**Terms of Reference for Charter Review, 2015**

**Background**

The BBC is currently governed by a Royal Charter and Framework Agreement, which establish the BBC as a corporate entity. These documents also set the BBC’s strategic remit, the framework within which the BBC must operate, and the way in which it is funded, structured, and governed, including its oversight and accountability. The Charter is also intended to secure the BBC’s independence, as a publicly owned institution, from Government.

The BBC’s current Royal Charter came into full effect on 1 January 2007 and expires on 31 December 2016. The Royal Charter and Framework Agreement are currently drawn up by the UK Government and, as a result, the UK Government will undertake a review of the way in which the BBC has discharged its mission, remit and purposes under the current Charter in order to make recommendations to the Secretary of State for Culture, Media and Sport for the future strategic direction of the BBC.

Following the agreement of a Memorandum of Understanding with the Scottish Government and Scottish Parliament, as well as with the Welsh Government and Northern Ireland Executive, there will also be consultation with them through the process of Charter Review.

**Scope of the review**

Charter Review will consider:

1. **The scale and scope of the BBC’s services and operations**

Evidence will be sought on what the BBC does and how it does it including:

* the BBC’s existing public purposes, its mission and values
* how well it delivers for its audiences, including those in the nations and regions
* the services it provides
* the way these services are delivered, both UK-wide and in the nations and regions
* how the BBC’s content is commissioned and produced, including in the nations and regions.

1. **The way in which the BBC is funded**

This will include:

* representations on the current funding model
* seeking views on alternative models, including (but not limited to) a household levy
* criteria for any funding model, such as ability to pay
* seeking views on the BBC’s commercial activities

1. **The BBC’s governance and accountability models**

This will seek views on:

* the way in which the BBC Trust has operated over the period of the current Charter, including consideration of the role of the Audience Councils
* alternative models of governance, oversight, and structure
* processes which ensure sufficient levels of transparency and accountability for the BBC, both UK-wide and in the nations and regions
* ensuring the independence of the BBC

**Charter Review process and timetable**

* Government’s intention is to run the Charter Review process in an as open, consultative and democratic way as possible. To this end, it is intended that the public are given a number of opportunities to contribute to the discussion about the BBC’s future.
* We have published a Green Paper, in July 2015, with interested parties invited to respond by 8 October.
* We, in collaboration with the BBC Trust, ran a series of seminars over the Autumn inviting public and industry stakeholders to debate a series of Charter related issues. These were held across the UK, in partnership (where practicable) with the respective administrations where they are held in the devolved nations.
* We will publish a White Paper, in the first half of 2016, setting out UK Government’s preferred direction for the future of the BBC.

The Secretary of State for Culture, Media and Sport has appointed an Advisory Panel of expert advisers to support him in his decision making through Charter Review. The Panel will consider consultation responses to the Green Paper from stakeholders across the UK as part of its deliberations, to ensure that its advice reflects and takes full account of the needs of people in all of the nations and regions of the UK.

A number of independent reviews, studies and research pieces will also be commissioned through the duration of the Charter Review covering those areas where specific technical expertise or advice which is independent from Government is required. These will feed into the evidence base on which the Secretary of State will draw in setting the BBC’s future remit.