



Department
for Culture
Media & Sport

A BBC for the future: a broadcaster of distinction

A snapshot of the government's plan for the BBC

May 2016

#yourBBC

About the BBC

The BBC is at the very heart of the UK. It is without a doubt one of this nation's most treasured institutions, playing a role in almost all of our lives. Every week it reaches around 348 million people in every corner of the world.

What is the BBC Charter Review?

The BBC is governed by a Royal Charter, a document which sets out what the BBC should be trying to achieve. It also sets out the role of the organisations that oversee the running of the BBC – currently the BBC Trust and the Executive Board.

A regular review of its activities, known as a Charter Review, has been carried out since 1927. This provides an opportunity to look at everything the BBC does, like the services it provides and whether it is providing value for money for the licence fee payer, but also to make sure the BBC is geared up for the future.

Ten years ago, the last time the government ran a Charter Review, Facebook was yet to reach the UK, YouTube was only just being launched, and the smartphone was unheard of. The current Royal Charter, which came into force in January 2007, couldn't have predicted quite how these emerging technologies of the day would end up shaping the way we use media and how we live our lives.

Now that this Charter is coming to its end – it expires at the end of 2016 – the government has been looking at how the next Charter can help the BBC to continue to thrive, to deliver for audiences, and to act as an engine of creativity and growth for the country.

What the BBC funds

The licence fee is used to fund the whole range of BBC services:



57 radio stations



9 television channels



BBC Online



iPlayer and Red Button



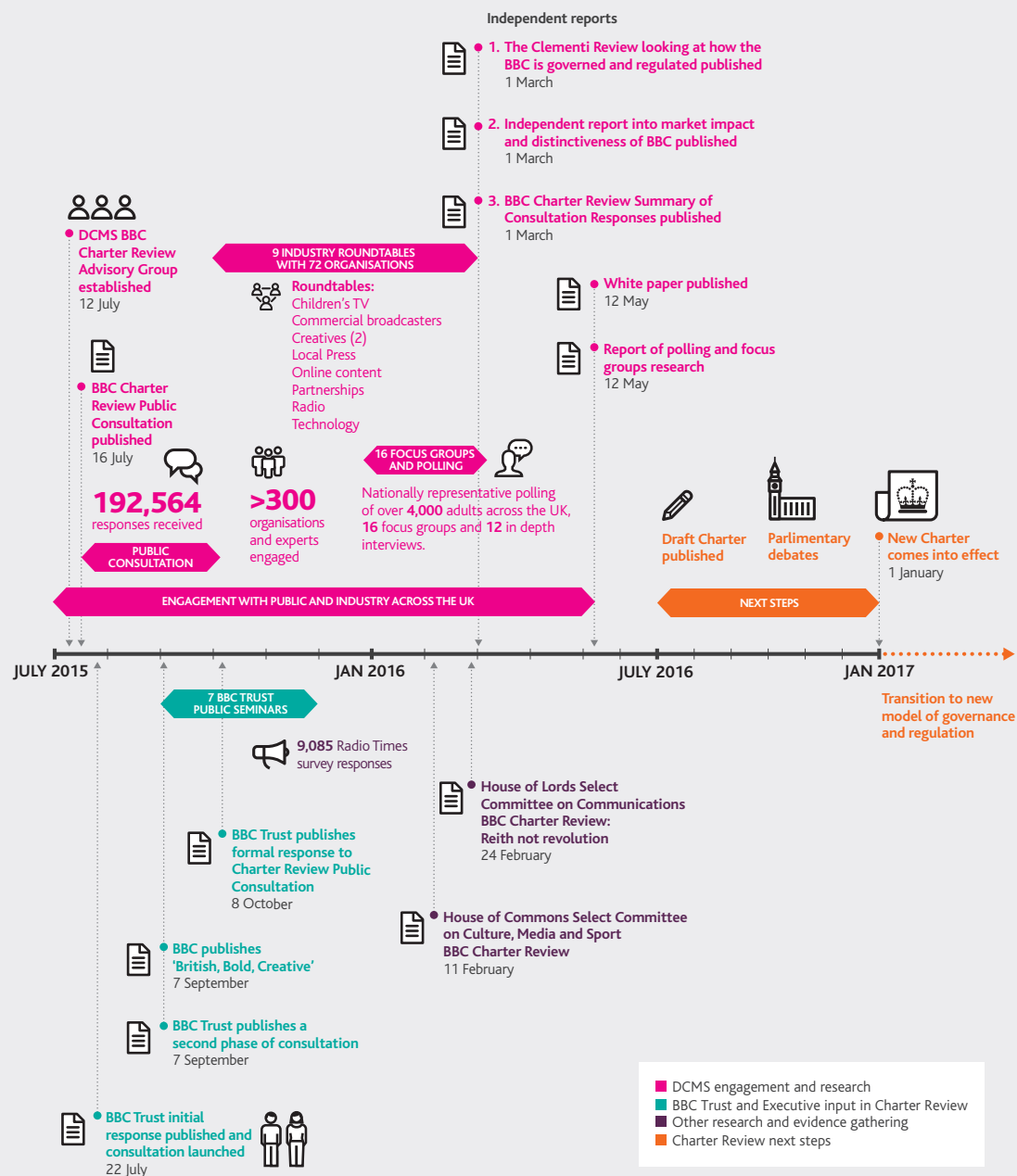
BBC World Service

The Charter Review process so far

In July 2015, the government launched a consultation to get the public's views of the BBC.

We had more than 192,000 responses which, together with independent reports and expert advice, have been carefully looked at and have fed into the Charter Review.

Based on all this evidence, the government has now published its proposals – known as a 'white paper' – setting out the changes needed to make sure the BBC remains the world's best broadcaster.



The planned reforms

Taking into account the views from the consultation process, the government wants the BBC's new mission to be:

To act in the public interest, serving all audiences with impartial, high-quality and distinctive media content and services that inform, educate and entertain.

To help the BBC achieve this, the government has set out a number of changes to the way the BBC works:

- Strengthening the BBC's independence
- More great programmes and better services
- Funding the BBC for the future

Strengthening the BBC's independence



Improving the way the BBC is managed – the way the BBC is currently organised doesn't work. There are two boards, the BBC Executive and BBC Trust, which can lead to confusion. To fix this, a single BBC board will be set up which will be fully responsible for making sure the BBC delivers its services and meets its objectives.

The BBC will be able to appoint most of these board members. Others will be selected through an open public appointments process led by government. This is in line with recommendations from an independent review of these issues which was led by Sir David Clementi. This is a major change as all of the current BBC Trust members are appointed by government and the current BBC Executive members are appointed by the BBC Trust.

Ofcom as the external independent regulator of the BBC – the way the BBC is currently regulated doesn't work as both the BBC Trust and Ofcom have roles. The BBC Trust is part of the BBC which means it is marking its own homework. Ofcom is a widely respected and experienced media and telecoms regulator. It will be the sole regulator for the BBC as it is with other public service broadcasters like ITV and Channel 4. This is in line with recommendations from the independent review led by Sir David Clementi.

Setting an 11-year Charter separating Charter Review from the political cycle – now that Parliament has regular elections every five years, an 11-year Charter means that the Charter Review process will not clash with the next General Election. But because this Charter Review is making big changes, and the media sector is moving so fast, there will be a 'health check' during the Charter period to make sure things are working as they are supposed to.

Putting impartiality at the heart of the BBC – we plan to protect the BBC's impartiality by stating it in the organisation's overall mission. This will make sure the BBC remains the most trusted provider of high quality news for audiences in the UK and abroad.

More great programmes and better services



Putting 'distinctiveness' at the heart of all BBC programming and services – the BBC is unique and we want to protect that. The changes to the way it works will mean it will be more creative and take more risks with things like new programmes.

