



# An Agreement Between Her Majesty's Secretary of State for Digital, Culture, Media and Sport and the British Broadcasting Corporation

May 2022

CP 682



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*Presented to Parliament by the Secretary of State for  
Digital, Culture, Media and Sport by Command of Her  
Majesty*

May 2022

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# **An Agreement Between Her Majesty's Secretary of State for Digital, Culture, Media and Sport and the British Broadcasting Corporation**

**THIS DEED** is made the 26 May 2022

## **BETWEEN:**

1. HER MAJESTY'S SECRETARY OF STATE FOR DIGITAL, CULTURE, MEDIA AND SPORT ("the Secretary of State") and

2. THE BRITISH BROADCASTING CORPORATION whose chief office is at Broadcasting House, Portland Place, London W1A 1AA ("the BBC")

## **BACKGROUND**

- By a deed made on 7 November 2016 and published in December 2016 as Cm 9366, the Secretary of State and the BBC entered into an agreement ("the 2016 Agreement") which is a Framework Agreement for the purposes of the Royal Charter granted to the BBC and published as Cm 9365 in December 2016 ("the Charter").
- The 2016 Agreement makes provision to complement the Charter.
- The Secretary of State and the BBC have now agreed to amend the 2016 Agreement, to reflect the BBC's plans to deliver the Corporation's Mission and Public Purposes for the remainder of the Charter period.
- The UK Government will continue to recognise and respect the editorial, creative and operational independence of the BBC, as set out in the Charter.
- The Secretary of State has now determined and notified the BBC of the second funding settlement for the next six years which will not be subject to any changes.
- The amendments implement the BBC Board's commitment to oversee and report annually on the delivery of the following plans to deliver the BBC's Mission and Public Purposes for the remainder of the Charter:
  - The BBC's plans on editorial guidelines including the BBC Impartiality and Editorial Standards Action Plan which implements the Serota Review in full.
  - The BBC's plans to deliver the Across the UK programme, including fuelling the UK's creative economy and connecting communities with local services.
  - The BBC's plans to increase opportunity for all, including education and skills plans and increasing apprenticeships.
  - The BBC's plans to increase diversity within the organisation to reflect and represent the UK more effectively.
  - The BBC's plans globally, including the BBC's cultural and economic impact internationally.
- The Secretary of State has also determined the amounts to be paid by the BBC to S4C in the financial years 2022/ 2023 and 2023/ 2024, and how such amounts are to be calculated in the financial years 2024/ 2025 to 2027/ 2028.
- This Agreement amends the 2016 Agreement to give effect to recitals F and G.

- In addition, the Secretary of State has made a direction under paragraph 12(3) of Schedule 3 to the 2016 Agreement (equal opportunities) to include the BBC making arrangements for promoting equality of opportunity for people who belong to low socio-economic groups (a copy of this direction is at Annex A).

**NOW** in view of these considerations, **THIS DEED WITNESSES** that the Secretary of State and the BBC agree with one another as follows—

## **INTRODUCTION**

### **1. Status of this Agreement and commencement**

- This is a Framework Agreement made for the purposes of the Charter and amends the Framework Agreement dated 7 November 2016 and published as Cm 9366 in December 2016 (“the 2016 Agreement”).
- The provisions of this Agreement will take effect on the date it is made.

## **AMENDMENTS TO THE 2016 AGREEMENT**

### **2. Amendments**

- Subject to sub-paragraph (3), the 2016 Agreement is amended as specified by clauses 3 to 6 of this Agreement.
- The BBC’s annual report must include (in addition to the matters mentioned in article 37(2) of the Charter) a report on progress the BBC has made towards the matters in paragraphs 2, 5A to 5C and 16 to 18 of Schedule 3 to the 2016 Agreement as amended by this Agreement.
- The matters set out in this Agreement are subject to the making of any notification, the securing of any regulatory approval, clearance or exemption, and the enactment of any legislative changes which are necessary in order to enable their implementation (the “enabling measures”); and the Secretary of State will seek to secure, and the BBC will support the securing of, the enabling measures.

### *BBC content*

### **3. Fairness, due impartiality, due accuracy, and editorial integrity**

- Paragraph 2 of Schedule 3 to the 2016 Agreement is amended as follows.
- For sub-paragraph (1) substitute—

“(1) The Board must—

- (a) oversee, set, review and publish plans and guidelines designed to secure appropriate standards in the content of the UK Public Services;
- (b) ensure in particular that any such guidelines set appropriate standards to secure the fairness, due impartiality, due accuracy and editorial integrity of the content of the UK Public Services;
- (c) be responsible for assessing the BBC’s performance on the timely delivery of those plans and guidelines.

