 2016

10. The 2016 White Paper

The Government's White Paper on the future of the BBC was published on 12 May 2016.⁷² These are the main points:

A new mission statement for the BBC.

"To act in the public interest, serving all audiences with impartial, high-quality, and distinctive media content and services that inform, educate and entertain". As well as the emphasis on "distinctiveness" in programme-making, a commitment to diversity will be enshrined in the new Charter,

Overhaul of how the BBC is governed and regulated.

A new unitary board for the BBC will be established, consisting of between 12-14 members. The BBC will be responsible for appointing at least half of the board members. The board will be made up of a majority of non-executive members with a non-executive chair and deputy chair. There will also be non-executive members designated for each of the four constituent nations of the UK.

In line with the recommendations of the Clementi Review, Ofcom will become the external independent regulator of the BBC. Ofcom will be responsible for assessing the performance of the BBC Board in meeting its Charter obligations.

To ease the transition to the new regime, Rona Fairhead, the current Chair of the BBC Trust, will continue as Chair of the BBC through to the end of her current term in October 2018.

An 11-year Charter to separate future Charter Reviews from the political cycle

There will be a "health check" at mid-term of the Charter period. This review will take into account the relevant findings of the most recent review of BBC performance that Ofcom will have published. It will not, however, consider changes to the fundamental mission, purposes, and licence fee model, as these have been determined by the current Charter Review process.

Increase the licence fee level in line with inflation for five years from 2017/18

The licence fee will be modernised to require all those who consume BBC on-demand content (e.g. on BBC iPlayer) to pay the licence fee and the BBC will introduce more flexible payment plans for paying the licence fee. The Charter will also empower the BBC to pilot some elements of subscription in addition to their current services.

⁷² Dept for Culture, Media and Sport, [A BBC for the future: a broadcaster of distinction](#), Cm 9242, May 2016

Introduce a new regularised process for setting the licence fee, giving the BBC financial certainty by setting the licence fee every five years.

The licence fee has been frozen since 2010. The intention is to ensure that future licence fee settlements can be informed by independent advice for the benefit of licence fee payers.

Strengthening the BBC's editorial independence with specific clauses in the new Royal Charter.

Editorial decisions will remain the responsibility of the Director-General - and his editorial independence will be explicitly enshrined in the Charter. The unitary board will consider any issues or complaints that arise post-transmission.

Open the BBC's programme-making to greater competition by removing the in-house guarantee for all television content spend except news and news-related current affairs.

The BBC already allows up to 50% of its content to be competed for by the independent sector. The Government now intends that the remaining 50% in-house guarantee should be removed for all BBC content, except news and related current affairs output.

Establish a new contestable public service content fund of up to £60m to create new opportunities for others to provide public service broadcasting content in the UK.

This could include programmes for black and Asian minority ethnic audiences and children's TV.

Enhance the efficiency of the BBC and make it more transparent.

The new BBC Board will be required to investigate issues relating to excessive management layers and overall staffing levels, which could deliver significant further efficiency savings. The BBC will have to set out more information to help licence fee payers understand how the broadcaster spends its budget between different types of programming, and details of pay and benefits to "talent" paid over £450,000.

The National Audit Office (NAO) will become the BBC's financial auditor and scrutinise BBC spending and value for money

Ensure that the BBC serves all nations and regions in the UK.

This will be through a focus on the BBC's obligations set out in a new "operating licence", clear board-level responsibilities, and a continued commitment to the out-of-London production targets.

Make sure that the BBC supports and invigorates local news provision across the UK.

In response to concerns about a decline in local newspapers and other outlets holding local authorities and service providers to account, an agreement has been reached between the BBC and the News Media Association (representing the local press). The intention is that the BBC will fund 150 journalists from 2017. They will be employed by local news organisations to provide a service covering local authorities and public services for news providers including the BBC.

Protect the BBC World Service

The Government will make sure that the BBC protects licence fee funding for the World Service at its current level of £254 million a year, plus a total of £289 million additional funding until 2020 to help promote Britain and British values around the world.

In the weeks leading up to publication of the White Paper, a number of speculative stories appeared in the press apparently anticipating its contents:

- the Corporation would not be allowed to schedule popular programmes such as *Strictly Come Dancing* directly against commercial rivals;⁷³
- the Government would appoint a majority of its own candidates to the new unitary board, effectively turning the BBC into a “state broadcaster”;⁷⁴
- The broadcaster would be ordered to publish the salaries of all employees who earn over £150,000 a year;⁷⁵
- The BBC would be forced to relinquish its £500m stake in UKTV, with half the proceeds going to the Treasury;⁷⁶
- Licence fee income would be “top-sliced” by as much as £100m and given to other broadcasters.⁷⁷

In the event, these predictions proved unreliable – or perhaps, as the press further reported, the most radical proposals were the subject of last-minute negotiation between BBC and Government.⁷⁸

The then Culture Secretary presented the White Paper in the Commons on the day of publication. Maria Eagle, then Shadow Culture Secretary, was unconvinced by assurances that no more than half the board would be Government appointees:

This board will run the BBC. Despite what he says, it will have influence over output and therefore over editorial decisions. Appointing a unitary board is different from appointing either

⁷³ [“BBC faces primetime *Strictly* ban”](#), *Mail on Sunday*, 1 May 2016

⁷⁴ [“BBC fears government will win battle to impose board members”](#), *Guardian*, 9 May 2016

⁷⁵ “Get serious, white paper orders BBC”, *Times*, 9 May 2016, p4. The figure in the White Paper is £450,000.

⁷⁶ [“John Whittingdale considering forcing BBC to sell UKTV stake”](#), *Telegraph*, 18 April 2016. UKTV, the owner of channels including Dave and Gold, is part-owned by the BBC’s commercial subsidiary BBC Worldwide.

⁷⁷ “BBC charter speculation grows”, *Broadcast*, 22 April 2016, p4

⁷⁸ E.g. “BBC stars keep pay deals secret after government climb down”, *Times*, 12 May 2016, p1; “Cameron intervenes in BBC debate”, *Financial Times*, 12 May 2016, p2

governors or trustees, who have had no power to run the BBC day to day.⁷⁹

Ms Eagle was also unclear why it was necessary to add “distinctiveness” to the BBC’s long-established mission statement and, while she welcomed the NAO’s role, she sought assurances that any work done by the National Audit Office would not interfere with the editorial independence of the BBC.

In his reply, John Whittingdale emphasised that the new board would have no involvement in editorial decision-making. The Director-General would remain the editor-in-chief, and thus the (up to) six Government appointees on the Board could not influence what was broadcast.⁸⁰

For the SNP, John Nicolson welcomed the White Paper but called for “meaningful editorial and financial control to rest in Scotland”. Mr Whittingdale responded that not only would Scotland be represented on the Board, there would also be a specific service licence for Scotland, to be issued by Ofcom, with similar licences for the other nations of the UK.⁸¹

Outside Parliament, the BBC itself gave a cautious welcome to the White Paper, finding many points to “strongly back and endorse”. However, some issues were still unresolved. On audit, the BBC said:

The NAO is already able to conduct value-for-money studies, and any further expansion of their role must include an explicit exclusion for editorial decision-making; and nor is it appropriate for the NAO to assess the value for money of the BBC’s commercial subsidiaries, as they do not spend any public money.

The BBC describes the governance proposals as “the most significant reform in the BBC’s history” and “the right thing to do”. However, there remains a difference of opinion on how the new board is appointed. The Director-General said:

“We have an honest disagreement with the Government on this. I do not believe that the appointments proposals for the new unitary board are yet right. We will continue to make the case to government. It is vital for the future of the BBC that its independence is fully preserved.”⁸²

In a separate statement, the BBC Trust was likewise broadly supportive of the White Paper proposals. However, there was concern that in some areas the Government’s proposals to protect the BBC’s independence did not go far enough:

When drafting the new Charter, the Government must provide sufficient guarantees that its future decisions about the BBC – in particular on funding and the appointments to the Board – are made clearly and transparently and without compromising the BBC’s independence.⁸³

⁷⁹ [HC Deb 12 May 2016 cc734-5](#)

⁸⁰ [HC Deb 12 May 2016 c737](#)

⁸¹ [HC Deb 12 May 2016 c739](#)

⁸² BBC Media Centre, [BBC response to the Government White Paper](#), 12 May 2016

⁸³ BBC Trust, [Statement on Government White Paper: BBC Charter Review 2016](#), 12 May 2016

10.1 Further committee work

In July 2016, the Commons Culture Committee published its latest report on the future of the BBC.⁸⁴ The intention was to focus on issues highlighted by the White Paper. The Committee welcomed the decision to abolish the BBC Trust and establish a unitary Board, to consolidate regulation of the BBC in Ofcom and to enhance the role of the National Audit Office in overseeing the BBC accounts. They had three further recommendations for reform at the BBC as part of its new Charter:

- The BBC should publish details of all salaries over the £143,000 threshold for performers, presenters and producers, as well as executives. The Committee concludes that there is no good reason to hide BBC performer's total pay under the guise of preventing poaching by other stations: salary levels are already common knowledge in the industry and should be accountable to the public as well.
- The Committee retains serious concerns over the appointment of the new Board, including the way the Chair was reappointed without a recruitment process. The Chair of the BBC Trust heads up a board, supported by a secretariat, which is charged with the governance of the BBC, but has little operational responsibility. The Chair of the new unitary Board of the BBC, however, is the head of a global broadcasting company. The two roles are very different, and have very different responsibilities. The process of appointing the Chair should have been via an open and orderly public competition, as is standard in the public sector and as the Government has proposed for other members of the board.
- Following the trial of three different pilot formats, the BBC should proceed with a "Scottish Six": a television news programme anchored in Scotland, with a running order of Scottish, UK and international stories based on news merit, drawing on all the BBC's facilities, and broadcast from Scotland.⁸⁵

Another publication that appeared in the wake of the White Paper was the Future for Public Service Television report. This was the result of an independent inquiry chaired by Lord Puttnam. In a chapter on the BBC, it stressed that the new unitary board must be "entirely independent from government" and overseen by a new independent appointments body. It also called for the licence fee to be abolished "as soon as is practically possible" and replaced with a more progressive funding mechanism via council tax or general taxation.⁸⁶

⁸⁴ Culture, Media and Sport Committee, [BBC White Paper and related issues](#), HC 150, 2 August 2016

⁸⁵ Culture, Media and Sport Committee News, [New BBC Charter should herald era of openness, MPs say](#), 2 August 2016

⁸⁶ Goldsmiths, University of London, [A Future for Public Service Television: content and platforms in a digital world](#), June 2016, pp61-5

11. The new Charter

The draft [Royal Charter and the accompanying Framework Agreement](#) were published on 15 September 2016. They reflect the policies published in the earlier White Paper, [A BBC for the Future: a Broadcaster of Distinction](#), published in May. However, the Government made a number of changes to the reforms since then in the light of further discussions with the BBC, Ofcom and BBC Trust, as well as recommendations from the Commons Culture, Media and Sport Select Committee.

These changes include:

- Greater transparency - all BBC employees who earn more than £150,000 will have their salary details published, and there will be a full, fair and open competition for the post of Chairman of the new BBC Board.
- The National Audit Office (NAO) will become the BBC's financial auditor and fully scrutinise the BBC's value for money record - the Charter will enhance the NAO's role and access and allow it to conduct value for money studies on all of the BBC's activities including its commercial subsidiaries.
- Appointments to the new BBC Board - in addition to the agreed principle of a mix of public and BBC appointments, the Charter sets out that the BBC will appoint 9 board members (including 5 Non-Executive Directors), meaning that the BBC will appoint the majority of members to its new Board.

The new Charter and Agreement will:

- Make the BBC as open and transparent as possible - the Charter sets out obligations for the BBC to be more open and transparent in its operations and the important information it shares, including the salaries of its employees and talent earning more than £150,000; and
- Enhance the distinctiveness of BBC content - the BBC's Mission and Public Purposes have been reformed to reflect this requirement;
- Reform the governance and regulation of the BBC - the new BBC Board will be responsible for governing the BBC, and Ofcom will take on the regulation of the BBC - the Charter and Agreement sets out functions and obligations that they both must follow in order to deliver this;
- Prioritise the independence of the BBC - the Charter explicitly recognises the need for the BBC to be independent - particularly in editorial matters - and the BBC will appoint a majority of the members of the new Board, with strict rules to ensure all appointments are made fairly and openly;
- Ensure the financial stability of the BBC - the Charter makes clear the licence fee will remain as the key source of funding for the BBC for the next Charter period;

- Ensure that the BBC's impact on the market is proportionate to the public benefits it delivers and, where possible, positive for both the public and commercial organisations;
- Ensure that the BBC serves all nations and regions and is more reflective of the whole of the United Kingdom - through operating licence obligations, specific Board representation and the continuation of production targets ensuring 50% of the BBC's programmes are made outside of London.⁸⁷

Alongside the Charter and Framework Agreement, the Government also published a number of "[Information Sheets](#)". These cover the topics of "Charter procedure", "Distinctiveness", "Funding", "Governance", "Nations", "Process", "Regulation" and "Transition".

