



DEPARTMENT FOR CULTURE, MEDIA AND SPORT

## **BROADCASTING**

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

*Presented to Parliament by the  
Secretary of State for Culture, Olympics, Media and Sport  
by Command of Her Majesty  
September 2011*

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

THIS DEED is made the 13th September 2011 BETWEEN:

- (1) HER MAJESTY'S SECRETARY OF STATE FOR CULTURE, OLYMPICS, 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**

- (1) By a deed made on 30th June 2006, the Secretary of State for Culture, Media and Sport<sup>1</sup> and the BBC entered into an agreement ("the 2006 Agreement") which is a Framework Agreement for the purposes of the Royal Charter granted to the BBC on 19th September 2006 ("the Charter"). The 2006 Agreement was amended by further Framework Agreements made on 23rd March 2010 and 11th February 2011.
- (2) The 2006 Agreement (as so amended) makes provision to complement the Charter.
- (3) By a letter dated 21st October 2010, the Secretary of State confirmed to the BBC the UK Government's decision to determine the level of the television licence fee until the end of March 2017. In that letter, the Secretary of State also confirmed—
  - a. that the UK Government will continue to recognise and respect the editorial and operational independence of the BBC, both as a matter of principle and as an obligation for the full period of the Charter;
  - b. that, for that period, any decision affecting the scale and scope of the BBC's UK Public Services and its commercial and other operations will remain a matter for the BBC Trust;
  - c. that the UK Government undertakes to provide a full financial settlement to the end of the financial year 2016/17 with no new financial requirements or fresh obligations of any kind being placed on the BBC and/or revenues from the television licence fee except by mutual agreement;
  - d. that the fee for a television licence of a year's duration authorising colour reception will remain at £145.50 until the end of 2016/17; and
  - e. that the BBC will assume certain additional responsibilities for funding activities from licence fee revenues, being: assistance to local media companies; the provision of the World Service and BBC Monitoring services; support for broadband roll-out, consistent with the BBC's Public Purposes; and a new partnership and funding model with S4C, according to the terms set out in the letter.
- (4) In the light of the matters set out in that letter, the Secretary of State and the BBC now agree that they should now conclude this further Framework Agreement, in particular to make provision appropriate to the new responsibilities to be undertaken by the BBC. Certain supplementary changes are also made to the 2006 Agreement.

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

<sup>1</sup> The functions and property of the Secretary of State for Culture, Media and Sport were transferred to the Secretary of State for Culture, Olympics, Media and Sport (effectively changing the Secretary of State's official title) by the Secretary of State for Culture, Olympics, Media and Sport Order 2010, S.I. 2010/1551.

## INTRODUCTION

### 1. Status of this Agreement as a “Framework Agreement” for BBC Charter Purposes

This is a Framework Agreement made for BBC Charter Purposes. It amends the Framework Agreement of 30th June 2006, CM6872 (“the 2006 Agreement”), which has previously been amended by the Framework Agreements of 23rd March 2010, CM7853, and 11th February 2011, CM8002.

### 2. Commencement of this Agreement

Unless otherwise specified, the provisions of this Agreement will take effect on the date it is made.

### 3. Amendments to the 2006 Agreement

- (1) Subject to paragraph (2), the 2006 Agreement is amended as specified by clauses 4 to 10 of this Agreement.
- (2) The matters set out in this Agreement are subject to the making of any notification, the securing of any clearance or exemption and the enactment of any legislative changes which are necessary in order to enable implementation of such matters (the “enabling measures”); and the Secretary of State will seek to secure and the BBC will support the securing of the enabling measures.

