[GB] White Paper sets out proposed reforms to the BBC Royal Charter

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Julian Wilkins
Wordley Partnership

On 12 May 2016, a White Paper was presented to the British Parliament by the Secretary of State for Culture Media and Sport, setting out the core proposed changes to reform and modernise the BBC. This would create the basis for the ninth BBC Royal Charter, as the current one ends in December 2016 (for the previous Royal Charter, see IRIS 2006-5/22 and IRIS 2005-7/23). The Royal Charter is the constitution of the BBC.

The White Paper is a consequence of wide-ranging consultation with the public and the creative industries. The proposed reforms for the new Charter are to enhance the BBC's public service broadcasting remit by producing distinctive, high quality and impartial content, which appeals to a wide and diverse audience both nationally and internationally.

The main proposed structural change is that the internal governance of the BBC will alter from a board of governors to a unitary board of directors, with the intention that at least half of these directors are appointed by the BBC. Further, the BBC will no longer be effectively self-governing, with the role being given to the communications regulator Ofcom who will have extensive powers to investigate matters and have the authority to impose sanctions. Such authority will include investigating relatively minor activities, which may over time have an influence on the effectiveness and impartiality of the BBC.

Ofcom will have a licensing role whereby an operating licence will be granted and sanctions will be made available for any breaches. In addition, the National Audit Office will become the BBC's auditor and hold the broadcaster accountable for its significant annual public funding.

There are a number of notable developments. First, the BBC will have freedom as to how it spends the funding, without any of the current prescriptive requirements. However, one area where funding will remain ring-fenced is in respect to BBC World service. Further, the BBC will be empowered to commission work from outside the BBC without any quotas or requirements for in-house production by the broadcaster. One exception which cannotbe delegatedis news and current affairs production. Second, the BBC will also be enabled to create its own freestanding commercial production house - known as BBC Studios - subject

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to it meeting standards that are compatible with the BBC's impartial public service remit. Third, the BBC's relationship with its commercial subsidiaries such as Global News and Stationworks needs to be reviewed, including loss-makers, in terms of what value they provide to the public interest. Also, whether the public service broadcaster is in effect subsiding its private sector arm. This includes consideration of how the BBC promotes itself and uses its airtime for self-promotion. Fourth, the BBC will have a budget of £20m per annum to create opportunities for other broadcasters and producers also making public service content, and the government will seek consultation in autumn 2016. Funds will be provided to ensure the BBC works with local news organisations, for instance local newspapers. Moreover, the BBC will have a responsibility to produce programmes that appeal to all audiences, both for its domestic and international market. As part of this process the BBC will be encouraged to work with as many collaborators and partners as possible.

Fifth, and in relation to the licence fee, the BBC will be empowered to collect the TV licence not only from traditional viewers watching via terrestrial TV, but also those who use the online services such as its very popular catch-up service BBC iPlayer. The iPlayer service will be given greater flexibility so that British residents who pay the licence fee may have access online when away in another EU country. The BBC will also consider ways of collecting licence fees and the sanctions against those who fail to pay, making the system fairer and more proportionate, especially for people living on limited financial means. Although the over 75 years of age exemption will continue, those above that age who are able and wish to will be encouraged to pay the licence fee.

Apart from the revenues the BBC generates from licence revenues, and the sales of its programmes and formats worldwide, the broadcaster will be enabled to run pilots for different forms of subscription services.

Notably, as part of the remit to preserve and bolster the BBC's impartiality, the Charter period will be every 11 years with a mid-point review, so it can be free of the political cycle given that Britain has fixed 5-year parliaments.

Finally, the proposed mission statement set out in the White Paper states the BBC is "To act in the public interest, serving all audiences with impartial, high-quality and distinctive media content and services that inform, educate and entertain."

Department for Culture, Media & Sport, A BBC for the future: a broadcaster of distinction, May 2016, Cm 9242

https://www.gov.uk/government/publications/a-bbc-for-the-future-a-broadcaster-of-distinction

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