

Response to the DCMS White Paper on the BBC Charter



IWA Media Policy Group
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WALES
BETTER**

Response to the DCMS White Paper on the BBC Charter

A paper by the IWA Media Group

This paper deals with three main issues:

- The appointment of non-executive directors to the unitary board proposed for the BBC at a UK level
- The scope of the proposed service/operating licence for BBC Wales and the process by which it is agreed
- The structure of governance for BBC Wales in the new Charter period

Appointments of non-executive directors

The IWA shares the widespread concern about the process for appointing non-executive directors to the proposed BBC Board. The government's White Paper states that 'the government will lead a public appointments process to appoint the Chair, the deputy chair and members for each nation, with input from the relevant administrations for nations' members'.

It is essential that the independence of the BBC is maintained into the new Charter period. To ensure that independence, the Board members should not be government appointees. A 'government-led' process of appointment is at the very least ambiguous about the influence of the government on the outcome. All the relevant non-executive positions on the BBC Board should be appointed through the normal public appointments process.

The White Paper suggests that the Welsh Government should only have 'input' into the appointment of the Welsh NED. This is not satisfactory. This position should be subject to a public appointments process in Wales, with the name/s submitted to the Welsh government for approval.

Recommendation: the Welsh government should make clear its wish for an independent appointments process for the Welsh NED carried out in Wales.

The licensing regime for BBC Wales

It will be the job of the regulator, Ofcom, to establish a licensing regime for the BBC, including the separate service licence for BBC Wales, which is now being proposed. This will be a complex task. This licence will in effect be the 'spec' for all the programming broadcast by BBC Wales for a Welsh audience in both languages. Once it is agreed, presumably after discussions between Ofcom and the BBC, it will be the role of Ofcom to scrutinise the BBC's performance in delivering against the agreed licence conditions, including the licence for BBC Wales.

The White Paper lays considerable emphasis on the licensing regime. It will include content requirements and performance metrics, and the regime should include 'specific provision' for the nations, retaining out of London quotas and continuing support for minority language broadcasting services. It goes on to say that the government supports the BBC's commitments to better serve nations' audiences, including, inter alia, protecting spend in the nations relative to other areas and making additional funding available to improve dedicated services.

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Any such commitments written into the licence for BBC Wales must be complemented by an equivalent commitment written into the overall licence for the Corporation, including the level of funding required to meet those commitments. A regulatory obligation must fall on the BBC Corporation as a whole to provide BBC Wales with the necessary funding to meet its programming obligations.

There has been no clarity to date over the process by which the licence agreement will be finalised. The final decision will presumably rest with Ofcom, but it is essential that there is an opportunity for public input. Ofcom has a duty to conduct a public consultation on such a vital matter.

Recommendation: that Ofcom clarifies its intention to hold a public consultation on the licensing regime for the BBC under the new Charter. The overall licence for the BBC should include the level of funding required to meet the programme commitments of BBC Wales.

The structure of governance for BBC Wales

The government's White Paper says much about the governance of the BBC as a whole, but little or nothing about governance of the BBC in the nations. And it says little or nothing about audience input into BBC decision-making. The only proposition in this context is that the Welsh NED on the main board should chair the Audience Council for Wales. We feel it is necessary to fill in the blanks.

The key issue is that the accountability for delivering against the BBC licence for Wales should not just be left to the regulator, Ofcom. There has to be some form of accountability to the audience in Wales. So how should that accountability be structured?

The proposal for the Welsh NED on the main BBC Board to chair the Audience Council is not of itself sufficient, because, apart from anything else, there is not sufficient interconnection with the management of BBC Wales. The requirement in the new era is for a more joined-up structure. It is also questionable whether the record of the Audience Council in holding the management to account is sufficient justification for it to continue in its present form.

There are, in our view, two viable alternatives:

- A small number of non-executive directors to join the BBC Wales management board
- The creation of an advisory committee of no more than eight members selected on the basis of relevant skills, expertise and experience

There are arguments for both of these propositions, but on balance we favour the second. The appointment of NEDs to the BBC Wales management board, mirroring the main BBC Board, would arguably be a solution out of proportion to the problem. We should state here also that we do not believe that the Welsh NED on the main board should chair the BBC Wales management board, because that could lead to a confusion of functions.

We favour the creation of a small advisory committee, which could be chaired by the Welsh NED on the main board. This advisory committee would be more high-powered than the existing Audience Council and would replace it. Representatives of the BBC Wales management should be present at meetings, as they do currently for the Audience Council. We suggest that the advisory committee should meet at least quarterly.

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Such an advisory committee should have the following powers:

- To make representations to the BBC Wales management and, through the NED on the main board, to the unitary board in London
- Such representations to be made on the basis of the service licence, including the budget for BBC Wales
- To carry out research and surveys of audience opinion
- To hold conferences, consultations and public meetings in order to engage the audience

We note that the report of the Welsh Affairs Select Committee published on June 15 also considered the structure of governance for BBC Wales and wished to ensure that the voice of Wales is heard in the BBC's decisions. To support the role of the Welsh NED on the unitary board, the Committee recommends that he/she '*seeks advice from a delegated sub-committee of the unitary board to ensure a plurality of voices on matters related to the BBC's services in Wales*'. This follows a suggestion from the BBC Director General Tony Hall and is not too far distant from the type of advisory board, which we are proposing.

We do, however, have two concerns about this proposal. The first is that there should be a link between such a sub-committee of the unitary board and the management of BBC Wales. Such a sub-committee should be able to receive input from – and make representations to – the management of BBC Wales, in order for it to have an effective role.

More importantly, we have serious reservations about the Select Committee's recommendation that '*the membership of the Wales sub-committee will be appointed by the relevant Secretary of State, following appropriate discussions with the National Assembly for Wales*'. As with appointments to the unitary board, we do not believe that these should be government appointments. These positions should be subject to an independent appointment process carried out in Wales, with the final approval given by the Welsh government.

It is then a matter of judgement as to whether there would be any value in retaining the Audience Council for Wales in addition to such an advisory committee. One of the arguments in favour of retaining the existing type of audience council is that its make-up is designed to reflect a cross section of Welsh society, in terms of geography and diversity. But that is not the only way to achieve diversity. Although the proposed advisory body would be smaller and selected for relevant skills, expertise and experience, the powers described above would give the advisory committee the ability to listen to – and take account of – the diverse views of the audience. In our view, therefore, it should not be necessary to retain the Audience Council for Wales.

Recommendation: that the Audience Council for Wales be replaced by an advisory committee selected on the basis of skills, experience and expertise. Such an advisory

committee could take the form of a sub-committee of the main unitary board of the BBC, as recommended by the Welsh Affairs Select Committee. Membership of such an advisory committee should not be by government appointment, but by an independent appointments process carried out in Wales.

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