On the eve of publication, the Culture Secretary, Karen Bradley, published a newspaper article that included a defence of the requirement to publish details of stars' salaries:

Making the BBC more open and transparent will help deliver savings that can then be invested in even more great programmes like The Great British Bake Off.⁸⁸

(Another newspaper report suggested that the BBC's highest-paid stars may be able to exploit a "loophole" to keep large parts of their salaries secret because they are paid by independent production companies.⁸⁹)

The Culture Secretary made an Oral Statement to the Commons on the day of publication.⁹⁰ She underlined the point that, although the new Charter would take effect from 1 January 2017, the Government is allowing for a short period of transition, with the new BBC Board and Ofcom fully taking on their new governance and regulatory roles on 3 April 2017. The BBC would continue to operate under the current arrangements during this transitional period. The new Charter will run for 11 years (with a mid-term review focusing on governance and regulatory arrangements). This will ensure, Ms Bradley said, that future charter renewal does not coincide with the electoral cycle of fixed-term parliaments and there could be no suggestion of "political influence" on the renewal process.

Responding to the Statement for Labour, Kelvin Hopkins sought assurances that there would be no more "top-slicing" of licence fee income following the transfer of responsibility for free TV licences for the over-75s. For the SNP, John Nicolson welcomed the improved

⁸⁷ Summary provided in: DCMS press release, [BBC Charter to safeguard future while delivering transparency for licence fee payers](#), 15 September 2016

⁸⁸ Karen Bradley, "[Our new Charter will make sure the BBC thrives for years to come](#)", *Daily Telegraph*, 14 September 2016

⁸⁹ "Loophole lets BBC stars keep their salaries secret", *Times*, 16 September 2016, p11. In a further twist, it emerged that stars paid via BBC Studios will be exempt from full disclosure once BBC Studios are spun off as a commercial operation in 2017 ("[Government backs down on revealing pay of BBC stars](#)", *Guardian*, 13 October 2016)

⁹⁰ [HC Deb 15 September 2016 cc1055-65](#). There was a parallel Statement in the Lords by the Earl of Courtown: [HL Deb 15 September 2016 cc1573-84](#).

commitments to equality and diversity and to transparency and openness, “something that we have not always seen at the BBC”.

Outside Parliament, the BBC’s Director-General, Lord Hall, was broadly welcoming of the new Charter. “Overall”, he said, “we have the right outcome for the BBC and its role as a creative power for Britain”. He was pleased that the Government had moved from its earlier position on appointments to the new Board. However, he still believed that the requirement to publish the pay of individual “talent” would prove detrimental: “The BBC operates in a competitive market and this will not make it easier for the BBC to retain the talent the public love”.⁹¹ This point was echoed in the BBC Trust’s formal response to the draft Charter.⁹²

The next stage in the BBC Charter Review process involved parliamentary debates of the draft Charter and Agreement at Westminster, as well as in the devolved legislatures of Scotland, Northern Ireland and Wales during the autumn.⁹³ The Lords debated the draft Charter and Agreement on 12 October.⁹⁴ The Commons debate took place on 18 October, on a motion to approve the draft Agreement.⁹⁵

Following the debates in Westminster and the devolved Assemblies, the Government considered the points raised and updated the draft documents to make some “minor and technical changes” to the initial draft versions.⁹⁶ They then presented the Charter to the Privy Council, to come into force on 1 January 2017. Copies of the finalised [Royal Charter and Framework Agreement](#) were laid before the House as Command Papers in December 2016.⁹⁷

11.1 A new role for Ofcom

A key element of the new regime is that Ofcom will become the BBC’s external regulator. These are the new powers, in summary:

- Ofcom will set an **operating licence** regime for the BBC’s UK public services, which will contain its regulatory obligations.
- Ofcom will produce and publish an **operating framework**, setting out how they will regulate the BBC.
- When the BBC proposes **service changes**, Ofcom will have the final say on whether the BBC has considered all relevant matters and whether any impact on the market is justified by the public value of the change.

⁹¹ BBC Media Centre, [BBC statement on draft new Charter and Agreement](#), 15 September 2016

⁹² BBC Trust, [Trust statement on publication of draft BBC Charter and Agreement](#), 15 September 2016

⁹³ See Article 59 of the draft Charter and sections below on the UK nations

⁹⁴ [HL Deb 12 October 2016 cc1943-2000](#)

⁹⁵ [HC Deb 18 October 2016 cc694-770](#)

⁹⁶ [Written Statement HCWS231](#), Updated draft BBC Charter and draft Framework Agreement, 1 November 2016

⁹⁷ As [Cm 9365](#) and [Cm 9366](#), respectively

- Ofcom must **report** annually on how it has discharged its duties and carry out further reviews of the BBC during the Charter period.
- In the first instance, the BBC will handle **complaints**. If a complaint is not resolved to the complainant's satisfaction, they may then appeal to Ofcom. The regulator will be able to consider complaints about all BBC content.⁹⁸

On 8 December Ofcom published details of its [Preparations for regulation of the BBC](#). The regulator subsequently published the following [consultations](#) as part of those preparations:

- **[Broadcasting Code Review](#)**

This consultation extends all aspects of the Broadcasting Code to the BBC to ensure that viewers and listeners are adequately protected. This includes extending the Code to cover the BBC's on-demand programme services, such as the BBC iPlayer. The consultation closes on 9 February 2017.

- **[Assessing the impact of proposed changes to the BBC's public service activities – procedures and guidance](#)**

This consultation outlines Ofcom's proposed approach for assessing BBC proposals to make changes to its public service activities. The consultation closes on 13 February 2017.

- **[Assessing the impact of the BBC's public service activities – procedures and guidance](#)**

This consultation outlines Ofcom's proposed approach for assessing the potential impacts of the BBC's ongoing public service activities. The consultation closes on 13 February 2017.

- **[The BBC's commercial activities, Ofcom requirements and guidance](#)**

This consultation outlines Ofcom's proposed approach to assessing the relationship between the BBC and its commercial subsidiaries. The consultation closes on 13 February 2017.

- **[Distribution of BBC public services, requirements and guidance](#)**

This consultation outlines Ofcom's proposed approach to how it will protect fair and effective competition in relation to the BBC's distribution of its public services. The consultation closes on 13 February 2017.

Ofcom expects to publish further consultations "in due course".

⁹⁸ "Despite the BBC attracting 10 times as many complaints as the total for the public service rivals currently overseen by Ofcom – 250,000 v 25,000 – White [Ofcom chief executive] only expects investigations handled by her organisation to roughly double to about 500 a year." ("[BBC won't get special treatment, says Ofcom boss Sharon White](#)", *Guardian*, 11 July 2016). See also: Maggie Brown, "Testing time ahead for Ofcom", *Television*, June 2016, pp22-3.

12. The “iPlayer loophole”

A negative Statutory Instrument, [The Communications \(Television Licensing\) \(Amendment\) Regulations 2016/704](#), was laid before Parliament on 7 July 2016. This amended the [Communications \(Television Licensing\) Regulations 2004](#) and the [Communications Act 2003](#) to include in the definition of using a television receiver, “receiving all or any part of a programme included in an on-demand programme service which is provided by the BBC”. This amendment came into force from 1 September 2016.⁹⁹

This legislation means that as well as those people who use a television receiver to watch or record live television as it is being broadcast, people who use on-demand services provided by the BBC (currently through the BBC iPlayer) will also be required to purchase a TV licence.

The Government has said that this policy is as a result of shifting viewing habits and new ways of watching television content having been developed meaning, “viewers subject to licensing for watching or recording TV as it is being shown will increasingly foot the bill for content that many more enjoy without any payment, by viewing it through on-demand services only.” The introduction of these amendments seeks to close this “iPlayer loophole”.¹⁰⁰

It is worth noting that the TV licence requirement is solely for those who watch on-demand content provided by the BBC. It does not apply if somebody watches other free on-demand television content, e.g. that provided by Channel 4, ITV or Channel 5, nor does it apply for people who subscribe to on-demand services such as Netflix or Amazon.

How will this be enforced? The [Government’s white paper](#) suggested that the BBC use some kind of verification system to allow access to on-demand content whereby users would have to provide some sort of proof they had paid the licence fee. However, TV Licensing have suggested they will continue with the same enforcement methods as currently used for live television.

⁹⁹ SI 2016/704, reg. 1

¹⁰⁰ [Explanatory Memorandum to the Communications \(Television Licensing\) \(Amendment\) Regulations 2016/704, para 7.2](#)

13. Scotland

For the first time, the Scottish Parliament has a formal role in the process of reviewing the BBC Charter and contributing to the development of the next charter. This reflects the changing constitutional position in Scotland and the devolution of new powers to the Scottish Parliament as proposed by the Smith Commission Agreement of November 2014. The role is formalised by means of a [Memorandum of Understanding](#) between the UK and Scottish Governments, which will be enshrined in the next Charter.

It is estimated that around £323m of licence fee income is collected in Scotland. Some have questioned whether the Scottish people get “value for money” for their contribution. Before the Scottish referendum the Scottish Government proposed that an independent Scotland would have its own “Scottish Broadcasting Service”.¹⁰¹ This has not come to pass, but an inquiry by the Education and Culture Committee of the Scottish Parliament provided an opportunity post-referendum to probe the BBC’s role in Scotland.¹⁰²

The Committee took evidence from the BBC (among others) and heard that the number of originated TV hours broadcast by BBC Scotland had risen to its highest level, with year-on-year increases: local TV hours went up from 818 hours in 2013/14 to 882 hours in 2014/15; network TV hours went up to 917 hours from 915 hours the previous year. In relation to audience reach, the BBC Trust referred to data indicating that BBC television in Scotland is consumed by a higher proportion of the population than for the rest of the UK, although the reach of BBC radio in Scotland is lower than for the rest of the UK.

Nonetheless, the Committee saw a need for the BBC to represent Scotland and the diversity of Scottish culture more effectively, noting that:

- Appreciation measures for BBC television and radio in Scotland are lower than average for the rest of the UK.
- People in Scotland think the BBC is poorer at representing their lives in news and current affairs and in drama compared with people in other parts of the UK.

The BBC acknowledged these concerns and told the Committee that it was committed to better reflecting the diversity of the Scottish audience and finding new ways to help support the creative industries in Scotland.

The Committee called for greater decentralisation of expenditure and commissioning and urged the Corporation to provide detailed financial information about its operations and spending in Scotland so that the Scottish Parliament can hold it to account and carry out effective

¹⁰¹ House of Commons Library, [Scotland referendum 2014: the impact of independence on the BBC](#), 12 June 2014

¹⁰² Education and Culture Committee, [BBC Charter renewal](#), SP paper 909, 8 February 2016. For the evidence submitted, written and oral, see the [inquiry homepage](#).

scrutiny. There was also a call for strong Scottish representation in the future governance and regulatory framework of the BBC.