## INTERNATIONAL PUBLIC SERVICES

### 4. The World Service

As from 1st April 2014, for clause 64 substitute—

#### “64. The World Service

- (1) The BBC must provide the World Service.
- (2) The World Service consists of the broadcast or other distribution of programmes, and the delivery of services, in English and other languages, aimed primarily at users outside the UK, and is defined in the Operating Licence issued under clause 64A.
- (3) The BBC shall also transmit World Service output in the UK.
- (4) The Trust will be responsible—
  - (a) when setting the overall strategic direction of the BBC, for defining the position of the World Service within that strategy,
  - (b) for approving the budget for the World Service (having regard, in particular, both to the need to provide sufficient funding for the delivery of the World Service as it is defined in the Operating Licence and to the interests of licence fee payers), and
  - (c) for assessing the performance of the Executive Board in delivering the World Service, and holding the Executive Board to account for its performance.
- (5) Within the context of the strategy it has set and the budget it has approved, the Trust will agree with the Foreign Secretary—

- (a) objectives, priorities and targets for the World Service; and
  - (b) the languages in which the World Service is to be provided.
- (6) For the purposes of paragraph (5)(a)—
- (a) an “objective” is a medium- to long-term ambition for the World Service, expressed in general terms;
  - (b) a “priority” is an expression of the relative importance of such objectives; and
  - (c) a “target” is a measurable criterion of the public value delivered by the World Service (based, in particular, on the reach, quality, impact and value for money that it achieves), which must be consistent with the objectives and priorities set for the Service.
- (7) Without limiting the ability of the BBC and the Foreign Secretary to agree other objectives under paragraph (5), the objectives for the World Service must include—
- (a) providing an accurate, impartial and independent news service covering international and national developments; and
  - (b) reflecting the UK – its people, cultures and national life.
- (8) In addition to the specific provisions of paragraphs (4) to (7), the relationship between the Foreign Secretary and the BBC for the provision of the World Service is based on the following principles—
- (a) the BBC has full editorial and managerial independence and integrity in the provision of the World Service, within the structure of the Charter and this and any other Framework Agreement;
  - (b) in particular, the BBC will decide the most effective and efficient way of delivering the World Service; and
  - (c) subject to compliance with the Charter and this and any other Framework Agreement (including, in particular, clause 68, and the Trust’s policies on fair trading and competitive impact) the BBC may use the World Service brand to generate additional income.
- (9) The BBC should ensure that it always has such information regarding international developments and conditions in countries outside the UK as it considers it needs to help it plan and prepare the provision of the World Service.
- (10) The World Service must maintain high standards of editorial integrity and programme content and quality, including observing any particular content standards applicable to the UK Public Services, to the extent that the Trust considers those standards relevant to the circumstances of the World Service.
- (11) Clause 64C makes provision about how the BBC may, by mutual agreement, accept UK Government funding for defined projects connected with the World Service.

**64A. The World Service Operating Licence and service changes**

- (1) The Trust must issue an Operating Licence for the World Service under this clause.

- (2) Subject to paragraphs (3) to (5), it is for the Trust to decide the form and contents of the Operating Licence, including the activities it covers and how it is structured to accommodate the various language and country services of the World Service.
- (3) The Operating Licence will (amongst other things) define the characteristics of the World Service, including its remit and scope, and will also record—
  - (a) the objectives, priorities and targets for the World Service, and
  - (b) the languages in which the World Service is to be provided, agreed with the Foreign Secretary under clause 64.
- (4) The Operating Licence will also—
  - (a) specify the budget for the World Service;
  - (b) set out how the World Service will contribute to the promotion of the Public Purposes and achieve its objectives, priorities and targets; and
  - (c) contain such other matters relating to the World Service as the Trust considers appropriate.
- (5) The Operating Licence shall make provision about making World Service output available within the UK.
- (6) The BBC may not—
  - (a) start a service in a language not currently served, or
  - (b) cease entirely to provide services in a particular language, without the approval of both the Trust and the Foreign Secretary.
- (7) Before a decision is taken to—
  - (a) start a service in a language not currently served,
  - (b) cease entirely to provide services in a particular language, or
  - (c) make any other significant change (as defined in the Operating Licence) to the World Service or any part of it,

the approval of the Trust must be obtained; and before giving its approval the Trust must take such steps as it considers appropriate to assess whether the proposed change is justified in terms of public value.

#### **64B. Performance reporting and reviews of the World Service**

- (1) The BBC must report in reasonable detail on the performance of the World Service, both in its annual report (see article 45 of the Charter) and elsewhere as appropriate.
- (2) The Chairman of the BBC and the Foreign Secretary (or their nominated representatives) will meet annually to review the performance of the World Service against the objectives, priorities and targets agreed under clause 64(5) (including giving consideration to a written report from the Trust on the performance of the Service against those objectives, priorities and targets).

- (3) The Trust must review the World Service as a whole at least once every five years and such a review should, in particular, consider the performance of the World Service in delivering what is set out in the Operating Licence.
- (4) The Trust may at its discretion also conduct more frequent reviews of particular aspects of the World Service.
- (5) In conducting reviews the Trust should take appropriate account of the views of licence fee payers and of people across the world who make up the actual or intended audience of the World Service.
- (6) If, at the end of a review, the Trust reaches the conclusion that it has concerns which may need to be addressed through an amendment of the Operating Licence, the Trust must convey those concerns to the Executive Board.
- (7) The resolution of those concerns to the satisfaction of the Trust should occur in accordance with any applicable Protocols.

**64C. World Service: agreed supplementary funding**

- (1) The BBC may enter into an agreement under which the UK Government provides funding to enable the BBC to undertake particular defined projects connected with the World Service.
- (2) Any such project must be approved in advance by the Trust and must be—
  - (a) consistent with clause 64 (and especially clause 64(8)(a) and (10)) and the World Service Operating Licence; and
  - (b) undertaken for a specific period or a specific purpose.
- (3) An agreement under paragraph (1) must provide for the UK Government to meet in full the BBC's costs relating to the project in question (which, accordingly, may not be funded out of sums paid to the BBC under clauses 75(1) and 78)."

**5. BBC Monitoring**

As from 1st April 2013, delete clause 88 (monitoring services) and insert the following new clause before clause 65 (and above the heading "FAIR TRADING AND COMPETITIVE IMPACT" that precedes that clause)—

**"64D. BBC Monitoring**

- (1) BBC Monitoring consists of the monitoring (and where applicable, recording) of media output that is openly available from around the world and includes the provision of related services such as the preparation and distribution, usually in electronic form, of products such as reports and digests of international news, comment and other information.
- (2) BBC Monitoring is provided in the public interest and for the benefit of users, including—
  - (a) contributing to the provision of news in the BBC's services, and
  - (b) providing monitoring services to the UK Government and other public authorities.

- (3) BBC Monitoring shall be provided in accordance with a scheme agreed between the BBC and the relevant stakeholders, but the BBC has full editorial and managerial independence and integrity in the provision of BBC Monitoring, within the structure of the Charter and this and any other Framework Agreement.
- (4) Such a scheme shall govern the specification, management, operation and funding of the services to be provided; and the first scheme made under this clause must be agreed so as to take effect on 1st April 2013.
- (5) Without limiting the scope of what other matters may be included in it, the scheme must specify the monitoring services to be provided out of the budget set and funded by the BBC under this clause (“the core services”); must provide that—
  - (a) the Trust, when setting the overall strategic direction of the BBC, is responsible for defining the position of BBC Monitoring within that strategy;
  - (b) the Trust is responsible for approving the high-level strategy for BBC Monitoring and the budget for the core services; and
  - (c) no sums paid to the BBC under clauses 75(1) and 78 may be used in the provision of any additional services, except in the case of any that are requested by, and provided to, users within the BBC;

and must also make provision for agreeing changes to the core services and for the resolution of disputes between relevant stakeholders and between one or more such stakeholders and the BBC.

- (6) Any reference in this clause to “additional services” is a reference to monitoring services which the BBC agrees (whether in or under the scheme or otherwise) to provide in addition to the core services; and accordingly, additional services may be provided only on terms requiring them to be funded in full from a source outside the budget for core services set pursuant to paragraph (5), such as by one or more relevant stakeholders or any other person (whether or not a public authority) using them or requesting their provision.
- (7) In providing BBC Monitoring, the BBC must maintain high standards of editorial integrity and quality, including observing any particular content standards applicable to the UK Public Services, to the extent that the Trust considers those standards relevant to the circumstances of BBC Monitoring.
- (8) In providing monitoring services, other than such additional services (if any) as are provided solely for the use of the BBC or other users which are not public authorities, the BBC is to be regarded as an agent of the Crown, and to be acting in the public interest.
- (9) In this clause—
  - (a) “monitoring services” means the activities of monitoring and recording media output and the provision of related services, as mentioned in paragraph (1);
  - (b) “relevant stakeholders” means the Foreign and Commonwealth Office, the Ministry of Defence, the Cabinet Office and the security and intelligence Agencies; and
  - (c) references to “media output” include—
    - (i) any sound, text, data, still or moving pictures or other content carried or accessed by means of an electronic communications network or



an electronic communications service (within the meaning of the Communications Act 2003),

- (ii) text or pictures in any print medium, and
  - (iii) the output of any news agency.
- (10) What the BBC does for the purposes of this clause is not to be regarded as—
- (a) requiring a service licence;
  - (b) involving the provision of a service for any of the purposes of this Agreement;  
or
  - (c) falling within the scope of clause 22.”

## **WELSH LANGUAGE SERVICES**

### **6. S4C Partnership**

The following heading and new clause is inserted after clause 63—

“WELSH LANGUAGE SERVICES

#### **63A Partnership and funding model for S4C Services**

- (1) From 1st April 2013 the provision of the S4C Services shall be organised and funded as a partnership between the BBC and S4C under arrangements that accord with the principles relating to the future of those Services contained in the Secretary of State’s letter to the Chairman of the BBC dated 21st October 2010 (“the settlement letter”).
- (2) Those arrangements must provide for the funding of the S4C Services according to the following framework—
  - (a) in the financial year 2013/14, the BBC will provide direct financial support of £76.3 million, and the Government will provide direct financial support of £6.7 million;
  - (b) in the financial year 2014/15, the BBC will provide direct financial support of £76 million and the Government will provide direct financial support of £7 million;
  - (c) before the end of financial year 2014/15, a review of the strategy and finances of the S4C Services will be completed, and its outcome will inform future services;
  - (d) in financial years 2015/16 and 2016/17 funding will be for the BBC to determine, but will—
    - (i) reflect continuing synergies and efficiencies; and
    - (ii) be consistent with the commitment to a strong and independent Welsh language television service set out in the settlement letter.
- (3) The arrangements must also contain—
  - (a) governance arrangements agreed between the BBC and the Secretary of State in a Framework Agreement to amend further this Agreement; and

- (b) operational arrangements agreed (subsequent to the governance arrangements) between the BBC and S4C.
- (4) Governance arrangements must not be made until discussions between the BBC, the Secretary of State and S4C have been concluded.
- (5) In this clause, “the S4C Services” means—
  - (a) the television channel known as S4C (but referred to in the Communications Act 2003 as “S4C Digital”), and
  - (b) any television channel or other service approved under section 205 of the Communications Act 2003 that is provided by S4C as a public service on or after 1st April 2013.
- (6) This clause shall cease to have effect if, by 31st July 2012 or such other date as the Trust and the Secretary of State may agree in writing, the arrangements mentioned in paragraph (1) have not been made; and in that event—
  - (a) the Secretary of State will not reduce the amounts paid to the BBC under clauses 75(1) and 78 for the provision of the S4C Services, but
  - (b) the Trust will propose a one-off reduction in the level of the fee payable for a television licence such that the reduction in total revenue from such fees equates to the contribution the BBC would otherwise have made to the funding of S4C.”

## **LOCAL TELEVISION SERVICES**

### **7. Local television**

The following heading and new clause is inserted after clause 95—

#### **“LOCAL TELEVISION**

##### **95A. Local television**

- (1) With a view to the BBC supporting the provision of local television services by local media companies from 1st April 2013 (or such other date as the Secretary of State and the BBC may agree) to the end of the period of the Charter, the Secretary of State and the BBC must comply with arrangements (“local television arrangements”) agreed between the BBC and the Secretary of State in accordance with this clause.
- (2) Local television arrangements may provide for support to be given by the provision of direct financial support, or (if appropriate and by agreement) by support in kind, or by a combination of such methods; but the BBC must not enter into such arrangements unless the Trust is satisfied (in particular) that they make appropriate provision to—
  - (a) give the Trust an appropriate role in overseeing the use of any support provided by the BBC under the arrangements, in particular as regards seeking to ensure—
    - (i) that local television services supported under the arrangements meet the needs of members of the public in the localities they serve,
    - (ii) that value for money overall is secured, and

- (iii) that the support is provided and used consistently with the BBC's other obligations, including in a manner that promotes the BBC's Public Purposes;
  - (b) ensure that the cost to the BBC of the assistance to local media companies shall not exceed—
    - (i) £25 million in capital costs, to be provided during the financial year 2013/14 (subject to sub-paragraph (c)) to support local television services, and
    - (ii) £5 million per annum for the acquisition from local media companies of content which has been included in those companies' local television services, with a view to using it in BBC services, starting in the financial year 2014/15 and ending in 2016/17; and
  - (c) permit any underspend of switchover funds to be used to fund any capital expenditure in support of local television services required prior to the financial support specified in sub-paragraph (b)(i).
- (3) Local television arrangements shall also set out a framework for the BBC's support for local television services, and in particular—
- (a) must not require the BBC to agree support arrangements separately with individual local media companies;
  - (b) must not require the BBC to decide which local media companies to support in any locality;
  - (c) must not require the BBC to acquire content from local media companies unless the BBC is satisfied that it is suitable for inclusion in a UK Public Service and that the price represents value for money;
  - (d) must not permit any local media company in receipt of BBC support under this clause which carries out other activities in addition to those which are required in order to provide local television services to use that support to benefit (directly or indirectly) those other activities; and
  - (e) must provide that BBC support will end at the end of the period of the Charter, unless further arrangements are agreed between the BBC and the Secretary of State for such support to continue.
- (4) In this clause—
- (a) "local media company" means a body corporate that provides one or more local television services;
  - (b) "local television service" means a service whose principal purpose is to provide users with television programmes centred on a locality or localities below the regional level; and
  - (c) "switchover funds" means funds provided under clause 75(1) which are intended for the performance of the BBC's obligations under a scheme made in pursuance of clause 39 or for funding activities carried out by SwitchCo Limited (which is also known as "Digital UK").
- (5) What the BBC does for the purposes of this clause is not to be regarded as—

- (a) requiring a service licence;
- (b) involving the provision of a service for any of the purposes of this Agreement;  
or
- (c) falling within the scope of clause 22.”

## **8. BROADBAND ROLL-OUT AND USE**

The following heading and new clause is inserted after clause 41—

### **“BROADBAND**

#### **41A. Broadband roll-out and use**

- (1) The Secretary of State and the BBC must comply with terms and conditions agreed between them in accordance with this clause under which specified sums will be used to enable and encourage the provision and use of broadband infrastructure and of services provided by means of such infrastructure.
- (2) In this clause, “specified sums” means sums that are—
  - (a) paid to the BBC under clauses 75(1) and 78, and
  - (b) specified in terms and conditions agreed between the BBC and the Secretary of State as sums that may be spent in accordance with the UK Government’s broadband objectives and in a manner that promotes the BBC’s Public Purposes.
- (3) The specified sums may not exceed £150 million in each of the financial years from 2013/14 to 2016/17 (but sums unspent in one such year may be retained by the BBC and carried forward to another).
- (4) The BBC must not enter into terms and conditions for the purposes of this clause unless the Trust is satisfied (in particular) that they make appropriate provision to—
  - (a) give the Trust an appropriate role in overseeing the use of funds provided by the BBC under them, in particular as regards—
    - (i) securing value for money, and
    - (ii) ensuring that the funds are used consistently with the BBC’s other obligations, including in a manner that promotes the BBC’s Public Purposes and is consistent with clause 12;
  - (b) allow for the Trust to be appropriately represented in any organisation having responsibilities in connection with determining how the funds are used; and
  - (c) permit at least a proportion of such funds to be used by the BBC for measures aimed at stimulating demand for broadband infrastructure and for services provided by means of such infrastructure, consistent with the Public Purposes.
- (5) In the event that terms and conditions are not agreed pursuant to this clause by 31st December 2012 the Secretary of State may instead reduce the sums paid to the BBC under clauses 75(1) and 78 provided that he has first engaged directly with the

Chairman of the BBC on the matters in dispute and they have attempted to resolve those matters jointly.

- (6) Any reduction under paragraph (5) is not to exceed, in aggregate, £600 million, and is to be applied subject to a maximum reduction of £150 million in each of the financial years set out in paragraph (3) to the sums otherwise to be paid under clauses 75(1) and 78 in each of those years.
- (7) What the BBC does for the purposes of this clause is not to be regarded as—
  - (a) requiring a service licence;
  - (b) involving the provision of a service for any of the purposes of this Agreement; or
  - (c) falling within the scope of clause 22.”

## VALUE FOR MONEY

### 9. Value for money

- (1) As from 1st January 2012, for clause 79 of the 2006 Agreement substitute—

#### “79. Value for money examinations

- (1) The Trust must examine the value for money achieved by the BBC in using the sums paid to it under clauses 75(1) and 78.
- (2) The ways in which the Trust will fulfil that responsibility include—
  - (a) adopting annually an audit programme specifying the subject-matter of value for money reviews it has decided should be conducted by or on behalf of the Trust, other than those to be conducted by the NAO (“NAO reviews”),
  - (b) conducting, or receiving and responding to reports of, such value for money reviews, and
  - (c) receiving and responding to reports of NAO reviews.
- (3) The subject-matter of NAO reviews shall be determined by the Comptroller and Auditor-General (“CAG”); and accordingly, each year, the CAG shall send the Trust a written list of the value for money reviews the CAG has decided the NAO should conduct in the following calendar year and indicate in the list when each review is expected to be conducted (but subject to paragraphs (4) to (7)).
- (4) The CAG shall consult the Trust before deciding the timing of such reviews.
- (5) If, in the course of a calendar year, the CAG considers that there are exceptional reasons that justify an alteration of the reviews or the timetable set out in the list for that year sent to the Trust pursuant to paragraph (3), the CAG may, on any one or more of the relevant dates, send the Trust a revised list accompanied by a statement of those reasons.
- (6) For the purposes of paragraph (5), “the relevant dates” are 31st March, 30th June and 30th September (or the first working day to fall after the date in question, as the case may be).

- (7) In the case of an NAO review of any subject-matter that is to be conducted as a result of an alteration made under paragraph (5)—
  - (a) paragraph (4) applies, but
  - (b) in particular, an NAO review of any subject-matter cannot be commenced before the completion of any value for money study or other review of that subject-matter that is already being conducted by or on behalf of the Trust on the relevant date on which the revised list mentioned in paragraph (5) is sent to the Trust by the CAG.
- (8) In adopting its audit programme under paragraph (2)(a), the Trust must take account of any notification it has received from the CAG under paragraph (3) or (5).
- (9) The CAG has a right of access to all such information as the CAG reasonably requires for the purpose of—
  - (a) enabling the CAG to decide which activities of the BBC may, or will, be included in the subject-matter of NAO reviews, or
  - (b) enabling the NAO to conduct such reviews.
- (10) The Trust must enter into suitable arrangements, including with—
  - (a) the NAO, and
  - (b) other suitable organisations,to carry out value for money reviews including the NAO reviews.
- (11) Such arrangements shall be on terms requiring that, on completion of any such review, the NAO or other organisation which carried it out shall submit a report on it exclusively to the Trust.
- (12) Arrangements made with the NAO under paragraph (10)(a) must be on terms which—
  - (a) require the factual content of any report to be submitted under paragraph (11) to be agreed by the BBC before submission, but
  - (b) allow the NAO to retain full discretion over the report's conclusions and recommendations.
- (13) On receiving a report submitted under paragraph (11), the Trust must—
  - (a) consider those matters in it that in the Trust's view ought to be taken into account in examining value for money for the purposes of paragraph (1);
  - (b) decide whether any action should be taken in the light of the report; and
  - (c) prepare a written response to the report, including specifying any action to be taken by virtue of sub-paragraph (b).
- (14) The action specified under paragraph (13)(c) may include requiring the Executive Board to set out how it intends to respond to—
  - (a) any aspects of the report, or
  - (b) any aspects of the Trust's response to the report, or

- (c) any aspects of any other Trust examination of value for money which took the report into account,

so far as they are relevant to the functions of the Executive Board.

- (15) The Trust shall, as soon as practicable, send any report submitted to it under paragraph (11) (whether by the NAO or by any other organisation), together with the Trust's written response to that report, to the Secretary of State. The Secretary of State must then lay the report, together with the Trust's response, before Parliament.
  - (16) Nothing in this clause entitles the CAG to question the merits of any editorial or creative judgment which is made by or on behalf of the BBC, or of any policy objective of the BBC relating to the manner in which BBC services are made or distributed.
  - (17) In this clause—
    - (a) "the Comptroller and Auditor General" means the officer appointed under section 6 of the Exchequer and Audit Departments Act 1866;
    - (b) "NAO" means the National Audit Office, and
    - (c) "working day" means any day that is not a Saturday, a Sunday or a public holiday in England."
- (2) The activities which the CAG has decided will be subject to reviews conducted by the NAO in the calendar year 2012 shall be notified to the Trust in writing no later than 31st December 2011.

## **MINOR AND CONSEQUENTIAL AMENDMENTS**

### **10. Keeping the 2006 Agreement up-to-date**

The amendments in the Schedule to this Agreement are to have effect. They make minor changes or corrections or update provisions that have become out-of-date. They do not have effect in relation to times before the commencement of this clause.

THE CORPORATE SEAL OF THE SECRETARY  
OF STATE FOR CULTURE, OLYMPICS, MEDIA  
AND SPORT

affixed to this deed is authenticated as the corporate  
seal of the Secretary of State for Culture, Olympics,  
Media and Sport by—

}

JON ZEFF

A duly authorised official in the Department for Culture,  
Media and Sport

THE CORPORATE SEAL OF THE BRITISH  
BROADCASTING CORPORATION is  
affixed to this deed.

}

THE RIGHT HONOURABLE  
LORD PATTEN OF BARNES CH

Chairman

MARK THOMPSON  
Director-General



## SCHEDULE

### MINOR AND CONSEQUENTIAL AMENDMENTS

#### 1. Clause 11 (the BBC's UK Public Services)

- (1) The list of the BBC's UK Public Services in clause 11 is amended as follows.
- (2) In paragraph (2) (television services for audiences across the UK)—
  - (a) in sub-paragraphs (a) and (b) (BBC One and BBC Two), delete “, with analogue Ceefax”;
  - (b) in sub-paragraph (f), for “The CBBC Channel” substitute “CBBC”;
  - (c) in sub-paragraph (g), for “BBC News 24” substitute “BBC News”;
  - (d) for sub-paragraph (i) substitute—

“(i) BBC Red Button: interactive digital content including news and other information, both freestanding and in support of the other linear services but also providing an access and navigation point for non-linear BBC content;”

and
  - (e) after that sub-paragraph insert—

“(j) BBCHDTV: a mixed-genre channel offering high definition content originated by other BBC TV channels.”
- (3) In paragraph (3) (radio services for audiences across the UK), in paragraph (h), for “BBC 7” substitute “BBC 4 Extra”.
- (4) In paragraph (4) (services for audiences in particular parts of the UK)—
  - (a) for “radio services” substitute “television and radio services”;
  - (b) in sub-paragraph (f), at the beginning insert “BBC Local Radio.”; and
  - (c) after sub-paragraph (f) insert—

“(g) BBC Alba: a mixed-genre channel for Gaelic speakers and those interested in the language and culture, provided by the BBC in partnership with MG Alba.”
- (5) For paragraph (5) substitute—

“(5) As an online service, BBC Online: a comprehensive online content service, with content serving the whole range of the BBC's Public Purposes and including the BBC iPlayer.”

#### 2. Clause 37 (Duty to co-operate with Digital Switchover)

In paragraph (1)(b), for “Her Majesty's Government in the United Kingdom”, substitute “the UK Government”.

### 3. Clause 75 (funding)

- (1) Clause 75 is amended as follows.
- (2) As from the date of this Agreement—
  - (a) after paragraph (5), insert—

“(5A) Nothing in paragraph (2)(b) is to affect any spending under clause 41A or 95A, or (as from 1st April 2013) clause 63A or 64D.”;
  - (b) in paragraph (7), for “Her Majesty’s Government in the United Kingdom”, substitute “the UK Government”; and
  - (c) in paragraph (8), for “Secretary of State” substitute “Minister”.
- (3) As from 1st April 2013,<sup>2</sup> in paragraph (7), for “(save for under clause 81)” substitute “(save for under clause 64D or 81)”.
- (4) As from 1st April 2014<sup>3</sup>—
  - (a) in paragraph (4)(a) (which provides that an activity is carried on for the purposes of a service if it falls within the scope of the same service licence as that service), after “service licence” insert “or in the case of the World Service, the Operating Licence issued under clause 64A”;
  - (b) delete clause 75(6) (which provides for the Foreign Secretary to fund the World Service);
  - (c) in paragraph (7), delete “other”;
  - (d) in paragraph (8), for “(1), (6) or (7)” substitute “(1) or (7)”;
  - (e) in paragraph (10), delete “(6) or”.

### 4. Clause 77 (Trust to keep the BBC’s financial needs under review)

In clause 77 (duty of Trust to ensure the Executive Board is not authorised to spend more public money than is needed to fulfil its functions), for the words starting with “Executive Board” to the end of the clause, substitute “BBC does not spend, overall, more public money than is needed for the appropriate discharge of its obligations”.

### 5. Clause 83 (equal opportunities)

In clause 83 (equal opportunities), in paragraph (5)—

- (a) in the definition of “disabled”, for “Disability Discrimination Act 1995” substitute “Equality Act 2010”; and
- (b) in the definition of “racial group”, for “Race Relations Act 1976” substitute “Equality Act 2010”.

### 6. Clause 86 (archives)

In clause 86 (preservation of broadcasting archive), in paragraph (6), delete the words “of the Secretary of State for Trade and Industry”.

<sup>2</sup> 1 April 2013 is the date when changes to the funding of BBC Monitoring and S4C take effect.

<sup>3</sup> 1 April 2014 is the date when changes to the funding of World Service take effect.

**7. Clause 100 (UK Public Services)**

In clause 100 (definition of “the UK Public Services”)—

- (a) as from 1st April 2013, after paragraph (b) insert—  
    “(ba) form part of BBC Monitoring (see clause 64D),” and
- (b) as from 1st April 2014, for paragraph (b) substitute—  
    “(b) form part of the World Service (see clauses 64 to 64C),”.

**8. Clause 104 (definitions)**

In clause 104 (definitions)—

- (a) in the definition of S4C, for “55(1)” substitute “56(1)”;
- (b) in the definition of “subsidiary”, for “section 840 of the Income and Corporation Taxes Act 1988” substitute “section 1124 of the Corporation Tax Act 2010”;
- (c) after the definition of “the UK”, insert—  
    ““the UK Government” means Her Majesty’s Government in the United Kingdom;”.
- (d) in the definition of “wireless telegraphy”, for “1949” substitute “2006”.



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