

[GB] Draft BBC Charter is presented to UK Parliament

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On 15 September 2016 the Secretary of State for Culture, Media and Sport presented to the House of Commons the draft Royal Charter (the Charter) for the British Broadcasting Corporation (BBC) and its accompanying Framework Agreement, setting out the objectives and governance of the BBC. The Charter reflects many of the proposals described in the White Paper presented to Parliament on 12 May 2016 (see IRIS 2016-7/21). The draft Royal Charter will replace the eighth Charter, which expires on 31 December 2016. The core tenets of the new Charter are the BBC's Mission and Public Purposes described below.

The Charter is to ensure the public transparency, accountability, and impartiality of the BBC, with the BBC's Mission being to act in the public interest, serving all audiences through the provision of impartial, high-quality, and distinctive output and services which inform, educate, and entertain.

The draft Charter defines the BBC's Public Purposes, which are to provide impartial news and information to help people understand and engage with the world around them; to support learning for people of all ages; to show the most creative, highest quality and distinctive output and services which should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content; to reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the UK; and to reflect the UK, its culture and values to the world.

The BBC must act in the public interest, having particular regard to the effects of its activities on competition in the UK. In order to assist with this aim under the Charter, the BBC must work collaboratively and seek to enter into partnership with other organisations (commercial and non-commercial), particularly in the creative economy, where to do so would be in the public interest.

The Charter engages the communications regulator Ofcom to regulate the BBC. Ofcom's principal functions will include preparing and publishing an Operating Framework detailing the provisions it considers appropriate to secure the effective regulation of the BBC's activities. The Framework provisions include ensuring the BBC functions in a way that does not affect free and effective competition in the UK. Ofcom will have enforcement powers to ensure compliance by the BBC with

the Framework standards, including the issue of penalties. Ofcom will publish an annual report, and the Secretary of State may undertake a mid-term review, not before 2022, focussing on the governance and regulatory arrangements, with such review being completed by 2024.

The BBC will be governed by a new board of 14 directors instead of the current Trust. The Board will be a mix of public appointments and BBC-appointed directors. The BBC will appoint nine board members including five non-executive directors. The remaining five non-executive members will be Nation Members representing Scotland, Northern Ireland, Wales and England, whilst the fifth will be the Chair who will be appointed by full, fair, and open competition.

Further, the National Audit Office will become the BBC's financial auditor and its remit will include assessing whether the organisation is providing value for money.

The BBC will continue to be funded by a publicly-funded licence fee, but the BBC must exercise rigorous stewardship of public monies. This will include the organisation disclosing in an annual report the identity of all senior executives paid by the BBC more than GBP 150,000 per year and detail how their pay is determined as well as the names of all other staff paid more than GBP 150,000 per financial year from the licence fee. 'Staff' shall include persons working under a contract for services and thus may include self-employed talent.

Finally, pursuant to the Charter, the BBC must promote technological innovation and maintain a leading role in research and development that helps fulfil the organisation's Mission and Public Purposes.

The draft Charter will be discussed by the various UK parliaments and assemblies. The Government will present the Charter and Agreement to the Privy Council so it comes into force on 1 January 2017, with full effect from 3 April 2017. The Charter will expire on 31 December 2027.

Draft Royal Charter for the Continuance of the British Broadcasting Corporation, September 2016, CM 9317

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553233/Draft_Charter_Web_Accessible.pdf

A Draft Agreement Between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation, September 2016, Cm 9332

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553234/Draft_Framework_Agreement_Web_Accessible.pdf