Nicola Sturgeon, Scottish First Minister, has called for the BBC to have a federalised structure, ring-fencing the nation's budget for local reinvestment. Tony Hall, BBC Director-General, told the Committee that his intention, subject to debate, was for "Scotland to control the budget of what is done in Scotland for Scotland", adding that a commissioning review, tabled for publication in the spring, will provide greater detail on how the BBC's spend in Scotland could contribute to a more "sustainable" production sector.¹⁰³

The White Paper (see previous section) contains a proposal that the new BBC unitary board should include one non-executive member representing Scotland. This would be a public appointment in which the Scottish Government would have a say.¹⁰⁴ The White Paper also observes:

Stakeholders in Scotland raised concerns about the 'lift and shift' phenomenon; when shows produced in Scotland may have been commissioned in London and transferred to Scotland for production, rather than originating in Scotland, resulting in content that is not 'of Scotland' even though it is produced there. The need for more nation-specific content which is 'of that nation' has been recognised by the BBC and the government expects this to be addressed through their changes to commissioning processes.¹⁰⁵

In a letter to Fiona Hyslop, Scottish Culture Secretary, and others Lord Hall said that the BBC would adapt its news output in each nation "to reflect greater devolution and changes in our democracy". His intention is to create a sub-committee of the new Board for each nation overseeing their dedicated services. He also outlined a series of plans to improve the BBC's representation of the wider UK. They include:

- Making Scotland a "centre for excellence" for factual television production;
- Appointing a drama commissioning editor responsible for each nation, reporting to the controller of BBC drama commissioning;
- A comedy commissioner to be based in Glasgow;
- BBC "writers' rooms" to develop new writing talent in each nation;
- Allocating additional funding to improve dedicated services in the nations;
- Agreeing new partnerships with creative sector agencies in Scotland.¹⁰⁶

¹⁰³ "BBC pledges Scotland support", *Broadcast*, 15 January 2016

¹⁰⁴ Dept for Culture, Media and Sport, [A BBC for the future: a broadcaster of distinction](#), Cm 9242, May 2016, pp49-50

¹⁰⁵ *Ibid.*, p45

¹⁰⁶ "[White Paper to require BBC to 'serve Scotland better'](#)", *BBC News Scotland*, 12 May 2016; the [letter](#) is online.

The Scottish Parliament [debated](#) the draft Charter and Agreement on 6 October 2016.

In the Commons debate to approve the draft Agreement, the SNP tabled an amendment to the motion that would have required the Government and BBC to “deliver maximum devolution of broadcasting” and, specifically for Scotland, a new ‘Scottish Six’ news programme. John Nicolson argued that the current programme, ‘Reporting Scotland’, is treated as a ‘regional’ news programme under existing arrangements. The amendment was defeated by 270 votes to 53.¹⁰⁷

¹⁰⁷ [HC Deb 18 October 2016 cc715, 769](#)

14. Wales

[This section was contributed by Robin Wilkinson, Research Service, National Assembly of Wales.]

For the first time, the Welsh Government and National Assembly for Wales have a formal consultative role in the Charter Renewal process. This role is formalised by a [Memorandum of Understanding](#) between the Welsh Government, the UK Government and the BBC, and will be enshrined in the next Charter. The National Assembly for Wales is also a party, though not a signatory, to this Memorandum.

The previous Assembly's Communities, Equality and Local Government Committee published a report into [BBC Charter Review](#) in March 2016, where it took evidence from witnesses including the BBC, the Welsh Government and representatives of the media industry in Wales.

The Committee heard that the BBC enjoys a position of unique importance in Wales, with Welsh audiences consuming a greater proportion of BBC services than those in the other nations and regions of the UK. The 'general impression' (a measure used by the BBC to gauge people's appreciation of the BBC) of the BBC among audiences is also higher in Wales than in any of the UK's other three nations.

However, between 2006-7 and 2014-15 BBC Cymru Wales spend on English language TV output has reduced from £24.6 million to £20.8 million: a reduction of about 30% in real terms. This funding reduction has led to a situation where many stakeholders in Wales are concerned about the lack of distinctly Welsh portrayal on BBC programming. Green Bay Media's Dr John Geraint stated that English-language television in Wales has been 'eroded to such an extent that it no longer represents the rounded life of the nation'.

The BBC's role in the Welsh media landscape is enhanced by the lack of a strong commercial sector capable of compensating for any shortage in BBC activity. For example, Ofcom has noted that the 'absence of a strong indigenous print media [in Wales] is in stark contrast to Scotland and Northern Ireland'. This Welsh media deficit has fuelled a situation where, as [recent research shows](#), people in Wales are often badly informed about how devolved politics affects their daily lives.

The Director General of the BBC, Lord Hall, acknowledged the problem at a reception in the National Assembly back in 2014. He admitted that 'English language programming from and for Wales has been in decline for almost a decade': whilst recognising ITV Wales's role in this, he noted that the BBC's output in respect of Wales had been 'eroded'.

The First Minister has [called for an extra £30 million a year](#) for the BBC in Wales, claiming that without this funding, 'Welsh audiences risk being dealt the worst deal of any nation in the UK'. The Committee endorsed this call, as did the Institute of Welsh Affairs in its [Media Audit in 2015](#).

The BBC has been an important part of the recent growth in the Welsh TV industry. Between 2005 and 2014 the number of people employed in the creative industries in Wales grew by 52.5% to 47,000: turnover across the sector increased by 17.5% in the same period. Back in 2006 the BBC set itself the target of investing 17% of its network spend in the devolved nations: broadly in line with their combined population size. In 2014-15 Wales secured 7.8% - or £59.1 million - of UK BBC network television spend, greater than its 4.9% population share.

Witnesses to the Communities, Equality and Local Government Committee inquiry noted that, despite an increasing number of network productions being made in Wales, the big commissioning decisions continue to be made in London. The result of this, the Committee heard, is that an implicit London-centric bias prevents BBC executives commissioning network programmes that deal with and reflect distinctly Welsh issues.

The Committee suggested improvements in two key areas to address this problem. First of all, it felt that the BBC should decentralise its commissioning arrangements so that more big decisions are made in Wales. Secondly, it felt that the BBC should set itself targets for Welsh portrayal in its network productions, and report on these annually.

The Committee also called for strong Welsh representation, whichever governance and regulatory framework is settled upon for the BBC. It also supported the BBC Director General's proposal for separate service licences for each of the nations, stating that this "would enable BBC Cymru Wales to better prioritise funding to meet its own priorities and obligations".

The Memorandum of Understanding states that the BBC will submit reports to, and appear before, committees of the National Assembly for Wales in relation to matters relating to Wales on the same basis as it does the UK Parliament. The Committee reiterated the importance of this increased accountability of the BBC to the Assembly, and called for the annual reports and audited accounts to be laid before the Assembly by the BBC to be Wales-specific.

The Welsh Assembly [debated](#) the draft Charter and Framework Agreement on 27 September 2016.

14.1 S4C and the BBC

Until April 2013, S4C's funding was provided by the DCMS through a grant linked to inflation. Since then, following decisions made under the last Comprehensive Spending Review, the majority of S4C's funding has been provided via the licence fee through the BBC Trust, with the DCMS continuing to provide a small grant.