(1A) The BBC must observe guidelines set under sub-paragraph (1)”.

#### **4. Across the UK**

In Schedule 3 to the 2016 Agreement, after paragraph 5 insert—

##### **“5A. The BBC’s creative focus**

- (1) The BBC must use its best endeavours to deliver the “across the UK objective” by the end of the Charter period.
- (2) In this paragraph, the BBC’s “across the UK objective” means the objective of enabling more of the creative focus and creative decision-making of the BBC to represent the whole of the UK and to secure (amongst other things) that—
  - (a) the content of the UK Public Services more fully reflects and represents people and perspectives in the UK that currently are under-represented in that content, and
  - (b) BBC investment in, and development of, the creative industries is more widely distributed across the whole of the UK.
- (3) The BBC’s annual report must include (in addition to the matters mentioned in article 37(2) of the Charter) a report on the BBC’s progress in the year covered by the report towards achieving its across the UK objective.

##### **5B. Further provision about TV network programme-making in the nations and regions**

- (1) The BBC must deliver plans to ensure that, by 31 December 2027, 60% of its expenditure on relevant TV programmes made in the United Kingdom is referable to programme production at different production centres outside the M25 area.
- (2) For these purposes—

“expenditure”, in relation to a programme, means expenditure incurred in the UK which either—

  - (a) constitutes an investment in or is otherwise attributable to the making of the programme; or
  - (b) is expenditure on the commissioning or other acquisition of the programme or on the acquisition of a right to include it in a service or to have it broadcast;

“relevant TV programmes” means network programmes (within the meaning of paragraph 7 of Schedule 2 to this Agreement) and any content made for inclusion in the UK Public On Demand Programme Services; and

“the M25 area” means the area the outer boundary of which is represented by the London Orbital Motorway (M25).

- (3) The BBC must meet its obligations under this paragraph by the date specified, in addition to meeting each year any similar Ofcom requirements under any provision of the Charter or this Agreement.

### **5C. Audio programme-making in the nations and regions**

- (1) The BBC must deliver plans to ensure that, by 31 December 2027, 50% of its relevant expenditure on network radio programmes and music (taken together) is referable to different centres outside the M25 area.

- (2) For these purposes—  
“expenditure” means expenditure incurred in the UK which—
  - (a) in relation to a radio programme, is either —
    - (i) expenditure which constitutes an investment in or is otherwise attributable to the making of the programme; or
    - (ii) expenditure on the commissioning or other acquisition of the programme or on the acquisition of a right to include it in a service or to have it broadcast;

- (b) in relation to music, means expenditure on —
  - (i) composing music (or commissioning compositions),
  - (ii) the acquisition of a right to broadcast music (or a performance of music) or otherwise to include it in a service,
  - (iii) funding for performers or groups of performers (including BBC Orchestras and performing groups), or
  - (iv) staging music performances,

intended (in each case) for inclusion in the UK Public Services, but not including any expenditure counted under (a);

“relevant radio programme” means a programme intended to be broadcast or otherwise transmitted first on Radio 1, Radio 1Xtra, Radio 2, Radio 3, Radio 4, BBC Radio 4 Extra, BBC Radio 5, BBC Radio 6 Music or BBC Asian Network, and any audio content for on-demand consumption, including through BBC Sounds; and

“the M25 area” means the area the outer boundary of which is represented by the London Orbital Motorway (M25).

- (3) The BBC must meet its obligations under this paragraph by the date specified, in addition to meeting each year any similar Ofcom requirements under any provision of the Charter or this Agreement.”.

## **5. Further provisions about Schedule 3**

- The title of Schedule 3 to the 2016 Agreement is changed to:

**“BBC OBLIGATIONS”.**

- The existing provisions of that Schedule (as amended by paragraphs 3 and 4 of this Agreement) become Part 1 of that Schedule, and the title of that Part is:

**“PART 1  
REGULATORY OBLIGATIONS FOR THE UK PUBLIC SERVICES”.**

- After those provisions, insert—

**“PART 2  
BBC GROUP OBLIGATIONS**

### **15. The “BBC Group”**

In this Part of this Schedule, “the BBC Group” means the BBC and any entity (whenever established) that, in accordance with International Financial Reporting Standards, is controlled by the BBC and falls to be included in consolidated group accounts.

### **16. Apprentices**

- (1) The BBC Group must make arrangements to—
  - (a) increase the numbers participating in the BBC apprentice scheme so that by the end of 2025 the scheme is providing training places for 1000 apprentices per year;
  - (b) seek to ensure that no less than 30 per cent. of the external apprentice training places referred to in paragraph (a) are taken up by apprentices from low socio-economic groups; and
  - (c) work in partnership with other appropriate bodies to pilot the establishment of at least one apprentice hub outside the M25 area by 31 December 2023.
- (2) For the purposes of this paragraph “apprentice” means any individual who enters into a contract of employment in the UK with an entity belonging to the BBC Group (whether they work in the UK or elsewhere), having secured a place on one of the BBC’s apprenticeship schemes.

