

MOU 01

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol

Communities, Equality and Local Government Committee

Ymchwiliad i'r Memorandwm Cyd-ddealltwriaeth diwygiedig: yr Adolygiad o Siarter y BBC

Inquiry into the Revised Memorandum of Understanding: BBC Charter Review

Ymateb gan: Sefydliad Materion Cymreig

Response from: Institute of Welsh Affairs

### **General**

1. The IWA's Media Policy Group welcomes in principle the concept of a Memorandum of Understanding between the DCMS and the Welsh Government and National Assembly in relation to the review of the BBC's Royal Charter. This is needed to ensure adequate and timely consideration of the full implications of any change to the Royal Charter for the BBC's services for Wales and for the place of Wales in the arrangements for the governance and accountability of the BBC.

### **Consultation on the licence fee**

2. We are disturbed that the MoU is silent on the matter of the setting of the licence fee and the BBC's funding. The lack of transparency in the process of setting the licence fee in both 2010 and 2015, has been heavily criticised by Parliamentary Committees. The process pre-empted discussion not only on the future of the BBC's domestic services, but also on the funding of the World Service and S4C. The process also ignored important issues of issues of principle implicit in these decisions.

3. We appreciate that setting the licence fee currently lies outwith the terms of the Charter itself, but in practice it is the most fundamental factor in setting the parameters of debate about issues that are dealt with in the Charter. Prior and open consultation with the Welsh Government and National Assembly on the setting of the licence fee must be brought within the ambit of the Memorandum of Understanding.

4. The third bullet point in Section 1 of the draft MoU should be amended as follows:

"The Department will consult the Welsh Government through the process of reviewing the Charter, and the Department and/or HM Treasury will also consult with the Welsh Government on any proposals to alter the level or application of the licence fee whether at the time of a review of the Royal Charter or at any other time."

### **Annual Report and Accounts**

5. The proposal that the BBC's Annual Report and Accounts should be laid before the National Assembly is welcome, but is not sufficient for the purpose of establishing effective accountability within Wales. The BBC's Annual Report and Accounts provides high level information that does not fully describe the extent and impact of the BBC's operations as they affect Wales.

6. The MoU should also specify that the BBC should lay before the National Assembly and the Welsh Government a full annual account of all its operations in Wales to include also the contribution of Wales to the BBC's network output. Conscious of the duty to maintain the BBC's editorial and operational independence, the precise specification for this account of activity in Wales should be the subject of further consultation.

IWA Media Policy Group  
24 February 2016