In 2011-12, S4C received £101 million from DCMS. In 2014-15, its budget reduced to around £82 million. On 17 February 2016, S4C received confirmation from the BBC Trust that its funding from the licence fee will not be reduced between 2016-18. The channel will receive £74.5m from the licence fee in both 2016-17 and 2017-18.

The Secretary of State for Culture, Media and Sport has stated that the UK Government will undertake a comprehensive review of S4C's remit, governance and funding in 2017.

The Committee stated that the 36 per cent real terms funding reductions imposed on S4C since 2010 have been 'both severe and disproportionate'. The Committee recommended that that, as part of the UK Government's review of S4C's remit, governance and funding, S4C's future funding needs are considered on their own merits, separate to the BBC's overall service provision for Wales.

A blog post by the National Assembly for Wales Research Service considers the implications for Wales of the draft Charter and Agreement.¹⁰⁸ Key points include:

- A strengthened public purpose which states that the BBC must **"reflect, represent and serve the diverse communities of all of the UK's nations and regions** and, in doing so, **support the creative economy across the UK"**.
- **Accountability arrangements** between the BBC, the Welsh Government and the National Assembly for Wales were established in a [Memorandum of Understanding](#) earlier this year. These have been re-affirmed in the Draft Charter, which states that the BBC must comply with requests to provide evidence or submit reports to Assembly committees in the same manner as they do committees of the Houses of Parliament. The Welsh Government must be consulted when the Charter is reviewed or renewed.
- **The BBC's annual plan, report and accounts** must include **details of provision for the UK's nations and regions.**
- **The new BBC Board** – which will govern the BBC – **will have a non-executive director from Wales**, whose appointment will be agreed between the UK and Welsh Governments.
- **Ofcom has a new role in regulating the BBC**, including ensuring that audiences in the individual nations are "well served". Ofcom must "secure the provision of more distinctive output and services" on the BBC: which could be interpreted to mean more regionally and nationally distinct programme-making.
- As well as policing content, Ofcom will be responsible for ensuring that a **"suitable proportion" of network programmes are made outside of London**, including in each of the UK's nations. Back in 2006 the BBC set itself the target of investing 17% of its overall network spend in the devolved nations, broadly in line with their combined population size: something it has exceeded in Wales. The UK Government intends for this minimum requirement not to be reduced.

¹⁰⁸ ["Draft BBC Charter: what does this mean for Wales?"](#) *In Brief*, 23 September 2016

15. Northern Ireland

The pattern in Northern Ireland is similar to that in the other devolved administrations. A revised [Memorandum of Understanding](#) sets out a formal consultative role for the Northern Ireland Executive and Northern Ireland Assembly in the process of reviewing the BBC's Charter. There is also a requirement for the BBC to submit its annual report and accounts to the Executive and Assembly at the same time as they go to the Culture Secretary. Under the Memorandum, the BBC appears before committees of the Assembly on matters relating to Northern Ireland on the same basis as it appears before committees of the UK Parliament. These commitments will all be enshrined in the next Charter.

In the second half of the last Assembly, the Committee for Culture, Arts and Leisure considered a range of issues arising from Charter renewal:

Fundamental to the Committee's consideration was how the views of the Northern Ireland audience would be properly reflected in new governance and regulatory structures, and how the BBC could be better scrutinised and held to account by the Assembly and its committees. Additionally, the Committee looked at how the BBC could take a much more strategic approach to its operations in Northern Ireland and how BBC investment here should reflect that which has been made in the other UK nations and regions.¹⁰⁹

The Committee forwarded its views to the UK Culture Secretary in December 2015. There was also a [submission](#) to the UK-wide consultation by Carál Ní Chuilín, Northern Ireland's Minister of Culture, Arts and Leisure. She called for, among other things:

- A regulatory and accountability role for the Assembly
- Funding decisions relevant to Northern Ireland to be made at local level
- Specific representation for Northern Ireland in BBC governance
- Quotas in relation to content production to be retained and network commissioning from the north to be regularised
- Better representation of Irish and British identities within the north of Ireland

The Audience Council for Northern Ireland put together its own wide-ranging [response](#) to the Charter review consultation.

The Northern Ireland Assembly [debated](#) the draft Charter and Agreement on 27 September 2016.¹¹⁰

¹⁰⁹ Northern Ireland Assembly/Committee for Culture, Arts and Leisure, *Legacy report*, 15 March 2016, p9

¹¹⁰ I am grateful to colleagues in the Research and Information Service, Northern Ireland Assembly, for help with this section of the paper. A [blog post](#) by the Research and Information Service (dated 27 September 2016) considers the draft Charter from a Northern Irish perspective.

16. What happened last time, 2003-6

16.1 The Charter review timetable

The Department for Culture, Media and Sport (DCMS) had a dedicated website on Charter Renewal which gave the following timetable for the last review:¹¹¹

Phase 3

- Mid 2006 Expected completion.
- Mid 2006 Licence Fee level agreed.
- Mid 2006 Parliamentary debate on Charter and Agreement.
- 28 April 2006 Period for comments closes.
- 14 March 2006

White Paper 'A public service for all: the BBC in the digital age' published.

Regulatory Impact Assessment on BBC Charter review published.

Draft Royal Charter and Framework Agreement published.

Phase 2

- 2 Mar - 31 May 05 - Green Paper Consultation
- 2 Mar 05 - Publication of Green Paper

Review of the BBC's Royal Charter - 'A strong BBC, independent of government'

- 28 Jan 05 - Publication of the Independent Panel's advice to the SOS.

Phase 1

- July - Dec 04 - Programme of informed seminars.
- Jan - June 04 - Commissioning and Gathering of research and reviews.
- 11 Dec 03 - 31 Mar 04 - Open consultation.

The Phase 3 timetable was modified subsequent to and consistent with alleged¹¹² delays in reaching a licence settlement:

- Late 2006 Expected completion.
- Mid to Late 2006 Licence Fee level agreed.

