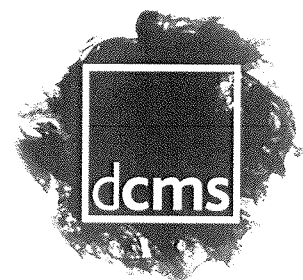


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Sir Michael Lyons
Chairman
BBC Trust
180 Great Portland Street
London
W1W 5QZ



department for
**culture, media
and sport**

April 2011

Dear Michael,

NAO ACCESS TO THE BBC

Thank you for your letter of 25 March.

It is unfortunate that we have been unable to reach a shared understanding of the detail of what was agreed in relation to the NAO's powers of access. I have carefully considered the points you raised in our phone call and letter but still believe that the C&AG should have the flexibility to undertake investigations at short notice, in addition to the annual planned programme.

The aim of the Government commitment to give the NAO full access to the BBC's accounts is to ensure transparency. I consider it a vital element of such transparency that the NAO should have greater flexibility in the timing of its investigations; and have the right to revise its plans in response to changing circumstances and issues of the day. It would be unhelpful if the NAO were to be limited to the planned annual programme of investigations only. Restricting transparency in this way would be disappointing and may lead licence fee payers to question what the BBC is attempting to hide.

I do not consider that providing the NAO with such flexibility undermines either the role of the BBC Trust or the independence of the BBC. Instead, giving the independent experts of the NAO access to the BBC when they consider there to be a genuine public interest helps to provide the transparency to which the Government is committed.

Given your impending departure, I intend to take up the matter afresh with Lord Patten.

As the new value-for-money arrangements will be one of the key features of the amended BBC Agreement, it would appear sensible to delay finalising the amended Agreement until the Government and the BBC Trust have reached a common position on the new arrangements.

I am sending a copy of this letter to Lord Patten.

Yours ever

A handwritten signature in cursive script, appearing to read "Jeremy".

Rt Hon Jeremy Hunt MP
Secretary of State for Culture, Olympics, Media and Sport