Opening up the BBC's programme making to greater competition – aside from news and some parts of current affairs, all of the BBC's programmes will be able to be made by independent companies. Not only will this help the BBC make savings, but it will also provide the best creative programmes for the BBC and its audiences. If the regulator approves, the part of the BBC that makes television programmes will also be able to move into a commercial company – BBC Studios – and so be able to make programmes for broadcasters other than the BBC.

Opening up the BBC's funding others to make much-needed programmes – certain programming like high-quality children's TV is in decline. We plan to create a new fund for these types of programmes that TV production companies can bid for, to show on mainstream TV channels other than the BBC.

Helping make the BBC a better partner – as the UK's largest broadcaster and a well respected institution, we want the BBC to help boost the UK's creative industries like film and the arts. We want it to work with other organisations so that everyone can benefit from its expertise and reputation. For example, there will be a new partnership with the news industry, which include an extra 150 journalists who will support local democracy.

A BBC that serves all of the nations and regions in the UK – the BBC should lead the way in representing the UK's different nations and regions. That's why new 'Operating Licences' will set out clearly what it is expected of the BBC and make sure it delivers against those expectations. We will also make sure that the BBC keeps making programmes in all parts of the UK, and that it continues to support the UK's other native languages, such as Gaelic, Welsh and Ulster-Scots.

Reflecting our diverse society – as everyone in the UK pays for the BBC, it needs to reflect every corner of the UK. Research shows that some people, particularly those from Black and Minority Ethnic backgrounds, don't feel that the BBC represents them. In the new Charter, the BBC will have a commitment to diversity, employing and reflecting the people of the UK both on and off screen. Along with the new BBC mission to serve all audiences, this will help make sure the BBC delivers for everyone in the UK and everyone who pays for the BBC.

Reaching audiences across the world – the BBC World Service promotes everything great about the UK's culture and society to nearly 250 million people worldwide. That's why we'll be protecting the money given to the World Service and giving it a boost for some new projects.

Funding the BBC for the future



Increasing the licence-fee level in line with inflation for five years from 2017/18 – this will give the BBC the funding it needs so that it can continue to make high quality, distinctive programmes. This means it will still be one of the best-funded public service broadcasters in the world.

A new open process for setting the licence fee – there will be a new, regular process for deciding how much money the BBC receives and how much people have to pay for their TV licence. This will give the BBC the long term financial certainty it needs and increase its independence from government.

Modernising the licence fee – the way we watch TV is changing and so the licence fee needs to reflect that. Under the new Charter, people will need to pay the licence fee for BBC content they watch through 'catch-up' (e.g. on iPlayer) as well as when they watch live TV. We are also going to help the BBC to introduce new ways of paying for TV licences – which will help people on lower incomes. The BBC will also be able to offer some subscription services to generate more money. This could include a service for people who live outside of the UK, who do not pay the licence fee, but would like to watch BBC shows. It will be for the BBC to decide if and how this works and will not replace the licence fee.

Getting value for money from the BBC – the BBC will be given more control of its funding but will have to make sure it spends it wisely. This may mean removing more managers and reducing the overall number of people who work for the BBC, so that it saves hundreds of millions of pounds. While other parts of the public sector have saved substantial amounts by reducing staff, the BBC actually increased the numbers it employed last year. The BBC will also have to be clearer about how it spends its money, including how many people who work for the BBC get paid over £450,000 and letting licence fee payers know how much it's spending in areas like news, drama and sport.

A stronger role for the National Audit Office – independent auditors will more closely look at how the BBC spends its money as the BBC receives £3.7 billion of public money.

What's next?

Now that we've published our plans, we will be listening to feedback from key groups including Parliament. We will be publishing a draft version of the Charter – the formal document that sets out the plans – in the coming months.

The new Charter will then come into force on 1 January 2017.

Our plans will mean:

- the BBC is governed in a completely new way and its independence protected;
- a much clearer and tighter expectation of what the BBC does;
- more companies able to make programmes for the BBC; and
- changes to the licence fee to make sure the BBC is properly funded for the future.

These reforms will mean the BBC can continue to thrive and deliver for audiences, and promote the UK at home and abroad.

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