16.2 Charter review

The previous BBC Charter, the ninth,¹¹³ ran for ten years and came to an end on 31 December 2006. In advance of this date the then Secretary of State announced¹¹⁴ a lengthy public consultation process, beginning

¹¹¹ <http://www.bbccharterreview.org.uk/home/timetable.html>

¹¹² HC Deb 21 June 2006 c1326; "BBC licence fee settlement delayed", *Broadcast Now*, 7 June 2006

¹¹³ Culture, Media and Sport Committee, First Report 2004-05, *A Public BBC*, HC 82-I, p56

¹¹⁴ HC Deb 11 December 2003 vol 415 cc100-1WS

with the publication of a document inviting public response on the future of the Corporation.¹¹⁵ This consultation closed on 31 March 2004. In comparison with previous renewal rounds, on this occasion there was greater emphasis on public involvement and “transparency”. In a Westminster Hall debate on BBC Charter Renewal in 2005, the Minister, Richard Caborn, said:

More than ever before, licence fee payers have had a say in the review of the BBC's charter and in the future of the corporation—the keystone of public service broadcasting in this country. The review process has been conducted openly and has benefited from our transparent and constructive relationship with the BBC. The Green Paper is not the end of the story. We want to hear what the public and industry will have to say about the issues raised in it, and there will be opportunities for wider debate, including in both Houses of Parliament.¹¹⁶

A parliamentary answer from 1996 gives a flavour of the debate at the time of the penultimate Charter renewal:

Mr. Alton: To ask the Secretary of State for National Heritage what further arrangements will be made for (a) public and (b) parliamentary debate on the future of the BBC charter.

Mr. Sproat [holding answer 19 December 1995]: There has already been substantial debate on the future of the BBC. The Government's consultation document was published in November 1992 and received some 6,600 responses. In the light of those, the Government set out their proposals in a White Paper “The future of the BBC: Serving the nation, Competing world-wide” which generated comments from some 200 individuals and organisations and which was debated in both Houses. On 27 November, the Government published the BBC's draft charter and agreement, designed to put into effect the policies set out in the White Paper. Both Houses of Parliament will have an opportunity to debate these documents when parliamentary business allows and before they come into effect.¹¹⁷

In September 2003 the then Culture Secretary, Tessa Jowell, appointed Lord Burns as independent adviser on Charter Review.¹¹⁸ He was assisted by an independent panel. To inform their work, Lord Burns and his panel held a series of seminars in 2004 to debate a number of key issues for Charter review, which were identified through the public consultation and research. The seminars took place in front of a small invited audience, including industry experts and representatives, as well as members of the public. The BBC broadcast these seminars live on the internet via web streams.

Lord Burns and his team reported to the Secretary of State in January 2005.¹¹⁹ The panel's most controversial suggestions concerned the role of the Governors. Arguing that the Board of Governors' dual role – they acted as both regulator and defender of the BBC – was

¹¹⁵ DCMS, *Review of the BBC's Royal Charter*, December 2003

¹¹⁶ HC Deb 8 February 2005 c415WH

¹¹⁷ HC Deb 9 January 1996 vol 269 c66W

¹¹⁸ DCMS press notice 107/03, *Tessa Jowell appoints Terry Burns to advise on BBC Charter Review*, 18 September 2003

¹¹⁹ DCMS press notice 011/05, *Independent panel publishes further advice on BBC Charter Review*, 28 January 2005

“unsustainable”, the panel recommended a new Public Service Broadcasting Commission to hold the BBC to account and make sure its services were in the public interest and giving value for money. Such a Commission could also give some licence fee money to other broadcasters if it decided the BBC was not fulfilling its role.¹²⁰ According to press reports, this notion of “top-slicing” part of the licence fee for distribution to the BBC’s commercial rivals found favour with Lord Birt, a former Director-General of the BBC who later became a senior policy adviser to Prime Minister Tony Blair.¹²¹ However, it was roundly rejected by the Culture, Media and Sport Committee’s subsequent report, *A public BBC*.¹²²

Whereas the Burns panel did not appear to have anticipated anything other than a ten-year Charter, the CMS Committee recommended that the BBC be placed on a statutory basis by Act of Parliament at the earliest opportunity, with an interim Charter for an initial period of five years.¹²³ In its response the Government rejected this idea:

The Government has carefully considered the option of establishing the BBC by statute but is not persuaded of the case for change. The Green Paper summarises the pros and cons of statutory status as opposed to chartered status. As indicated there, we are concerned that, if the BBC were to be put on a statutory basis, it could well be more, not less, vulnerable to detailed Government intervention. If an interim five-year Charter was granted, as the Committee suggests, the whole process of reviewing the BBC – this time with additional Parliamentary stages – would need to begin again after only two or three years. We have accordingly concluded that a new ten-year Charter can best provide the certainty and independence that the BBC needs during a period of rapid change in broadcasting. But the Charter will also have a clear end-date, which will ensure a further full-scale review of the BBC’s role and purpose at that stage.¹²⁴

16.3 The Green Paper

The Government’s Green Paper on Charter Review was published on 2 March 2005.¹²⁵ The accompanying press notice summarised its main points:

A key announcement in the Green Paper is the abolition of the current board of Governors to be replaced by:

- A new, transparent and accountable BBC Trust to oversee the corporation – with responsibility for the licence fee and for making sure the BBC fulfils its public service obligations.

¹²⁰ BBC News Online, [BBC “needs new external watchdog”](#), 28 January 2005. For details see the panel’s [final advice to the Secretary of State](#).

¹²¹ “Jowell beats Birt over BBC’s future”, *Guardian*, 25 February 2005

¹²² Culture, Media and Sport Committee, First Report 2004-05, *A Public BBC*, HC 82-I, para 118

¹²³ HC 82-I 2004-05, December 2004 - see chapter 7 pp55-60

¹²⁴ DCMS, *Government response to the Culture, Media and Sport Committee report on a public BBC*, Cm 6474, March 2005, p16

¹²⁵ DCMS, *Review of the BBC’s Royal Charter: a strong BBC, independent of government*, March 2005

- A formally constituted Executive Board – responsible for delivering the BBC's services within a framework set by the Trust.

Other major announcements include:

- The BBC to continue to be established by a Royal Charter – the next one should last from 1 Jan 2007 to 31 December 2016.
- Continuation of the licence fee – at a level to be set in the next phase of Charter Review.
- A review, before the end of the next Charter period, of whether there is a case for other methods of funding the BBC beyond 2016 – particularly subscription.

[...]

Other main points of the Green Paper are:

- Clarity of purpose – five key purposes for all BBC services to strive for.
- An additional special purpose of helping to build a digital Britain.
- A clear role for Ofcom in external competition regulation of the BBC.
- Consideration, at an appropriate point before digital switchover, of whether public funding, including licence fee income, should be used to fund public service broadcasting more widely beyond the BBC in the future.
- A need for a significant degree of production outside of London.
- To boost quality and generate business throughout the broadcasting industry, further consideration of either a "window of creative competition" between BBC in-house production and external producers, or an increase in the current 25 per cent independent production quota.¹²⁶

It will be noted that, although the Culture Secretary rejected the Burns panel's recommendation of a Public Service Broadcasting Commission with a capacity to "top-slice" revenue, she accepted the principle of separating the twin roles of the present Board of Governors. The Governors (and, it was assumed, the existing Executive Board) would be replaced by a Trust and an Executive Board, whose respective roles she defined as follows:

The Trust will act as the BBC's sovereign body and have ultimate responsibility for the licence fee. It will be responsible for outlining and monitoring the BBC's performance, in addition to approving the highest-level strategies and budgets, and holding the Executive Board to account for delivery of services.

The Executive Board will be responsible for the day-to-day management of the BBC, developing programme strategies, delivering the BBC's services and taking all detailed financial and operational decisions within the framework established by the Trust. It will be chaired by the Director General or, at the

¹²⁶ DCMS press notice 033/05, *Green Paper is "blueprint for a strong, independent BBC"* – Jowell, 2 March 2005

discretion of the Trust, a non-executive. It will contain a significant minority of non-executives who will support the executive members as "critical friends."

The Trust's members will be appointed by the Crown, and will in turn appoint the Chair of the Executive Board. The Trust's members will need to reflect the interests of a wide range of different UK communities, have the knowledge and expertise to understand and articulate the interests of the individual devolved nations, and have a range of expertise in areas including the broadcasting and media industries and financial, legal and corporate matters.¹²⁷

Other broadcasters, reportedly, welcomed the new proposals. Michael Grade, the then Chairman of Governors, expressed disappointment that reforms he had introduced separating the governance and management roles of the Governors had not been given a chance to bed down but accepted that the changes in management structure announced by Ms Jowell were "workable".¹²⁸

16.4 After the Green Paper

Following publication of the Green Paper in March 2005, there were a number of developments which are outlined below.

The House of Lords Select Committee on BBC Charter Review published a total of three reports:

- The Review of the BBC's Royal Charter, HL Paper 50, 2005-06
- Further Issues for BBC Charter Review, HL Paper 128, 2005-06
- Final discussions with the Secretary of State for Culture, Media and Sport, HL Paper 196, 2005-06

Shortly after publication of the second Lords report, the Government published its White Paper, [A public service for all: the BBC in the digital age](#) (Cm 6763, March 2006). At the same time the Government published a draft Royal Charter and Framework Agreement; revised versions were subsequently published, on 5 June, for a debate in the House of Lords on 16 June.¹²⁹ The House of Commons debated the BBC on an Opposition Motion on 21 June 2006.¹³⁰

At a superficial level, the White Paper retained many of the features of the BBC as it then existed. For example, the Corporation would continue to be established under Royal Charter. The Lords Select Committee followed the previous Culture, Media and Sport Committee's call, in December 2004,¹³¹ for this to be replaced by an Act of Parliament. In addition, the licence fee was to be retained as the BBC's primary source of funding – in accord with recommendations made by both the Lords and Commons Select Committees. On the

¹²⁷ DCMS press notice 033/05, *Green Paper is "blueprint for a strong, independent BBC"* – Jowell, 2 March 2005

¹²⁸ "Axe falls on BBC governors over lapses", *Financial Times*, 3 March 2005, p1

¹²⁹ HL Deb 16 June 2006 cc427-94. The motion "to take note" was "agreed to".

¹³⁰ HC Deb 21 June 2006 vol 447 cc1326-81. The motion, which wasn't specifically on the Charter, was negated on division.

¹³¹ *A public BBC*, First Report of 2004-05, HC 82

other hand, the BBC Governors were to be replaced by the BBC Trust and the Executive Board would be modified to include some non-executive directors. This was broadly in line with the recommendations of the previous Commons Select Committee, which called for a formal separation of Governors and Executive Board, with non-executive directors on the latter. The Lords Select Committee had strong reservations about the governance proposals, calling for greater external regulation of the BBC.

The draft Charter and Agreement (as amended) provided, perhaps, a better indication of the extent of the changes proposed by the Government. Under the new arrangements the BBC Trust would be the guardian of licence fee revenue and of the public interest. It would be independent of the Executive. The BBC would have six new public purposes with “purpose remits” drawn up by the Trust, underpinned by service licences issued by the latter. Furthermore, any “significant” proposal for change to UK services would have to be subject to full and public scrutiny; this would include a public value test and a market impact assessment.

On 3 July 2006, a *Further Revised Draft Royal Charter* and the final draft of the Agreement (Cm 6872) between the Secretary of State and the BBC were published for debate in the House of Commons on 10 July¹³² and the Lords on 16 July.¹³³ (The Commons debated on a substantive motion whilst the Lords did not). The Charter was then sent for approval by Her Majesty in Council, accepted by her on 19 July, and came into force on 1 January 2007.

In retrospect, it is clear that the Charter renewal process in 2003-6 was longer and offered greater opportunities for public involvement than earlier renewal rounds. The White Paper commented:

14.3.4 In total, we have received over 10,000 responses to our two phases of public consultation¹³⁴ from a vast range of people – from the BBC to small independent TV and radio companies, from large charities and trade bodies to individual members of the public. (...) These consultation responses, when taken alongside the extensive programme of research and other evidence gathered, have ensured that this Charter review has been one of the most publicly engaged ever and the decisions taken have been strongly influenced by the public’s voice.

¹³² [HC Deb 10 July 2006 cc1150-1221](#) An amendment to the Government motion to approve was tabled (by Hugo Swire) but negatived on division.

¹³³ [HL Deb 16 June 2006 cc427-94](#)

¹³⁴ i.e. the initial public consultation of 2003-4 and the Green Paper of 2005. The former received “nearly 5,500 responses”, the latter “around 4,500”.

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