



On 15 September 2016 the government published a draft Royal Charter and Framework Agreement. This is one in a series of information sheets, explaining some of the key policies contained in the drafts in more detail.

Background

The governance - as well as regulation - of the BBC is currently undertaken by the BBC Trust. An independent review into the governance and regulation of the BBC was conducted by Sir David Clementi in March 2016 and the recommendations were accepted by the government. The new Charter will establish a strong unitary board for the BBC, which will be fully responsible for the governance of the BBC and the delivery of its services. The Charter will also appoint Ofcom as the independent external regulator of the BBC.

The government's policy

- The new Charter splits the governance and regulation of the BBC. A new BBC Board is established with responsibility for governing the BBC and Ofcom is appointed as the independent, external regulator.
- The BBC will have a single unitary board, with collective responsibility for the BBC, which governs in the public interest, in line with the mission and public purposes.
- The Board will be responsible for delivering the mission and public purposes, and has specific duties to act independently.
- The Board will be made up of 14 Members (including a Chair).
- There will be a mix of public and BBC appointments, with all appointments following a robust and transparent process in line with public appointments best practice, and there will be a majority of non-executive members. This is in line with the Clementi Review recommendations and will help to ensure the Board's independence.
- The BBC will appoint nine board members (five non-executive members and four executive members). Five appointments will be public appointments. This will mean the BBC will appoint the majority of members to its new Board.
- All Board Members must uphold the independence of the BBC.

Public appointments - In line with the proposals of the Clementi Review, a Public Appointments process, led by the government, will be used to appoint the Chair, and four further members, who will be the Nations members for Scotland, Wales, Northern Ireland, and England. This is less than the six originally

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proposed in the White Paper, which represents the outcome of constructive discussions with the BBC, is in line with the recommendations of the CMS Select Committee, and reflects the commitment to ensuring a truly independent BBC Board.

BBC appointments - The remaining nine members will be appointed by a Nomination Committee of the Board, meaning the BBC itself will be empowered to appoint members to its sovereign board. Five of these must be non-executive members and four must be executive members. This goes further than the proposals in the White Paper in securing the BBC's independence, ensuring that the BBC will appoint the majority of members to its Board.

The Chair - As set out in the White Paper, and in line with the recommendations of the Clementi Review, a Public Appointments process, led by the government, will be used to appoint the Chair. The candidate identified for appointment as the Chair will also be subject to a confirmatory hearing before the Culture, Media and Sport Select Committee ahead of appointment, as is currently the case, and this is enshrined in the new Charter. The Chair will be closely involved in other appointments, including in drafting role specifications. Although the White Paper had set out plans for the current Chair of the BBC Trust to continue as Chair of the BBC, it has been decided, in line with the recommendation of the CMS Select Committee Report, that there will be an open and fair competition for the role of Chair of the new BBC Board. It is important the public and industry have confidence that the new Chair has been recruited in a transparent way.

Senior Independent Director - The government has agreed that a Senior Independent Director will be appointed from the non-executive members instead of a Deputy Chair as proposed in the White Paper.

Nations Members of the Board - As set out in the White Paper, the new Charter requires specific non-executive members of the unitary board to have knowledge and understanding of one of each of the constituent nations of the UK, to provide insight but also accountability. These members will have an important obligation to engage with the public in the nations and to understand their needs but this must, however, be alongside wider responsibilities placed on them, and they must still exhibit the other skills and expertise to be appointed to the board. The four Nations members will each be non-executive members, appointed by a public appointments process.

The provisions in the Charter and Agreement

Charter

Article 22 - sets out the requirements and process for appointing the Chair of the Board - this will be a public appointment, via fair and open competition, following normal guidelines for public appointments. The Secretary of State must consult the BBC on the process, and will also appoint an 'Acting Chair' from the non-executive members, if the Chair is vacant.

Article 23 - sets out the requirement for the Board to contain one non-executive member for each of the constituent nations of the UK, which will be public appointments, following the usual procedures. These members must have knowledge of the culture, affairs, and opinion of the relevant nation, but must also have the necessary skills to fulfil the duties of a non-executive member of the Board like any other.

Article 24 - sets out the requirements for appointing the other non-executive members, who must be appointed by the Board, after the Nomination Committee has made proposals. In making these appointments, the BBC must follow the Governance Code where appropriate, which sets out the public appointment principles.

Article 25 - mandates that the Director General must sit as an executive member of the Board.

Article 26 - sets out the requirements for appointing executive members of the Board, which must be appointed by the Board, from the proposals of the Nomination Committee

Article 27 - sets out the terms on which non-executive members serve on the Board, which is for no more than four years unless in exceptional circumstances in which an extra year can be served. An existing non-exec member can only be reappointed once, at any point during their tenure. They are remunerated by the BBC, but the rate is set by the Secretary of State, which will include any allowances - including pension contributions - as the Secretary of State deems appropriate.

Article 28 - sets out the how non-exec members' terms are terminated - generally this will be on expiration of the period they are currently serving, or if they resign (public appointments must do so in writing to the Secretary of State, and other non-executive members must do so to the Board), or if the member misses Board meetings continuously for three months without consent, is unfit and/or unwilling to serve, or comes into serious financial difficulties

Article 29 - sets out the terms on which executive members serve on the Board. If early termination is to happen, this must be proposed by the Chair, and approved by the Board. Remuneration of executive members is determined by the Remuneration Committee.