### **17. Targets for the make-up of the BBC Group’s workforce**

- (1) The BBC must deliver plans to make significant progress in the diversity and makeup of its workforce by the end of the Charter, and in particular against the Board’s targets of 50% women, 25% from low socio-economic groups, 20% from Black, Asian and Minority Ethnic groups, and 12% disabled people.



- (2) In sub-paragraph (1), the reference to the BBC’s workforce is a reference to all individuals who enter into a contract of employment in the UK to work for an entity belonging to the BBC Group (whether they work in the UK or elsewhere).

### **18. Reporting on the international impact of the BBC’s commercial activities**

The BBC must report annually on the extent to which its commercial activities have contributed to increasing the BBC’s cultural and economic impact outside the UK which must include—

- (a) the extent to which the commercial activities have contributed to the promotion of Public Purpose 5 set out in article 6(5) of the Charter (to reflect the United Kingdom, its culture and values to the world); and
  - (b) the extent to which the commercial activities have contributed to increasing the BBC’s total reach outside the UK.”.
- In clause 59(c) of the 2016 Agreement—
    - (a) before “Schedule 3” insert “Part 1 of”; and
    - (b) after “editorial guidelines)” insert “and paragraphs 5A (BBC’s creative focus), 5B (further provision about TV network programme-making in the nations and regions) and 5C (audio programme-making in the nations and regions)”.

#### *Funding for S4C*

### **6. Funding for S4C**

- Clause 39 of the 2016 Agreement is amended as follows.
- In paragraph (1) for “the S4C Authority (“S4C”)” substitute “S4C”.
- For paragraph (3)(b) substitute—
  - “(b) in each of the financial years 2022/2023 and 2023/2024, £88,850,000;
  - (c) in each of the financial years from 2024/2025 to 2027/2028, the amount for the previous financial year increased by the same percentage as any percentage increase attributable to an increase in the Consumer Prices Index applied to the TV licence fee for the financial year in question.”.
- Omit paragraph (4).

IN WITNESS of which the Secretary of State has set her hand and caused her seal to be affixed to this deed and the BBC has caused its corporate seal to be affixed to this deed.

THE CORPORATE SEAL OF THE  
SECRETARY OF STATE FOR CULTURE,  
MEDIA AND SPORT  
affixed to this deed is authenticated as the  
corporate seal of the Secretary of State  
for Culture, Media and Sport by-  
} }  
} } Nadine Dorries  
} (L.S)  
}  
}

THE CORPORATE SEAL OF THE  
BRITISH BROADCASTING CORPORATION is  
affixed to this deed.  
} }  
} (L.S)  
}

Tim Davie CBE  
Director-General

Richard Sharp  
Chairman

## ANNEX: EQUALITY OF OPPORTUNITY

### Directions given by the Secretary of State under paragraph 12 of Schedule 3 to the BBC Framework Agreement

The Secretary of State for Digital, Culture, Media and Sport gives the following directions under paragraph 12(3) of Schedule 3 to the BBC Framework Agreement:

#### Commencement

1. These directions come into force on 26 May 2022.

#### Interpretation

2. (1) In these directions—

“BBC Framework Agreement” means the Agreement dated 7 November 2016 and made between the Secretary of State for Culture, Media and Sport<sup>(a)</sup> and the British Broadcasting Corporation pursuant to article 53 of the BBC Charter;

“BBC Charter” means the Royal Charter for the Continuance of the British Broadcasting Corporation 2016 sealed on 8 December 2016.

- (2) Terms used in these directions which are also used in paragraph 12 of Schedule 3 to the BBC Framework Agreement have the same meaning as in the Agreement.

#### Amendment to paragraph 12(1)

3. In paragraph 12 of Schedule 3 to the BBC Framework Agreement, for sub-paragraph (1) substitute—

“(1) The BBC must make arrangements for promoting, in relation to the persons mentioned in sub-paragraph (2), equality of opportunity:

- between those who share a relevant protected characteristic and those who do not share it; and
- between those who belong to a low socio-economic group and those who do not belong to such a group.”.

26 May 2022

*Nadine Dorries*  
Secretary of State  
Department for Digital,  
Culture, Media and Sport

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<sup>(a)</sup> Now the Secretary of State for Digital, Culture, Media and Sport as per the Transfer of Functions (Secretary of State for Digital, Culture, Media and Sport) Order 2017, SI 2017/979.

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