

BBC Royal Charter Bill [HL]

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Member in charge of the Bill, Lord Lester of Herne Hill, are published separately as HL Bill 34 – EN.

BBC Royal Charter Bill [HL]

CONTENTS

- 1 The establishment of the BBC
- 2 The independence and funding of the BBC
- 3 The governance of the BBC
- 4 Approval of Parliament
- 5 Extent, commencement and short title

A
B I L L

TO

Make provision about the establishment, independence, funding and governance arrangements of the British Broadcasting Corporation.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 The establishment of the BBC

- (1) There is to be a body corporate known as the British Broadcasting Corporation (“BBC”), which is to be established by Royal Charter in accordance with the provisions of this Act.
- (2) The first Royal Charter to be granted following the day on which this Act is passed must have effect for a term of 11 years beginning with the day on which it is granted and each subsequent Royal Charter must have effect for a term of 10 years beginning with the day on which it is granted. 5
- (3) The BBC is to have a duty to serve the public interest by informing, educating and entertaining the people of the United Kingdom, including its nations, regions and communities, by means of television, radio, online services and other similar services. 10

2 The independence and funding of the BBC

- (1) The BBC is to be independent in all matters concerning the content of its output, the times and manner in which its output is supplied, and the governance and management of its affairs. 15
- (2) The Prime Minister, the Secretary of State, the BBC and all other persons and bodies with responsibility for matters relating to the governance and establishment of the BBC must ensure that the BBC is able to operate independently from Ministers and other public authorities in the United Kingdom. 20
- (3) In carrying out the duty in subsection (2)—
 - (a) the Secretary of State and other Ministers of the Crown must not seek to influence the BBC’s decisions; and

- (b) the Secretary of State must have regard to—
- (i) the need to defend the BBC’s independence;
 - (ii) the need for the BBC to have the financial and non-financial support necessary to enable it to exercise its functions; and
 - (iii) the need for the public interest to be considered in regard to matters relating to the BBC. 5
- (4) The Secretary of State must make available to the BBC sufficient funds, through the licence fee and otherwise, to enable the BBC to perform its functions and public purposes as a public service broadcaster.
- (5) The licence fee is to be for the exclusive benefit of and use by the BBC to fund the performance of the BBC’s functions and public purposes. 10
- (6) The licence fee must be index-linked and increased at least in line with the Retail Price Index.
- (7) The Secretary of State may not transfer to the BBC responsibility for any public expenditure. 15
- (8) An independent regulator is to oversee the BBC’s performance of the duty in section 1(3) and any increase above the Retail Price Index in the licence fee.
- 3 The governance of the BBC**
- (1) The BBC is to be governed by an independent board which consists of not more than 14 people with the skill, knowledge and experience needed to perform the board’s functions as public service broadcaster. 20
- (2) The members of the board must be drawn from across the nations and regions of the United Kingdom, and must include BBC licence fee payers and present or former members of staff.
- (3) The Prime Minister must appoint the Chair, Deputy Chair and other members of the board, on the basis of a recommendation made by an independent appointments committee established by the Commissioner for Public Appointments. 25
- (4) The board must carry out its functions in an open and transparent manner.
- (5) The board must publish a recommendation to the Secretary of State on the amount of funding the Secretary of State should make available to the BBC. 30
- (6) The Secretary of State must publish a response to the recommendation in subsection (5).
- 4 Approval of Parliament**
- The Royal Charter, and amendments to the Royal Charter, may not be granted or have effect unless a draft of the Royal Charter or amendments has been laid before, and approved by, a resolution of each House of Parliament. 35
- 5 Extent, commencement and short title**
- (1) This Act extends to the whole of the United Kingdom.
- (2) Sections 1 to 4 of this Act come into force at the end of the period of two months beginning with the day on which this Act is passed. 40

- (3) This section comes into force on the day on which this Act is passed.
- (4) This Act may be cited as the BBC Royal Charter Act 2016.

BBC Royal Charter Bill [HL]

A

B I L L

To make provision about the establishment, independence, funding and governance arrangements of the British Broadcasting Corporation.

Lord Lester of Herne Hill

Ordered to be Printed, 7th June 2016

© Parliamentary copyright House of Lords 2016

This publication may be reproduced under the terms of the Open Parliament Licence, which is published at www.parliament.uk/site-information/copyright

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS